

26 February 2021

COLOUR SPRING LIMITED

and

DANONE ASIA PTE LTD

and

COFCO DAIRY HOLDINGS LIMITED

and

COFCO DAIRY INVESTMENTS LIMITED

DEED OF TERMINATION

IN RESPECT OF THE

SHAREHOLDERS' AGREEMENT

This **DEED OF TERMINATION** (this *Deed*) is made on 26 February 2021

BETWEEN

- (1) **COLOUR SPRING LIMITED**, a company incorporated in the British Virgin Islands and whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (*CSL*);
- (2) **DANONE ASIA PTE LTD**, a company incorporated in Singapore and whose registered office is at 1 Wallich Street, Guoco Tower #18-01, Singapore 078881, Republic of Singapore (*DAPL*);
- (3) **COFCO DAIRY HOLDINGS LIMITED**, a company incorporated in the British Virgin Islands and whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (*COFCO Dairy*); and
- (4) **COFCO DAIRY INVESTMENTS LIMITED**, a company incorporated in Hong Kong and whose registered office is at 33/F COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong (*CDI*),

(collectively, the *Parties* and each a *Party*).

WHEREAS

- (A) On 27 March 2014, CDI, CSL, DAPL and COFCO Dairy entered into a shareholders' agreement relating to CDI (as varied and supplemented by a deed of amendment to the shareholders' agreement on 5 August 2017) (the *CDI Shareholders' Agreement*);
- (B) CDI, CSL, DAPL and COFCO Dairy entered into a share repurchase agreement (the *Share Repurchase Agreement*) on 26 February 2021, pursuant to which CDI agreed to repurchase DAPL's entire holding of 387,526,454 shares in the share capital of CDI (the *Repurchase Shares*) out of capital, and in order to do so will conduct a reduction of its share capital. CDI and DAPL have agreed that the consideration due to DAPL in respect of the Repurchase Shares will be settled by the transfer by CDI to DAPL of 387,526,454 shares in China Mengniu Dairy Company Limited (*Mengniu*), 9,423,512 shares in China Modern Dairy Holdings Ltd. (together, being the "Conversion Shares", as defined in the Share Repurchase Agreement) and by a cash payment of HK\$76,789,718.83 from CDI to DAPL;
- (C) The Parties wish to terminate the CDI Shareholders' Agreement in connection with the transactions contemplated by the Share Repurchase Agreement with respect to DAPL only; and
- (D) Capitalised terms used in this Deed shall, except where expressly defined otherwise or where the context otherwise requires, have the same meaning as given in the CDI Shareholders' Agreement.

IT IS AGREED:

1. Waiver and Termination

- 1.1 The Parties hereby agree to waive the transfer restrictions and exit procedures as set out under clause 19 of the CDI Shareholders' Agreement in respect of the execution and performance of the Share Repurchase Agreement.
- 1.2 Each of CSL and COFCO Dairy hereby agrees to waive its rights to participate in the reduction of share capital of CDI in connection with the Share Repurchase (as such term is defined in the Share Repurchase Agreement).
- 1.3 The Parties hereby agree that all necessary Board and Shareholder approvals in connection with the transactions contemplated by the Share Repurchase Agreement have been passed in accordance with all requirements of the CDI Shareholders' Agreement.
- 1.4 With effect from Completion (as such term is defined in the Share Repurchase Agreement), each Party agrees that:
 - (a) the CDI Shareholders' Agreement shall, in respect of DAPL only, cease to have any further force or effect and terminate in its entirety including the provisions expressed in clause 22.1 of the CDI Shareholders' Agreement to survive the termination of the CDI Shareholders' Agreement (save and except only for clauses 1, 10.4, 19A.4, 21.10, 21.11 and 24 of the CDI Shareholders' Agreement and the provisions of clause 25 of the CDI Shareholders' Agreement expressed in clause 22.1 of the CDI Shareholders' Agreement to survive the termination of the CDI Shareholders' Agreement);
 - (b) DAPL shall not retain any rights to enforce any of the terms of the CDI Shareholders' Agreement, save for any rights accrued prior to the Completion or which thereafter may accrue in respect of any act or omission prior to the Completion; and
 - (c) DAPL is irrevocably released from any and all obligations and liabilities it has or may have to the other Parties pursuant to the CDI Shareholders' Agreement, save for any obligations and liabilities accrued prior to the Completion or which thereafter may accrue in respect of any act or omission prior to the Completion.

2. Transfer Restrictions

- 2.1 With effect from Completion, DAPL agrees that it shall not Sell its Mengniu Shares to any entity, save and except: (i) an entity which is not a Competitor; or

(ii) pursuant to a genuine sale conducted in good faith where the ultimate beneficial transferee(s) cannot be identified at the time of sale.

2.2 For the purpose of this clause 2:

(a) **Competitor** means:

(i) 内蒙古伊利实业集团股份有限公司 (Inner Mongolia Yili Industrial Group Company Limited*), 光明乳业股份有限公司 (Bright Dairy & Food Co., Ltd.*), Bright Food (Group) Co., Ltd., 北京三元食品股份有限公司 (Beijing Sanyuan Foods Co Ltd*), 新希望乳业股份有限公司 (New Hope Dairy Co., Ltd.*), New Hope Dairy Holdings Co., Ltd., 中国飞鹤有限公司 (China Feihe Limited*), 石家庄君乐宝乳业有限公司 (Shijiazhuang Junlebao Dairy Co., Ltd.*), 上海旺旺食品集团有限公司 (Shanghai Want Want Food Group Co., Ltd.*), 雀巢 (中国) 有限公司 (Nestle (China) Ltd.), 美赞臣营养品 (中国) 有限公司 (Mead Johnson Nutritionals (China) Ltd.), 西安银桥乳业 (集团) 有限公司, 北大荒完达山乳业股份有限公司 (Heilongjiang Wondersun Dairy Co., Ltd.*), Ausnutria Dairy Corporation Ltd. or Health and Happiness (H&H) International Holdings Limited or any of their subsidiaries;

** For identification purposes only.*

(ii) to the extent not listed in, or otherwise falling within the scope of, clause 2.2(a)(i), any entity listed in the annual listing of the global dairy top 20 companies by turnover from time to time, prepared and published (or issued) by Rabobank, current (and not superseded) as at the date 60 Business Days prior to the date of the proposed Sale, or any of their subsidiaries; or

(iii) any entity directly engaged, operationally, in the dairy business globally which is notified in writing by CDI to DAPL prior to Completion (as such term is defined in the Share Repurchase Agreement), provided, (A) the number of entities notified must not exceed twenty (20), and (B) CDI shall not be entitled to give notice of any Financial Investors;

(b) **Financial Investors** means any pension funds, mutual funds, hedge funds, insurers, sovereign wealth funds, asset managers, qualified institutional investors, index funds, exchange traded funds, investment advisors, family offices, private equity funds, Chinese ultra high net worth individuals, Chinese high net worth individuals, corporate related investment funds (provided that, in the case of family offices, private equity funds, Chinese ultra high net worth individuals, Chinese high net worth individuals and corporate related investment funds only, the relevant office, fund or individual does not hold any legal or beneficial interest in any of the Competitors or vice versa); and

- (c) **Sell** shall include the entry into of any swap or similar arrangement or any other arrangement that transfers, in whole or in part, the economic consequences of ownership the entry into of any transaction with the same or similar effect as any of the foregoing or an agreement to do any of the foregoing (in each case, whether or not subject to conditions and whether directly or indirectly, and including any transaction involving any shares in any entity which owns, directly or indirectly, Mengniu Shares).

3. Potential block trade sale of Mengniu Conversion Shares

If, following Completion, DAPL proposes to sell its holding of shares in Mengniu by way of a block trade sale, DAPL shall procure that any manager or agent instructed by it to effect any such block trade sale shall, subject to applicable laws, approach CSL and/or any members of COFCO Group (including CDI) as potential acquirors. This clause 3 shall continue to apply until the number of shares in Mengniu sold by DAPL following Completion is equal to the number of the Mengniu Conversion Shares (as defined in the Share Repurchase Agreement).

4. Access to Information

4.1 With effect from Completion, CDI shall submit to DAPL the following information:

- (a) for a period of two years after Completion, any information in the possession of CDI which is reasonably required by DAPL, its Associated Companies or its auditors to enable them to manage DAPL and its Associated Companies' tax affairs and to discharge their statutory responsibility under the applicable law in respect of the period prior to Completion, as soon as reasonably practicable after receipt of such request in writing from DAPL;
- (b) the unaudited quarterly management accounts of CDI (including a detailed profit and loss account and balance sheet) as soon as reasonably practicable within 30 days after the end of each financial quarter prior to Completion or during which Completion occurs;
- (c) the audited accounts or audited consolidated accounts of CDI in respect of the previous financial year as soon as reasonably practicable but in any event not later than seven months after the end of that financial year during which Completion occurs; and
- (d) for a period of two years after Completion, any other information reasonably required by DAPL in order to fulfil DAPL or its Associated Companies' legal obligations or statutory reporting requirements in respect of the period prior to Completion as soon as reasonably practicable after receipt of such request in writing from DAPL.

4.2 DAPL may, with effect from Completion and for a period of two years thereafter, at its own expense, at all reasonable times after giving notices of at

least 3 Business Days and by prior arrangement inspect and, if required under applicable laws, make copies of all books, records, accounts and documents relating to the Business and the affairs of CDI in respect of the period prior to Completion.

5. Confidentiality

- 5.1 The Parties shall use all reasonable endeavours to, and to procure that its respective Associated Companies and their respective officers, employees, agents and professional and other advisers, keep confidential for a period of two years from the date of this Deed (a) all communications between the Parties; (b) all information and other materials supplied to or received by any of them from the Parties which are either marked “confidential” or are by their nature intended to be for the knowledge of the recipient alone; and (c) any information relating to this Deed, business transactions and/or financial arrangements of a Party or its Associated Companies which the other Parties may have, or acquire, through the negotiation or performance of the Transaction Documents (as such term is defined in the Share Repurchase Agreement) (the **Confidential Information**) and not use any Confidential Information for its own business purposes or disclose any Confidential Information to any third party without the consent of the other Parties.
- 5.2 Clause 5.1 does not apply to: (a) information which is or becomes publicly available (otherwise than by breach of this Deed); (b) the disclosure of information by a Party or its Associated Companies to its Associated Companies, directors, employees or professional advisers on a need-to-know basis and on terms that such parties undertake to comply with the provisions of this clause 5 as if they were a party to this Deed; (c) the disclosure of information on a confidential basis to third party provided that no such disclosure shall be made unless such person has agreed to be bound to observe the restrictions under this clause 5 to which the Party concerned is subject; (d) the disclosure of information to the extent required by law, any court of competent jurisdiction, any regulatory body, or any recognised stock exchange; or (e) the disclosure of information to any tax authority to the extent such disclosure is reasonably required for the purposes of the tax affairs of the Party concerned or any of its Associated Companies.
- 5.3 COFCO Dairy, CSL and CDI (the **Remaining Shareholders**) shall upon receipt of a written demand from DAPL: (i) return to DAPL all Confidential Information relating to DAPL provided by DAPL and received or held by the Remaining Shareholders without keeping any copies thereof; (ii) destroy all information or other documents derived from such Confidential Information; and (iii) so far as it is practicable to do so, expunge such Confidential Information from any computer, word processor or other device, provided that nothing in this clause 5 require the Remaining Shareholders to return or destroy any Confidential Information which the Remaining Shareholders are required to retain under any applicable law, rule or regulation.
- 5.4 Without prejudice to any other rights or remedies which a Party may have under this Deed, the Parties acknowledge and agree that damages would not be an

adequate remedy for any breach of this clause 5 and the remedies of injunction, specific performance and other equitable relief are appropriate for any threatened or actual breach of any such provision and no proof of special damages shall be necessary for the enforcement of the rights under this clause.

6. Assignment

Unless the Parties specifically agree in writing, none of the Parties shall assign, transfer, hold on trust or encumber all or any of its rights under this Deed or any other Transaction Document nor grant, declare, create or dispose of any right or interest in any of them. Any purported assignment in contravention of this clause 6 shall be void.

7. Counterparts

This Deed may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

8. Variations

No amendment of this Deed shall be valid unless it is in writing and duly executed by or on behalf of all of the Parties to it.

9. Invalidity

Each of the provisions of this Deed is severable. If any such provision is held to be or becomes invalid or unenforceable under the law of any jurisdiction, the Parties shall use all reasonable efforts to replace it with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

10. Third Party Enforcement Rights

A person who is not a Party to this Deed shall have no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any of its terms.

11. Notices

11.1 Any notice to be given by one Party to another Party in connection with this Deed shall be in writing in English and signed by or on behalf of the Party giving it. It shall be delivered by hand, email, registered post or courier.

11.2 A notice shall be effective upon receipt and shall be deemed to have been received: (i) at the time of delivery, if delivered by hand, registered post or courier; or (ii) at the time of transmission if delivered by email.

11.3 The addresses and email addresses of the Parties for the purpose of clause 11.1 are:

CSL

Address 中国北京朝阳区朝阳门外南大街8号中粮福临门大厦18层中粮集团战略部

Email: longchen@cofco.com

Attention: Chen Lang

And

Address: 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong

Email: gongqi@cofco.com

Attention: Legal Department

COFCO Dairy

Address 中国北京朝阳区朝阳门外南大街8号中粮福临门大厦18层中粮集团战略部

Email: longchen@cofco.com

Attention: Chen Lang

And

Address: 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong

Email: gongqi@cofco.com

Attention: Legal Department

DAPL

Address: 1 Wallich St., #18-01 Guoco Tower, Singapore 078881

Email: aspamelegal@danone.com and

Samantha.Loh@danone.com

Attention: Legal Department

with copy to Danone S.A (which shall not constitute notice)

Address: 17 boulevard Haussmann, Paris, France

Attention: General Counsel

CDI

Address 中国北京朝阳区朝阳门外南大街8号中粮福临门大厦18层中粮集团战略部

Email: longchen@cofco.com

Attention: Chen Lang

And

Address: 33rd Floor, COFCO Tower, 262

Gloucester Road, Causeway Bay,
Hong Kong
Email: gongqi@cofco.com
Attention: Legal Department

11.4 Each Party shall notify the other Party in writing of a change to its details in clause 11.3 from time to time.

12. Governing Law and Arbitration

12.1 This Deed shall be governed by, and interpreted in accordance with, Hong Kong laws.

12.2 Any Party may give notice of any dispute, controversy, difference or claim arising out of or relating to this Deed (a *Dispute*), including the existence, validity, interpretation, performance, breach or termination thereof, or any dispute regarding non-contractual obligations arising out of or relating to such Deed to all of the other Parties (a *Dispute Notice*). The Dispute Notice shall include a detailed description of the Dispute, the Parties involved in the Dispute (the *Dispute Parties*) and any steps taken by the Dispute Parties to resolve it.

12.3 The Dispute Parties shall within 30 days after the date that the Dispute Notice was received (the *Resolution Period*) take steps to attempt to resolve the Dispute in good faith through face-to-face meeting(s) or telephone conference call(s).

12.4 If the Dispute Parties for any reason do not resolve the Dispute within the Resolution Period, such Dispute shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the notice of arbitration is submitted (*HKIAC Rules*). The law of this arbitration clause shall be Hong Kong law. The seat of the arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in the English language. Unless otherwise specified in the arbitral award, the expenses of the arbitration (including witness fees and reasonable legal expenses) shall be borne by the losing Dispute Party. Where there are two or more arbitrations commenced pursuant to this Clause 12.4, the Parties agree to consolidate such arbitrations pursuant to the HKIAC Rules.

12.5 Any arbitral award issued in accordance with this Clause 12 shall be final and binding on the Dispute Parties thereto and shall be enforceable on its terms. None of the Dispute Parties shall seek to commence any judicial proceeding with a view to appealing or reviewing any such arbitral award. All such rights of appeal or judicial review of any such arbitral award as would otherwise be exercisable by the Dispute Parties are hereby excluded to the fullest extent permitted under applicable law.

12.6 Any arbitral award issued in accordance with this Clause 12 may be enforced by filing as a judgment in any court of competent jurisdiction or by any

competent application or proceeding in any such court for the enforcement of the arbitral award, as the case may be.

- 12.7 DAPL shall at all times maintain an agent for service of process and any other documents in proceedings in Hong Kong or any other proceedings in connection with this Deed. Such agent shall be Danone Nutricia Early Life Nutrition (Hong Kong) Limited and any claim form, judgment or other notice of legal process shall be sufficiently served on DAPL if delivered to such agent at its registered address for the time being (which, as at the date of this Deed is 26/F, Lee & Man Commercial Centre, 169 Electric Road, North Point, Hong Kong). DAPL waives any objection to such service.
- 12.8 CSL shall at all times maintain an agent for service of process and any other documents in proceedings in Hong Kong or any other proceedings in connection with this Deed. Such agent shall be Top Glory Secretaries Limited and any claim form, judgment or other notice of legal process shall be sufficiently served on CSL if delivered to such agent at its registered address for the time being (which, as at the date of this Deed is 33/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong). CSL waives any objection to such service.
- 12.9 COFCO Dairy shall at all times maintain an agent for service of process and any other documents in proceedings in Hong Kong or any other proceedings in connection with this Deed. Such agent shall be Top Glory Secretaries Limited and any claim form, judgment or other notice of legal process shall be sufficiently served on COFCO Dairy if delivered to such agent at its registered address for the time being (which, as at the date of this Deed is 33/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong). COFCO Dairy waives any objection to such service.

[Signature Pages to Follow]

IN WITNESS WHEREOF this Deed has been duly executed by the Parties and is intended to be and is hereby delivered on the date first above written.

EXECUTED AS A DEED)
for and on behalf of)
COLOUR SPRING LIMITED)
acting by Mr. SONG Liang, its director,)
in the presence of:)

Handwritten signature in black ink.



Signature of witness: 
Name of witness: CAI Xiao
Address: Rm 1803, 18th Fl, Cofco Fortune Plaza No.8
Occupation: Staff
Place of signing: Beijing
Chau Yang Men South Ave, Beijing

EXECUTED as a **DEED** by)
DANONE ASIA PTE LTD)
and signed and delivered as a deed)
on its behalf by)
Loh Shiao Mien)
as attorney under a power of)
attorney dated)
25 January 2021)
in the presence of:)

Angeline Neo

LS.

Loh Shiao Mien

Signature of witness:

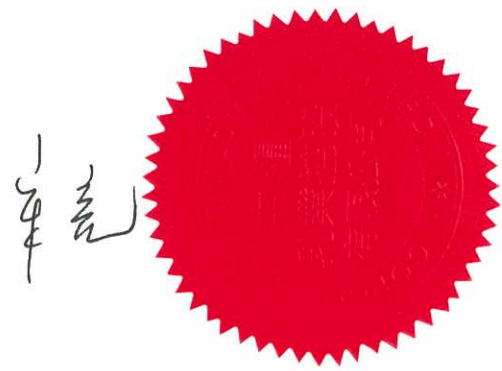
Name of witness: Angeline Neo

Address: 1 Wallich Street, #18-01, Guoco Tower, Singapore 078881

Occupation: Legal Counsel


Place of signing: Singapore


EXECUTED AS A DEED)
for and on behalf of)
COFCO DAIRY HOLDINGS LIMITED)
acting by Mr. SONG Liang, its director,)
in the presence of:)



Signature of witness: 
Name of witness: CAI Xiao
Address: Rm 1803, 18th Fl, COFCO Fortune Plaza No.8
Occupation: Staff Chao Yang Men South Ave, Beijing
Place of signing: Beijing

EXECUTED AS A DEED)
for and on behalf of)
COFCO DAIRY INVESTMENTS)
LIMITED acting by)
Mr. SONG Liang and)
Mr. CHEN Lang its directors)
in the presence of:)




Signature of witness: 
Name of witness: CAI Xiao
Address: Rm 1403, 14th FL, COFCO Fortune Plaza,
Occupation: No. 8 Chao Yang Men South Ave., Beijing
Place of signing: Staff
Beijing