

Groupe Danone

Meeting type: Annual General Meeting
Date: 26 April 2007
Country: France
Index: CAC 40
Sector: Food Products

Item	Description	TMF vote	Mgmt vote
1	Approve Company Financial Statements	FOR	FOR
2	Presentation of the Group's Report and Financial Statements	FOR	FOR
3	Approval of the appropriation of income and of the dividend	FOR	FOR
4	<p>Approval of regulated related-party agreements</p> <p><i>Comments: 3 agreements were signed with a 100% hold subsidiary, Danone Finance (Guarantees, transfer of shares in Danone Finance International) and does not impact negatively the interest of shareholders. The other contracts deal with the conditions of departure of the chairman-CEO, Franck Riboud, of the deputy president of the managing board, Jacques Vincent, and of the other managing director, Emmanuel Faber, member of the executive committee. Franck Riboud and Jacques Vincent would be granted a compensation of two years of cash remuneration and would become member of the executive committee. Another indemnity of two years would be paid if they leave this function of member of the executive committee. Besides the indemnity will have to be paid if they decide themselves to leave the company after a change in control. Triodos considers the conditions of those departure packages excessive and are not in stakeholders interest in our view.</i></p>	OPPOSE	FOR
5	<p>Reappointment of M. Franck Riboud as Director for a period of 3 years</p> <p><i>Comments: Triodos is of the opinion that the combination of the roles of Chairman and CEO is not considered best practice and there is insufficient independent representation on the board. Therefore, we abstain.</i></p>	WITHHOLD	FOR
6	<p>Reappointment of M. Emmanuel Faber as Director for a period of 3 years</p> <p><i>Comments: Triodos Bank has concerns over his aggregate time commitments, as Mr. Faber holds a director position on several Boards. Triodos Bank considers the total number of independent directors on the board as insufficient. We therefore oppose.</i></p>	OPPOSE	FOR
7	Election of Mr. Naomasa Tsuritani as Director for a period of 1 year instead of Mr Hirokatsu Hirano	OPPOSE	FOR

	<i>Comments: Triodos Bank has concerns over possible conflicts of interest, as Mr. Tsuritani holds the following positions: Manager of Yakult Honsha Co Ltd, Director of, Vermex Corporacion, Japanese association of fermented milks and fermented milk drinks, Fair Trade Council of milks and fermented Milk drinks, also a director of subsidiary companies (nombreuses filiales de Yakult). Due to the lack of independent representation on the board, we oppose.</i>		
8	Approve buy-back of the company shares <i>Comments: Up to 10,0% of the capital stock ; the purchase is allowed during a public offer; maximum purchase price : € 160,00; authorization valid for 18 months. According to the article 232-17 of the Financial markets Authority (AMF), the target firm can not purchase its own shares during public offer period except if the General Meeting previously expressly authorized it. It is not preferable to allow management to buy or sell shares during a public offer period. Triodos therefore abstains.</i>	WITHHOLD	FOR
9	Project danone.communities	FOR	FOR
10	Global authorization to issue with pre-emptive subscription right shares or other securities giving way to new capital.	FOR	FOR
11	Global allowance for the issuance of capital related securities without tradable pre-emptive right	FOR	FOR
12	"Green shoe" authorization <i>Comments: The proposal includes authorization capital up to 15% with authorization valid for a period of 26 months. A "greenshoe" global authorization allows to increase the placement by 15% for new capital at a price equal to the initial offer within a 30 day period. In case of increase of the stock price over this period, the company and its bankers will be able to issue shares with a discount price superior to the legal maximal 5% discount over market price. Triodos is of the opinion that such additional dilution risk is not favourable to stakeholders' interest in our view. Therefore we oppose.</i>	OPPOSE	FOR
13	Approve issues of shares or other capital related securities as a payment for any public offer <i>Comments: The proposal is to authorize a capital increase up to € 33,000,000; valid for a period of 26 months. Authorisation amounting to 25.3% of the company's capital. Triodos considers the proposal not in stakeholders' interests. A specific EGM authorisation is preferred before any launch of public offer on firms with a capitalization of at least 10% of our market cap. We therefore oppose.</i>	OPPOSE	FOR
14	Delegation to issue shares and capital securities as consideration for contributions in kind made to the company <i>Comments: The proposal is to authorize a capital increase up to 10% of the capital stock; valid for a period of 26 months. The 2004 bill allows under such resolution the Conseil d'Administration or the Directoire to proceed freely with any merger only subject to a special merger commissioner report without this one to be been subject to the general meeting of shareholders approval. No specific project is provided here as a justification for such a blanket</i>	OPPOSE	FOR

clearance which avoids the usual external controls of a regular merger by EGM. Triodos therefore opposes.

15	Increase authorized capital by transfer of reserves	FOR	FOR
16	Approve capital Increase for the employees	OPPOSE	FOR
	<p><i>Comments: The proposal is to authorize a capital increase up to € 3 000 000; minimum issuance price of 80% of the market stock price ; valid for a period of 26 months. The requested authorisation allows potential dilution of 2,3% of current capital, an amount Triodos considers too high; employees currently own 1,5% of the share capital. We therefore oppose.</i></p>		
17	Approve issuance of new stock option plans (existing shares)	FOR	FOR
18	Issue restricted shares for employees and managers	FOR	FOR
	<p><i>Comments: Triodos recommends that the company include conditions of remittance of restricted shares in the future.</i></p>		
19	Approve potential reduction of the company 's capital (cancellation of Treasury stocks)	FOR	FOR
20	Split Nominal Value by 2 and change By-laws consequently	FOR	FOR
21	Delegation of powers for the completion of formalities	FOR	FOR
A	External shareholder proposal: abolition of the voting rights limitation	FOR	OPPOSE
	<p><i>Comments: Danone currently has a voting cap in place limiting shareholders voting rights at 6% of the share capital. The approval of the resolution should ensure equal treatment of all shareholders and therefore Triodos votes FOR.</i></p>		