

BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' MEETING OF APRIL 27, 2017

We convened this Combined Shareholders' Meeting in order to submit for your approval the resolutions which purpose is described and discussed below.

Approval of the statutory and consolidated financial statements for the fiscal year 2016 (1st and 2nd resolutions)

We request that you approve the Company's statutory and consolidated financial statements for the fiscal year ended December 31, 2016.

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 €453,846 during the year under review, and that the tax borne as a result of these expenses and charges totaled €156,259.

Allocation of earnings and dividend proposal (3rd resolution)

You are asked to:

- acknowledge that earnings for fiscal year 2016 totaled €1,347,496,944;
- acknowledge that retained earnings amount to €3,974,479,253; totaling earnings available for allocation of profits of €5,321,976,197;
- decide to allocate total earnings available for allocation as follows:
 - to the legal reserve in the amount of €199,254;
 - to dividends in the amount of €1,115,016,400; and
 - to retained earnings in the amount of €4,206,760,543.

The allocation to the legal reserve is required under Article L. 232-10 of the French commercial code, so that the amount of the legal reserve is equal to 10% of the Company's share capital.

The amount of €1,115,016,400 distributed to shareholders enables the payout of a dividend of €1.70 per share.

When 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 5, 2017 and the dividend will be paid out on June 1, 2017.

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 the "retained earnings" account.

Dividends paid in respect of the last three fiscal years:

Fiscal year	Number of shares	Dividend distributed per share ^(a) (in €)
2013	631,028,000	1.45 ^(b)
2014	643,792,000	1.50 ^(b)
2015	654,951,200	1.60

(a) For individuals who are tax residents of France, the dividend was eligible for the full 40% deduction provided for in Article 158-3.2° of the French tax code.

(b) The Shareholders' Meeting has offered to each shareholder of the Company the option of receiving the dividend in cash or shares.

Option for the payment of the dividend in shares (4th resolution)

We propose to offer each shareholder the possibility of receiving the full amount of the dividend payment in new shares.

This method, which was already used by the Company in 2014 and 2015, would enable shareholders who opt to receive the dividend payment in shares to reinvest the amount of their dividend immediately and receive new Danone shares.

The new shares would carry dividend rights as of January 1, 2017 and be identical to the other shares of the Company in all respects.

The issue price of these new shares would be set at 90% of the average opening listed share prices of the Company on Euronext during the 20 trading days prior to the date of the Shareholders' Meeting less the amount of the dividend. This issue 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 receive the next lowest whole number of shares and the remainder in cash.

The option to receive the dividend in shares would be open from May 5 to May 19, 2017.

If this option is not exercised within this time period, the shareholder will receive the full dividend payment due in cash.

The ex dividend date of the shares is May 5, 2017. The date of the payment in cash or delivery of shares is set for June 1, 2017.

Composition of the Board of Directors (5th to 9th resolutions)

We request that you renew the terms of office of Mrs. Gaëlle OLIVIER, Mrs. Isabelle SEILLIER, Mr. Jean-Michel SEVERINO and Mr. Lionel ZINSOU-DERLIN for the three-year period set forth in the by-laws.

We also request that you appoint Mr. Gregg L. ENGLÉS as a Director for three years, subject to the completion by Danone group of the acquisition of The WhiteWave Foods Company ("**WhiteWave**").

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. In particular, the appointment of Mr. Gregg L. ENGLÉS, a U.S. national who founded and managed WhiteWave, the global leader in organic food, plant-based milks and related products, strengthens the Board of Director's expertise and international diversification.

Accordingly, the Board's membership following the April 27, 2017 Shareholders' Meeting would have the following attributes:

- 71% independent Directors;
- 43% women Directors;
- average age of 57.4;
- average term of office of 7.2 years;
- 36% international Directors.

The Board notes that in recent years it has made a commitment to shareholders to pay close attention to its membership when proposing resolutions to the Shareholders' Meeting, notably with respect to its independence, the percentage of women Directors and the diversity of its expertise and its membership.

Renewal of Directors' terms of office (5th to 8th resolutions)

Regarding Mrs. Gaëlle OLIVIER (5th resolution)

We request that you renew the Director's term of office of Mrs. Gaëlle OLIVIER, who has a solid knowledge of Asia, recognized skills in the areas of finance, risks and internal audit and with a particular expertise in governance issues.

1. Situation of Mrs. Gaëlle OLIVIER with respect to rules on multiple directorships

At its February 14, 2017 meeting, the Board of Directors, having received the opinion of the Nomination and Compensation Committee, reviewed the situation of Mrs. Gaëlle OLIVIER with respect to statutory provisions and the recommendations of the AFEP-MEDEF Code on multiple directorships. The Board was of the opinion, at that time, that she was in full compliance with these rules. Mrs. Gaëlle OLIVIER does not currently hold any directorships in another listed company.

Biographical information and a list of all responsibilities and positions held by Mrs. Gaëlle OLIVIER as of December 31, 2016 as well as during the past five years is found in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors* of the 2016 Registration Document.

2. Attendance rate by Mrs. Gaëlle OLIVIER

During the past three years, Mrs. Gaëlle OLIVIER's attendance at Board of Directors and Audit Committee meetings averaged 96.3% and 80%, respectively.

3. Situation of Mrs. Gaëlle OLIVIER with respect to independence rules

As part of its individual annual review of the independence of

Directors at its February 14, 2017 meeting, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, reviewed the situation of Mrs. Gaëlle OLIVIER with respect to the AFEP-MEDEF Code rules defining independence criteria for directors, and in particular, the relations between Danone and Axa Group, where Mrs. Gaëlle OLIVIER is an executive manager, and paid close attention to the existing financial flows between Danone and Axa Group.

The financial flows correspond essentially to Danone's payment of insurance premiums on insurance policies covering property, operating losses and civil liability as well as personal insurance policies. In any event, in 2016 the sums paid by Danone to Axa were significantly below 0.1% of sales generated by either Danone or Axa. Moreover, it is specified that Mrs. Gaëlle OLIVIER has no direct or indirect decision-making power regarding this business relationship, as it existed long before the appointment of Mrs. Gaëlle OLIVIER as a Director and is not "significant" for Axa Group.

As a result, the Board concluded that to the extent that these policies or agreements are entered into at arm's length in the normal course of Danone's business and do not represent significant amounts, none of these policies or agreements, taken separately or as a whole, are: (i) likely to give rise to a conflict of interests between, on the one hand, the obligations of Mrs. Gaëlle OLIVIER as a Director toward Danone or its shareholders and, on the other, her private interests and/or other obligations; and (ii) of a nature to undermine her independence as a Director of Danone.

Regarding Mrs. Isabelle SEILLIER (6th resolution)

We request that you renew the Director's term of office of Mrs. Isabelle SEILLIER who has an expertise in financial matters and an excellent understanding of the consumer goods sector as a whole and of Danone in particular.

1. Situation of Mrs. Isabelle SEILLIER with respect to rules on multiple directorships

At its February 14, 2017 meeting, the Board of Directors, having received the opinion of the Nomination and Compensation Committee, reviewed the situation of Mrs. Isabelle SEILLIER with respect to statutory provisions and the recommendations of the AFEP-MEDEF Code on multiple directorships. The Board was of the opinion, at that time, that she was in full compliance with these rules. Mrs. Isabelle SEILLIER does not currently hold any directorships in another listed company.

Biographical information and a list of all responsibilities and positions held by Mrs. Isabelle SEILLIER as of December 31, 2016 as well as during the past five years is found in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors* of the 2016 Registration Document.

2. Attendance rate by Mrs. Isabelle SEILLIER

During the past three years, Mrs. Isabelle SEILLIER had a 100% attendance rate at Board of Directors and Strategy Committee meetings.

3. Situation of Mrs. Isabelle SEILLIER with respect to independence rules

As part of its individual annual review of the independence of Directors at its February 14, 2017 meeting, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, reviewed the situation of Mrs. Isabelle SEILLIER with respect to the AFEP-MEDEF Code rules defining independence criteria for directors. In particular, the Board reviewed relations

between Danone and J.P. Morgan, one of the banks used by Danone on a recurring basis.

Although they do not appear as significant in terms of amounts for Danone and for J.P. Morgan for 2016, the Board deemed that these business relationships could potentially be significant and give rise to a conflict of interests situation, given: (i) the very nature of the business relationship, since J.P. Morgan is a bank used by Danone on a recurring basis, notably for financing transactions; and (ii) Mrs. Isabelle SEILLIER's managing director functions at J.P. Morgan for the Europe, Middle East and Africa zone. The Board therefore decided to consider Mrs. Isabelle SEILLIER a non-independent Director (see section 6.1 *Governance bodies, Review of the independence of Directors* of the 2016 Registration Document).

In that regard, it is noted that the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, established various measures to ensure that potential conflicts of interests related to the functions of Mrs. Isabelle SEILLIER are controlled by Danone, namely: (i) systematic abstention by Mrs. Isabelle SEILLIER from participating in discussions or voting on any matter that could put her in a conflict of interests situation; (ii) the explicit reference in the Board of Director's Report to the Shareholders' Meeting of her status as a non-independent Director and the existence of potential conflicts of interests affecting her; (iii) full transparency on terms of compensation for J.P. Morgan by Danone through agreements submitted to shareholders for approval; (iv) where applicable, the vote of a resolution involving all new related party agreements entered into with J.P. Morgan, it being noted that this resolution would then be systematically submitted separately for a vote by shareholders at the next Shareholders' Meeting and (v) absence of Mrs. Isabelle SEILLIER's involvement in the negotiation and implementation of agreements entered into by Danone with the J.P. Morgan group.

Regarding Mr. Jean-Michel SEVERINO (7th resolution)

We request that you renew the Director's term of office of Mr. Jean-Michel SEVERINO, a former senior French Treasury Officer (inspecteur général des finances), having a high expertise on accounting and financial matters as well as on internal control and risk management issues. Moreover, he has a strong knowledge of emerging countries, particularly in Africa, which constitutes a valuable skill for the work of the Board.

1. Situation of Mr. Jean-Michel SEVERINO with respect to rules on multiple directorships

At its February 14, 2017 meeting, the Board of Directors, having received the opinion of the Nomination and Compensation Committee, reviewed the situation of Mr. Jean-Michel SEVERINO with respect to statutory provisions and the recommendations of the AFEP-MEDEF Code on multiple directorships. The Board was of the opinion, at that time, that he was in full compliance with these rules. In particular, Mr. Jean-Michel SEVERINO currently holds only one directorship in another listed company (Orange).

Biographical information and a list of all responsibilities and positions held by Mr. Jean-Michel SEVERINO as of December 31, 2016 as well as during the past five years is found in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors* of the 2016 Registration Document.

2. Attendance rate by Mr. Jean-Michel SEVERINO

During the past three years, Mr. Jean-Michel SEVERINO had a 100% attendance rate at Board of Directors, Audit Committee and Strategy Committee meetings.

3. Situation of Mr. Jean-Michel SEVERINO with respect to independence rules

As part of its individual annual review of the independence of Directors at its February 14, 2017 meeting, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, confirmed the status of Mr. Jean-Michel SEVERINO as an independent Director in accordance with the independence criteria of the AFEP-MEDEF Code (see section 6.1 *Governance bodies, Review of the independence of Directors* of the 2016 Registration Document).

Regarding Mr. Lionel ZINSOU-DERLIN (8th resolution)

We request that you renew the Director's term of office of Mr. Lionel ZINSOU-DERLIN, whose extensive experience in financial matters, and mergers and acquisitions, as well as his excellent knowledge of African markets, constitute valuable skills for the work of the Board.

1. Situation of Mr. Lionel ZINSOU-DERLIN with respect to rules on multiple directorships

At its February 14, 2017 meeting, the Board of Directors, having received the opinion of the Nomination and Compensation Committee, reviewed the situation of Mr. Lionel ZINSOU-DERLIN with respect to statutory provisions and the recommendations of the AFEP-MEDEF Code on multiple directorships. The Board was of the opinion, at that time, that he was in full compliance with these rules. Mr. Lionel ZINSOU-DERLIN does not currently hold any directorships in another listed company.

Biographical information and a list of all responsibilities and positions held by Mr. Lionel ZINSOU-DERLIN as of December 31, 2016 as well as during the past five years is found in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors* of the 2016 Registration Document.

2. Attendance rate by Mr. Lionel ZINSOU-DERLIN

During the past three years, Mr. Lionel ZINSOU-DERLIN's attendance at Board of Directors and Nomination and Compensation Committee meetings averaged 75.6% and 91.5%, respectively.

Due to his participation in Benin's presidential elections in the first semester of 2016, the attendance of Mr. Lionel ZINSOU-DERLIN at Danone's meetings during this time period was lower than usual. Moreover, in 2016, due to the contemplated acquisition of WhiteWave, several meetings were convened upon very short notice. These factors were at the origin of a lower participation rate for certain Directors, including Mr. Lionel ZINSOU-DERLIN. Nevertheless, during the second semester of 2016, the attendance rate of Mr. Lionel ZINSOU-DERLIN at the Board and Nomination and Compensation Committee was 100%.

3. Situation of Mr. Lionel ZINSOU-DERLIN with respect to independence rules

As part of its individual annual review of the independence of Directors at its February 14, 2017 meeting, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, confirmed the status of Mr. Lionel ZINSOU-DERLIN as an independent Director in accordance with the independence criteria of the AFEP-MEDEF Code [see section 6.1 *Governance bodies, Review of the independence of Directors* of the 2016 Registration Document].

Appointment of a new Director (9th resolution)

At its February 14, 2017 meeting, the Board of Directors, having received the opinion of the Nomination and Compensation Committee, reviewed the situation of Mr. Gregg L. ENGLÉS, whose appointment is proposed to you subject to the completion by Danone group of the acquisition of WhiteWave.

1. Skills and expertise of Mr. Gregg L. ENGLÉS

Mr. Gregg L. ENGLÉS is 59 years old and a U.S. national. He holds a juris doctorate degree in law from Yale University. He founded and directed several investment companies, and was the Chairman and Chief Executive of Dean Foods Company, one of the leading U.S. food and beverage industry companies, until WhiteWave was spun off from Dean Foods in 2012, at which time he became Chairman and Chief Executive Officer of WhiteWave. This U.S. company is the global leader in organic food, plant-based milks and related products.

His appointment reflects the cooperative nature of the acquisition of WhiteWave and will facilitate the development of a common strategic view. It is noted that the Board will benefit from Mr. ENGLÉS' entrepreneurial vision and deep understanding of markets and emerging consumer trends in the United States and around the world.

2. Situation of Mr. Gregg L. ENGLÉS with respect to multiple directorships

At its February 14, 2017 meeting, the Board of Directors, having received the opinion of the Nomination and Compensation Committee, reviewed the situation of Mr. Gregg L. ENGLÉS with respect to the statutory provisions and the recommendations of the AFEP-MEDEF Code on multiple directorships. The Board was of the opinion, at that time, that he was in full compliance with these rules. Notably, as of February 14, 2017, Mr. Gregg L. ENGLÉS holds only two directorships in other listed companies (Chairman of the Board of Directors and Chief Executive Officer of WhiteWave and member of the Board of

Directors of Liberta Expedia Holdings, Inc.). WhiteWave will be delisted after its acquisition; as a consequence, Mr. Gregg L. ENGLÉS will then hold only one other directorship in a listed company.

Biographical information and a list of all responsibilities and positions held by Mr. Gregg L. ENGLÉS as of December 31, 2016 as well as during the past five years is found in section 6.2 *Positions and responsibilities of the Directors and nominees to the Board of Directors* of the 2016 Registration Document.

3. Situation of Mr. Gregg L. ENGLÉS with respect to independence rules

As part of its individual annual review of the independence of Directors at its February 14, 2017 meeting, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, reviewed the situation of Mr. Gregg L. ENGLÉS with respect to the AFEP-MEDEF Code rules defining independence criteria for directors, notably in light of Danone's acquisition of WhiteWave [see section 6.1 *Governance bodies, Review of the independence of Directors* of the 2016 Registration Document].

Mr. Gregg L. ENGLÉS is the Chairman and Chief Executive Officer of WhiteWave, a company which Danone is in the process of acquiring as of February 14, 2017 and which will be consolidated after the closing. As a consequence, the Nomination and Compensation Committee recommended that the Board consider him as a non independent Director [see section 6.1 *Governance bodies, Review of the independence of Directors* of the 2016 Registration Document].

Approval of agreements entered into with the J.P. Morgan group referred to in the Statutory auditors' special report (10th resolution)

We request that you approve the related party agreements referred to in Articles L. 225-38 *et seq.* of the French commercial code, which were authorized by the Board of Directors and entered into during the 2016 fiscal year.

The agreements authorized by the Board of Directors in 2016 and submitted to you for approval are those entered into by the Company with the J.P. Morgan group.

In 2016, the Board of Directors authorized Danone to enter into agreements with the J.P. Morgan group to finance the acquisition of WhiteWave for a total amount of approximately USD 13.1 billion.

These agreements constitute related party 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, a managing director at the J.P. Morgan group. Mrs. Isabelle SEILLIER has been a Director of the Company since the April 28, 2011 Shareholders' Meeting. Given her functions at the J.P. Morgan group, the Board of Directors, acting on the recommendation of the Nomination and Compensation Committee, considers her a non-independent Director.

The Board of Directors noted that various measures have been taken to ensure that potential conflicts of interests related to the functions of Mrs. Isabelle SEILLIER are controlled by Danone, namely:

- systematic abstention by Mrs. Isabelle SEILLIER from participating in discussions or voting on any matter that could put her in a conflict of interests situation (directly or indirectly) involving the J.P. Morgan group;
- explicit reference in the Board of Director's Report to the Shareholders' Meeting of her status as a non-independent Director and the existence of potential conflicts of interests affecting her;
- full transparency on the terms of compensation for J.P. Morgan by Danone, through agreements submitted to shareholders for approval;
- systematic resolutions involving all new related party agreements entered into with the J.P. Morgan group, it being noted that these resolutions would then be systematically submitted separately for a vote at the next Shareholders' Meeting; and
- absence of Mrs. Isabelle SEILLIER's involvement in the negotiation and implementation of agreements entered into by Danone with the J.P. Morgan group.

1. Benefit to the Company and shareholders of these agreements with J.P. Morgan

The Board of Directors believes that using J.P. Morgan for these transactions is strictly within the interests of the Company and its shareholders.

In particular, the Board of Directors emphasized that:

- it is essential that Danone be able to rely on first-tier international banking institutions;
- J.P. Morgan is a major international banking institution, whose expertise in strategic transactions is recognized in France and abroad (especially in the United States), notably transatlantic financing transactions of a size and complexity similar to those carried out by Danone in connection with its acquisition of WhiteWave;
- this institution has worked with Danone on similar strategic transactions in the past and therefore has a good understanding of Danone and its activities, complementing its expertise concerning various market participants in the global food and beverage industry, which enhances the relevance of its advice. For the acquisition of WhiteWave, it is in the Company's interest to use a U.S. bank such as J.P. Morgan, which offers the advantage of advising on the financing of Danone on a regular basis,

advising on the Company's bond offerings on a regular basis and being familiar with the Company's financing documentation used to negotiate the financing. Given the tight deadlines involved in the WhiteWave acquisition process and the goal of refinancing the loan as quickly as possible, depending on market conditions, given its limited term period and cost for Danone, the use of J.P. Morgan enabled the Company to negotiate the acquisition financing on the basis of existing financing documentation; and

- the terms of J.P. Morgan's participation (and in particular its compensation) are at arm's length, as reflected by the presence, in each of the respective agreements, of other banks benefiting from terms similar to those of J.P. Morgan.

Given these circumstances, we therefore request that you approve the four 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, 2016.

2. Description of agreements entered into with J.P. Morgan in 2016

At its July 6, 2016 meeting, the Board of Directors held four separate deliberations and voted unanimously in each case (with Mrs. Isabelle SEILLIER abstaining each time) to authorize the Company to enter into the following agreements with the J.P. Morgan group, designed to finance the acquisition of WhiteWave (as well as refinancing part or all of WhiteWave's existing debt):

- a commitment letter to secure bank financing dedicated to the acquisition of WhiteWave for a maximum amount of USD 13.1 billion;
- a bridge loan agreement, with a maximum total amount of USD 13.1 billion, following up on the commitment letter;
- a purchase agreement as part of the bond offerings made by the Company through private placements with institutional investors, notably qualified investors in the United States; and
- a subscription agreement as part of the bond offerings made by the Company.

In accordance with these authorizations, the Company entered into the following agreements:

Commitment letter dated July 6, 2016

Under the terms of the commitment letter signed July 6, 2016, J.P. Morgan and another bank made a firm commitment to finance the amounts needed by Danone to acquire WhiteWave in a maximum total amount up to USD 13.1 billion, prior to the signature of a bridge loan agreement.

The terms and conditions, notably with respect to the scope of the assignments and compensation, applicable to the other bank entering into this commitment letter were similar to those concluded with the J.P. Morgan group.

Under the terms of this commitment letter and as consideration for this commitment, Danone must pay the two participating banks (including the J.P. Morgan group) commitment fees, the amounts of which vary depending on the duration and the amount of the banks' exposure. The fees owed by the Company to the J.P. Morgan group, determined on a strict pro-rated basis of its commitments under the commitment letter, are equal to the fees owed to the other bank that entered into this commitment letter. With respect to this commitment letter, Danone paid USD 8,187,500 to the J.P. Morgan group in 2016.

Bridge loan agreement dated July 27, 2016

Following the commitment letter, on July 27, 2016 the Company entered into a loan agreement, governed by French law, with the J.P. Morgan group and several other banking institutions. This agreement calls for the establishment of a bridge loan in two tranches, with a maximum overall principal amount of USD 13.1 billion. Tranche A is in the maximum amount of USD 11.1 billion, drawable in U.S. dollars or euros and repayable 12 months after the signature of the loan agreement (with two successive six-month extension periods). Tranche B is in the maximum amount of USD 2 billion in the form of a term loan available in U.S. dollars or euros and repayable three years following the signature of the loan agreement.

The loan agreement allows for early repayment at the discretion of the Company as well as cases of mandatory early repayments with the proceeds of bond offerings or WhiteWave asset sales or transfers following the completion of the acquisition.

The amounts due by Danone to the banking institutions under the loan agreement are: (a) the usual fees when the loan is established; (b) a non-utilization fee (equal to a percentage of the margin); (c) an additional fee in the event where the utilization period of facility A is extended; and (d) interest if the loan is drawn upon.

Following the completion of the bond issues mentioned below, in November 2016 the Company terminated the bridge loan early. As a result, no amount was drawn under the terms of this loan agreement.

J.P. Morgan's commitment as a lender under this loan equals USD 1.25 billion, i.e. 9.54% of the total principal amount of the loan.

Interest and fees owed by the Company to J.P. Morgan are determined on a strict pro-rated basis of the bank's commitments under the loan agreement and are equivalent to the interest and fees owed to other first-tier banking institutions participating in the loan with the same rank. In 2016, the Company paid J.P. Morgan a total amount of USD 1,174,417.96 in fees related to this loan agreement (fees related to the establishment of the loan and non-utilization fee).

Purchase agreement as part of a bond offering in the U.S. market dated October 26, 2016

In connection with a USD 5.5 billion bond offering in the U.S. market, on October 26, 2016 the Company entered into a purchase agreement with several banking institutions, including J.P. Morgan Securities LLC, whereby these banking institutions subscribed all of the bonds issued by the Company in order to subsequently place them with investors looking to participate in the offering.

The bond offering was launched on October 26, 2016, with settlement/delivery occurring on November 2, 2016. It is structured in four fixed-rate tranches of between 3 and 10 years. The amount of fees paid by the Company to the financial institutions participating in the bond offering (including J.P. Morgan) is strictly proportional to the corresponding bank's subscription commitment. In that respect, the Company paid J.P. Morgan Securities LLC a fee of USD 4.16 million.

Subscription agreement as part of the bond offering under the EMTN program dated October 28, 2016

As part of a €6.2 billion bond offering under the EMTN program, on October 28, 2016 the Company entered into a subscription agreement with the banks responsible for placing the bonds (including J.P. Morgan Securities PLC), with these banks subscribing all of the bonds issued by the Company in order to place them immediately thereafter with investors seeking to participate in the offering.

Together with the USD 5.5 billion bond offering (described above), this bond offering makes it possible for the Company to finance the entire WhiteWave acquisition and to terminate the bridge loan agreement early.

The bond offering was initiated on October 25, 2016, with settlement/delivery occurring on November 3, 2016. It is structured in five tranches: a two-year variable tranche and four fixed-rate tranches ranging from 4 to 12 years. The amount of fees paid by Danone to the financial institutions participating in the placement of the bonds (including J.P. Morgan) is strictly proportional to the corresponding bank's subscription commitment. In that regard, the Company paid J.P. Morgan Securities PLC a fee of €2.511 million.

For more information on each of these agreements, see chapter 6.7 *Statutory auditors' special report on related party agreements and commitments* of the 2016 Registration Document.

Opinion on the components of compensation due or awarded to Mr. Franck RIBOUD, Chairman of the Board of Directors for the fiscal year ended December 31, 2016 (11th 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, for the 2016 fiscal year:

<i>(in €)</i>	Reported amount or value submitted to a vote at the 2017 Shareholders' Meeting	Presentation
Components of compensation owed or granted to Mr. Franck RIBOUD, Chairman of the Board of Directors, for the fiscal year just ended		
Fixed compensation	2,000,000	<p>The amount of his compensation was determined on the basis of the expanded scope of the Chairman's duties assumed by Mr. Franck RIBOUD. The pending transition phase is scheduled to end in the course of 2017, at which point Mr. Franck RIBOUD will then continue his functions by exercising the traditional role of a Chairman of the Board.</p> <p>With regard to the complementary tasks entrusted to Mr. Franck RIBOUD, he chairs and leads the Strategy Committee, ensures compliance with the values of Danone and its culture and may represent Danone in its high-level relations either on a national or international level [see section <i>Mr. Franck RIBOUD's compensation components for 2016</i> of the chapter 6.3 of the 2016 Registration Document].</p>
Annual variable compensation	Not applicable	Mr. Franck RIBOUD does not receive any annual variable compensation.
Deferred variable compensation	Not applicable	Danone does not offer any deferred variable compensation to corporate officers.
Multi-annual compensation (i.e. Group performance units)	0	<p>Multi-annual compensation corresponds to Group performance units (GPU) paid subject to multi-annual performance conditions over three years.</p> <p>No GPUs were awarded to Mr. Franck RIBOUD.</p>
Extraordinary compensation	Not applicable	Danone 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	No awards.
	Group performance shares = 0	<p>The most recent grant of stock-options to corporate officers occurred in November 2009.</p> <p>Long-term variable compensation corresponds to Group performance shares (GPS). GPS are Company shares subject to performance conditions.</p> <p>No GPS were awarded to Mr. Franck RIBOUD.</p>
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers having an employment contract with the Company do not receive attendance fees.
Value of benefits in-kind	4,620	Benefits in-kind correspond to the Company's pool of cars and drivers.
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:		
Severance pay	Not applicable	<p>As part of his new duties, Mr. Franck RIBOUD waived his severance pay benefit as a corporate officer.</p> <p>It should be noted that Mr. Franck RIBOUD also benefits from severance pay as part of his suspended employment contract [for more details, see section <i>Suspension of the employment contract</i> of the chapter 6.3 of the 2016 Registration Document].</p>
Non-compete indemnity	Not applicable	No non-compete clause applies to Mr. Franck RIBOUD.

<i>(in €)</i>	Reported amount or value submitted to a vote at the 2017 Shareholders' Meeting	Presentation
Supplementary retirement plan	No amount due for the fiscal year just ended	<p>Corporate officers are covered by the defined benefit retirement plan set up for certain key managers classified as "Group Directors" (119 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.</p> <p>Since 2014, Mr. Franck RIBOUD's retirement benefits have been capped.</p> <p>Eligibility for this plan is subject to the conditions described in the section <i>Supplementary retirement plan for corporate officers</i> of the chapter 6.3 of the 2016 Registration Document.</p>

Opinion on the components of compensation due or awarded to Mr. Emmanuel FABER, Chief Executive Officer for the fiscal year ended December 31, 2016 (12th 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 for the 2016 fiscal year:

<i>(in €)</i>	Reported amount or valuation submitted to a vote at the 2017 Shareholders' Meeting	Presentation																				
Components of compensation due or awarded to Mr. Emmanuel FABER, Chief Executive Officer, for the fiscal year just ended																						
Fixed compensation	1,000,000	Mr. Emmanuel FABER's compensation was reviewed in its entirety when he assumed his new functions in 2014. It takes into account his experience and level of responsibility.																				
Annual variable compensation	1,200,000	<p>Annual variable compensation is granted subject to performance conditions, which are calculated on the basis of objective, specific quantitative and qualitative criteria and determined on the basis of economic, social and managerial objectives described in the section <i>Compensation for executive corporate officers – variable compensation</i> of the chapter 6.3 of the 2016 Registration Document.</p> <p>The annual variable compensation target for Mr. Emmanuel FABER for this period was €1,000,000.</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Percentage achieved (*)</th> <th>Weighting</th> <th>Fulfilled amount</th> </tr> </thead> <tbody> <tr> <td>Economic</td> <td>108%</td> <td>65%</td> <td>650,000</td> </tr> <tr> <td>Corporate social responsibility</td> <td>125%</td> <td>25%</td> <td>250,000</td> </tr> <tr> <td>Managerial</td> <td>150%</td> <td>30%</td> <td>300,000</td> </tr> <tr> <td>Total of the 2016 variable compensation</td> <td>-</td> <td>120%</td> <td>1,200,000</td> </tr> </tbody> </table> <p>(*) Maximum amount: 200%.</p> <p>With respect to the fulfillment of the various annual variable compensation criteria, see the section <i>Annual variable compensation for 2016</i> of the chapter 6.3 of the 2016 Registration Document.</p>	Indicator	Percentage achieved (*)	Weighting	Fulfilled amount	Economic	108%	65%	650,000	Corporate social responsibility	125%	25%	250,000	Managerial	150%	30%	300,000	Total of the 2016 variable compensation	-	120%	1,200,000
Indicator	Percentage achieved (*)	Weighting	Fulfilled amount																			
Economic	108%	65%	650,000																			
Corporate social responsibility	125%	25%	250,000																			
Managerial	150%	30%	300,000																			
Total of the 2016 variable compensation	-	120%	1,200,000																			
Deferred variable compensation	Not applicable	Danone does not offer any deferred variable compensation to its corporate officers.																				
Multi-annual variable compensation (i.e. Group performance units) ^[a]	600,000	<p>Multi-annual compensation corresponds to Group performance units (GPU) paid subject to multi-annual performance conditions over three years.</p> <p>20,000 2016 GPU were awarded to Mr. Emmanuel FABER on July 27, 2016.</p> <p>The general principles and annual targets for GPU granted in 2016 are described in section <i>Detailed information on long-term and multi-annual compensation plans – Group performance units</i> of the chapter 6.4 of the 2016 Registration Document.</p>																				
Extraordinary compensation	Not applicable	Danone has not introduced a system of extraordinary compensation for corporate officers.																				

<i>(in €)</i>	Reported amount or valuation submitted to a vote at the 2017 Shareholders' Meeting	Presentation
Stock-options, performance shares (i.e. Group performance shares) and other long-term benefits ^(b)	Options = Not applicable	The most recent grant of stock-options to corporate officers occurred in November 2009.
	Group performance shares = 2,012,670	<p>Long-term variable compensation corresponds to Group performance shares (GPS). GPS are Company shares subject to performance conditions.</p> <p>34,200 GPS for 2016 were awarded to Mr. Emmanuel FABER on July 27, 2016.</p> <p>The general principles and annual targets for GPS granted in 2016 are described in section <i>Detailed information on long-term and multi-annual compensation plans – Performance conditions for grants in 2016</i> of the chapter 6.4 of the 2016 Registration Document.</p>
Directors' attendance fees	Not applicable	Directors who are also members of the Executive Committee and/or corporate officers having an employment contract with the Company do not receive attendance fees.
Value of benefits of any kind	4,620	Benefits in kind correspond to the Company's pool of cars and drivers.
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:		
Severance pay	No amount due for the fiscal year just ended	<p>Severance pay for corporate officers is subject to performance conditions. In addition, the amount of this pay was capped and the circumstances under which it is paid out have been limited.</p> <p>All information on Mr. Emmanuel FABER's severance pay is provided in chapter 6.7 <i>Statutory auditors' special report on related party agreements and commitments of the 2016</i> Registration Document.</p>
Non-compete indemnity	No amount due for the fiscal year just ended	<p>The non-compete clause currently applicable to Mr. Emmanuel FABER allows Danone, at its discretion, either to activate the clause for a period of 18 months, provided it pays out a gross monthly indemnity that corresponds to 50% of his average gross base salary and his target bonus paid out during the previous 12 months, or to release him from this commitment without any financial consideration.</p> <p>To avoid a situation of multiple offices being held in a manner incompatible with AFEP-MEDEF Code recommendations, the Board of Directors' meeting of February 10, 2010, amended the suspended employment contract of Mr. Emmanuel FABER such that the non-compete clause may only be exercised by the Company in the case of his resignation, in which case no indemnity for the termination of the employment contract or any other indemnity due in certain cases of his ending his term of office would be paid.</p>
Supplementary retirement plan	No amount due for the fiscal year just ended	<p>Corporate officers are covered by the defined benefit retirement plan set up for certain key managers classified as "Group Directors" (119 persons still benefit from this plan). This retirement plan was closed to any new beneficiaries as of December 31, 2003.</p> <p>Plan eligibility is subject to the conditions described in section <i>Supplementary retirement plan for managers</i> of the chapter 6.3 of the 2016 Registration Document.</p>

(a) Maximum value of GPU awarded during the corresponding year given the complete fulfillment of the 2016 target i.e. €30 per GPU.

(b) Represents the estimated value of GPS as of the granting date in accordance with IFRS 2, share-based payment.

Approval of the compensation policy for the corporate officers of the Company (13th and 14th resolutions)

Pursuant to Article L. 225-37-2 of the French commercial code, the Board of Directors submits to the approval of the Shareholders' Meeting's the principles and criterion of determination, allocation and granting of fixed, variable and exceptional components of the total compensation and benefits, applicable to the Chairman of

the Board (13th resolution) and to the executive corporate officers (14th resolution) in respect of their mandate for 2017 fiscal year and which constitute the compensation policy which applies to them.

We submit to your approval the principles and criterion as presented below.

General principles

Role of the Nomination and Compensation Committee

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

In making recommendations on the compensation of corporate officers and members of the Executive Committee, the Committee takes into account the balance between the various components of compensation and in particular the potential benefit of a supplementary retirement plan.

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

- multi-annual performance-based compensation is sufficiently significant compared to annual compensation, to ensure that corporate officers are motivated to work with a long-term perspective;
- the performance criteria for compensation are demanding, complementary and stable, such that they measure sustained performance that ensures that the interests of shareholders and management are aligned and are consistent with the guidance that Danone provides to financial markets. In addition, these performance conditions reflect best compensation practices, such as "no payment below guidance" and "no payment below the median" for the external performance conditions.

Basic principles for determining the compensation of corporate officers

The compensation paid to Danone's corporate officers:

- is performance-based;
- is balanced and takes stakeholder expectations into account;
- is demanding, aligned with shareholder interests and in line with best market practices;
- is consistent with the principles that Danone observes for its 1,500 key managers worldwide;
- is determined by the Board of Directors on the basis of the Nomination and Compensation Committee's recommendations, as explained above, and in compliance with the AFEP-MEDEF Code, to which Danone adheres;
- takes into account the manager's responsibilities and market practices;

- takes into account all components of compensation in order to establish a global view of the overall compensation of corporate officers, including the components approved by the Shareholders' Meetings pursuant to Article L.225-42-1 of the French commercial code and those described in the Statutory auditors' special report on related party agreements.

The principles that underline Danone's compensation policy are simple, stable and transparent, for example:

- multi-annual compensation, in the form of Group Performance Units, and long-term compensation, in the form of Group Performance Shares, were set up in 2005 and 2010 respectively;
- the performance conditions for multi-annual and long-term compensation and the review of their achievement have been described in detail in Danone's Registration Document for several years.

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

Directors' fees

Pursuant to Danone's policy on the payment of directors' fees (see paragraph 6.3 *Compensation of the other Board members* of the 2016 Registration Document), the Chairman of the Board cannot receive directors' fees if he receives a fixed compensation. If this is not the case, directors' fees are allocated in accordance with the allocation rules decided by the Board of Directors.

Fixed compensation and benefits in kind

Fixed compensation

The Chairman's fixed compensation is determined by the Board of Directors, on the basis of the Nomination and Compensation Committee's opinion and in accordance with the principles presented above, and in particular is consistent with the Chairman's responsibilities and experience and with market practices. The Board has entrusted its current Chairman with enhanced duties including in particular, in addition to the standard duties of a Chairman of the Board, chairing and directing the Strategy Committee, monitoring the observance of Danone's values and culture, and representing Danone at the highest levels both nationally and internationally.

As an example, for the 2017 fiscal year, Mr. Franck RIBOUD's fixed compensation was set at €2 million within the framework of his enhanced duties.

The transition back to standard chairman duties is scheduled in the course of 2017; the Board of Directors will redefine the Chairman's fixed compensation amount in accordance with the responsibilities with which he will remain entrusted.

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

Benefits in kind

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

Variable compensation

In accordance with the AFEP-MEDEF Code recommendations, if the duties of the Chairman of the Board of Directors and of the Chief Executive Officer are separated, the Chairman shall not be entitled to variable compensation.

Performance-based multi-annual compensation (GPU)

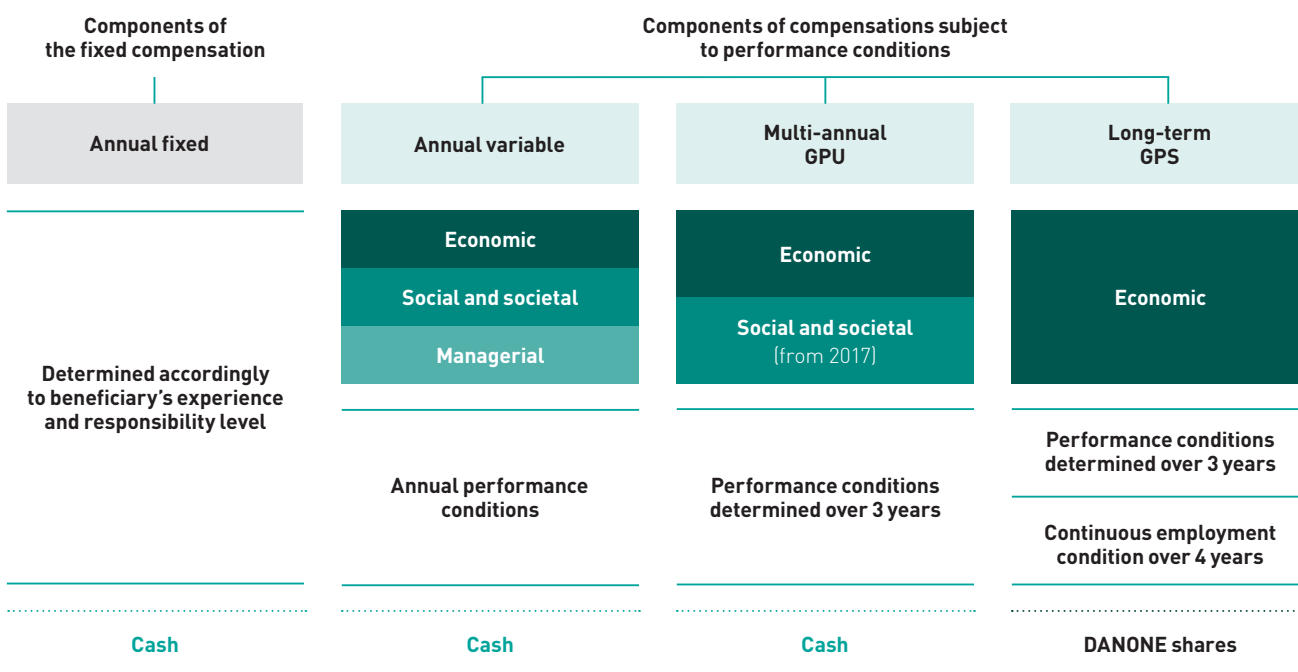
In accordance with the AFEP-MEDEF Code recommendations, if the duties of the Chairman of the Board of Directors and of the Chief Executive Officer are separated, the Chairman shall not be entitled to multi-annual compensation.

Performance-based long-term compensation (GPS)

In accordance with the AFEP-MEDEF Code recommendations, if the duties of the Chairman of the Board of Directors and of the Chief Executive Officer are separated, the Chairman shall not be entitled to long-term compensation.

Compensation of executive corporate officers

Compensation structure



It should be noted that the payment in cash of variable or extraordinary compensation shall be, if applicable, motivated by the Board of Directors and subject to the Shareholders Meeting's approval on the components of the compensation of the executive corporate officers concerned, in accordance with the requirements provided by Article L. 225-37-2 of the French commercial code.

Directors' fees

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

Extraordinary compensation

If the duties of the Chairman of the Board of Directors and of the Chief Executive Officer are separated, the Chairman shall not be entitled to extraordinary compensation.

Other components of the Chairman's remuneration

The Chairman may be entitled to the commitments approved by the Shareholders' Meeting, as provided for in Article L. 225-42-1 of the French Commercial Code and described in the Statutory auditors' special report on related party agreements and commitments.

Concerning Mr. Franck Riboud, he may receive a departure indemnity under his suspended employment contract, and has the right to benefit from a defined benefit pension plan which was put into place for certain "Group directors"; this plan has been closed to new beneficiaries since December 31 2003. The details concerning these commitments can be found in section 6.7 *Statutory auditors' special report on related party agreements and commitments*.

Fixed compensation and benefits in kind

Fixed compensation

The fixed compensation of executive corporate officers is:

- determined by the Board of Directors on the basis of the Nomination and Compensation Committee's opinion and in accordance with the principles presented above, and is consistent with their responsibilities and experience and with market practices; and
- reviewed after a relatively long period.

For example, the fixed compensation of Mr. Emmanuel FABER, Danone's Chief Executive Officer, was set at to €1 million in 2014 and has not changed. This represents about 25% of the total target compensation.

Benefits in kind

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

Variable compensation

Annual variable compensation

Principles

Annual variable compensation:

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

Structure

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

- a quantitative economic component that is based on Danone's main financial targets and in particular those used to provide guidance to investors, such as organic net sales growth, operating margin growth and free cash flow generation;
- a social and societal component, based on Danone's objectives;
- a managerial component, based on Danone's business development objectives.

The cap for each of these components equals twice the target, which means that the cap for short-term annual variable compensation for a given year is equal to 200% of the amount of fixed compensation, with no guaranteed minimum.

Multi-annual and long-term compensation

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

Multi-annual compensation (GPU)

Multi-annual compensation::

- is granted by the Board of Directors upon the recommendation of the Nomination and Compensation Committee, in the form of Group Performance Units (GPU);
- was introduced in 2005 to more closely align the compensation of corporate officers, the Executive Committee members and the 1,500 key managers with Danone's overall medium-term operational and economic performance;
- is a performance-based cash compensation over a three-year period based on performance conditions depending on quantitative economic criteria including a key financial indicator and possibly societal indicators;
- is subject to performance conditions determined in advance by the Board of Directors, upon the recommendation of the Nomination and Compensation Committee, which each year also determines whether or not the previous year's target or targets were achieved for each GPU plan.

In order to simplify the Chief Executive Officer's compensation structure and increase its share-based component in value, it is planned that no GPU be granted to Mr. Emmanuel FABER in 2017.

More information on GPU plans is provided in section 6.4 *Detailed information on long-term and multi-annual compensation plans* of the 2016 Registration Document on, including: (i) general principles, (ii) performance targets, (iii) other applicable rules, (iv) details of GPU granted in 2016 and review of the potential achievement of performance conditions for 2016, and (v) detailed information on GPU plans in effect as of December 31, 2016.

Performance-based long-term compensation (GPS)

Long-term compensation:

- was established in 2010 to strengthen the commitment of beneficiaries (corporate officers, Executive Committee members and over 1,500 key managers) to support Danone's development and increase its share price over the long term;
- has been approved annually by the Shareholders' Meeting since 2013;
- is granted by the Board of Directors upon the recommendation of the Nomination and Compensation Committee, in the form of Group Performance Shares (GPS);
- is granted in the form of DANONE shares subject to performance conditions;

→ these performance conditions generally consist of two complementary criteria that are representative of Danone's performance, reflect the specific nature of its business, are assessed over a three-year period and are key indicators that are monitored by investors and financial analysts to measure the performance of companies in the food and beverage sector:

- an external performance criterion, based on Danone's organic sales growth compared to that of a group of Danone's historical peers, composed of leading international groups in the food and beverage sector; and
- an internal performance criterion, based on a key financial indicator, such as operating margin, free cash flow or other.

→ and are determined by the Board of Directors which also reviews their achievement after a prior review by the Nomination and Compensation Committee;

- the definitive granting of long-term compensation is also subject to a continuous employment condition that applies to all beneficiaries, with the exceptions specified in the plan rules (and in particular in the event of death or disability) or decided by the Board of Directors; however, in the case of executive corporate officers, the Board of Directors may decide to exempt the continuous employment condition only partially, on a pro rata basis;
- the DANONE shares thus granted, particularly to corporate officers and to Executive Committee members, are subject to a conservation period.

More information on GPS plans is provided in section 6.4 *Detailed information on long-term and multi-annual compensation plans* of the 2016 Registration Document in particular: (i) general principles, (ii) performance targets, (iii) other applicable rules, (iv) details of GPS granted in 2016 and review of the potential achievement of performance conditions for previous plans, and (v) detailed information on GPS plans in effect as of December 31, 2016.

Extraordinary compensation

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

Mr. Emmanuel FABER has never received any extraordinary compensation.

Other components of executive corporate officers' remuneration

The executive corporate officers may be entitled to the commitments approved by the Shareholders' Meeting, as provided for in Article L. 225-42-1 of the French Commercial Code and described in the Statutory auditors' special report on related party agreements and commitments.

Share buyback (15th resolution)

Description of the authorization

We ask you to renew the authorization granted to your Board to purchase, hold or transfer Company shares within the scope of a buyback program coming under the provisions of Articles L. 225-209 et seq. of the French commercial code and European Regulation No. 596/2014 of April 16, 2014 related to market abuse.

A description of the share buyback 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* of the 2016 Registration Document.

The buyback by Danone 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 statutory 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 statutory 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; and/or
- supporting the equity market for Danone 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, on one or more occasions, by any means or in any markets, including through multilateral trading systems or a systematic internalizer, or over the counter, including through purchases or sales of blocks of shares (without limiting the portion of the share buyback program that may be completed this way).

Concerning Mr. Emmanuel Faber, he may receive a departure indemnity and a non-competition indemnity in case of resignation and has the right to benefit from a defined benefit pension plan which was put into place for certain "Group directors"; this plan has been closed to new beneficiaries since December 31 2003. The details concerning these commitments can be found in section 6.7 *Statutory auditors' special report on related party agreements and commitments*.

The maximum number of shares that may be purchased would represent 10% of the share capital, or 65,589,200 shares as of December 31, 2016, at a maximum purchase price of €75 (net of acquisition costs), resulting in a maximum theoretical total purchase amount of €4,919,190,000. 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 an 18-month period and would supersede with effect from its adoption the 16th resolution approved by the 2016 Shareholders' Meeting.

Justification of the authorization request

It is important for Danone 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 to Danone's employees and corporate officers, notably as part of allocations of shares subject to performance conditions, and to make payments in shares as part of acquisition transactions (it being noted that this authorization, while it no longer benefits from the simple presumption of a legitimate absence of market abuse under applicable regulations, may be used by the Board).

In 2016, therefore, the share buyback program implemented resulted in the acquisition of 1 million shares for the purpose of granting shares to Danone's corporate officers and eligible employees and in connection with a liquidity agreement.

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 0.01% of the Company's share capital as of December 31, 2016, may be exercised at any time to allow Danone to fulfill its obligations to deliver shares to these beneficiaries.

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

Financial authorizations (16th to 23rd resolutions)

Proposed financial authorizations ^(a) – 26 months ^(b)

Maximum amount applicable to all dilutive and non-dilutive issuances: 35% of share capital	Maximum amount applicable to non-dilutive issues: 35% of share capital	Capital increase with preferential subscription right for shareholders (16 th resolution)	
		Capital increase without preferential subscription right but with a priority right for shareholders (17 th resolution)	10%
	Maximum amount applicable to dilutive issuances: 10% of share capital	Over-allotment (as a % of initial issuance) ^(c) (18 th resolution)	15%
		Public exchange offer initiated by the Company (19 th resolution)	10%
		Contributions in kind (20 th resolution)	10%
		Capital increase reserved for employees (22 nd resolution)	2%
		Granting of Group performance shares (GPS) (23 rd resolution)	0,2%
		Incorporation of reserves, profits, premiums and any other amounts that may be capitalized (21 st resolution)	25%

(a) The percentages shown in the above table are rounded amounts for indicative purposes, since the authorized maximum amounts are determined in nominal terms and not as a percentage of share capital (the nominal amount of these maximum amounts is described below for each resolution).

(b) With the exception of the authorization to grant shares subject to performance conditions (23rd resolution), the term of which would be set as of December 31, 2017.

(c) The 15% maximum amount would be calculated relative to the amount of each issuance carried out in accordance with the resolution for a capital increase without preferential subscription right but with a priority right (17th resolution).

We propose that you renew the financial authorizations voted by the Shareholders' Meetings of April 29, 2015 and April 28, 2016, the purpose of which is presented in section 7.3 *Authorization to issue securities giving access to the share capital* of the 2016 Registration Document, under the terms and methods presented below.

For dilutive and non-dilutive issuances, these authorizations were extended to enable (i) the issuance of securities that give access to the share capital and (ii) the issuance of shares or debt securities of the Company following the issuance of securities by subsidiaries. In addition, we propose that you authorize the Company to issue debt securities that give access to existing share capital securities in order to retain the ability to issue bonds exchangeable into shares.

The proposed authorizations would empower the Board of Directors 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 companies, Danone needs to have the flexibility to respond rapidly to changes in market conditions and thereby be able to obtain financing under the best possible conditions.

Any use made 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 (16th, 17th, 18th, 19th, 20th, and 22nd resolutions) is intended to enable capital increases while waiving the preferential subscription right for shareholders.

In accordance with best market practices and shareholders' recommendations:

- waiving of preferential subscription right shall be accompanied, within the framework of the general authorization (17th resolution) with the obligation for the Board to grant a priority right to the shareholders, and the limit applicable to this resolution is set at 10% of share capital; this limit applies to all dilutive issuances;
- issuances with or without preferential subscription right, excluding transactions reserved for employees or corporate officers, may not be decided by the Board of Directors during periods of a public tender offer on the Company shares, in accordance with the recommendations of shareholders following the enactment of Law No. 2014-384 of March 29, 2014 aimed at recapturing the real economy (so-called "Florange law");

- the limitation on the application scope for the over-allotment option (18th 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 shares subject to performance conditions (23rd resolution) enables to submit all shares that may 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 Danone's strategic needs. It should be noted that the authorizations to be renewed have not been used, with the exception of the authorization for a capital increase reserved for employees (totaling approximately 0.14% of the share capital) and the one involving the grant of shares subject to performance conditions (totaling approximately 0.10% of the share capital).

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

- 16th resolution: issuance of shares and securities, with preferential subscription right of the shareholders;
- 17th resolution: issuance of shares and securities, without preferential subscription right but with the obligation to grant a priority right;
- 18th 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 shareholders (over-allotment option);
- 19th resolution: issuance of shares and securities in the event of a public exchange offer initiated by the Company;
- 20th resolution: issuance of shares and securities in consideration for contributions in kind;
- 21st resolution: capital increase through the incorporation of reserves, profits, premiums or any other amounts that may be capitalized;
- 22nd resolution: issuance of shares and securities reserved for employees participating in a company savings plan; and
- 23rd resolution: allocation of shares subject to performance conditions.

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

Issuance of shares and securities, with preferential subscription right of the shareholders (16th 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 the right to receive debt securities; and/or (c) securities which are debt securities giving access to equity securities of the Company already existing or to be issued; and/or (d) securities that are equity securities of the Company giving access to equity securities already existing or to be issued, and/or debt securities, by companies in which the Company owns, directly or indirectly, more than one-half of the share capital at the time of the issuance; and/or (e) securities which are debt securities of the Company giving access to equity securities already existing or to be issued by companies in which the Company owns more than one-half of the share capital, directly or indirectly, of the share capital at the time of issuance.

The maximum amounts of this new authorization would be similar to the amounts of the previous authorization granted by the 2015 Shareholders' Meeting and which is soon to expire, *i.e.*:

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

- a nominal amount of €57 million, representing, on an indicative basis, approximately 35% of the share capital as of December 31, 2016 ;
- the nominal amount of ordinary shares that would be potentially issued under the 17th resolution (dilutive issuance without preferential subscription right but with the obligation to grant a priority right); 18th resolution (authorization to increase the number of securities to be issued); 19th resolution (issuance of shares and securities in the event of a public exchange offer); 20th resolution (issuance of shares and securities as consideration

Issuance of shares and securities, without preferential subscription right of the shareholders, but with the obligation to grant a priority right (17th 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 the allotment of debt securities; and/or (c) securities which are debt securities giving access to equity securities of the Company already existing or to be issued; and/or (d) securities which are equity securities of the Company giving access to equity securities existing or to be issued, and/or debt securities of companies in which the Company owns, directly or indirectly, more than one-half of the share capital at the time of the issuance; and/or (e) securities which are debt securities of the Company giving access to equity securities issued or to be issued by companies in which the Company owns, directly or indirectly, more than one-half of the share capital at the time of issuance, without preferential subscription right and by public offering, both in France and abroad. When using this authorization, a priority right must be granted to existing shareholders for the entire issuance. When renewing this authorization, the Company decided to maintain the minimum priority period set at five trading days within the framework of the previous authorization.

This delegation of authority would also enable the issuance of ordinary shares or securities referenced in (b) and (c) above to be issued following the issuance by companies in which the Company owns, directly or indirectly, more than one-half of the share capital at the time of issuance, of securities giving access to ordinary shares in the Company issued or to be issued or to securities referenced in (b) and (c) above. For the benefit of the holders of these securities,

for contributions in kind); 22nd resolution (issuance of shares and securities reserved for employees); and 23rd resolution (allocation of Group performance shares), would be applied to this maximum amount; and

(ii) for issuances of debt securities issued pursuant to this authorization: a principal amount of €2 billion (common maximum amount with the 17th, 18th, 19th and 20th resolutions).

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

No amount was used pursuant to the previous authorization granted by your Shareholders' Meeting in 2015.

At the time of its adoption, this new authorization would supersede the 20th resolution approved by the Shareholders' Meeting of April 29, 2015.

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 or rights to debt securities, by calling on the Company's shareholders. They will be given, under the applicable statutory 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 enable, if the holder does not wish to subscribe the capital increase, to financially offset the dilution resulting from non-subscription of the capital increase.

Moreover, as in 2015, this provision shall not be implemented during the period of a public tender offer on the Company's shares (and therefore without a new decision by the shareholders).

the issuance by these companies of the aforementioned securities would legally result in the waiver by the Company's shareholders of their preferential subscription right for ordinary shares or securities referenced in (b) and (c) above, to which the securities issued by these companies will give rights, as well as to shares to be issued by the Company to which the securities referenced in (b) and (c) above would give rights.

The maximum amounts of this new authorization would be similar to the amounts of the previous authorization granted by the 2015 Shareholders' Meeting, and which is soon to expire, *i.e.*:

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

- a nominal amount of €16 million, which for indicative purposes represents approximately 10% of the share capital as of December 31, 2016;
- this maximum amount would apply to all dilutive issuances (capital increases carried out pursuant to the 18th, 19th, 20th, 22nd, 23rd and 24th resolutions);
- this common maximum amount would apply to the overall maximum amount of 35% of the share capital set forth in the 16th resolution (non-dilutive issuance with preferential subscription right); and;

(ii) for securities representing debt securities issued under this authorization: principal amount of €2 billion (common maximum amount for the 16th, 18th, 19th and 20th resolutions).

We inform you that pursuant to the applicable statutory 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 shares during the last three trading sessions prior to the fixing of the issuance price, possibly subject to a maximum 5% discount.

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

No amount was used under the previous authorization granted by your Shareholders' Meeting in 2015.

At the time of its adoption, this new authorization would supersede the 21st resolution approved by the Shareholders' Meeting of April 29, 2015.

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 or rights to debt securities 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 the preferential subscription right, the Board would be required to grant shareholders a priority right of at least five trading days, in accordance with best market practices and the recommendations of shareholders. This minimum period of the priority right, which is identical to the one previously set forth under the previous authorization approved by the Shareholders' Meeting of April 29, 2015, is longer than the statutory 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 best market practices and the recommendations of shareholders, the Board of Directors decided to set the maximum amount applicable to this resolution and all dilutive transactions at 10% of the share capital.

In addition, as in 2015, this provision shall not be implemented during the period of a public tender offer on the Company's shares (and therefore without a new decision by the shareholders).

Authorization to increase the number of securities to be issued as part of a capital increase without preferential subscription right of the shareholders (18th resolution)

Description of the authorization

We request that you renew the authorization granted to the Board of Directors to increase the number of securities to be issued for a 26-month period, for each issuance that may be decided pursuant to the aforementioned 17th resolution (dilutive issuance without preferential subscription right but with a priority right), in accordance with the conditions set forth 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 the 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 2015.

This new authorization would supersede with effect from its adoption the 22nd resolution approved by the Shareholders' Meeting of April 29, 2015.

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 2015 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 right (17th resolution). This limitation is consistent with financial market best practices.

Moreover, as in 2015, this resolution shall not be implemented during the period of a public tender offer on the Company's shares (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 (19th resolution)

Description of the authorization

We request that you renew, for a 26-month period, the delegation of authority granted to your 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; and/or (c) securities which are debt securities giving access or potentially giving access by any means, immediately or in the future, to equity securities of the Company already issued or to be issued, as consideration for a public exchange offer initiated by the Company, in France or abroad, in accordance with local regulations, on 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 shareholders.

This delegation of authority could be implemented in connection with any public exchange offer initiated by the Company in France or abroad, in accordance with local regulations, on securities covered by the terms of Article L. 225-148 of the French commercial code, or any other type of public offer in accordance with applicable laws and regulations, including in particular (but not limited to) any exchange offer, any alternative tender or exchange offer, any single tender or exchange offer for securities in exchange for securities and cash, any principal public tender offer or exchange offer, together with a subsidiary exchange offer or tender offer, or a reverse merger in the United States.

The maximum amounts of this new authorization would be identical to those of the previous authorization granted by the Shareholders' Meeting in 2015 that is soon to expire, *i.e.*:

(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 December 31, 2016;
- issuances carried out pursuant to this authorization would apply to the maximum amount of 35% of share capital set forth in the 16th resolution (non-dilutive issuances with preferential subscription right) and of 10% of share capital set forth in the 17th resolution (dilutive issuances without preferential subscription right, but with a priority right); and

(ii) for debt securities issued pursuant to this authorization: a principal amount of €2 billion (maximum amount common to the 16th, 17th, 18th and 20th 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 giving access to the share capital.

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

Issuance of shares and securities, without preferential subscription right for shareholders, in consideration for contributions in kind granted to the Company (20th 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, within a limit of 10% of the Company's share capital at the date of the Board decision: (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 giving the right to receive debt securities; and/or (c) securities which are debt securities giving access to equity securities of the Company already issued or to be issued, 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 Company's ordinary shares to which the securities may give rights, 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 16th resolution (non-dilutive issuance with preferential subscription right) and 10% of the share capital set forth in the 17th resolution (dilutive issuance without preferential subscription right but with a

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2015.

With effect from its adoption, this new authorization would supersede the 23rd resolution approved by the Shareholders' Meeting of April 29, 2015.

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 target company's shareholders, 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, this provision shall not be implemented during the period of a public tender offer on the Company's shares (and therefore without a new decision by the shareholders).

priority right). In addition, the principal amount of any debt securities issued pursuant to this authorization will be applicable to the limit of €2 billion (limit common with the 16th, 17th, 18th and 19th resolutions).

These issuances may not be decided by the Board of Directors during the 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 2015.

This new authorization would supersede with effect from its adoption the 24th resolution approved by the Shareholders' Meeting of April 29, 2015.

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, this provision shall not be implemented during the period of a public tender offer on the Company's shares (and therefore without a new decision by the shareholders).

Capital increase through the incorporation of reserves, profits, premiums or any other amounts that may be capitalized (21st 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.

The maximum nominal amount of ordinary share issuances under this resolution would be similar to the amount of the previous authorization granted by the 2015 Shareholders' Meeting and which is soon to expire, *i.e.*:

- an amount set at €41 million, representing, on an indicative basis, approximately 25% of the share capital as of December 31, 2016; and
- this maximum amount would be independent of those of the other financial authorizations submitted to the Shareholders' approval (16th, 17th, 18th, 19th, 20th, 22nd, and 23rd resolutions).

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

Issuance of shares and securities reserved for employees who are members of a company's savings plan, without preferential subscription right of the shareholders (22nd 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.

The maximum nominal amount of ordinary share issuances under this authorization would be similar to the amount of the previous authorization granted by the 2015 Shareholders' Meeting and which is soon to expire, *i.e.*:

- an amount set at €3.2 million representing, on an indicative basis, approximately 2% of the share capital as of December 31, 2016; and
- the issuances carried out pursuant to this authorization would apply to the maximum amounts of 35% of share capital set forth in the 16th resolution (non-dilutive issuance with preferential subscription right) and 10% of the share capital set forth in the 17th resolution (dilutive issuance without preferential subscription right but with a priority right).

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 or eliminate 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

No amount was used pursuant to the preceding authorization granted by your Shareholders' Meeting in 2015.

With effect from its adoption, this new authorization would supersede the 25th resolution approved by the Shareholders' Meeting of April 29, 2015.

Justification of 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 or 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.

Furthermore, this provision shall not be implemented during the period of a public tender offer on the Company's shares (and therefore without a new decision by the shareholders).

where Danone entities are located and where the employees are participating in 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 employees participating in a company savings plan.

It should be noted that under the previous authorization granted by your 2015 Shareholders' Meeting, a capital increase with a nominal amount of €235,200 was carried out in June 2016 following a decision of the Board of Directors of February 22, 2016 (corresponding to around 0.14% of the share capital), leaving an available balance of €2,934,800 as of December 31, 2016, 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 14, 2017 and scheduled to be completed in June 2017.

This new authorization would supersede with effect from its adoption the 26th resolution approved by the Shareholders' Meeting of April 29, 2015.

Justification of the authorization request

As of December 31, 2016, 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.

Danone 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 Company. The vote on this resolution would therefore enable your Board of Directors to continue to implement this policy of associating employees in the Danone's development.

Allocations of Group performance shares (23rd 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 2016 Shareholders' Meeting for a one-year period, to allocate shares subject to performance conditions ("Group performance shares" or "GPS").

Structure and principles

The main characteristics of this new resolution are as follows:

- authorization to allocate Group performance shares is again proposed for one year (until December 31, 2017): this vote enables shareholders to ensure as in 2016 that the requirement level of performance conditions would be sufficiently ambitious and motivating in line with the Danone's performance;
- group performance shares could only be allocated to employees and executive corporate officers, since the Chairman of the Board is not eligible;
- continuation of a single reference period of three years applicable to all performance conditions;
- demanding performance conditions adapted to Danone's current environment based on (i) an external performance criterion, the average growth of Danone's sales compared to that of a panel of benchmark multinational groups in the food and beverage sector, and (ii) an internal performance criterion, Danone's free cash flow level, excluding the impact of changes in consolidation scope and in exchange rates: the Board emphasizes that these two objectives are complementary in nature and reflect the key indicators monitored by investors and analysts to measure the performance of companies in the food and beverage sector;
- evolution of performance conditions : the Board considers this year that changing the nature of performance conditions is relevant in the context of the acquisition of WhiteWave, to include a free cash flow criterion in line with the targets of deleverage and the maintainance of Danone's financial rating;
- following discussions with shareholders, introduction of progressive scales for both performance conditions, from 90% to 110% for the sales criterion and from 0 % to 100 % for the free cash flow criterion. These progressive scales enable the avoidance of threshold effects, to increase the incentive to performance and to strengthen the demanding nature of the performance conditions (in particular, the sales criterion will be met at 90% in the case of achievement of the median, against 100% previously);
- 100% of the shares granted remain subject to performance conditions;
- the dilutive effect remains the same (0.2% of the share capital).

The Board of Directors emphasizes its desire for performance share grants to continue to adhere to governance principles and good practices, which include the following (in addition to the aforementioned items):

- involvement at every stage (allocation, review of fulfillment 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 as percentages of the share capital, as well as sub-ceilings for allocations to executive officers;
- continuation by the Board of its policy for the allocation of "4+0" GPS, applied to all beneficiaries in order to increase the length of the vesting period, thus conforming to financial market best practices, notwithstanding shorter time periods authorized by law since law no. 2015-990 of August 6, 2015 (said "Macron law");
- stability of allocation periods, with the main allocation generally taking place yearly at the Board meeting convened to approve the interim financial statements, i.e. at the end of July;

- prohibition for beneficiaries who are members of the Executive Committee to use any hedging instrument in respect of GPS; and
- the obligation to hold a significant number of shares stemming from GPS allocations, until the termination of their duties within the Company (equivalent to 4 years of fixed compensation for corporate officers and to 2 years of fixed compensation for the other members of the Executive Committee).

Description of the authorization

1. Nature of the authorization

We request that you authorize the Board of Directors, until December 31, 2017, 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 approximately 1,500 people benefit from such share allocations each year.

2. Maximum amount of the authorization

These allocations may not represent a number of existing or newly issued shares exceeding 0.2% of Danone's share capital, as determined at the end of the 2017 Shareholders' Meeting, which corresponds to the same amount as that approved by the 2016 Shareholders' Meeting.

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 16th resolution (non-dilutive issuances with preferential subscription right) and of 10% of the share capital set forth in the 17th resolution (dilutive issuances without preferential subscription right, but with a priority right) of the Shareholders' Meeting.

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

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 Company's share capital at the end of the 2017 Shareholders' Meeting (subject to the same potential adjustments mentioned in point 2 above).

In 2016, a total of 34,200 GPS were allocated to Mr. Emmanuel FABER, Chief Executive Officer (the only corporate officer to benefit from an allocation of GPS), corresponding to 0.005% of Danone's share capital and 5.5% of all performance shares allocated by Danone in 2016.

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.

4.2 In principle, the beneficiaries must hold said shares for a duration of at least 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 Board of Directors may not impose any lock-up period for the shares in question.

4.3 Since July 2013, 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 lock-up period. Notwithstanding the provisions of French law no. 2015-990 of August 6, 2015 (said "Macron law"), which reduced the vesting period's minimum length

for shares subject to performance conditions, Danone decided to maintain a four-year vesting period. Furthermore, 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.

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 Danone (see point 5.2 hereafter).

5.1 Performance conditions

The Performance Conditions applied by your Board consist of two complementary criteria, affecting for each 50% of the grant shares, indicative of Danone's performance and adapted to the specific nature of its business and to its current priorities, namely:

(a) Comparison of the arithmetic average consolidated net sales growth (the "CA") of Danone on a like-for-like basis with that of a reference panel for a period of three years, i.e. 2017, 2018 and 2019:

- if Danone's CA is lower than the Median CA of the Panel, the definitive allocation shall be 0%, in accordance with the "no pay below median" principle;
- if Danone's CA is equal to the Median CA of the Panel, the definitive allocation shall be
- 90% of the shares subject to the CA performance condition;
- if Danone's CA is between the Median CA of the Panel and 120% the Median CA of the Panel, the definitive allocation will be determined between 90 % and 110% of the shares subject to the CA performance condition and will vary in proportion to the linear progressive scale between 100 % and 120% of the Median CA of the Panel;
- if Danone's CA exceeds or is equal to 120% to the Median CA of the Panel, the definitive allocation shall be 110% of the shares subject to CA performance condition;

Where:

- Danone's CA refers to Danone's arithmetic average consolidated net sales growth during the fiscal years 2017, 2018 and 2019 (on a like-for-like basis);
- the CA of each Panel member refers to the arithmetic average net consolidated sales growth recorded by the said member of the Panel during the fiscal years 2017, 2018 and 2019 (on a like-for-like basis);
- the "net sales" and the variation on "like-for-like basis" are financial indicators used by Danone and not defined by the IFRS, whose the calculation is specified in the financial press releases issued by the Company (see also section 3.6 *Financial Indicators not defined by IFRS* of the 2016 Registration Document);
- 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, The Kraft Heinz Company, 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 Danone 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 the fulfillment level of this first performance condition, 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 achievement of a free cash flow level determined as described below ("FCF"), exceeding €6 billion over a period of three years, i.e. over fiscal years 2017, 2018 and 2019:
 - if the sum of FCF over the 2017, 2018 and 2019 fiscal years is lower or equal to €6 billion, the definitive allocation will be 0% of the shares subject to the FCF performance condition;
 - if the sum of FCF over the 2017, 2018 and 2019 fiscal years is between €6 and €6.5 billion, the definitive allocation will be determined between 0% and 100% of the shares subject to the FCF performance condition and will vary in proportion to a linear progressive scale between €6 and €6.5 billion; and
 - if the sum of FCF over the 2017, 2018 and 2019 fiscal years exceeds or is equal to €6.5 billion, the definitive allocation will be 100% of the shares subject to the FCF performance condition;

Where:

- the sum of the "FCF" refers to the sum of the "Free Cash Flow" for fiscal years 2017, 2018 and 2019 (the "Free Cash Flow" is a financial indicator not defined by IFRS and whose calculation is specified in the financial press releases issued by the Company (see also section 3.6 *Financial indicators not defined by IFRS* of the 2016 Registration Document), excluding the impact of changes in consolidation scope (but including WhiteWave entities for the entire fiscal year 2017) and changes in exchange rates;
- the Board of Directors will need to state the fulfillment level of this second performance condition 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 the recommendation of the Nomination and Compensation Committee; and
- for all beneficiaries, provided that the condition of continued employment at Danone is met (see point 5.2 below), between 45% and 55% of the shares will be definitively allocated subject to the fulfillment of the Performance Condition related to sales growth, and between 0% and 50% of the shares will be definitively allocated depending on the level of achievement of the Performance Condition related to FCF.

5.2 Condition of continued employment at Danone

The definitive GPS allocation is subject to a continued employment condition applying to all beneficiaries. A beneficiary of a share allocation who leaves Danone 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 upon decision from the Board of Directors.

In the specific case where an employee retires at the legal age (or prior to this as allowed by law), the GPS granted in the previous 12 months before the retirement leaving date will be canceled (without any possible exemption by the Board).

Regarding executive corporate officers, the Board of Directors may decide an exemption to that condition, only partially on a prorata temporis basis.

Moreover, it should be noted that the GPS plans provide that all GPS beneficiaries are exempted from the conditions of continuous employment and performance in the event of the Company's change of control.

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

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

Thus:

- the outstanding number of stock-options net yet exercised as of December 31, 2016 totaled 333,016 options, or 0.05% of the share capital ;
- as of December 31, 2016, the outstanding number of performance shares granted but not yet definitively vested totaled 2,299,567 shares, or 0.35% of the share capital ; and
- the number of shares that may be issued through allocations of performance shares under this resolution may not exceed 0.2% of the share capital;

which represents a total of around 0.6% of the share capital.

Authorization granted to the Board of Directors to reduce the share capital by canceling shares (24th resolution)

The authorization granted to the Board of Directors in 2015 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 reported 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.

This authorization was not used in 2015 and 2016.

This new authorization would replace the 28th resolution approved by the Shareholders' Meeting of April 29, 2015.

Justification for the authorization request

This mechanism complements the implementation of a share buyback program that would be authorized under the terms of the 15th resolution submitted to the Shareholders' Meeting.