

DANONE

BOARD OF DIRECTORS' RULES



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PREAMBLE

The Board of Directors is a collegial body representing collectively all the shareholders and acts in all circumstances in the corporate interest of Danone.

The rules applicable to the Board of Directors, to its members, and to the Committees of the Board are set by legal and regulatory provisions, the by-laws of the Company and these Board rules.

These Board rules are intended to supplement the Company's by-laws. They lay down the operating principles of the Board of Directors, the members' implementation of the Company's *raison d'être* and mission as set forth in the by-laws, the ethical rules applying to its members, as well as the interactions with the Committees and the General Management. They serve for internal purposes only and cannot be invoked by third parties.

The Board of Directors refers to the Corporate Governance Code of Listed Corporations published by the *Association Française des Entreprises Privées* and the *Mouvement des Entreprises de France* (AFEP-MEDEF Code).

These Board rules include an appendix on the rules on markets ethics ([Appendix](#)).

ARTICLE 1 - SCOPE OF THE BOARD RULES

These Board rules apply to all members of the Board of Directors, and more broadly to anyone attending the Board of Directors' meetings.

They shall be communicated to all candidates for the position of Director and to any permanent representative of a legal entity, prior to that person assuming his/her duties.

ARTICLE 2 - MEETINGS OF THE BOARD OF DIRECTORS

2.1. Convening

The Board of Directors meets as often as the Company's interests so require and at least five times per year.

Notice of meetings is sent by all available means and in particular by letter or e-mail. Convening may be verbal in urgent situations.

Notice of meetings is sent out by the Chair or on his/her behalf by any person he/she appoints, and in particular by the Secretary of the Board. It may also be issued by a majority of the sitting Directors or, if there has not been a Board meeting for more than two months, by one third of them. In both of these last two cases, the notice shall indicate the meeting agenda. The Lead Independent Director may request the Chair to convene a Board of Directors' meeting on a specific agenda.

In all events, the Board of Directors may, over the course of each of its meetings, in the event of an emergency, discuss items brought to its attention that are not listed on the agenda previously communicated.

Meetings are held at any location specified in the convening notice.

2.2. Rules governing the quorum and majority

A member of the Board of Directors may grant a proxy to another member of the Board of Directors to represent him/her at a Board of Directors meeting.

No more than one proxy shall be granted, as stipulated above, to a member of the Board of Directors for a given session.

The provisions of the two preceding paragraphs apply to the permanent representatives of legal entities.

The decisions of the Board of Directors are valid only if at least one half of its members are present.

Decisions are made by a majority vote of the members present or represented. In the event of a tie, the vote of the Chair of the session becomes the deciding vote.

2.3. Participation in a Board of Directors meeting through "Telecommunications"

The members of the Board of Directors may, under the conditions permitted by applicable laws and regulations, participate in the meetings of the Board of Directors by videoconference or telecommunications, including conference calls (the "Telecommunications"). The Chair ensures that

these Telecommunications permit the identification of the Board members and guarantee their effective participation in the Board of Directors meeting, whose discussions must be retransmitted without interruption.

The members of the Board of Directors participating in the Board of Directors meetings through Telecommunications are considered present for the purpose of calculating the quorum and majority, under the conditions provided by applicable laws and regulations.

2.4. Discussions

The Chair ensures that the Board of Directors, during its meetings, allows sufficient time for discussion, enabling each Director to express himself/herself freely.

The Chair may authorize persons who are not Board members to attend Board of Directors meetings, including through Telecommunications.

ARTICLE 3 – MINUTES, ATTENDANCE REGISTER AND SECRETARIAT OF THE BOARD

3.1. Minutes of Board of Directors meetings

Minutes of the proceedings shall be established for each meeting of the Board of Directors, in accordance with applicable legal provisions.

The Chair ensures that the opinions expressed by the Directors are properly recorded in the Board of Directors' minutes.

The minutes make note of the use of Telecommunications and the name of each person who has participated in the Board of Directors meeting through these means. It also mentions any technical incidents involving Telecommunications if they have disrupted the conduct of the meeting.

3.2. Attendance register

An attendance register signed by the members of the Board of Directors participating in the meeting is kept at the Company's registered office. The written proxies are appended to the attendance register. The attendance register mentions, where applicable, the participation of Directors through Telecommunications.

3.3. Secretary of the Board

The Board of Directors appoints, on the proposal of the Chair, a Secretary of the Board who may be chosen from outside its ranks. The Secretary remains in office for the period determined by the Board of Directors.

In the Secretary of the Board's absence, the Board of Directors appoints one of its members or a third party to replace him/her.

The Secretary of the Board is in particular responsible for the communication of working documents to Directors. He/she remains at their disposal for any request for information pertaining to their rights and duties, the operation of the Board or the life of the Company.

He/she assists the Chair of the Board of Directors in the performance of his/her duties.

The Secretary of the Board is authorized to issue and certify copies of, or excerpts from, the minutes.

ARTICLE 4 – POWERS OF THE BOARD OF DIRECTORS

4.1. General prerogatives

The Board of Directors exercises the powers conferred by law and acts at all times in the corporate interest of the Company.

It determines all strategic orientations of Danone's activity and oversees their implementation. It endeavours to promote long-term value creation by the Company, taking into account the social and environmental aspects of its activities in a manner consistent with Section 4.3.

It performs the verifications and audits it deems advisable.

4.2. Authorization of strategic transactions

The Board of Directors approves strategic investment projects and all transactions, in particular acquisitions or disposals that could have a significant impact on Danone's results, the structure of its balance sheet or its risk profile.

In particular, the Chief Executive Officer must obtain the prior authorization of the Board of Directors for the following transactions:

<i>Type of transactions</i>	<i>Thresholds based on Danone's consolidated figures</i>
Acquisitions or disposals of securities and/or assets, partnerships or joint ventures (in cash or by asset contributions, carried out in one or several transactions)	Any transaction representing an amount exceeding €250 million for the Group's share
Internal reorganizations	Any reorganization project representing an overall cost for the Group's share exceeding €100 million
Capital expenditures (CapEx)	Threshold of €250 million for the Group's share

In addition, the Chief Executive Officer must systematically inform the Board of Directors for the following transactions:

<i>Type of transactions</i>	<i>Thresholds based on Danone's consolidated figures</i>
Other investments, including off-balance sheet commitments made by Danone	Threshold of (a) €250 million per year or (b) €50 million per year and exceeding 7 years, for the Group's share

4.3. *Raison d'être* and mission of the Company

Consistent with Article 1833 of the French Civil Code, and in furtherance of the Company's decades of responsible business stewardship that underlie the Company's purpose (*raison d'être*) as stated in Section II of Article 1 of the by-laws, and the Company's model of profitable and sustainable growth into which the objectives stated in Section III of Article 1 of the by-laws are integrated, the Company intends to have a positive and material social, societal and environmental impact when conducting its activities. In this context, the Board of Directors takes into consideration the social, societal and environmental consequences of its decisions on all stakeholders of the Company.

ARTICLE 5 – INFORMATION, TRAINING AND ATTENDANCE OF THE DIRECTORS

5.1. Information

The Board of Directors' meetings are preceded by the communication, in a timely manner, of a file covering agenda items requiring particular analysis and prior thought so that each Director may act with full knowledge of the facts and in an informed manner regarding these items.

During each meeting, the Board of Directors is informed of the principal facts and significant events concerning Danone that have occurred since the date of the preceding Board of Directors meeting. Furthermore, the Board of Directors is informed by the General Management at least once every six months of Danone's financial situation, cash situation and commitments.

Between Board of Directors meetings, the Directors also receive all useful information on significant events or operations for Danone. More generally, they may receive from the Chair at any time all information and documents that they deem useful for the fulfilment of their duties. They receive the press releases circulated by the Company.

Directors may ask to meet with the Company's senior executives, even outside the presence of corporate officers. The Secretary of the Board and the corporate officers should be given prior notice.

Directors may visit a Danone site in order to obtain the information required to perform their duties. In order to do so, Directors must submit a written request explaining the purpose of such a visit to the Chair of the Board, *via* the Secretary of the Board. The Secretary of the Board organizes the conditions of such visits.

5.2. Training

At the time of his/her appointment and throughout his/her term, each Director may receive the training necessary for the performance of his/her duties. In particular, such internal or external training will allow him/her to thoroughly understand Danone's activities, risks and organization, or to develop some specific skills. The Chair of the Board of Directors ensures the proper integration of new Directors.

Directors representing employees shall be provided with training adapted to the performance of their duties.

These trainings are organized by the Company at its sole expense.

5.3. Availability

Directors ensure that they attend Board of Directors meetings and Shareholders' Meetings.

Directors devote the time needed for the performance of their duties.

Directors are careful to limit the number of board memberships in other companies, including their participation in these other companies' Committees, so as to remain sufficiently available. In particular, they need to ensure not to exceed the maximum number of board memberships in companies outside the group, as provided in the AFEP-MEDEF Code.

Therefore:

- Directors shall inform the Chair of the Board or the Chair of the Nomination, Compensation and Governance Committee before accepting another board membership in a listed French or foreign company;
- Executive corporate officers shall in addition seek the opinion of the Board of Directors before accepting another board membership in a listed French or foreign company.

The Company's annual report contains data on each Director's attendance at Board of Directors and Committee meetings.

ARTICLE 6 – SPECIAL COMMITTEES

6.1. Common provisions

6.1.1. Creation of Committees

The Board of Directors may decide to create one or more special Committees, whose composition and prerogatives it determines and which exercise their activity under its responsibility.

These Committees cannot interfere with the Company's management or reduce or limit the powers of the Chief Executive Officer or, if applicable, of the Deputy Chief Executive Officers, or those of the Board of Directors.

Their role is to prepare and provide information for the Board's work in the fields and areas assigned to them hereinafter. The Committees do not act in the place of the Board of Directors, but rather as its extension, facilitating its work. Final power of decision continues to be exercised by the Board of Directors at plenary sessions, in accordance with the mandatory provisions of the French commercial code.

Within its field of expertise, each Committee issues proposals, recommendations and opinions, depending on the case, and reports on its assignments at the next meeting of the Board of Directors.

6.1.2. List of Committees

There are three permanent Committees:

- the Audit Committee;
- the Nomination, Compensation and Governance Committee;

- the CSR Committee.

Furthermore, the Board of Directors may create one or more permanent or temporary “*ad hoc*” Committees.

6.1.3. Composition of the Committees

The Committees are composed solely of Directors and include at least three members.

The members of each Committee are appointed by the Board of Directors, upon a proposal of the Nomination, Compensation and Governance Committee, for the duration of their term as Director. They cease to be a Committee member on the date their term as Director is terminated, for any reason whatsoever.

Members are appointed in a personal capacity and cannot be represented.

6.1.4. Committees Chairmanships

A Director appointed by the Board of Directors, upon a proposal of the Nomination, Compensation and Governance Committee, serves as the Committee’s Chair for a maximum period corresponding to that of his/her term as Board member.

The Chair of each Committee determines the conditions under which he/she reports to the Board of Directors on his/her Committee’s work.

Should a Lead Independent Director be appointed, he or she will, except in certain cases, be appointed Chair of the Nomination, Compensation and Governance Committee.

6.1.5. Referrals to the Committees and Committee agendas

Each Committee deals with all matters within its area of expertise as stipulated by these Board rules.

Moreover, the Board of Directors, its Chair and the Lead Independent Director may also refer to a Committee at any time matters that fall within the scope of its expertise.

The author of the notice of each Committee meeting sets the agenda.

The Chair of each Committee sets its annual program.

6.1.6. Notice of Committees meetings

The meetings of each Committee are convened (i) by the Chair of the Committee, (ii) on its behalf by any person he/she appoints, (iii) by half of its members or (iv) by the Chair of the Board.

These meetings are held at the registered office or any other location specified by the author of the notice.

6.1.7. Quorum and majority

Committee members participate in their meetings in person, using Telecommunications if appropriate.

Committee meetings may be held with binding effect only if at least one half of their members are present or participate via Telecommunications.

Opinions and recommendations are made by a majority vote of the members participating in the meeting, with each member entitled to one vote. In the event of a tie, the vote of the Chair of the Committee becomes the deciding vote.

6.1.8. *Committee meetings*

Subject to the provisions specific to each Committee, its Chair may decide to invite any person of his/her choosing, to attend, either in a permanent capacity or on an *ad hoc* basis, one or several Committee meetings depending on the topics discussed. Moreover, the Lead Independent Director and the Chair of the Board of Directors may also participate in the meetings and have access to the work of all Committees.

Only Committee members participate in its deliberations.

A Committee may hold joint meetings with another Committee of the Board of Directors.

6.1.9. *Committee means*

In exercising their respective prerogatives, the Committees may be briefed by the members of the Executive Committee as well as other senior executives of Danone and request external technical research, at the Company's expense. They report on the information obtained and opinions gathered.

6.1.10. *Committee Secretariat*

The Committees appoint a Secretary, who may be chosen from outside the Committees' ranks. The Secretary remains in office for the period determined by the Committees.

In the event of the Secretary's absence, the Committees appoint one of their members or a third party to replace him/her.

Unless other arrangements are made, the minutes of each Committee meeting are prepared by the Committee's Secretary, under the authority of the Chair of this Committee and are transmitted to its members.

6.2 **Audit Committee**

6.2.1. *Assignments*

The Audit Committee is responsible for monitoring issues relating to the preparation and control of Danone's financial, accounting and sustainability information.

For this purpose:

a) The Audit Committee reviews, before they are submitted to the Board of Directors, the drafts of the Company's annual and half-year statutory and consolidated financial statements, and the press releases pertaining to annual and half-year financial results. In particular, it:

- ensures that the accounting methods employed are relevant and consistently applied, in particular when dealing with major transactions;
- reviews the main accounting options chosen, the main acquisitions and disposals, the major transactions which could have given rise to conflict of interest, the significant off-balance-sheet commitments, the scope of consolidation as well as the financial situation and the cash situation.

b) The Audit Committee monitors the sustainability reporting process, including the double materiality assessment process conducted to identify the information to be reported in accordance with the applicable sustainability reporting standards. Where appropriate, it makes recommendations to ensure the integrity of this process.

c) The Audit Committee monitors the effectiveness of the internal control, internal audit and risk management systems as well as the compliance policies. In particular, it:

- is informed of the internal audit schedule and a periodical summary of internal audit reports;
- regularly hears the persons responsible for the internal audit, including without the presence of executive managers and issues an opinion on the organization of the internal audit function;
- regularly reviews the mapping of the Company's main risks, including sustainability-related risks;
- regularly hears the person responsible for the risk control and issues an opinion on the organization of his/her team;
- is informed of the internal control: processes, of all significant defects or weaknesses in internal control and of any major fraud; and
- is informed of the rules of good conduct and compliance policies.

d) Regarding the statutory auditors and the sustainability auditor(s), the Audit Committee:

- proposes to the Board, after a consultation procedure where applicable, the renewal or appointment of the statutory auditors and of the sustainability auditor(s);
- monitors the performance of the statutory financial audit and sustainability information certification;
- regularly interviews the statutory auditors and the sustainability auditor(s), including without the presence of senior executives, in order to be informed about the performance of the statutory financial audit and sustainability information certification, the conclusions of their work, the main areas of risks or uncertainties on the financial statements and on the sustainability information as identified by them, their auditing approach and any difficulties that might have arisen during the conduct of their tasks; and
- verifies the independence of the statutory auditors and the sustainability auditor(s), and approves the provision of non-audit services by their firms or by their network.

e) Finally, the Audit Committee may, at the request of the Board of Directors, review any other accounting or financial issues, in particular in case of transactions impacting the scope or the business of the company.

A summary of the Audit Committee's works and conclusions, regarding the sustainability reporting process, the performance of the sustainability information certification and, where relevant, sustainability-related topic examined by the Audit Committee, is communicated to the Chair of the CSR Committee to enable the CSR Committee to perform its own missions.

6.2.2. Composition

At least two thirds of the Audit Committee must be independent, as defined by the AFEP-MEDEF Code. Members must not be executive officers.

The Audit Committee members should be competent in finance or accounting.

6.3. Nomination, Compensation and Governance Committee

6.3.1. Assignments

The Nomination, Compensation and Governance Committee is responsible for monitoring governance issues, in particular within the framework of the code to which the Company refers.

It reviews the corporate governance rules applicable to the Company and monitors their implementation as well as their potential changes.

It also oversees the conduct of the annual assessment of the Board of Directors.

a) Assignments involving nominations

The Nomination, Compensation and Governance Committee is responsible for:

- regularly setting and reviewing the Board membership policy, notably with respect to diversity, that takes into account the number of women directors, its international composition and the complementary skills of its members;
- periodically reviewing any matter related to the composition, structure, organization, operation or effectiveness of the Board and its Committees, and proposing any changes;
- participating in the regular review of the governance bodies so as to make recommendations to the Board regarding potential Board members or corporate officers, and, where applicable, reviewing the possible renewal of their terms;
- reviewing on a regular basis, and in particular when the terms of office of corporate officers come up for renewal, (i) the relevance of the Company's governance method (combination or separation of roles for the Chair of the Board and the Chief Executive Officer); (ii) changes to management bodies and changes concerning potential future managers, notably through a succession plan for corporate officers, in the event of an unforeseen vacancy and at mid-term;
- reviewing the criteria used by the Board to determine a Director's independence and making recommendations to the Board, debating the independence of each Director and, in that context, reviewing all matters involving potential conflicts of interest; and
- submitting to the Board any proposal for the appointment or renewal of the members of the mission committee as defined in the Company's by-laws (the "**Mission Committee**").

b) Assignments involving compensation

The Nomination, Compensation and Governance Committee is responsible for:

- reviewing the policy for compensation and for any other benefits, notably the pension policy of the management (in particular corporate officers and members of the Executive Committee);
- submitting proposals to the Board on compensation for corporate officers, including their pensions and all other benefits:
 - o *Regarding variable compensation components:*
 - defining the methods for setting variable compensation targets;
 - reviewing the application of rules for setting variable compensation by ensuring their consistency with performance assessments and Danone's strategy.

- *Regarding long-term compensation components:*
 - informing itself of long-term compensation mechanisms and the overall grant policy;
 - reviewing planned and proposed compensation to be granted to corporate officers and members of the Executive Committee.
- reviewing the total amount of Directors' compensation and making recommendations on their allocation;
- giving any recommendation regarding the compensation of the Mission Committee members; and
- formulating an opinion on any matter involving Danone's compensation policy.

6.3.2. Composition

At least two thirds of the Nomination, Compensation and Governance Committee must be independent, as defined by the AFEP-MEDEF Code.

The Chair of the Board or the Chief Executive Officer may not attend the portions of meetings that address their own compensation.

6.4. CSR Committee

6.4.1. Assignments

The CSR Committee assists the Board in overseeing the sustainability matters, focusing in particular on the pillars of the sustainability journey of Danone regarding health, nature, people and communities.

For this purpose, the CSR Committee:

- (a) examines the sustainability strategy, commitments, main targets and policies of Danone and monitors their implementation. It makes recommendations in this respect;
- (b) reviews the results of the annual consolidated sustainability reporting to be published by the Company and is informed of the main aspects of the sustainability reporting process, and
- (c) regularly reviews the main extra-financial ratings carried out on the Company.

In this context, it also reviews how the Company considers the evolving expectations of stakeholders, including investors, customers, public authorities, partners, NGOs, employees and communities, regarding sustainability topics.

A summary of the Mission Committee works and conclusions is communicated to the CSR Committee to enable it to perform its own missions in light of the views and opinions of the Mission Committee.

6.4.2. Composition

At least two thirds of the CSR Committee must be independent, as defined by the AFEP-MEDEF Code. At least one Director representing employees must be a member of the Committee.

ARTICLE 7 – CHAIR OF THE BOARD OF DIRECTORS

The Chair of the Board of Directors chairs the Board of Directors' meetings. He or she prepares, organizes and oversees the Board of Directors' works for which he or she sets the agenda. In such capacity, he or she manages and directs the Board's discussions.

The Chair of the Board of Directors ensures that the Board and Committees are correctly operated. The Chair oversees the integration of new Directors. He or she ensures that Directors are enabled to accomplish their duties, and benefit, in particular, from an adequate level of information prior to meetings of the Board of Directors. He or she may thus request any document or information necessary for the preparation of the Board of Directors' meetings. He or she also ensures that Directors have the possibility to meet and listen to the management and the auditors of the Company.

The Chair of the Board of Directors may meet investors from time to time, in particular to discuss governance topics.

Under the conditions defined by the by-laws and if the Board of Directors so decides, the duties of the Chair and of the Chief Executive Officer may be combined.

In addition, he or she may be appointed as a member of one or more Committees of the Board of Directors, and in all cases, is invited to attend the meetings, and has access to all Committees' works. In addition, if a Lead Independent Director has been appointed, he or she has regular updates with the Lead Independent Director on the various issues relating to governance and the organization of the Board's works.

In the event of dissociation of the duties, the Chair of the Board of Directors ensures that a relationship of trust is developed and maintained between the Board and the Executive management, to allow permanence and continuity of the implementation of the strategic orientations decided by the Board. To this end, he or she has regular discussions with the Chief Executive Officer outside meetings of the Board of Directors.

The Chair of the Board is provided with the material resources required to fulfil his/her assignments. He may also receive a compensation for his/her duties as Chair of the Board.

ARTICLE 8 – LEAD INDEPENDENT DIRECTOR

The Board of Directors may appoint a Lead Independent Director if it deems it useful or necessary, under the conditions set out by this article.

The appointment of a Lead Independent Director is mandatory when the functions of Chair of the Board of Directors and Chief Executive Officer are combined.

8.1. Appointment of the Lead Independent Director

The Lead Independent Director is appointed by the Board of Directors, acting upon a recommendation of the Nomination, Compensation and Governance Committee, from among the Directors qualified as independent. He or she is meant to chair the Nomination, Compensation and Governance Committee, except in certain cases.

8.2. Duties and powers of the Lead Independent Director

8.2.1. Organization of the Board's work and relations with Directors

The Lead Independent Director may be consulted on the agenda and the meetings schedule of the Board and may propose to the Chair to add items to the agenda. He/she may require the Chair to convene the Board of Directors for a given agenda. The Lead Independent Director chairs the Board's meetings if the Chair is absent.

The Lead Independent Director participates in the recruitment process of Board members.

The Lead Independent Director ensures the link between independent Directors and the other Board members and the General Management. He/she maintains regular and free dialogue with each Director, particularly with the independent Directors. He/she convenes, chairs and facilitates an Independent Directors' meeting at least once a year, and informs the Chief Executive Officer of the outcome of such meetings.

The Lead Independent Director in collaboration with the Chair of the Board, if the latter is independent, prevents conflicts of interest from occurring, notably by taking preventive measures to raise awareness. He/she brings any conflicts of interest involving corporate officers and other Board members that he/she has identified to the attention of the Board of Directors.

The Lead Independent Director ensures that these Board rules and the AFEP-MEDEF Code principles/recommendations are complied with.

The Lead Independent Director supervises the Board of Directors assessment process, including the assessment of the Chair, as described in Article 11 of these Board rules.

8.2.2. Relations with Shareholders

The Lead Independent Director is informed of Shareholders' questions concerning governance and ensures that their questions are answered.

The Lead Independent Director is the main point of contact for shareholders on Board responsibility and governance matters.

In particular, the Lead Independent Directors makes himself/herself available to meet with some shareholders, even without the Chair or the Chief Executive Officer. He/she informs the Board of shareholders' concerns regarding governance.

8.2.3. Board of Directors Committees

The Lead Independent Director is meant to be appointed Chair of the Nomination, Compensation and Governance Committee, except in exceptional cases, and the Board of Directors may also decide to appoint him/her member of one or more Board of Directors Committees. In any case, the Lead Independent Director may attend the meetings and has access to the work of all the Committees.

8.2.4. Succession Plan and Evolution of the Composition of the Board of Directors

The Lead Independent Director oversees the preparation of the succession plan for corporate officers, including that of the Chair of the Board of Directors and of the Chief Executive Officer, as well as the recruitment process for members of the Board of Directors, and, more generally, the discussions on governance issues.

8.2.5. Means

The Lead Independent Director has access to all documents and information that he/she deems necessary to fulfil his/her duties. The Lead Independent Director may, in exercising his/her prerogatives, request external technical research, at the Company's expense.

The Lead Independent Director is regularly informed of the major events in the Company's activity. He/she may also meet, on his/her request, and after having informed the Chair and the Chief Executive Officer, the operational or functional executives of the Company.

He/she may also require the assistance of the Board Secretary to carry out his/her duties.

8.2.6. Report

The Lead Independent Director reports on the execution of his/her duties once a year to the Board of Directors. During the Shareholders' Meetings, he/she may report on his/her actions either upon proposal from the Chair or on his/her own initiative.

ARTICLE 9 - COMPENSATION OF THE BOARD OF DIRECTORS

It is the responsibility of the Shareholders' Meeting to determine the maximum total amount of Directors' compensation to be allocated by the Board of Directors among its members, and to approve the allocation terms of this global amount.

Directors who are also members of the Executive Committee or employees or corporate officers of Danone do not receive this compensation linked to their term of office.

The formula for allocating Directors' compensation, based on the applicable authorization granted by the Shareholders' Meeting, includes a fixed portion and a variable portion. Additional compensation may be decided for Directors residing outside of France to take into account the additional constraints created by the need to travel to board meetings.

This allocation is made as follows:

9.1. Fixed portion

Each Director receives a semi-annual fixed amount of €12,500.

The Lead Independent Director receives a semi-annual fixed amount of €25,000.

If a Director is appointed or his/her term ends during this semi-annual period, he/she is entitled to receive the full amount of the fixed compensation due for this current period.

9.2. Variable portion

Participation in each Board of Directors or Committee meeting, either in person or via Telecommunications, entitles the Director to receive the following compensation:

9.2.1. Board of Directors meetings

Each Director receives:

- an amount of €5,000 per Board of Directors meeting;

- for travel by Directors residing outside of France:
 - o an additional amount of €2,000 per trip to attend a Board of Directors meeting for Directors residing elsewhere in Europe;
 - o an additional amount of €8,000 per trip to attend a Board of Directors meeting for Directors residing outside of Europe.

For meetings of independent Directors, the rules provided by this Article apply unless these meetings are held on the same day as a Board of Directors meeting, in which case no additional amount shall be paid.

9.2.2. *Committee meetings*

Each Director receives:

- an amount of €4,000 per Committee meeting for the members of the Committee;
- an amount of €8,000 per Committee meeting for the Chair of the Committee.

With respect to variable compensation owed for travel to Committee meetings, the same rules as those applicable to the Board of Directors' meetings apply. However, Directors making a single trip that enables them to attend several Board of Directors, Committee or independent Directors meeting, will receive compensation only once for their travel.

In addition, if a Director participates as a member of the Mission Committee, he or she will be eligible for the compensation provided for members of the Mission Committee. This compensation will be charged to the maximum total amount of Directors' compensation approved by the general meeting.

9.3. **Payment**

Payment of the fixed and variable components is made at the end of each semi-annual period.

If the total amount to be paid to Directors pursuant to the allocation rules described above exceeds the maximum overall amount authorized by the Shareholders' Meeting, the total amount to be paid to Directors shall be reduced so as to comply with the authorization in effect. The amounts to be paid to each Director will then be reduced on a pro rata basis to the amounts each should have received.

Lastly, Directors will be reimbursed by the Company for all reasonable expenses incurred in the performance of their duties (in particular as regards transportation, food and lodging in order to attend Board of Directors and Committee meetings), provided that they produce all necessary receipts, under the conditions set out by the Board expenses policy of the Company.

ARTICLE 10 – CODE OF ETHICS

10.1. **Knowledge of rights and duties**

Upon taking office, each Director and, where applicable, the Honorary Chair and each Honorary Vice-Chair are required to be aware of the general and specific duties incumbent upon them.

In particular, they must take note of the legal and regulatory rules governing the operation of French limited liability companies (*sociétés anonymes*), the Company's by-laws and these Board rules.

10.2. Duty of confidentiality

The members of the Board of Directors and its Committees, as well as all persons taking part in the work of the Board or the Committees, including if applicable the Honorary Chair and the Honorary Vice-Chair, are bound by an absolute duty of confidentiality – which exceeds the mere duty of discretion stipulated by law – with respect to:

- (i) the content of discussions and deliberations of the Board of Directors and its Committees; and
- (ii) all information and documents presented therein or communicated to them for the preparation of their work, or to which they may have had access in the framework of their duties.

This duty of confidentiality applies implicitly, even if the Chair has not explicitly stipulated the confidential nature of the information.

Furthermore, the members of the Board of Directors and its Committees, as well as all persons taking part in the work of the Board or the Committees, including if applicable the Honorary Chair and the Honorary Vice-Chair:

- (i) are bound by this duty of confidentiality with respect to both persons outside the Company and persons within the Company who, given their duties, have no reason to have knowledge of the information;
- (ii) must in particular, if the Board of Directors or its Committees have received specific, confidential information that could significantly affect the price of shares or any other financial instruments of Danone, refrain from disclosing this information to a third party as long as it has not been made public.

10.3. Independence

The Board of Directors is responsible, upon proposal of the Nomination, Compensation and Governance Committee, for the assessment each year of each Director's independence, taking into consideration the criteria of the AFEF-MEDEF Code, and for informing the Shareholders of the conclusions of this assessment in the Universal Registration Document.

10.4. Management of conflicts of interest

In exercising the assignment entrusted to him/her, each Director must make his/her decisions independently of any interest other than Danone's corporate interest.

Each Director must at all times avoid, to the extent possible, conducting activities or carrying out transactions that might cause conflicts of interest with Danone.

- Prior approval in case of conflicts of interest

Any Director must inform the Secretary of the Board and the Lead Independent Director or the Chair of the Board if the latter is independent, of any conflicts of interest, even potential or upcoming, he/she has or is likely to have, in order to obtain approval.

The Secretary of the Board and the Lead Independent Director, if they deem it necessary, may, if applicable, request the opinion of the Nomination, Compensation and Governance Committee before granting approval.

- Duty to report conflicts of interest

Each Director is required to prepare a sworn statement concerning the existence of a conflict of interest, or even a potential conflict:

- (i) upon assuming his/her duties;
- (ii) each year in response to a request made by the Company at the time of preparation of the Universal Registration Document;
- (iii) at any time at the request of the Chair of the Board of Directors' or the Lead Independent Director; and
- (iv) within 10 business days following the occurrence of any event making the previous sworn statement issued by a Director totally or partially inaccurate.

Each Director is also required, in response to a request made annually by the Company, firstly to report the list of board appointments and duties exercised at all companies within the past five years, and, secondly to answer the questionnaire provided by the European regulations on prospectus concerning in particular the existence of conflicts of interest.

- Duty to abstain

A Director with a conflict of interest, even potential, must abstain from attending and participating in the discussions and the corresponding vote.

Likewise, in the event of a conflict of interest, even a potential conflict of interest, the Honorary Chair and the Honorary Vice-Chair must also refrain from attending and participating in the debates concerning the corresponding vote.

10.5. Ownership of Danone shares

The Directors undertake to hold on a continuous basis, the number of Danone shares required in the Company's by-laws in registered form. They must be able to provide proof of ownership of said shares at all times.

This provision does not apply to Honorary Directors or to Directors representing employees.

10.6. Market ethic rules

As a general rule, the Directors, as well as all persons participating in the work of the Board or the Committees, including if applicable the Honorary Chair and the Honorary Vice-Chair, must observe a duty of caution and vigilance and pay particular attention to all transactions involving Danone shares or any financial instruments linked to these shares.

Directors must comply with rules applicable to insider dealing. In particular, they must respect the stock market rules applicable to the:

- definition, use and communication of inside information;
- reporting of the list of the persons who are closely associated with him/her;
- respect of black-out periods; and
- reporting of transactions on Danone securities.

The main provisions applicable to the Directors with respect to market ethics are described in the Appendix to these Board rules.

For the avoidance of doubt, it is specified that insider rules apply to any person participating in the work of the Board or the Committees, including where applicable the Honorary Chair and the Honorary Vice-Chair, who becomes aware of an inside information in the context of his/her participation in the Board or the Committees.

10.7. Ban on the use of certain transactions

Each Director and the persons closely associated with him/her shall refrain from:

- carrying out short-term purchase/resale transactions, in other words back-and-forth transactions within the trading month or the following month, involving Danone shares;
- short-selling these shares, directly or indirectly;
- using any hedging instruments for Danone shares or any other financial instruments linked to Danone shares, and in particular for (i) Danone stock purchase or subscription options, (ii) rights to Danone shares subject to performance conditions, (iii) Danone shares created through options or shares subject to performance conditions, (iv) Danone shares subject to a vesting obligation by the Board of Directors or under applicable law, and lastly (v) all the other Danone shares held by this Director; and
- carrying out transactions on shares (and any related financial instruments) of companies for which, as a result of his/her duties as Director of Danone, he/she has inside information.

ARTICLE 11 – ASSESSMENT OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

The operation and the performance of the Board of Directors are assessed every year, either in the form of a self-assessment, or an assessment by the Nomination, Compensation and Governance Committee, or an assessment by the Lead Independent Director or by any third-party organization. A report of such assessment is given to the Board of Directors.

The Lead Independent Director leads the assessment of the Board of Directors, under the oversight of the Nomination, Compensation and Governance Committee.

The Board of Directors ensures the quality of the Board of Directors' collective work as well as the Directors' availability and commitment.

ARTICLE 12 – VICE-CHAIR – HONORARY CHAIR AND HONORARY VICE-CHAIR – TEMPORARY REPLACEMENT OF THE CHAIR

12.1. Vice-Chair

The Board of Directors elects, at its discretion, a Vice-Chair (or several Vice-Chairs) from among its members. The Vice-Chair(s) hold(s) this position for the period determined by the Board of Directors, this period not to exceed that of the respective terms as Director(s).

The position of Vice-Chair(s) carries no particular prerogatives other than the Chairmanship of Shareholders' Meetings (as specified in Article 26 of the by-laws) and of meetings of the Board of Directors (as specified in Article 12.3 of these Board rules).

12.2. Honorary Chair – Honorary Vice-Chair

The Board of Directors may appoint on an honorary basis:

- as “Honorary Chair”, an individual and former Chair of the Board of Directors; and
- as “Honorary Vice-Chair”, a maximum of two Directors or former Directors.

This appointment will be made by taking into account both their personality and their contribution to Danone's development.

If the Honorary Chair and the Honorary Vice-Chair(s) are not Directors, they may be invited occasionally to participate in the Board of Directors meetings in an advisory capacity. If they are Directors, they can also be appointed as members of Committees and receive Director's compensation according to the rules set forth in Article 9 of these Board rules.

At the request of the Chair or the Chief Executive Officer, the Honorary Chair may be called upon to share his/her experience and speak to Danone's teams. He may also be called upon to represent Danone, particularly with its long-time partners, and take part in major corporate events. The Honorary Chair is given resources to allow him to fulfill his/her duties (a part-time assistant, communication and transportation means, etc.). The reasonable costs incurred by the Honorary Chair in carrying out missions will be reimbursed upon presentation of corresponding supporting documents.

The participation of the Honorary Chair and Honorary Vice-Chair(s) in meetings of the Board of Directors is reported annually in the corporate governance report of the Company.

12.3. Chairmanship in the absence of the Chair and the Lead Independent Director

In the event that the Chair and the Lead Independent Director are absent, the Vice-Chair or one of the Vice-Chairs chairs the Board of Directors meetings.

In the event of the absence of the Vice-Chair (or Vice-Chairs), the Board of Directors designates, for each meeting, one of its members present to chair the meeting.

12.4. Temporary Replacement of the Chair in the event of incapacity or death

In the event of the Chair's incapacity or death, the Board of Directors may assign a Director to act as Chair under the conditions stipulated by law.

ARTICLE 13 – APPROVAL AND AMENDMENTS OF THE BOARD RULES

These Board rules were approved by the Board of Directors, in a special decision of July 30th, 2024.

These Board rules, except for Section 4.3 and this paragraph, may be amended at any time by a simple decision of the Board of Directors. An amendment of Section 4.3 or this paragraph shall not take effect until (a) a 2/3 majority vote of the shareholders has approved a change in the social, societal and environmental objectives stated in Section III of Article 1 of the by-laws and (b) due consideration by the Board of the consequences of the proposed amendment on the B Corp™ certification objective of the Company, including prior information and consultation with B-Lab.

APPENDIX: MARKET ETHICS

This appendix describes the main rules applicable to the Directors regarding market ethics.

As a general rule, the Directors must observe a duty of caution and vigilance and pay particular attention to all transactions involving Danone shares or any financial instruments linked to these shares.

1/ **Definition of inside information**

Inside information is information that:

- is non-public;
- is precise;
- concerns (directly or indirectly) Danone and/or financial instruments of Danone; and
- if it was made public, could have a material effect on the price of the Danone shares or other financial instruments of Danone.

Information shall be deemed to be “precise” if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments.

Regarding information having a material effect on the prices of a financial instrument, it is information that a reasonable investor would be likely to use as part of the grounds of its investment decisions if the information was made public.

Inside information may in particular refer to circumstances or events which are:

- financial (such as a large deficit of consolidated net income for the last fiscal year, the future deterioration of operating income or annual results, the failure to achieve the forecast results or objectives previously made public);
- strategic (such as the acquisition project of a company that would change future prospects, a structural change resulting from a merger, failure of an announced acquisition project of a company, the cancellation of a contract having a significant impact on the commercial and financial situation);
- technical or legal (such as the development of a new manufacturing process, the chances of success of a product launch authorization procedure, the completion of the conditions precedent to the authorization of the antitrust authorities prior to a merger);
- relating to the internal organization of Danone (e.g. a change in the management team).

2/ **Applicable rules in case of detention of an inside information**

A Director holding inside information is deemed an insider until this information is made available to the public.

Therefore, for as long as such information retains its insider nature, any Director who is aware of this information must refrain from:

- (i) make any insider dealing *i.e.* use inside information in acquiring or disposing of, for his/her own account or for the account of a third party, directly or indirectly, shares of Danone or related financial instruments or in cancelling or amending an order placed before the possession of the inside information and which is related to Danone shares or related financial instruments;
- (ii) recommend any other person to make an insider dealing, or induce any other person to make an insider dealing; and
- (iii) disclosing the inside information outside the normal context of his/her work, and in particular, to any person outside of Danone. The persons informed in this professional context must be clearly advised of the confidential nature of the information.

3/ Ban on transactions carried out on Danone securities during black-out periods

Directors are not permitted to carry out, directly or indirectly, transactions on Danone shares or on debt securities or on derivative instruments or on other financial instruments linked to these shares during periods called "black-out" periods. The transactions concerned are described in article 5.1 below.

The "black-out" periods are short-term periods that are known in advance during which significant, non-public information concerning Danone may circulate within Danone.

These periods cover:

- the 30 calendar days preceding the date of the press release concerning annual and half-year results, the publication date of the press release being included in the black-out period;
- the 15 calendar days preceding the date of publication of quarterly sales, the publication date being included in the black-out period.

The financial publication calendar is made available to the Directors on Danone's website. The dates of black-out periods are communicated each year by e-mail to the Directors.

In addition and as a reminder, the Directors are informed by e-mail before the beginning of the black-out periods.

Every Director must check whether one of the above prohibition periods is applicable.

The completion of a transaction outside of the prohibition periods does not relieve the Director of his/her responsibility. Indeed, the Director remains subject to the prohibition on insider dealing, if he or she holds inside information.

4/ Obligations related to the persons closely associated with Directors

4.1 Persons concerned

Directors must report to the Company the list of the persons who are closely associated with him/her.

The persons closely associated with him/her include:

- the following natural persons:

- a spouse, or a partner considered to be equivalent to a spouse (in France, a spouse non séparé de corps and a partner bound by a civil union);
- dependent children (in France children, over whom the Director has parental authority, or who are living with him/her, ordinarily or on an alternating basis, or for whom he/she has effective and permanent responsibility);
- parent or relative who has shared the same household for at least one year;
- legal persons, trusts or partnerships:
 - in which Director or one of the aforesaid natural persons closely associated exercises managerial responsibilities; it is specified that a person is considered as “exercising managerial responsibilities” of an entity when he/she is:
 - ✓ a member of the board of directors, a member of the supervisory board, a member of the management board, the chief executive officer, a deputy general manager, a managing director; or
 - ✓ a senior executive who has (i) regular access to inside information relating directly or indirectly to that entity and (ii) power to take managerial decisions affecting the future developments and business prospects of that entity; or
 - directly or indirectly controlled by the Director or by one of the aforesaid natural persons closely associated with him/her; or
 - set up for the Director’s benefit or for the benefit of one of the aforesaid natural persons closely associated with him/her; or
 - the economic interests of which are substantially equivalent to those of the Director or to those of one of the aforesaid natural persons closely associated with him/her.

4.2 Obligations related to these persons closely associated

Directors must:

- on one hand, report to the Company the list of the natural and legal persons closely associated with him/her; and
- on the other hand, send to each of these persons a notification to remind them of applicable duties, and keep a copy of that notification.

Each Director must communicate the list of the persons closely associated with him/her when he/she takes its duties, each year as a response to a Company’s request, and within the 10 business days following any change on that list.

5/ Reporting to the French financial markets Authority the transactions on Danone shares

5.1 Transactions concerned

Directors are required to personally report to the French financial markets Authority (*Autorité des marchés financiers*) any transactions they make involving shares or debt securities of the Company, or derivative instruments or related financial instruments.

This obligation also applies to persons closely associated with those Directors.

Transactions that must be reported include in particular:

- a) acquisition, disposal, short sale, subscription or exchange;
- b) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
- c) entering into or exercise of equity swaps;
- d) transactions in or related to derivatives, including cash-settled transaction;
- e) entering into a contract for difference on a financial instrument of the concerned issuer or on emission allowances or auction products based thereon;
- f) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- g) subscription to a capital increase or debt instrument issuance;
- h) transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps;
- i) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- j) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- k) gifts and donations made or received, and inheritance received;
- l) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- m) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council (4), insofar as required by Article 19 of Regulation (EU) No 596/2014;
- n) transactions executed by manager of an AIF in which the person discharging managerial responsibilities or a person closely associated with such a person has invested, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- o) transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a Director or a person closely associated with him/her;
- p) borrowing or lending of shares or debt instruments of the issuer or derivatives or other financial instruments linked thereto.

It is specified that the reporting obligation applies only when the overall amount of the transactions carried out within the calendar year by the Director and the persons closely associated with him/her exceeds EUR 20,000.

5.2 Reporting conditions to the French financial markets Authority

Declarations regarding transactions carried out by Directors and persons closely associated with them must now be completed online and filed directly on the French financial markets Authority's "ONDE" website at:

<https://onde.amf-france.org/RemiseInformationEmetteur/Client/PTRemiseInformationEmetteur.aspx>

The reports must be filed on this website at the latest 3 business days after the transaction date.

In principle, each Director must create his/her own account to access the ONDE website and file his/her reports. However, given the technical nature of the reports and their importance, Directors may ask Danone's Corporate Legal Department to file their reports on their behalf, it being understood that the Director remains solely responsible for the report.

5.3 Publication of the reports submitted to the French financial markets Authority

The French financial markets Authority publishes these reports on its website in the days following their submission.

5.4 Consultation procedure

Any Director who has questions concerning a transaction involving Danone shares (or concerning related financial instruments) which he/she is planning to carry out, or regarding the type of information that he/she may disclose, in particular when communicating with third parties, must submit such questions to the Secretary of the Board.

6/ Sanctions applicable in the event of infringement of insider dealing rules

In the event of an insider dealing or an unlawful disclosure of inside information, applicable regulations provide for the enforcement of criminal sanctions or administrative sanctions, depending on the repressive path chosen (as the case may be, after implementation of a conciliation procedure between the French Financial Prosecution Service (*Parquet Financier*) and the French financial markets Authority.

Criminal offences of insider dealings and unlawful disclosures of inside information (or attempt to commit these offences) are sentenced by imprisonment of 5 years and a fine of EUR 100 million, and this amount may be increased up to ten times of the gain amount derived from the offence; the fine may not be inferior to this gain.

Administrative breaches of stock exchange rules applicable to insider trading and disclosure of inside information are also subject to a financial penalty imposed by the Sanction Commission (*commission des sanctions*) of the French financial markets Authority, which may reach EUR 100 million or ten times of the gain amount, potentially made (sanctions applicable to individuals).

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