



ADDENDUM TO THE BOARD OF DIRECTORS' REPORT
ON CORPORATE GOVERNANCE DETAILED
IN THE 2020 UNIVERSAL REGISTRATION DOCUMENT

This addendum supplements the report on corporate governance describing the compensation policy for corporate officers and is an integral part thereof. In particular, it supplements the section of the 2020 Universal Registration Document relating to the compensation policy of corporate officers for 2021, concerning the executive corporate officers for 2021” (pages 247-250).

Compensation policy for interim executive corporate officers (*Directrice Générale and Directeur Général Délégué*)

The Board of Directors may decide not to terminate the employment contract of the executive corporate officers having regard to the interim nature of the appointment.

In accordance with the AFEP-MEDEF Code, the employment contract of the interim Chief Executive Officer will then be suspended.

The characteristics of the annual variable compensation and long-term compensation that may be granted to interim executive corporate officers will be consistent with the compensation policy for executive corporate officers (described on pages 247-250).

Principles of compensation of the interim Chief Executive Officer agreed for 2021

Upon recommendation of the Governance Committee, the Board of Directors, at its meeting on 22 March 2021, established the principles of the compensation payable to Véronique Penchienati-Bosetta for the fiscal year 2021.

As a preliminary point, it is specified that, having regard to the exceptional circumstances and the interim nature of her appointment, the employment contract of Véronique Penchienati-Bosetta is not terminated. In accordance with the recommendations of the AFEP-MEDEF Code, it is, however, suspended for the duration of her interim term of office.

1. Annual compensation	
Fixed compensation €900,000	In line with the principles of the compensation policy and unchanged from the amount received by Véronique Penchienati-Bosetta in respect of her employment contract before its suspension.
Additional fixed compensation €600,000 for the duration of the transition period	An additional compensation in a fixed amount will be paid during the transition period. This amount has been determined in order to take into account the fact that the new Chief Executive Officer has taken up her duties under very exceptional and unforeseen circumstances, and to compensate appropriately for the sudden increase in her scope of responsibility in the context of this interim appointment (not taken into account in the fixed compensation) and for operational management in a very particular context. 1/10 th of this amount will be paid monthly, and the balance will be paid at the end of the transition period.
Annual variable compensation <ul style="list-style-type: none"> • Target amount: €720,000 • Cap: €1,440,000 • No floor 	The amount of annual variable compensation will be determined on a <i>pro rata temporis</i> basis. Its characteristics (performance conditions and cap) are those provided by the compensation policy for executive corporate officers (p. 248 of the 2020 Universal Registration Document). Payment is conditional upon the approval of the Shareholders' Meeting in 2022.
2. Variable long-term compensation	
Compensation in cash and in shares	The characteristics of the variable long-term compensation (performance conditions and cap) are those provided by the compensation policy for executive corporate officers (p. 248 of the 2020 Universal Registration Document). The variable long-term compensation represents at least 45% of the Chief Executive Officer's overall compensation (excluding the additional fixed compensation), within a limit of 60% in compliance with the compensation policy for executive corporate officers.

In respect of her suspended employment contract, Véronique Penchienati-Bosetta receives benefits in line with the compensation practices applicable to members of Danone's Executive Committee, notably, a non-competition compensation subject to the application of a non-competition undertaking in the event of departure, and a severance payment.

Furthermore, the conditions of resumption of Véronique Penchienati-Bosetta's employment contract, suspended by reason of her appointment as interim Chief Executive Officer, have been adapted to extend the notice period to 6 months and to provide a mechanism for her reintegration

as an employee (positions at Executive Committee level to be offered to her consistent with her position before accepting the office of Chief Executive Officer).

Compensation policy for the interim Co-Chief Executive Officer (*Directeur Général Délégué*) agreed for 2021

At its meeting on 22 March 2021, the Board of Directors, upon recommendation of the Governance Committee, established the principles of the compensation payable to Shane Grant for the 2021 fiscal year, taking into account the entirety of his compensation and benefits received pursuant to his employment contract with Danone North America, which is maintained unchanged.

Additional fixed compensation	
USD360,000 for the duration of the transition period	In respect of his increased functions in the context of this interim appointment (not taken into account in the fixed compensation which remains unchanged), an additional compensation in a fixed amount will be paid during the transition period. 1/10 th of this amount will be paid monthly, and the balance will be paid at the end of the transition period.

During his interim term of office, Shane Grant will continue to receive compensation, bonuses and other benefits in respect of his functions as Executive Vice President and Chief Executive Officer of Danone North America, as provided by his maintained and unchanged employment contract, *i.e.*:

- **Annual fixed compensation:** USD 833,350.
- **Annual variable compensation:** the characteristics of this variable compensation (performance conditions, with a cap of 200% of the target amount, with no guaranteed minimum or floor) are the same as those provided by the compensation policy for executive corporate officers.
 - o 2021 target amount: USD 666,680
 - o Cap: USD 1,333,360
 - o No floor
- **Variable long-term compensation** (in cash and in shares): Shane Grant receives variable long-term compensation in cash (3 years) granted annually in local currency (USD) to key managers based in North America. The allocation of this compensation in 2021 will be the subject of a decision of the Board of Directors in July, as will any allocation of GPS to Shane Grant in 2021, subject to the authorisation of the Shareholders’ Meeting to be held on 29 April 2021.

The variable long-term compensation represents at least 45% of the overall compensation of the Co-Chief Executive Officer (*Directeur Général Délégué*) (excluding the additional fixed compensation), within the limit of 60% in compliance with the compensation policy for executive corporate officers.

In respect of his maintained employment contract, Shane Grant also receives benefits in line with the compensation practices applicable to members of Danone's Executive Committee, in particular, a non-competition clause, a severance payment and benefits granted to international managers.

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