



2021 grants to the new Chief Executive Officer of Danone

At its meeting on October 13th, 2021, the Danone Board of Directors determined the number of Group Performance Shares (“GPS”) to be granted to Antoine de Saint-Affrique in his capacity of Chief Executive Officer of Danone, in accordance with its decision of May 17th, 2021, which was published on Danone’s website:

https://www.danone.com/content/dam/danone-corp/danone-com/investors/en-remuneration/2021/remuneration/Compensation_ENG_CEO_180521.pdf

As a preliminary point, it is recalled that Antoine de Saint-Affrique do not benefit from an employment contract.

All the components relating to his compensation were detailed in the above-mentioned publication.

The Board of Directors decided on October 13th to grant Antoine de Saint-Affrique 18,643 GPS as part of his long-term compensation for the 2021 fiscal year, representing an amount of 200% of the Chief Executive Officer’s gross fixed compensation, *pro rata temporis*, i.e., for 2021, a target gross amount of €816,667. This nominal grant may vary depending on the level of achievement of the GPS performance conditions, and could, in case of full achievement of the performance conditions, in particular the condition relating to sales growth, amount to 19,575 shares.

In addition, it should be noted that Antoine de Saint-Affrique waived, as a result of his acceptance of the Danone Chief Executive Officer’s position, the long-term variable compensations due in respect of his duties as Chief Executive Officer of Barry Callebaut. This long-term variable compensation consists of Barry Callebaut shares subject to performance and presence conditions, deliverable in September 2022 and in September 2023. The assessment of these long-term variable compensation was carried out by a financial adviser, based on a delivery of the target number of performance shares (and not the maximum), after applying a *pro rata* reflecting the duration of Antoine de Saint-Affrique’s term of office as Chief Executive Officer of Barry Callebaut, and the stock market price of the Barry Callebaut share.

It is reminded that the 2021 compensation policy for Danone’s executive corporate officers provides the possibility for the Board of Directors, in the event of an appointment of a new executive officer further to an external recruitment, to grant an exceptional compensation, mainly in the form of long-term compensation in cash and/or in shares subject to performance conditions, in order to compensate him for all or part of any loss of compensation suffered as a result of accepting this new appointment.

In this context, the Board of Directors decided on October 13th to grant Antoine de Saint-Affrique 29,677 GPS as an exceptional compensation on the terms and conditions below:

- this compensation represents 100% of the value of the compensation allocated to Antoine de Saint-Affrique in the context of the exercise of his previous appointment but which due to his departure were not acquired or paid, *i.e.* €1.3 million gross;
- the GPS are allocated under the Company's usual GPS plans and their acquisition will therefore be subject to (i) performance conditions and (ii) a condition of continuous presence for four years, except as provided by the plan regulations (particularly in the event of death or disability); and
- this nominal grant may vary depending on the level of achievement of the GPS performance conditions, and could, in case of full achievement of the performance conditions, in particular the condition relating to sales growth, amount to 31,161 shares.

It is recalled that the performance conditions for the 2021 GPS are assessed over three years in accordance with the authorization of the Shareholders' Meeting of April 29th, 2021, as follows:

- an external performance criterion, based on Danone's sales growth compared to that of a panel of its historical peers consisting of eight leading international groups in the food and beverage sector;
- an external performance criterion based on Danone's Total Shareholder Return ("TSR") compared to that of a panel of its historical peers consisting of eight leading international groups in the food & beverage sector; and
- an external environmental performance criterion.

In accordance with Article L.22-10-34, II, of the French Commercial Code and the compensation policy for executive corporate officers approved by the Shareholders' Meeting on April 29th, 2021, the allocation of this exceptional compensation (a) will be subject to approval of the resolution relating to the compensation paid or allocated to Antoine de Saint-Affrique, Chief Executive Officer, for the fiscal year 2021 ("*ex post say on pay*") by the Shareholders' Meeting convened to approve the annual accounts of the fiscal year ended December 31, 2021; and (b) will take place subject to the suspensive condition of a favorable vote on that resolution with retrospective effect, as of the date of the grant (October 2021).

These grants of GPS are part of the one-year authorization granted by the Shareholders' Meeting on April 29th, 2021. This authorization is limited to a number of shares equal to 0.2% of the company's share capital, this ceiling being combined with a sub-ceiling of 0.03% of the company's share capital for the grants of GPS reserved for the executive corporate officers. The current grant is consistent with this sub-ceiling.

At the end of the vesting period, *i.e.* on October 14th, 2025, Antoine de Saint-Affrique may freely dispose of his shares, subject to compliance with the obligation to hold (in registered form and until the termination of his duties) a number of Danone shares equivalent to 35% of the capital gain, net of taxes and social security contributions, that he would realize if he sold all the shares resulting from GPS granted to him under the respective plan, until his overall ownership of Company shares amounts to 400% of his gross annual fixed compensation. Furthermore, in accordance with the recommendations of the Afep-Medef Code, Antoine de Saint-Affrique personally committed not to use hedging instruments on the Company's shares as well as any financial instruments relating to the Danone share.

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