

**DANONE
EXCERPTS FROM THE MINUTES
OF THE BOARD OF DIRECTORS' MEETING HELD ON 10 FEBRUARY 2010**

STATUS OF CORPORATE OFFICERS

II. STATUS OF MR EMMANUEL FABER, DEPUTY GENERAL MANAGER

1. Modification of Mr Emmanuel FABER's employment contract

The Board was reminded that Mr Emmanuel FABER's employment contract had been suspended on 1 January 2008 and that the modalities governing the resumption of the said employment contract were modified by the Board of Directors on 13 February 2008. On this occasion, the contractual severance payment was also cancelled. These modifications were approved by the shareholders' general meeting held on 29 April 2008.

It was agreed that in the event of the reactivation of his employment contract following the coming to an end of his role as corporate officer, Mr Emmanuel FABER would continue to be able to benefit, in the case of dismissal or redundancy, except in the case of serious fault or gross negligence, from the indemnity provided for by the Danone collective status applicable to all the Company's employees ("Severance Payment on termination of the Employment Contract") under the terms and conditions set forth hereinafter.

It was also recalled that Mr Emmanuel FABER's suspended employment contract contains a non-competition clause that the Company could activate for a period of 18 months subject to paying Mr FABER a gross monthly indemnity corresponding to 50% of his gross base salary plus target bonus calculated on the basis of the last twelve months of his employment contract.

On the occasion of renewing Mr Emmanuel FABER's corporate appointment as Deputy General Manager and following publication of the AFEP/MEDEF Code, the Appointments and Remuneration Committee recommended:

- restricting the Severance Payment on termination of the Employment Contract to a maximum of 24 months' remuneration and, in the event of its being supplemented by the

indemnity due in certain cases on the score of the coming to an end of an appointment as corporate officer position (hereinafter referred to as a "corporate appointment"), also setting an upper limit for these two combined indemnities of 24 months' remuneration (the reference remuneration being the gross fixed and variable remuneration received by Mr FABER during the course of the twelve months preceding the date of termination of the corporate appointment whereby he holds the office of Deputy General Manager);

- applying best corporate governance practices and, in order to fully take into account changes in legislation (TEPA law) and performance requirements attached to the exercise of executive functions of Danone, reinforcing the conditional nature of the indemnities susceptible of being paid to Mr FABER by fully subjecting to performance-related conditions the amount of the indemnities directly related to the duration of the corporate appointment, which implies to submit to the same performance-related conditions as the indemnity due in certain cases on termination of a corporate appointment, the portion of the Severance Payment on termination of the Employment Contract corresponding to the length of service acquired on the score of his corporate appointment;
- enabling Mr Emmanuel FABER, exclusively in the scenario of a forced departure following a change of control leading to the termination of his corporate appointment, to request cancellation of his employment contract in the form of a dismissal, within three months of the date of termination of his corporate appointment (corresponding to the date of reactivation of his employment contract); and
- preventing a situation where there is aggregation of the indemnity due in certain cases of termination of a corporate appointment and/or the Severance Payment on termination of the Employment Contract with an indemnity linked to application of the non-competition clause, by modifying and rounding out the non-competition clause applicable solely to Deputy General Managers, in such a manner that it can only give rise to payment of a consideration in the nature of a quid pro quo on the score of non-competition and be implemented by the Company in the case of resignation, in which case no severance payment on the score of the ending of the employment contract, or indemnity on the score of the corporate appointment, will be due.

In the light of these recommendations and after voting on each of the modifications proposed, in accordance with the provisions of Article L. 225-38 of the Commercial Code, in which vote Mr Emmanuel FABER did not take part, the Board of Directors decided to amend Mr Emmanuel FABER's suspended employment contract in such a manner that:

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- the Severance Payment on termination of the Employment Contract (i) has an upper limit applied to it set at two years' gross fixed and variable remuneration, and (ii) in the case of aggregation with the indemnity due in certain cases of termination of a corporate appointment, which will also be henceforth included in an overall limit, it will also be limited to two years' gross fixed and variable remuneration, applicable to all severance payments and indemnities paid where applicable on the score of the corporate appointment and the employment contract;
- the portion of the Severance Payment on termination of the Employment Contract corresponding to the length of service acquired by Mr Emmanuel FABER during his corporate appointment is rendered subject to the same performance-related conditions as the indemnity due in certain cases of termination of a corporate appointment;
- exclusively in the case of a forced departure following a change of control which has resulted in the termination of his corporate appointment, Mr Emmanuel FABER may, except in the case of serious fault or gross negligence, request cancellation of his employment contract in the form of a dismissal, within three months of the date on which his corporate appointment ended (corresponding to the date of reactivation of his employment contract); and
- the non-competition clause is modified and added to in such a manner that it can only be implemented by the Company and give rise to payment of an indemnity in the nature of a quid pro quo for not competing, in the case of resignation;

these modifications being subject to the condition precedent of the renewal of Mr Emmanuel FABER's corporate appointment in the capacity of Deputy General Manager and their approval by the shareholders' general meeting called upon to approve the accounts for the 2009 fiscal year.

In the event of modification of the performance-related conditions applicable to the indemnity due in certain cases of termination of a corporate appointment, the performance-related conditions applicable to the portion of the Severance Payment on termination of the Employment Contract corresponding to the length of service acquired on the score of the corporate appointment will be automatically modified.

The portion of the Severance Payment on termination of the Employment Contract subject to performance-related conditions and corresponding to the length of service acquired on the score of the corporate appointment will be subject to the agreement of the Board of Directors

and approval by the shareholders at the time of each renewal of Mr Emmanuel FABER's corporate appointment.

Insofar as this may be necessary, it was specified that the portion of the Severance Payment on termination of the Employment Contract corresponding to the length of service acquired by Mr Emmanuel FABER in the capacity of an employee is not subject to performance-related conditions but will be taken into account, in accordance with the AFEP/MEDEF Code, for the application to all the indemnities susceptible of being paid to Mr Emmanuel FABER, of the upper limit of two years' remuneration.

This decision, and the decision of the Board of Directors assessing the degree of fulfilment of the performance-related conditions which will be taken when the time comes, will be rendered public in accordance with the modalities and timeframes stipulated in Article R. 225-34-1 of the Commercial Code.

Mr Emmanuel FABER expressed his agreement to the aforesaid decision.

2. The indemnity due in certain cases of termination of a corporate appointment

It was recalled that on 13 February 2008 the Board of Directors granted to Mr Emmanuel FABER an indemnity subject to performance-related conditions that would apply in certain cases on the termination of his corporate appointment. This measure was approved by the shareholders' general meeting held on 29 April 2008.

On the occasion of the renewal of Mr Emmanuel FABER's corporate appointment as Deputy General Manager which is due to take place at the end of the general meeting called upon to approve the accounts for the 2009 fiscal year, and in application of the recommendations of the AFEP/MEDEF Code, the Appointments and Remuneration Committee recommended:

- (i) limiting cases in which an indemnity would be paid solely to cases of forced departures from his functions as Deputy General Manager, on the initiative of the Board of Directors, regardless of the form of such termination (in particular removal from office or non renewal, except in the case of serious fault or gross negligence), and such on the condition of achievement of performance-related conditions, such cases of forced departures including, in particular, the consequence of a change of control or strategy;
- (ii) ruling out payment of the indemnity provided for on the score of the ending of his corporate appointment in the event of Mr Emmanuel FABER's being able to avail himself

of his pension entitlements under the terms and conditions defined by the pension schemes in force at the date of termination of his functions of Deputy General Manager; and

- (iii) including in the ceiling of two years' gross fixed and variable remuneration all of the indemnities susceptible of being paid to Mr Emmanuel FABER on the score of his corporate appointment and his employment contract.

In the light of the recommendations made by the Appointments and Remuneration Committee, and in accordance with the provisions of Articles L. 225-38 and L. 225-42-1 of the Commercial Code, the Board of Directors, after having discussed and voted on the issue, a vote in which Mr Emmanuel FABER did not take part, decided to replace, subject to the condition precedent of renewal of Mr Emmanuel FABER's corporate appointment as Deputy General Manager and approval of these commitments by the general meeting called upon to approve the accounts for the 2009 fiscal year, the measure approved on 13 February 2008 by the following measure:

(i) Amount of the Indemnity

Mr Emmanuel FABER will receive by way of an indemnity (hereinafter referred to as "the Indemnity") and subject to performance-related conditions, a sum equal to twice his gross annual remuneration (including both fixed and variable remuneration) received on the score of his term of office as Deputy General Manager during the twelve months preceding the date of termination of such functions.

Aggregation of the amount of (i) the Severance Payment on termination of the Employment Contract (the portion of this sum corresponding to the length of service acquired on the score of the corporate appointment being subject to performance-related conditions) and (ii) the Indemnity must not exceed twice the gross annual remuneration (including both the fixed and variable remuneration) received by Mr Emmanuel FABER during the last twelve months. All sums exceeding this ceiling will by priority be deducted from the Indemnity, and then where applicable, from the portion of the Severance Payment on termination of the Employment Contract subject to performance-related conditions and corresponding to the length of service acquired on the score of the corporate appointment.

If Mr Emmanuel FABER's employment contract is terminated after the date on which the Board of Directors takes its decision concerning the degree of fulfilment of the performance-

related conditions, the same mechanism as described in the preceding paragraph will apply, on the basis of an estimation of the amount of the Severance Payment on termination of the Employment Contract due at the date of termination of his functions as Deputy General Manager, the performance-related conditions enabling determination of the estimated amount of the portion of the Severance Payment on termination of the Employment Contract corresponding to the length of service acquired on the score of the corporate appointment also being assessed on this date.

(ii) Cases where the Indemnity will be payable

The Indemnity will be due to Mr Emmanuel FABER, on the initiative of the Board of Directors, solely in cases of forced departure from his functions as Deputy General Manager, regardless of the form of such termination, in particular removal from office or non renewal (except in the case of serious fault - i.e. an extremely serious fault preventing any continuation of his corporate appointment - or gross negligence - i.e. an extremely serious fault committed by the corporate officer with the intention of harming the Company), and such on the condition of achievement of performance conditions, such cases of forced departures including, in particular, the consequence of a change of strategy or a change of control (a change of control being defined as being any modification of the Company's legal situation resulting from any operation in the nature of, in particular, a merger, restructuring operation, transfer, takeover bid or public offer or exchange, following which a shareholder that is a legal entity or natural person, either alone or acting in concert, comes to directly or indirectly hold more than 50% of the Company's capital or voting rights).

Moreover, in accordance with the recommendations of the AFEP/MEDEF Code, no payment of the Indemnity will be due if Mr Emmanuel FABER is able to avail himself at the date of termination of his functions as Deputy General Manager of his pension entitlements under the terms and conditions defined by the pension schemes.

It is stipulated that in the light of the automatic reactivation of Mr Emmanuel FABER's employment contract in the event of the termination of his corporate appointment, the Indemnity will be also due if Mr Emmanuel FABER ceases to hold his salaried post or requests that it be terminated, within the three months following the date of termination of his functions as Deputy General Manager, where this takes place following a change of control.

(iii) Performance-related conditions pertaining to payment of Mr Emmanuel FABER's Indemnity

Payment of the Indemnity will be dependent on:

- a) the average internal ("organic") growth in the Danone group's sales (the "Group's ISG") over the five fiscal years ended prior to Mr Emmanuel FABER's date of termination of his functions as Deputy General Manager (the "Reference Period"); and
- b) the average internal ("organic") growth in sales achieved by the members of the Panel (the "Panel's ISG") over the Reference Period.

For the application of this decision, it was specified that:

- the Group's ISG and the Panel's ISG will be calculated on a like-for-like basis at constant exchange rates, and
- Panel signifies: seven international reference groups in the food sector, namely Kellogg Company, Unilever N.V., Nestlé, Kraft Foods Inc., Pepsi Co Inc., The Coca-Cola Company and General Mills.

On the basis of a financial adviser's report, the Board of Directors must expressly decide whether or not these performance-related conditions have been met within three months of Mr Emmanuel FABER's date of termination of his functions as Deputy General Manager.

In order to ensure the comparability of the ISG figures used, it was specified that:

- in the event of the absence of, or late publication of, the audited accounting or financial data of one of the members of the Panel, the Board of Directors will, exceptionally, have the option to exclude this member of the Panel,
- in the event of the absence of, or late publication of, the audited accounting or financial data of several members of the Panel, the Board of Directors will take a decision on the basis of the most recent audited accounts published by the members of the Panel and by Danone for the previous five fiscal years ended for which accounts were published by all the members of the Panel and by Danone.

It was also specified that the Board of Directors may exclude a member of the Panel if it has been affected by a takeover, absorption operation, winding-up, merger or a change in activity, subject to maintaining the overall coherence of the sample.

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The Board of Directors will determine for the Reference Period the Panel's median ISG (namely the middle value of the Panel's ISG figures separating the Panel's ISG into equal parts), and the value corresponding to the first quartile of the Panel's ISG (namely the value below which 25% of the Panel's ISG values lie).

Over the Reference Period:

- if the Group's ISG is equal to or greater than the median of the Panel's ISG, Mr Emmanuel FABER will be attributed 100% of the amount of the Indemnity;
- if the Group's ISG is greater than or equal to the first quartile and less than the median of the Panel's ISG values, Mr Emmanuel FABER will be attributed 50% of the amount of the Indemnity;
- if the Group's ISG is less than the first quartile of the Panel's ISG, no Indemnity will be paid to Mr Emmanuel FABER.

It was recalled that the same performance-related conditions will apply to the portion of the Severance Payment on termination of the Employment Contract corresponding to the length of service acquired on the score of the corporate appointment (estimated where applicable) and that the combined value of the Indemnity provided for on the score of the termination of Mr FABER's corporate appointment and the Severance Payment on termination of the Employment Contract (estimated, where applicable) cannot exceed twenty-four (24) months' gross fixed and variable remuneration.

At the time of each renewal of Mr Emmanuel FABER's corporate appointment, these performance-related conditions, and where appropriate the composition of the Panel, will be re-examined by the Board of Directors and where appropriate modified to take into account changes that may have affected the Company and its sectors of activity.

(iv) Payment of the Indemnity to Mr Emmanuel FABER

The amount of the Indemnity determined in application of the preceding rules will be paid to Mr Emmanuel FABER within 30 days of the date on which the Board of Directors noted the fulfilment of the performance-related conditions on which payment of the Indemnity is contingent.

Mr Emmanuel FABER expressed his agreement to the aforesaid decision.

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The modification of the aforesaid measure and the modification of Mr Emmanuel FABER's employment contract will be subject to the shareholders' approval in the context of a specific resolution concerning Mr Emmanuel FABER.

In accordance with the provisions of Article L. 225-42-1, this decision and the decision of the Board of Directors concerning the degree of fulfilment of the performance-related conditions, which will be taken at the appropriate time, will be rendered public in accordance with the modalities and timeframes stipulated in Article R. 225-34-1 of the Commercial Code.

The Auditors will be informed of these decisions concerning Mr Emmanuel FABER's status.