

ASX RELEASE
16 September 2019

Bellamy's enters into Scheme Implementation Deed with Mengniu

Bellamy's Australia Limited (ASX: BAL **Bellamy's**) has entered into a Scheme Implementation Deed under which it is proposed that China Mengniu Dairy Company Limited (SEHK: 2319 **Mengniu**) will acquire 100% of the issued share capital of Bellamy's via a scheme of arrangement (the **Scheme**). If the Scheme proceeds, it is intended that Bellamy's shareholders receive a total of \$13.25 cash per share (**Cash Amount**) comprising:

- \$12.65 cash per share from Mengniu under the Scheme; and
- \$0.60 per share fully franked special dividend paid by Bellamy's prior to implementation of the scheme as outlined below (**Special Dividend**).

The Cash Amount values Bellamy's equity at approximately \$1.5 billion¹. This compares favourably to precedent transaction multiples² and represents an enterprise value of 30 times reported normalised FY19 EBITDA.³

The Cash Amount represents a material premium to the prevailing share price:

- 59% premium to the closing price on 13 September 2019 of \$8.32;⁴ and
- 54% premium to the 3-month volume weighted average price to 13 September 2019 of \$8.59.

Bellamy's Board of Directors unanimously recommend that Bellamy's shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Bellamy's shareholders. Each Director of Bellamy's intends to vote all the Bellamy's shares that he or she holds or controls in favour of the Scheme, subject to those same qualifications.

Bellamy's Chair, John Ho, said: *"The proposed Scheme is an attractive all-cash transaction at a 59% premium to the prevailing share price. It reflects the strength of the Bellamy's brand, the dedication of 160 passionate employees and the progress of our turnaround plan."*

Bellamy's Deputy Chair, John Murphy, added: *"Following careful consideration of the offer, the Bellamy's Board has unanimously concluded that the Scheme is in the best interests of shareholders."*

Bellamy's Chief Executive Officer, Andrew Cohen, said: *"Mengniu is a preeminent dairy company in China and an ideal partner for our business. It offers a strong platform for distribution and success in China, and a foundation for growth in the organic dairy and food industry in Australia."*

Mr Cohen added: *"This transaction can further deliver on our founder's original vision of a truly iconic Australian brand and 'A Pure Start to Life' for the world. Our employees, our trade partners and local organic manufacturers will continue to grow and thrive with the success of our business"*

Mengniu's Chief Executive Officer, Mr Jeffrey, Minfang Lu, said: *"Bellamy's is a leading Australian brand with a proud Tasmanian heritage and track record of supplying high quality organic products to Australian mums and dads. This leading organic brand position and Bellamy's local operation and supply-chain are critical to Mengniu."*

¹ Calculated based on 113,368,297 basic shares currently on issue.

² Based on Bellamy's adviser's assessment of the EBITDA multiples paid in similar precedent transactions.

³ Based on enterprise value of \$1.4 billion and reported normalised FY19 (year ended June 2019) EBITDA of \$46.9 million.

⁴ 13 September 2019, being the last trading day prior to this announcement.

Mr Jeffrey, Minfang Lu further noted: *“Our sales growth ambitions for Bellamy’s in Australia, and the broader Asia Pacific region, will see investment in the local dairy industry to ensure the required capacity is in place to achieve these plans.”*

Scheme Implementation Deed

The implementation of the Scheme is subject to a number of conditions, including approval of Bellamy’s shareholders, the Court and the Australian Foreign Investment Review Board (FIRB), there being no material adverse change or prescribed occurrence, and an Independent Expert’s Report concluding that the Scheme is in the best interests of Bellamy’s shareholders (and not changing or withdrawing that conclusion).

Full details of the conditions to the Scheme, as well as other terms that have been agreed, are set out in the Scheme Implementation Deed. A copy of this document is attached to this announcement.

Special Dividend

Under the Scheme Implementation Deed, Bellamy’s is permitted to pay a special dividend of \$0.60 per share, conditional on the Scheme becoming effective. Under the Scheme Implementation Deed, Bellamy’s is permitted to fully frank any special dividend, subject to the availability of franking credits. If the special dividend becomes payable, it would be paid prior to the implementation of the Scheme.

The Bellamy’s Board expects to declare and pay the fully franked Special Dividend if the Scheme becomes effective.⁵ It is expected that the Special Dividend would have up to approximately \$0.26 per share in franking credits attached.

If the Special Dividend is declared and the Scheme becomes effective the total amount received by Bellamy’s shareholders will be \$13.25 per share comprised of \$12.65 per share Scheme Consideration plus the \$0.60 per share Special Dividend.

Indicative Timetable and Next Steps

Bellamy’s shareholders do not need to take any action at this point in time. An indicative timetable is in the attached Scheme Implementation Deed.

A Scheme Booklet containing information relating to the proposed acquisition, reasons for the Directors’ recommendation, an Independent Expert’s Report and details of the Scheme meeting will be prepared and provided to the Australian Securities and Investments Commission for review, and subsequently sent to Bellamy’s shareholders.

Shareholders will then have the opportunity to vote on the Scheme at a court-convened shareholder meeting. Subject to shareholder approval being obtained by the requisite majorities and the other conditions of the Scheme being satisfied, the Scheme is expected to be implemented prior to the end of 2019.

⁵ Bellamy’s intends to apply to the ATO for a Class Ruling on the treatment of the Scheme Consideration and Special Dividend in the hands of Australian resident shareholders.

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Advisers

Allens and Morgan Stanley are advising Bellamy's in relation to the transaction.

Investor Webcast

Bellamy's Chair John Ho, Deputy Chair John Murphy, Chief Executive Officer Andrew Cohen and Chief Financial Officer Nigel Underwood will discuss the proposal via a webcast at **10:00am (AEST) Monday 16 September 2019**.

The webcast link will be live from 9:45am (AEST).

The link to the webcast is as follows: <https://webcast.openbriefing.com/5533/>

A recording of the webcast will be available on Bellamy's website (<https://investors.bellamysorganic.com.au/>) within 72 hours following the call.

- ENDS -

Company inquiries, please contact:

Melinda Harrison
Company Secretary
+613 6332 9200

Media inquiries, please contact:

John Hurst
Teneo
+61 418 708 663

Mengniu inquiries, please contact:

Miche Paterson
Newgate Communications
+61 400 353 762

About Bellamy's

Bellamy's is a globally recognised Australian organic brand business and is not a primary producer. Founded in Tasmania and listed on the Australian Stock Exchange (stock code: BAL) in 2014, it produces, supplies and markets a range of organic food and infant formula for babies and toddlers. Bellamy's sources ingredients from Australian and international suppliers.

Bellamy's products are distributed in Australia, Vietnam, Singapore, Malaysia, New Zealand and the People's Republic of China, including Hong Kong, a special administrative region of China. Products are also available through multiple online retail platforms.

Bellamy's employs approximately 160 people located in Australia, China and Singapore.

About Mengniu

Mengniu is one of the leading dairy product manufacturers in China and is listed on the Hong Kong Stock Exchange (stock code: 2319) with a market capitalisation of approximately A\$24.6 billion and with 69% of its equity owned by public investors.

Mengniu was ranked as a top 10 dairy industry participant in the "Global Dairy Top 20" list published by Rabobank in both 2017 and 2018.

Mengniu and its subsidiaries manufacture and distribute high quality dairy products in China. It has manufacturing sites in New Zealand and in Indonesia. Mengniu also distributes its dairy products to Hong Kong, Singapore, Macau, Myanmar and Indonesia through its overseas sales network.

Mengniu is being advised by HSBC and Norton Rose Fulbright in relation to the transaction.

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Bellamy's Australia Limited
and
China Mengniu Dairy Company Limited

Scheme Implementation Deed

Allens
Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000
T +61 2 9230 4000
F +61 2 9230 5333
www.allens.com.au

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This Deed is made on 15 September 2019.

Parties

1. **Bellamy's Australia Limited** (ACN 124 272 108) of 115 Cimitiere Street, Launceston, Tasmania, 7250 (**Bellamy's**).
2. **China Mengniu Dairy Company Limited** (incorporated in the Cayman Islands) of PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands (**Mengniu**).

Recitals

- A The parties have agreed that Mengniu Sub will acquire all of the Scheme Shares by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Bellamy's and its shareholders.
- B Bellamy's has agreed to propose and implement the Scheme, and Mengniu has agreed to assist, and to procure Mengniu Sub to assist, Bellamy's to propose and implement the Scheme, on the terms of this deed.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Adviser means, in relation to an entity:

- (a) a financier to the entity in connection with the Transaction; or
- (b) a financial, corporate, legal, or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Transaction by the entity.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act, as if section 12(1) included a reference to this deed on the basis that Bellamy's is the 'designated body'.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the official listing rules of ASX.

Bellamy's Board means the board of directors of Bellamy's.

Bellamy's Break Fee means \$14,300,000.

Bellamy's Group means Bellamy's and each of its Subsidiaries. A reference to a **member of the Bellamy's Group** is a reference to Bellamy's or any such Subsidiary.

Bellamy's LTI Plan means the plans established in accordance with the Bellamy's Long Term Incentive Plan Rules, which plans are documents 09.04.01 and 09.04.07 and those plans which are identified in 01.02.02-1 in the data room which forms part of the Due Diligence Material.

Bellamy's Material Adverse Change means any event, occurrence or matter which has resulted in, or is reasonably likely to result in, either individually or when aggregated with all such events, occurrences or matters:

- (a) a diminution in the consolidated net assets of the Bellamy's Group by an amount equal to \$35,000,000 or more, as compared to what the consolidated net assets of the Bellamy's Group could reasonably be expected to have been but for the relevant events, occurrences or matters; or
- (b) the consolidated annual EBITDA of the Bellamy's Group being reduced (on a recurring basis) by an amount more than \$10,000,000, as compared to what the consolidated annual EBITDA of the Bellamy's Group could reasonably be expected to have been but for the relevant events, occurrences or matters,

in each case other than an event, occurrence or matter:

- (c) required or expressly permitted by this deed or the Scheme (including the payment of a Permitted Dividend);
- (d) which Mengniu has previously approved or requested in writing, including any consequences reasonably foreseeable as a result of such matters;
- (e) to the extent that it was Fairly Disclosed in the Due Diligence Material or the Disclosure Letter;
- (f) Fairly Disclosed to ASX within 3 years prior to the date of this deed or Fairly Disclosed in a document lodged with ASIC that is publicly available by or on behalf of Bellamy's within 12 months prior to the date of this deed;
- (g) arising from any actual or proposed change in any law or regulatory or administrative ruling or policy, or change in accounting standards after the date of this deed;
- (h) arising from general economic, political, business or trading conditions in the markets and jurisdictions in which Bellamy's Group operates, or changes in those conditions (including changes in trading performance of Bellamy's Group unrelated to any specific event; financial market fluctuations, changes in interest rates or changes in foreign currency exchange rates) after the date of this deed;
- (i) arising from an act of terrorism, war (whether or not declared), natural disaster or the like after the date of this deed;
- (j) relating to third party costs and expenses incurred by Bellamy's associated with the Transaction, including any fees payable to external Advisers of Bellamy's, to the extent such amounts or comparable estimates of such amounts are Fairly Disclosed in the Due Diligence Material or Disclosure Letter; or
- (k) arising from the announcement of, or entry into, or performance of obligations under, this deed and consummation of the transactions contemplated hereby.

Bellamy's Party means any member of the Bellamy's Group or any officer, employee or Adviser of any member of the Bellamy's Group.

Bellamy's Prescribed Occurrence means any of the occurrences set out in Schedule 3, other than an occurrence:

- (a) required or expressly permitted by this deed or the Scheme;
- (b) to the extent that it was Fairly Disclosed in the Due Diligence Material or the Disclosure Letter;
- (c) Fairly Disclosed to ASX within 3 years prior to the date of this deed or Fairly Disclosed in a document lodged with ASIC that is publicly available by or on behalf of Bellamy's within 12 months prior to the date of this deed; or
- (d) with the written consent of Mengniu.

Bellamy's Registry means Link Market Services Limited or any replacement provider of share registry services to Bellamy's.

Bellamy's Representation and Warranty means a representation and warranty of Bellamy's set out in Schedule 2.

Bellamy's Share means a fully paid ordinary share in the capital of Bellamy's.

Bellamy's Shareholder means a person who is registered as the holder of one or more Bellamy's Shares from time to time.

Bellamy's Share Register means the register of members of Bellamy's maintained in accordance with the Corporations Act.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, Australia.

Camperdown Share Purchase Agreement means the share purchase agreement between Buena Investments Pty Ltd, Bellamy's Organic Pty Ltd and Bellamy's dated 15 January 2018.

Cash Equivalent Value means, in respect of an Option, a cash payment equal to the Scheme Consideration plus any Permitted Dividend, less the exercise price which would have otherwise been payable under the terms of the Option if it were not being cash settled, and net of applicable taxes, statutory superannuation contributions or other withholdings.

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means a transaction or arrangement, or any proposal, offer or expression of interest in relation to a transaction or arrangement, pursuant to which a Third Party will, if the transaction or arrangement is entered into or completed:

- (a) acquire (whether directly or indirectly) or become the holder of a legal, beneficial and/or economic interest in, all or a substantial part of the business or assets of the Bellamy's Group taken as a whole;
- (b) acquire a relevant interest in, or otherwise acquire or have a right to acquire a legal, beneficial and/or economic interest in, 20% or more of Bellamy's Shares; or
- (c) acquire control of Bellamy's within the meaning of section 50AA of the Corporations Act or otherwise acquire or merge with Bellamy's,

whether by way of takeover bid, scheme of arrangement, shareholder approved transaction, capital reduction or buy-back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement.

Conditions Precedent has the meaning given in clause 3.1.

Confidentiality and Exclusivity Deed means the confidentiality and exclusivity deed between Mengniu and Bellamy's dated 25 July 2019.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing between the parties.

Deed Poll means a deed poll given by Mengniu and Mengniu Sub in favour of all Scheme Shareholders in the form of Annexure B (or such other form agreed to in writing between the

parties).

Disclosure Letter means the letter identified as such provided by Bellamy's to Mengniu and countersigned by or on behalf of Mengniu on or prior to the date of this deed and any document identified in that letter as having been disclosed to Mengniu subject to such document having been Fairly Disclosed in the Due Diligence Material.

Due Diligence Material means the information disclosed by or on behalf of the Bellamy's Group (including in response to requests for information) to a Mengniu Party prior to execution of this deed, either:

- (a) through the electronic data room, as included on a USB delivered to Roshan Menon of HSBC on 14 September 2019 (acting on behalf of Mengniu) prior to execution of this deed (subject to Roshan Menon confirming on behalf of Mengniu that such USB contains the full contents of the Due Diligence Material for the purposes of this deed);
- (b) as part of the information disclosed to Mengniu and its legal advisers:
 - (i) at the Sydney offices of Minter Ellison on 8 August, 12 August (including via teleconference) and 11 September 2019; and
 - (ii) in a South Melbourne office space near Bellamy's Melbourne Head Office on 6 August 2019; or
- (c) as part of the information disclosed to Mengniu by email from Allens via Accellion Secure File Transfer on 13 September 2019.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.

EBITDA means earnings before interest, tax, depreciation and amortisation.

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date that is 6 months after the date of this Deed, or such other date as may be agreed in writing between Bellamy's and Mengniu.

Excluded Share means a Bellamy's Share held by or on behalf of a member of the Mengniu Group.

Excluded Shareholder means a holder of Excluded Shares.

Exclusivity Period means the period from and including the date of this deed to the earlier of:

- (a) the termination of this deed; and
- (b) the End Date.

Fairly Disclosed: A reference to 'Fairly Disclosed' in relation to a matter is to such matter being disclosed in sufficient detail to enable a reasonable person experienced in the industries in which the Bellamy's Group operates or transactions similar to the Transaction to identify the nature and scope of the relevant matter.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB means the Australian Foreign Investment Review Board.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.

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FSANZ means Food Standards Australia New Zealand.

Government Agency means any Australian or foreign government or governmental, semi-governmental or judicial entity or authority. It also includes any government minister (and his or her delegate), any self-regulatory organisation established under statute or any securities exchange and, for the avoidance of doubt, includes ASIC, ASX, HKEX and FSANZ and equivalent bodies in jurisdictions outside Australia.

GST means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the same meaning as in the GST Act.

HKEX means the Stock Exchange of Hong Kong Limited.

HKEX Listing Rules means the Rules Governing the Listing of Securities on HKEX.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date agreed to in writing between Mengniu and Bellamy's.

Independent Expert means an independent expert to be engaged by Bellamy's.

Independent Expert's Report means a report (including any written updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interests of Bellamy's Shareholders.

Insolvency Event means, in the case of any entity:

- (a) it ceases, suspends, or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of all or a substantial part of its assets;
- (b) it stops or suspends or threatens to stop or suspend payment of all or a class of its debts;
- (c) it is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or Claim the subject of a good faith dispute);
- (d) it has an administrator, controller or similar officer appointed, or any step preliminary to the appointment of such an officer is taken;
- (e) an application or an order is made, proceedings are commenced, or a resolution is passed (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days) for:
 - (i) its winding up, dissolution or administration; or
 - (ii) it entering into an arrangement, compromise or composition with, or assignment for, the benefit of its creditors or a class of them;
- (f) a:
 - (i) receiver, receiver and manager, administrative receiver or similar officer is appointed to;
 - (ii) security interest becomes enforceable or is enforced over; or
 - (iii) distress, attachment or other execution is levied or enforced or applied for over, all or a substantial part of its assets; or
- (g) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any foreign law.

Matching Date means the date that is 5 Business Days after the date of the provision of the

information referred to in clause 11.7(a)(iv).

Mengniu Counter Proposal means a proposal to amend the terms of the Transaction.

Mengniu Group means Mengniu and each of its Subsidiaries (including Mengniu Sub, but excluding, at any time, Bellamy's and its Subsidiaries to the extent that Bellamy's and its Subsidiaries are subsidiaries of Mengniu at that time). A reference to a **member of the Mengniu Group** is a reference to Mengniu or any such Subsidiary.

Mengniu Information means information about the Mengniu Group provided or approved by Mengniu or any of its Advisers to Bellamy's in writing for inclusion in the Scheme Booklet, as required by clauses 5.3(a) and 5.3(f).

Mengniu Party means any member of the Mengniu Group or any officer, employee or Adviser of any of them.

Mengniu Representation and Warranty means a representation and warranty of Mengniu set out in Schedule 1.

Mengniu Sub means an Australian indirectly wholly owned subsidiary of Mengniu, to be incorporated by Mengniu after the date of this deed.

Option means an option, granted by Bellamy's under the Bellamy's LTI Plan to acquire a Bellamy's Share in certain circumstances.

Order means any decree, judgment, injunction, direction, writ or other order, whether temporary, preliminary or permanent, made or given by an Australian court of competent jurisdiction or by another Australian Government Agency.

Permitted Dividend means a special dividend declared or determined by the Bellamy's Board, in an amount not exceeding \$0.60 per Bellamy's Share paid by Bellamy's to Bellamy's Shareholders between the date of this deed and the Implementation Date (which may, at Bellamy's election, be partially or fully franked), in respect of which all of the requirements in clause 4.5 have been satisfied.

Regulatory Approvals means an approval or consent specified in a Regulatory Condition.

Regulatory Condition means the Condition Precedent set out in clause 3.1(a).

Related Body Corporate has the meaning given to it in the Corporations Act.

Representative means, in relation to Mengniu or Bellamy's:

- (a) each other member of the Mengniu Group or Bellamy's Group (as applicable);
- (b) an officer or employee of a member of the Mengniu Group or Bellamy's Group (as applicable); or
- (c) an Adviser to a member of the Mengniu Group or Bellamy's Group (as applicable).

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Bellamy's and the Scheme Shareholders in the form of Annexure A (or such other form agreed to in writing between the parties to this deed).

Scheme Booklet means the scheme booklet to be prepared by Bellamy's in accordance with clause 5.1(a) and to be approved by the Court and despatched to Bellamy's Shareholders (other than Excluded Shareholders) and which must include the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Independent Expert's Report, notice of the Scheme Meeting and a proxy form for the Scheme Meeting.

Scheme Consideration has the meaning given in clause 4.3.

Scheme Meeting means the meeting of Bellamy's Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7:00pm on the sixth Business Day after the Effective Date or such other time and date agreed to in writing between the parties.

Scheme Shares means the Bellamy's Shares on issue as at the Scheme Record Date, other than the Excluded Shares.

Scheme Shareholder means a person registered in the Bellamy's Share Register as the holder of one or more Scheme Shares at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is controlled by that entity (as 'control' is defined in section 50AA of the Corporations Act) and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.

Superior Proposal means a bona fide, written Competing Proposal received after the date of this deed that the Bellamy's Board determines, acting in good faith, would, if completed substantially in accordance with its terms, be more favourable to Bellamy's Shareholders than the Scheme. Any such determination may only be made after consultation with Bellamy's legal and financial advisers, taking into account all material legal, financial, regulatory and other aspects of the Competing Proposal and the identity of the relevant Third Party.

Tax means a tax, levy, charge, impost, fee, or withholding any nature, including, without limitation, any goods and services tax, value added tax or consumption tax, payroll tax, fringe benefits tax, superannuation guarantee charge, pay as you go withholding which is assessed, levied, imposed or collected by a Government Agency, except where the context requires otherwise. This includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts, but excludes Duty.

Third Party means a person other than any member of the Mengniu Group.

Timetable means the indicative timetable for the implementation of the Transaction set out in Schedule 4.

Transaction means the acquisition of the Scheme Shares by Mengniu Sub through implementation of the Scheme in accordance with the terms of this deed.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

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- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this deed.
- (f) A reference to an *agreement* or *document* (including a reference to this deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
- (g) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an *agreement* includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to *dollars* and \$ is to Australian currency.
- (l) All references to time are to Sydney, Australia time.
- (m) Mentioning anything after *includes*, *including*, *for example*, or similar expressions, does not limit what else might be included.
- (n) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.
- (o) A reference to *officer*, *relevant interest* or *voting power* is to that term as it is defined in the Corporations Act.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Best and reasonable endeavours

A reference to a party using or obligation on a party to use its best endeavours or reasonable endeavours or all reasonable endeavours does not oblige that party to:

- (a) pay money:
- (i) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or
 - (ii) in circumstances that are commercially onerous or unreasonable in the context of this deed;
- (b) provide other valuable consideration to or for the benefit of any person; or
- (c) agree to commercially onerous or unreasonable conditions.

1.5 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.6 Knowledge, belief or awareness of Bellamy's

- (a) Certain statements made in this deed (including certain Bellamy's Representations and Warranties) are given and made by Bellamy's only on the basis of its knowledge, belief or awareness. For the purposes of this deed, Bellamy's knowledge, belief or awareness is limited to the actual knowledge, belief or awareness of Andrew Cohen (CEO); Nigel Underwood (Chief Financial Officer); Peter Fridell (Director of Operations); Melinda Harrison (General Counsel, Company Secretary and Regulatory Affairs); David Jedynek (Director of Sales and Marketing); Leo Yao (Commercial Director, China); or Henry Hong (Director of China). The knowledge, belief or awareness of any person other than the persons identified in this clause 1.6(a) will not be imputed to Bellamy's.
- (b) None of the persons named in clause 1.6(a) will bear any personal liability in respect of the Bellamy's Representations and Warranties or otherwise under this deed.

1.7 Listing requirements included as law

A listing rule or business rule of a securities exchange will be regarded as a *law*, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to a party.

2 Agreement to proceed with Scheme

2.1 Bellamy's to propose the Scheme

Bellamy's agrees to propose and implement the Scheme on and subject to the terms of this deed.

2.2 Mengniu to assist

Mengniu agrees to assist Bellamy's to propose and implement the Scheme, and to procure Mengniu Sub to assist Bellamy's to propose and implement the Scheme, on and subject to the terms of this deed.

3 Conditions Precedent and pre-implementation steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of Mengniu under clause 4.4 are not binding, unless each of the following Conditions Precedent (the **Conditions Precedent**) is satisfied or waived in accordance with clauses 3.2 and 3.4:

Conditions precedent for the benefit of both parties

- (a) **(FIRB approval)** before 8.00am on the Second Court Date, either:
- (i) the Treasurer of the Commonwealth of Australia (or his or her delegate) provides written notice that there are no objections under the FATA to the Transaction and that notice is either:
- (A) not subject to any conditions; or
- (B) subject only to any of the following:
- (1) tax-related conditions which are in the form, or substantially in the form, of those set out in Attachment B of FIRB Guidance Note 47 on 'Tax Conditions' (in the form released on 13 August 2018),

and any other proposed conditions notified by FIRB to Mengniu prior to the date of this deed; and

- (2) conditions that are acceptable to Mengniu (acting reasonably); or
- (ii) becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the Transaction;
- (b) **(Bellamy's Shareholder approval)** Bellamy's Shareholders (other than Excluded Shareholders) approve the Scheme by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act at the Scheme Meeting;
- (c) **(Court approval)** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (d) **(No restraints)** no applicable law shall have been enacted and no Order shall be in effect as at 8:00am on the Second Court Date (or the intended date for the Second Court Date, but for such Order) that prevents, makes illegal or prohibits the implementation of the Scheme;

Conditions precedent for the benefit of Mengniu only

- (e) **(No Bellamy's Material Adverse Change)** no Bellamy's Material Adverse Change occurs between the date of this deed and 8:00am on the Second Court Date; and
- (f) **(No Bellamy's Prescribed Occurrence)** no Bellamy's Prescribed Occurrence occurs between the date of this deed and 8:00am on the Second Court Date.

3.2 Best endeavours and co-operation

Without prejudice to any other obligations of the parties under this deed:

- (a) Mengniu must use its best endeavours to satisfy, or procure the satisfaction of, the Condition Precedent in clause 3.1(a);
- (b) Bellamy's must use its best endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(e) and 3.1(f);
- (c) each party must, to the extent it is within its power to do so, use its best endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(b), 3.1(c); and 3.1(d); and
- (d) no party will take any action that will or is likely to hinder or prevent the satisfaction of any Condition Precedent, except to the extent that such action is required to be done or procured pursuant to, or is otherwise permitted by, this deed or the Scheme, or is required by law.

3.3 Regulatory Approvals

Without limiting the generality of clause 3.2:

- (a) to the extent it has not already done so prior to the date of this deed, Mengniu must, within 10 Business Days after the date of this deed, apply for all Regulatory Approvals;
- (b) Bellamy's must provide such assistance in respect of any such application for a Regulatory Approval as Mengniu may reasonably request, and each party must take all reasonable steps required as part of the approval process in respect of any such application, including responding to reasonable requests for information at the earliest practicable time;
- (c) Mengniu must keep Bellamy's fully informed of progress in relation to the obtaining of the Regulatory Approvals, including:

- (i) by promptly providing Bellamy's with reasonable details of all dealings with Government Agencies in relation to the applications for Regulatory Approvals (including any requests for information by such Government Agencies; and any conditions or other arrangements proposed by any Government Agency in respect of such Regulatory Approvals); and
 - (ii) any material information or matter which is likely to result in a delay in receipt of a Regulatory Approval that would mean the Timetable is unlikely to be achieved, or indicate that a Regulatory Approval is unlikely to be given;
- (d) Mengniu must consult with Bellamy's in advance in relation to all proposed material communications (whether written or oral and whether direct or via an Adviser) with any Government Agency relating to any Regulatory Approval (**Communications**), and in relation to each material step in the process of obtaining each Regulatory Approval;
- (e) Mengniu must give Bellamy's a reasonable opportunity to be represented at any proposed meeting with any Government Agency relating to any Regulatory Approval; and
- (f) without limiting any other provision of this clause 3.3, Mengniu must:
- (i) provide Bellamy's with drafts of any material written Communications to be sent to a Government Agency, and allow Bellamy's a reasonable opportunity to make comments on them prior to them being sent; and
 - (ii) promptly provide copies of any material written Communications received from a Government Agency.

3.4 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a) to 3.1(d) are for the benefit of Bellamy's and Mengniu. Any breach or non-satisfaction of any of those Conditions Precedent cannot be waived.
- (b) The Conditions Precedent in clauses 3.1(e) and 3.1(f) are for the sole benefit of Mengniu, and any breach or non-satisfaction of those Conditions Precedent may only be waived by Mengniu (in its absolute discretion) giving its written consent.
- (c) A party entitled to waive the breach or non-satisfaction of a Condition Precedent pursuant to this clause 3.4 may do so in its absolute discretion.
- (d) If a waiver by a party of a Condition Precedent is itself expressed to be conditional and the other party accepts the conditions, the terms of the conditions apply accordingly. If the other party does not accept the conditions, the relevant Condition Precedent has not been waived.
- (e) If a party waives the breach or non-satisfaction of a Condition Precedent, that waiver will not preclude it from suing the other party for any breach of this deed constituted by the same event that gave rise to the breach or non-satisfaction of the Condition Precedent.
- (f) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:
 - (i) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same events or circumstances; or
 - (ii) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event or circumstance.

3.5 Notifications

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) promptly notify the other party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied; and
- (c) promptly notify the other party in writing of a failure to satisfy a Condition Precedent or of any fact or circumstance that results in that Condition Precedent becoming incapable of being satisfied or that may result in that Condition Precedent not being satisfied in accordance with its terms.

3.6 Failure of Conditions Precedent

- (a) If:
 - (i) there is a breach or non-satisfaction of a Condition Precedent which is not waived in accordance with this deed by the time or date specified in this deed for the satisfaction of the Condition Precedent;
 - (ii) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this deed for the satisfaction of the Condition Precedent (and the breach or non-satisfaction which would otherwise occur has not already been waived in accordance with this deed); or
 - (iii) it becomes more likely than not that a Condition Precedent will not be satisfied by the End Date,

then either party may serve a written notice on the other party, and the parties must promptly consult in good faith with a view to determining whether:

- (iv) the Scheme or the Transaction may proceed by way of alternative means or methods;
 - (v) to extend the relevant time or date for satisfaction of the Condition Precedent;
 - (vi) to change the First Court Date or to adjourn the application for orders pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting to another date agreed by the parties;
 - (vii) to change the Second Court Date or to adjourn the application for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme to another date agreed by the parties; or
 - (viii) to extend the End Date.
- (b) If Bellamy's and Mengniu are unable to reach agreement under clauses 3.6(a)(iv), 3.6(a)(v), 3.6(a)(vi), 3.6(a)(vii) or 3.6(a)(viii) within 5 Business Days after the delivery of the notice under that clause (or any shorter period ending at 5:00pm on the Business Day before the Second Court Date), either party may terminate this deed by notice in writing to the other party, provided that:
 - (i) the Condition Precedent to which the notice relates is for the benefit of that party (whether or not the Condition Precedent is also for the benefit of the other party); and

- (ii) there has been no failure by that party to comply with its obligations under this deed, where that failure contributed in a material respect to the Condition Precedent to which the notice relates becoming incapable of satisfaction, or being breached or not fulfilled before the End Date,

in which case clause 13.3 will have effect.

3.7 Certificates in relation to Conditions Precedent

- (a) On the Second Court Date each party must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8:00am on the Second Court Date the Conditions Precedent have been satisfied or waived in accordance with this deed.
- (b) Each party must provide to the other party a draft of the certificate to be provided by it pursuant to clause 3.7(a) by 5:00pm on the day that is two Business Days prior to the Second Court Date, and must provide to the other party on the Second Court Date a copy of the final certificate or other evidence provided to the Court.

4 Transaction Steps

4.1 Scheme

Bellamy's must propose a scheme of arrangement under which:

- (a) all of the Scheme Shares will be transferred to Mengniu Sub; and
- (b) the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2 No amendment to the Scheme without consent

Bellamy's must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Mengniu.

4.3 Scheme Consideration

The **Scheme Consideration**, in respect of a Scheme Shareholder, means \$12.65 per Scheme Share held by that Scheme Shareholder.

4.4 Provision of Scheme Consideration

Mengniu undertakes to Bellamy's (in its own right and as trustee on behalf of the Scheme Shareholders) that, in consideration of the transfer to Mengniu Sub of the Scheme Shares under the terms of the Scheme, on the Implementation Date it will:

- (a) procure that Mengniu Sub will accept that transfer; and
- (b) pay or procure payment of the Scheme Consideration for each Scheme Share in accordance with the Scheme and the Deed Poll.

4.5 Permitted Dividend

- (a) Subject to clause 4.5(b), Mengniu acknowledges and agrees that at any time on or prior to the Implementation Date, Bellamy's may announce, declare and pay, conditional on the Scheme becoming Effective, a Permitted Dividend (and for the avoidance of doubt there cannot be more than one Permitted Dividend).
- (b) If Bellamy's announces, declares and pays a Permitted Dividend in accordance with clause 4.5(a):
 - (i) the Permitted Dividend must be paid in cash;

- (ii) the payment of the Permitted Dividend will be determined by Bellamy's, provided that the Permitted Dividend is paid no later than the Implementation Date and that the Permitted Dividend does not breach the Benchmark Franking Rule of section 203-25 of the Income Tax Assessment Act 1997;
- (iii) the Permitted Dividend may be franked to the maximum extent possible, subject to the franking account of Bellamy's not being in deficit at any time after the payment of the Permitted Dividend (and prior to the declaration of or resolution to pay any Permitted Dividend), and Bellamy's must provide Mengniu with supporting documents evidencing (to Mengniu's reasonable satisfaction) that the franking account of Bellamy's shall not be in deficit after the payment of such and that the Permitted Dividend does not breach the Benchmark Franking Rule of section 203-25 of the Income Tax Assessment Act 1997;
- (iv) the record date of the Permitted Dividend must be a date that is no later than the Scheme Record Date; and
- (v) the Permitted Dividend is to be paid from profits, retained earnings or distributable reserves (or a combination of all or some of them) of Bellamy's existing prior to the declaration or authorisation of such dividend and otherwise must comply with the Corporations Act.
- (c) In order to ensure sufficient profits or distributable reserves in Bellamy's to pay the Permitted Dividend, one or more Related Bodies Corporate of Bellamy's may settle intercompany balances or enter into other intercompany transactions or pay a dividend out of its profits, retained earnings or distributable reserves (or a combination of all or some of them) to another Related Body Corporate of Bellamy's, provided that such dividend does not result in any deficit in the franking account of any Related Body Corporate and is otherwise in accordance with the Corporations Act or equivalent foreign law.

4.6 Options

- (a) Bellamy's must ensure that, by no later than the Scheme Record Date, there are no outstanding Options.
- (b) In order to comply with its obligation under clause 4.6(a), Bellamy's may, without limiting any other steps which may be available to it, do all or any of the following:
- (i) cause all or some of the outstanding Options to vest and, following such vesting and exercise of the relevant Options, cause the relevant number of Bellamy's Shares to be transferred or issued (as applicable) to allow the relevant former holders of the relevant Options (or a trustee on behalf of a relevant former holder), to receive the Permitted Dividend and participate in the Scheme;
- (ii) cause all or some of the outstanding Options to vest and, following such vesting, cash settle the relevant Options in accordance with the terms of the Bellamy's LTI Plan by a cash payment in respect of each such Option equal to the Cash Equivalent Value of such Option; or
- (iii) enter into a deed with all or some of the holders of those Options under which the holder's Options are cancelled for cash consideration in respect of such Option equal to the Cash Equivalent Value of such Option, where the cancellation takes effect on the Implementation Date subject to implementation of the Scheme,
- provided, however, that no Options are vested and exercised, cancelled or otherwise settled for an amount exceeding their Cash Equivalent Value.

- (c) Where Bellamy's deals with Options under clause 4.6(b)(i) or clause 4.5(b)(ii), it will also cause the exercise date of the relevant Options to be brought forward in accordance with the terms of the relevant plan to a date prior to the Scheme Record Date, so that any such Options which are not exercised by that date will lapse in accordance with the terms of the relevant plan.
- (d) Bellamy's must use reasonable endeavours to obtain any necessary waiver from ASX Listing Rule 6.23.2 in respect of any cancellation of Options under clause 4.5(b)(iii).
- (e) By no later than the First Court Date, Bellamy's must provide evidence, in the form of board minutes or similar documents, to Mengniu's reasonable satisfaction, that Bellamy's will, if the Scheme becomes Effective, be able to satisfy its obligations under clause 4.6(a). Bellamy's must also ensure that, from that time up until the Second Court Date, Bellamy's continues to be in a position that it will be able to satisfy its obligations under clause 4.6(a), if the Scheme becomes Effective.

5 Implementation

5.1 Bellamy's obligations

Bellamy's must take all steps reasonably necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this deed and must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step, including by doing any acts it is authorised and able to do on behalf of Bellamy's Shareholders and each of the following.

- (a) **(Preparation of Scheme Booklet)** Prepare the Scheme Booklet so that it complies with all applicable laws, including the Corporations Act, ASIC Regulatory Guide 60 and the ASX Listing Rules. The Scheme Booklet must include a statement that:
 - (i) other than the Mengniu Information and the Independent Expert's Report, the Scheme Booklet has been prepared by Bellamy's and is the responsibility of Bellamy's, and that no Mengniu Party assumes any responsibility for the accuracy or completeness of the Scheme Booklet (other than the Mengniu Information); and
 - (ii) the Mengniu Information has been provided by Mengniu and is the responsibility of Mengniu, and that no Bellamy's Party assumes any responsibility for the accuracy or completeness of the Mengniu Information.

The Scheme Booklet must also include the recommendation and statement required under clause 7.

- (b) **(Independent Expert)** Promptly appoint the Independent Expert (if the Independent Expert has not been appointed prior to the date of this deed), and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report.
- (c) **(Consultation with Mengniu)** Consult with Mengniu as to the content and presentation of the Scheme Booklet, such consultation to include allowing Mengniu a reasonable opportunity to review and make comments on successive drafts of the Scheme Booklet a reasonable time before its lodgement with ASIC and obtain Mengniu's written consent to the inclusion of the Mengniu Information (including in respect of the form and context in which the Mengniu Information appears in the Scheme Booklet) prior to lodgement of the Scheme Booklet with ASIC. Bellamy's must consider in good faith any comments on drafts of the Scheme Booklet provided by or on behalf of Mengniu.

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- (d) **(Liaison with ASIC)** As soon as reasonably practicable after the date of this deed but no later than 14 days before the First Court Date, and following Mengniu giving confirmation or providing changes as contemplated by clause 5.3(d), provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act, and to Mengniu, and keep Mengniu reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters), and use reasonable endeavours, in consultation with Mengniu, to resolve any such matters (provided that Bellamy's may not resolve any such matters without the prior written consent of Mengniu to the extent that such matters relate to the Mengniu Information).
 - (e) **(Indication of intent)** Apply to ASIC for a letter indicating whether ASIC proposes to make submissions to the Court, or intervene to oppose the Scheme, on the First Court Date.
 - (f) **(Approval of Scheme Booklet)** As soon as practicable after ASIC has provided its indication of intent in accordance with clause 5.1(e), procure that a meeting of the Bellamy's Board is convened for the purpose of approving the Scheme Booklet for despatch to Bellamy's Shareholders.
 - (g) **(Court direction)** Apply to the Court for orders directing Bellamy's to convene the Scheme Meeting, and consult with Mengniu as to the content of all relevant originating process, affidavits, submissions and draft minutes of Court orders. Such consultation must include providing Mengniu with a reasonable opportunity to review and comment on the relevant Court documents before they are lodged, and Bellamy's must consider in good faith any comments provided by or on behalf of Mengniu.
 - (h) **(ASIC registration)** Request ASIC to register the Scheme Booklet in the form approved by the Court.
 - (i) **(Despatch)** Send the Scheme Booklet to Bellamy's Shareholders following receipt of Mengniu's written consent to the inclusion of the Mengniu Information in the form and context in which the Mengniu Information appears in such version of the Scheme Booklet.
 - (j) **(Update Scheme Booklet)** If, after the Scheme Booklet has been sent to Bellamy's Shareholders, it becomes aware of information that is:
 - (i) not included in the Scheme Booklet and that is:
 - (A) material for disclosure to Bellamy's Shareholders in deciding whether to approve the Scheme; or
 - (B) required to be disclosed to Bellamy's Shareholders under any applicable law; or
 - (ii) included in the Scheme Booklet and is misleading or deceptive in a material respect in the form and context in which it appears in the Scheme Booklet,inform Bellamy's Shareholders of the information in an appropriate and timely manner, in accordance with applicable law. Bellamy's must consult with Mengniu as to the form and content of any supplementary disclosure before it is made to Bellamy's Shareholders, and, to the extent reasonably practicable, must provide Mengniu with a reasonable opportunity to review and comment on such disclosure before it is made and must consider in good faith any comments provided by or on behalf of Mengniu. To the extent that any supplementary disclosure relates to (or constitutes) Mengniu Information, it may only be made with Mengniu's prior written consent (not to be unreasonably withheld or delayed).

- (k) **(Promote Transaction)** Participate in efforts reasonably requested by Mengniu to promote the merits of the Transaction and the Scheme Consideration, including, where requested by Mengniu, meeting with key Bellamy's Shareholders.
- (l) **(Scheme Meeting)** Convene the Scheme Meeting to approve the Scheme (in accordance with any orders made by the Court).
- (m) **(No objection statement)** Apply to ASIC for the production of a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
- (n) **(Court approval)** Subject to all Conditions Precedent in clause 3.1 (other than that in clause 3.1(c) being satisfied or waived in accordance with this deed, apply to the Court for orders approving the Scheme, and consult with Mengniu as to the content of all relevant affidavits, submissions and draft minutes of Court orders. Such consultation must include providing Mengniu with a reasonable opportunity to review and comment on the relevant Court documents before they are lodged, and Bellamy's must consider in good faith any comments provided by or on behalf of Mengniu.
- (o) **(Court order)** Lodge with ASIC an office copy of any Court order approving the Scheme by not later than the first Business Day after the day such office copy is received (or such later date as Mengniu may agree in writing).
- (p) **(Representation)** Allow, and not oppose, any application by Mengniu or Mengniu Sub for leave of the Court to be represented by counsel at the Court hearings in relation to the Scheme.
- (q) **(Information)** Provide all necessary information, and procure that the Bellamy's Registry provides all necessary information, in each case in a form reasonably requested by Mengniu, for the purpose of understanding legal and beneficial ownership of Bellamy's Shares and proxy appointments and directions received by Bellamy's prior to the Scheme Meeting.
- (r) **(Implementation)** If the Scheme becomes Effective:
- (i) procure ASX to suspend trading in Bellamy's Shares from the close of trading on the Effective Date;
 - (ii) close the Bellamy's Share Register at the Scheme Record Date to determine the identity of Scheme Shareholders and their entitlements to the Scheme Consideration; and
 - (iii) subject to Mengniu satisfying its obligations under clause 4.4, execute proper instruments of transfer of the Scheme Shares on behalf of the Scheme Shareholders in favour of Mengniu Sub and procure the registration in the Bellamy's Share Register of all transfers of Scheme Shares to Mengniu Sub under those instruments on the Implementation Date.
- (s) **(ASX listing)** Maintain Bellamy's admission to the official list of ASX and the quotation of Bellamy's Shares on ASX up to and including the Implementation Date.

5.2 Appeal process

If the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme:

- (a) Bellamy's and Mengniu must consult with each other in good faith as to whether to appeal the Court's decision; and

- (b) Bellamy's must appeal the Court's decision (unless the parties agree otherwise, or an independent senior counsel of the New South Wales bar advises that, in their view, an appeal would have no reasonable prospect of success before the End Date).

5.3 Mengniu's obligations

Mengniu must take all steps reasonably necessary to assist Bellamy's to propose and implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step, including by doing each of the following.

- (a) **(Mengniu Information)** Prepare and provide to Bellamy's the Mengniu Information for inclusion in the Scheme Booklet to comply with all applicable laws, including the Corporations Act, ASIC Regulatory Guide 60 and the ASX Listing Rules relevant to the Mengniu Information and consult with Bellamy's as to the content and presentation of the Mengniu Information in the Scheme Booklet, such consultation to include allowing Bellamy's a reasonable opportunity to review and make comments on successive drafts of the Mengniu Information before lodgement of the Scheme Booklet with ASIC. Mengniu must consider in good faith any comments on drafts of the Mengniu Information provided by or on behalf of Bellamy's.
- (b) **(Review drafts of Scheme Booklet)** As soon as practicable after delivery, review drafts of the Scheme Booklet prepared by Bellamy's and provide any comments on those drafts.
- (c) **(Independent Expert information)** Provide all assistance and information reasonably requested by Bellamy's or by the Independent Expert in connection with the preparation of the Independent Expert's Report.
- (d) **(Confirmation of Mengniu Information)** Before the Scheme Booklet is provided to ASIC pursuant to section 411(2) of the Corporations Act:
 - (i) confirm in writing to Bellamy's that the Mengniu Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to Bellamy's the changes required to ensure that the Mengniu Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (e) **(Approval of Mengniu Information)** As soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, confirm in writing to Bellamy's that the Mengniu Information included in the Scheme Booklet is in a form appropriate for despatch to Bellamy's Shareholders, subject to approval of the Court, and provide its consent to the inclusion of the Mengniu Information in the Scheme Booklet.
- (f) **(Update Mengniu Information)** If at any time after the despatch of the Scheme Booklet, Mengniu becomes aware:
 - (i) of new information which, were it known at the time of despatch, should have been included in any Mengniu Information included in that version of the Scheme Booklet; or
 - (ii) that any part of the Mengniu Information included in that version of the Scheme Booklet is misleading or deceptive in any material respect (whether by omission or otherwise),

it must advise Bellamy's so that Bellamy's can determine whether supplementary disclosure to Bellamy's Shareholders is required in accordance with (and subject to the terms of) clause 5.1(j).

- (g) **(Deed Poll)** Before the first Court hearing on the First Court Date, enter into the Deed Poll and deliver it to Bellamy's, and procure that Mengniu Sub enters into the Deed Poll and delivers it to Bellamy's.
- (h) **(Court representation)** Procure that it is represented by counsel at the Court hearings convened in relation to the Scheme, at which, through its counsel or solicitors, Mengniu will undertake, and will procure that Mengniu Sub undertakes, (if requested by the Court) to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this deed and the Scheme.
- (i) **(Scheme Consideration)** If the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4.4 and the terms of the Scheme.

5.4 Appointment of directors

On the Implementation Date, but subject to the Scheme Consideration having been paid by Mengniu in accordance with the Scheme and receipt by Bellamy's of signed consents to act, Bellamy's must:

- (a) take all actions necessary to appoint the persons nominated by Mengniu as new directors of Bellamy's and other members of the Bellamy's Group; and
- (b) procure that all directors on the Bellamy's Board or the board of another member of the Bellamy's Group (other than the new directors of Bellamy's appointed pursuant to clause 5.4(a)) resign from the Bellamy's Board or such other board (as applicable).

6 Conduct of business and requests for access

6.1 Conduct of Bellamy's business

During the period from the date of this deed up to and including the Implementation Date, Bellamy's must:

- (a) procure that the Bellamy's Group conducts its business and operations in the ordinary course and substantially consistent (subject to any applicable laws and regulations) with the manner in which each such business and operation has been conducted in the period prior to the date of this deed;
- (b) to the extent consistent with that obligation, use its best endeavours to preserve intact the Bellamy's Group's current business organisation, to keep available the services of the current officers of it and the other members of the Bellamy's Group, and to preserve the Bellamy's Group's relationship with Governmental Agencies, customers, suppliers, licensors, licensees and others having business dealings with it;
- (c) keep Mengniu informed of material developments concerning the conduct of its business;
- (d) obtain Mengniu's prior written consent (such consent may not be unreasonably withheld), through its representative(s) on the Integration Committee (as defined in clause 6.3(a)) before entering into any manufacturing agreement in relation to infant milk formula products valued at more than \$5,000,000;
- (e) ensure that no Bellamy's Prescribed Occurrence occurs; and
- (f) ensure that none of the following occurs:

- (i) other than to members of the Bellamy's Group, Bellamy's or any Subsidiary of Bellamy's incurs any financial indebtedness or issues any indebtedness or debt securities, other than:
- (A) drawdowns or advances under any debt facilities in existence as at the date of this deed;
 - (B) refinancing of any debt facilities in existence as at the date of this deed; or
 - (C) in connection with derivative or similar transactions to manage currency, interest rate or commodity price exposure.
- (ii) Bellamy's or any Subsidiary of Bellamy's:
- (A) pays any bonus to any officer of Bellamy's or any Subsidiary of Bellamy's, other than bonuses payable to any officer for the year ending 30 June 2019 in accordance with the employment terms of that officer in existence as at the date of this deed;
 - (B) increases the remuneration or compensation of any officer of Bellamy's or any Subsidiary of Bellamy's other than in accordance with Bellamy's normal salary review procedure conducted in good faith and in the ordinary and usual course of business;
 - (C) grants to any officer of Bellamy's or any Subsidiary of Bellamy's any increase in severance or termination pay or superannuation entitlements other than as required by law or in accordance with the employment terms of that officer in existence as at the date of this deed;
 - (D) makes or agrees to make any material change to the terms of, or waives any claims or rights under, or waives the benefit of any material provisions of, any contract of employment with any officer of Bellamy's or of any Subsidiary of Bellamy's;
- (iii) Bellamy's or any Subsidiary of Bellamy's acquires, agrees to acquire, disposes of, or agrees to dispose of, any entity, business or assets (other than assets acquired or disposed of in the ordinary course of business), where the value of such entity, business or assets exceeds \$5,000,000, (either individually or, in the case of related businesses or classes of assets or a series of related transactions, collectively);
- (iv) Bellamy's or a Subsidiary of Bellamy's incurs capital expenditure after the date of this deed which would result in the Bellamy's Group budgeted aggregate capital expenditure for the year in which the expenditure is incurred being exceeded by \$5,000,000, or more; or
- (v) Bellamy's, or any Subsidiary of Bellamy's, settles or compromises or makes any concessions in relation to any material Tax claims, liabilities or disputes or makes any election in relation to tax, or otherwise engages in any transaction, act or event which gives rise to any Tax liability which is outside the ordinary course of business as it was conducted prior to the date of this deed,

in each case except to the extent:

- (g) required or expressly permitted by this deed or the Scheme;
- (h) required in order to comply with any applicable law;

- (i) Fairly Disclosed in the Due Diligence Material or the Disclosure Letter (which, for the avoidance of doubt, will include any expenditure which is budgeted for in the budgets for the Bellamy's Group in respect of the financial year ending 30 June 2020, which are contained the Due Diligence Material);
- (j) Fairly Disclosed to ASX within 3 years prior to the date of this deed or Fairly Disclosed in a document lodged with ASIC that is publicly available by or on behalf of Bellamy's within 12 months prior to the date of this deed; or
- (k) agreed to in writing by Mengniu (such agreement not to be unreasonably withheld or delayed).

From the date of this deed until the Second Court Date unless Mengniu agrees otherwise in writing, Bellamy's will promptly notify Mengniu of anything of which it becomes aware that:

- (l) makes any material information publicly filed by Bellamy's (either on its own account or in respect of any other member of the Bellamy's Group) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;
- (m) makes any of the Bellamy's Representations and Warranties false, inaccurate, misleading or deceptive in any material respect;
- (n) makes any information provided in the Due Diligence Material or Disclosure Letter incorrect, untrue or misleading in any material respect; or
- (o) would constitute or be likely to constitute a Bellamy's Prescribed Occurrence or Bellamy's Material Adverse Change.

6.2 Access to information and co-operation

- (a) **(Provision of access and information)** During the period from the date of this deed up to and including the Implementation Date, Bellamy's must, and must procure each of its subsidiaries to, respond to reasonable requests from Mengniu and its Representatives for information concerning the Bellamy's Group businesses, operations and affairs as soon as reasonably practicable after such requests are made, and give Mengniu and its Representatives reasonable access to Bellamy's senior executive team and records, and otherwise provide reasonable co-operation to Mengniu and its Representatives, in each case for the purposes of:
 - (i) the implementation of the Scheme;
 - (ii) integration planning prior to implementation of the Scheme which, for the avoidance of doubt, does not include ongoing due diligence on the Bellamy's Group; or
 - (iii) any application which Mengniu makes to any Government Agency (acting reasonably) and in response to any requests for information required by any Government Agency; or
 - (iv) any other purpose that is agreed in writing between the parties.
- (b) **(Limits on Bellamy's obligations)** The obligations in clause 6.2(a) and clause 6.3 do not require Bellamy's to:
 - (i) do anything which would cause undue disruption to the operation of its business in the ordinary course;
 - (ii) require a member of the Bellamy's Group to take any action that would reasonably be expected to conflict with or violate the entity's constituent documents or any law;

- (iii) require a member of the Bellamy's Group to take any action that would breach an obligation to any person (including any confidentiality obligations);
 - (iv) provide information to Mengniu concerning the Bellamy's directors' and management's consideration of the Scheme; or
 - (v) provide any confidential, competitively sensitive or privileged information where the provision of such information is reasonably likely to cause prejudice to the commercial or legal interests of the Bellamy's Group taken as a whole, or would be reasonably likely to jeopardise any attorney-client, work product or other legal privilege.
- (c) The parties acknowledge that all information that is provided pursuant to this clause 6.2 will be provided subject to the terms of the Confidentiality and Exclusivity Deed.

6.3 Integration planning

- (a) On and from the date of this deed, the parties agree to establish a committee (**Integration Committee**) initially comprising of the following individuals:
- (i) as representatives of Bellamy's: Melinda Harrison (General Counsel, Company Secretary & Regulatory Affairs) and Peter Fridell (Director of Operations);
 - (ii) as representatives of Mengniu: Ping Zhang (Chief Financial Officer).
- (b) The role of the Integration Committee will be to act as a forum for discussion and planning in respect of the following:
- (i) matters related to integration planning, including employee retention and incentivisation, stakeholder engagement and communications, business operations, functions and processes; and
 - (ii) the process referred to in clause 6.4.
- (c) Each party must ensure that its representatives on the Integration Committee act in good faith in their capacity as members of the Integration Committee with a view to fulfilling the role and objectives of such committee (to the extent within their power).
- (d) The Integration Committee will meet at such times and places as agreed between the members of the Integration Committee from time to time, taking into account the existing roles and duties of Bellamy's representatives on the Integration Committee. Meetings may be held via telephone.
- (e) The members of the Integration Committee may agree to invite other persons to attend meetings of the Integration Committee from time to time.
- (f) From time to time, certain members of the Integration Committee or other representatives of the parties (as agreed between the parties) will meet separately to meetings of the Integration Committee to discuss and progress matters considered or plans developed by the Integration Committee.
- (g) The parties acknowledge and agree that:
- (i) the Integration Committee is a discussion and planning forum only, and the members of the Integration Committee do not have power to bind the other party or to give any consent, approval or waiver on behalf of such other party;
 - (ii) nothing in this clause 6.3 or elsewhere in this deed requires a party to act at the direction of the other party or is intended to create a relationship of partnership, joint venture or similar between the parties;

- (iii) nothing in this clause 6.3 or elsewhere in this deed requires a party to take any action that would reasonably be expected to conflict with or violate the entity's constituent documents or any law;
- (iv) the respective businesses of the Mengniu Group and the Bellamy's Group are to continue to operate independently until (and subject to) implementation of the Scheme; and
- (v) nothing in this clause 6.3 requires any of Bellamy's representatives on the Integration Committee to do anything which would unduly interfere with their responsibilities to Bellamy's and the ongoing conduct of Bellamy's business.

6.4 Change of control consents

As soon as practicable after the date of this deed, Bellamy's and Mengniu must seek to identify any change of control or unilateral termination rights in material contracts to which Bellamy's or another member of the Bellamy's Group is party which may be triggered by or exercised in response to the implementation of the Transaction. In respect of those contracts:

- (a) Bellamy's and Mengniu will agree a proposed course of action (which, among other things, will have due regard to applicable legal restrictions) and then Bellamy's will initiate contact, including joint discussions if required, with the relevant counterparties and request that they provide any consents or confirmations required or appropriate. Mengniu must not contact any counterparties without Bellamy's present or without Bellamy's prior written consent (which is not to be unreasonably withheld, conditioned or delayed).
- (b) Bellamy's must cooperate with, and provide reasonable assistance to, Mengniu to obtain such consents or confirmations as expeditiously as possible, including by promptly providing any information reasonably required by counterparties (but nothing in this clause requires Bellamy's or Mengniu to incur material expense).
- (c) Mengniu must take all action necessary to comply with any requirements of the counterparties that are reasonably necessary to obtain the relevant consent or confirmation, including providing any information required and entering into parent guarantees or such other forms of guarantee or security as counter-parties may reasonably require and make officers and employees available, where necessary to meet with counter-parties to deal with any issues arising in relation to the matter.
- (d) A failure by a member of the Bellamy's Group to obtain any third party consent or confirmation, or the exercise of a termination right, will not constitute a breach of this deed by Bellamy's and, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this deed.

6.5 Directors' and officers' insurance and indemnities

- (a) Subject to the Scheme becoming Effective and the Transaction completing, Mengniu undertakes in favour of Bellamy's and each person who is a director or officer of a member of the Bellamy's Group. that it will:
 - (i) for a period of 7 years from the Implementation Date or until a company ceases to be part of the Bellamy's Group (whichever is earlier), ensure that the constitutions of Bellamy's and each other member of the Bellamy's Group continues to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its current and previous directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Bellamy's Group; and

- (ii) procure that each member of the Bellamy's Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained, for a period of 7 years from the retirement date of each director and officer.
- (b) Mengniu acknowledges that, subject to the next sentence and notwithstanding any other provision of this Deed, Bellamy's may, prior to the Implementation Date, enter into arrangements to secure directors' and officers' run-off insurance for up to such 7 year period, and that any actions to facilitate that insurance or in connection therewith will not be a Bellamy's Prescribed Occurrence or breach any provision of this deed. Before entering into any contract of insurance, Bellamy's must first present to Mengniu a quotation for such insurance policy, and Mengniu must first approve such quotation (acting reasonably and expeditiously) before Bellamy's may enter into a contract of insurance, provided that, if the terms of the quotation for such insurance policy are substantially the same as the terms disclosed to Mengniu in writing before the execution of this deed, Mengniu must not withhold its approval.
- (c) The undertakings contained in clause 6.5(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (d) Bellamy's receives and holds the benefit of clause 6.5(a), to the extent it relates to the other Bellamy's Parties, as trustee for them.
- (e) The undertakings contained in clause 6.5(a) are given until the earlier of the end of the relevant period specified in clause 6.5(a) or the relevant member of the Bellamy's Group ceasing to be part of the Bellamy's Group.

7 Bellamy's Board recommendation

- (a) Subject to clause 7(b), Bellamy's must ensure that:
- (i) the Bellamy's Board unanimously recommends that, in the absence of a Superior Proposal and subject to the Independent Expert opining at all times prior to the Second Court Date that the Scheme is in the best interests of Bellamy's Shareholders, Bellamy's Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting;
- (ii) the Scheme Booklet will include a statement by the Bellamy's Board to that effect, and to the effect that each director of Bellamy's will, in the absence of a Superior Proposal, vote (or procure the voting of) all Bellamy's Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting; and
- (iii) a director of Bellamy's does not change, withdraw or modify his or her recommendation under clause 7(a)(i) or a statement under clause 7(a)(ii) or make a recommendation or statement that is inconsistent with such recommendation or statement.
- (b) Clause 7(a) will cease to apply in either of the following circumstances:
- (i) the Independent Expert opines either prior to the despatch of the Scheme Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interests of Bellamy's Shareholders; or
- (ii) Bellamy's receives a Competing Proposal that constitutes a Superior Proposal.

8 Representations and warranties

8.1 Mengniu Representations and Warranties

- (a) Mengniu represents and warrants to Bellamy's (in its own right and separately as trustee or nominee for each of the other Bellamy's Parties) that each Mengniu Representation and Warranty is true and correct in all material respects.
- (b) Mengniu indemnifies Bellamy's against, and must pay Bellamy's on demand the amount of, any losses, liabilities, damages, costs, charges or expenses suffered or incurred by any member of the Mengniu Group as a result of, or in connection with, a breach of a Mengniu Representation and Warranty.

8.2 Bellamy's Representations and Warranties

- (a) Bellamy's represents and warrants to Mengniu (in its own right and separately as trustee or nominee for each of the other Mengniu Parties) that each Bellamy's Representation and Warranty is true and correct in all material respects.
- (b) Mengniu acknowledges and agrees that the Bellamy's Representations and Warranties and the Indemnities are given subject to those matters which:
 - (i) are expressly provided for in this deed;
 - (ii) are Fairly Disclosed in the Due Diligence Material or the Disclosure Letter;
 - (iii) would have been Fairly Disclosed to Mengniu had Mengniu conducted searches of public records maintained by:
 - (A) ASIC on 2 August 2019;
 - (B) the register established under the *Personal Property Securities Act 2009* (Cth) on 7 August 2019; and
 - (C) the High Court of Australia, Federal Court of Australia and the Supreme Courts of each state and territory in Australia on 9 May 2019; or
 - (iv) are within the actual knowledge of Mengniu as at the date of this deed.
- (c) Bellamy's indemnifies Mengniu against, and must pay Mengniu on demand the amount of, any losses, liabilities, damages, costs, charges or expenses suffered or incurred by any member of the Mengniu Group as a result of, or in connection with, a breach of a Bellamy's Representation and Warranty.

8.3 Timing of representations and warranties

Unless expressed to be given at a particular time or during a particular period (in which case it is given at that time or during that period), each Mengniu Representation and Warranty and each Bellamy's Representation and Warranty is given:

- (a) at the date of this deed; and
- (b) at 8:00am on the Second Court Date.

8.4 Survival of representations

Each Mengniu Representation and Warranty and Bellamy's Representation and Warranty:

- (a) is severable; and
- (b) survives the termination of this deed (but does not survive, and will be taken to have no further force or effect following, implementation of the Scheme).

9 Releases

9.1 Bellamy's Parties

- (a) Without limiting clause 12, Mengniu releases its rights against, and agrees with Bellamy's that it will not make a Claim against, any Bellamy's Party (other than Bellamy's) in connection with:
- (i) any breach of any representation, covenant and warranty of Bellamy's in this deed; or
 - (ii) any disclosure made (at any time) by any Bellamy's Party that contains any statement which is false or misleading whether in content or by omission, except to the extent the relevant Bellamy's Party has not acted in good faith or has acted fraudulently or has engaged in wilful misconduct.
- (b) This clause 9.1 is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Bellamy's receives and holds the benefit of this clause as trustee for each other Bellamy's Party.

9.2 Mengniu Parties

- (a) Bellamy's releases its rights against, and agrees with Mengniu that it will not make a Claim against, any Mengniu Party (other than Mengniu or Mengniu Sub) in connection with:
- (i) any breach of any representation, covenant and warranty of Mengniu in this deed; or
 - (ii) any disclosure made (at any time) by any Mengniu Party that contains any statement which is false or misleading whether in content or by omission, except to the extent that the relevant Mengniu Party has not acted in good faith or has acted fraudulently or has engaged in wilful misconduct.
- (b) This clause 9.2 is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Mengniu receives and holds the benefit of this clause as trustee for each other Mengniu Party.

10 Public announcements

10.1 Announcement of the Transaction

Immediately after the execution of this deed, Bellamy's must issue a public announcement in a form previously agreed to in writing between the parties. The Bellamy's announcement must include:

- (a) a unanimous recommendation by the directors of Bellamy's to Bellamy's Shareholders (other than Excluded Shareholders) consistent with that set out in clause 7(a)(i); and
- (b) a statement consistent with that set out in clause 7(a)(ii), although such statement will also be subject to the Independent Expert opining that the Scheme is in the best interests of Bellamy's Shareholders.

10.2 Other public announcements

Prior to making any public announcement or disclosure of or in relation to the Transaction or any other transaction the subject of this deed or the Scheme, each party must, to the extent reasonably practicable and lawful, consult with the other party as to the timing, form and content of that announcement or disclosure.

11 Exclusivity

11.1 No current discussions regarding a Competing Proposal

Bellamy's represents and warrants that, as at the date of this deed neither Bellamy's nor any Representative of Bellamy's is in negotiations or discussions in respect of any Competing Proposal with any person.

11.2 No-shop

During the Exclusivity Period, Bellamy's must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) solicits, invites, encourages or initiates any enquiries, expressions of interest, offers, proposals, negotiations or discussions; or
- (b) communicates any intention to do any of these things,

with a view to, or that may be reasonably expected to encourage or lead to, obtaining any offer, proposal or expression of interest from any person in relation to a Competing Proposal.

11.3 No talk

Subject to clause 11.5, during the Exclusivity Period, Bellamy's must ensure that neither it nor any of its Representatives:

- (a) negotiates or enters into; or
- (b) participates in negotiations or discussions with any other person regarding,

a Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Bellamy's or any of its Representatives or the person has publicly announced the Competing Proposal.

11.4 No due diligence

Subject to clause 11.5, during the Exclusivity Period, Bellamy's must ensure that neither it nor any of its Representatives in relation to a Competing Proposal:

- (a) enables any other person other than Mengniu or any of its Representatives to undertake due diligence investigations on any member of the Bellamy's Group, any of the operations or assets of the Bellamy's Group's businesses or any part thereof; or
- (b) makes available to any other person, or permits any other person to receive, other than Mengniu or any of its Representatives (in the course of due diligence investigations or otherwise) any non-public information relating to any member of the Bellamy's Group, any of the operations or assets of the Bellamy's Group's businesses or any part thereof.

11.5 Limitation to no-talk and no-due diligence

Each of clauses 11.3 and 11.4 do not apply to the extent that it restricts Bellamy's or the Bellamy's Board from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not solicited, invited, encouraged or initiated in contravention of clause 11.2) provided that the Bellamy's Board has first determined, in good faith that:

- (a) after consultation with its financial advisors, such a genuine Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, failing to respond to such a genuine Competing Proposal would be reasonably likely to constitute a breach of the Bellamy's Board's fiduciary or statutory obligations.

11.6 Notification by Bellamy's

During the Exclusivity Period, Bellamy's must promptly notify Mengniu if it receives in writing any Competing Proposal, which notice must include the material terms of the Competing Proposal and must include the identity of the Third Party making the Competing Proposal.

11.7 Mengniu matching right

- (a) During the Exclusivity Period, before:
- (i) any member of the Bellamy's Group enters into any legally binding agreement to give effect to any Competing Proposal; and
 - (ii) any Bellamy's director changes their recommendation in favour of the Scheme to publicly recommend a Competing Proposal or a proposed or potential Competing Proposal,

each of the following conditions must be satisfied:

- (iii) the Bellamy's Board must, acting in good faith in order to satisfy what the Bellamy's Board considers to be its statutory and fiduciary duties (having received written advice from its external legal advisers), determine that the Competing Proposal would be or would likely be a proposed or potential Superior Proposal;
 - (iv) Bellamy's must provide Mengniu with the terms and conditions of the Competing Proposal, including price and the identity of the Third Party making the Competing Proposal;
 - (v) Bellamy's must give Mengniu until the Matching Date to provide a Mengniu Counter Proposal; and
 - (vi) either:
 - (A) Mengniu has not announced or provided to Bellamy's a Mengniu Counter Proposal by the end of the Matching Date; or
 - (B) Mengniu has, by the end of the Matching Date, announced or provided to Bellamy's a Mengniu Counter Proposal and the Bellamy's Board has reviewed the Mengniu Counter Proposal in accordance with clause 11.7(c) and concluded that the Mengniu Counter Proposal does not provide an equivalent or superior outcome for Bellamy's Shareholders compared with the Competing Proposal.
- (b) Bellamy's agrees that each successive modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the requirements under clause 11.7(a).
- (c) If, by the end of the Matching Date, Mengniu has announced or provided to Bellamy's a Mengniu Counter Proposal, Bellamy's must procure that the Bellamy's Board reviews the Mengniu Counter Proposal in good faith. If the Bellamy's Board, acting in good faith, determines that the Mengniu Counter Proposal provides an equivalent or superior outcome for Bellamy's Shareholders compared with the applicable Competing Proposal, then Bellamy's and Mengniu must use their best endeavours to agree the amendments to this deed and the Scheme that are reasonably necessary to reflect the Mengniu Counter Proposal, and once agreed Bellamy's must ensure that the Bellamy's Board unanimously recommends the Mengniu Counter Proposal to Bellamy's Shareholders and does not recommend the applicable Competing Proposal.

11.8 Normal provision of information

Nothing in this clause 11 prevents a party from:

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) engaging with its shareholders (in their capacity as a shareholder), in the ordinary course and consistent with past practice, provided such engagement does not relate to the party soliciting, inviting, encouraging or initiating an actual, proposed or potential Competing Proposal;
- (e) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules, the HKEX Listing Rules or to any Government Agency; or
- (f) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

12 Bellamy's Break Fee

12.1 Background

This clause 12 has been agreed to in circumstances where:

- (a) Bellamy's believes the implementation of the Scheme will provide significant benefits to it and its shareholders, and acknowledges that, if Mengniu enters into this deed and the Scheme is subsequently not implemented, Mengniu will have incurred significant costs, including those set out in clause 12.5;
- (b) Mengniu requested provision be made for the relevant payment outlined in this clause 12, without which it would not have entered into this deed;
- (c) Bellamy's board of directors believes that it is appropriate to agree to the payment referred to in this clause 12 to secure Mengniu's entry into this deed; and
- (d) Bellamy's has received separate legal advice in relation to this deed and the operation of this clause 12.

The parties acknowledge and agree that the costs actually incurred by Mengniu as referred to in clause 12.1(a) will be of such nature that they cannot be accurately ascertained, but that the Bellamy's Break Fee is a genuine and reasonable pre-estimate of the minimum cost and loss that would actually be suffered by Mengniu.

12.2 Payment of Bellamy's Break Fee

Subject to clause 12.3 and 12.6, Bellamy's must pay Mengniu the Bellamy's Break Fee if:

- (a) at any time before the End Date or, if earlier, the date the deed is terminated under clause 13, any director of Bellamy's makes a public statement:
 - (i) withdrawing or adversely changing or modifying their recommendation that Bellamy's Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting;
 - (ii) that they will or may not vote (or procure the voting of) all Bellamy's Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting; or
 - (iii) supporting or endorsing a Competing Proposal,

other than in circumstances where the Independent Expert concludes that the Scheme is not in the best interests of Bellamy's Shareholders (except in circumstances where the Independent Expert reaches that conclusion as a result of a Competing Proposal);

- (b) at any time before the End Date or, if earlier, the date the deed is terminated under clause 13, a Competing Proposal is announced by a Third Party and, within one year after that occurring, the Third Party or an Associate of the Third Party:
 - (i) completes in all material respects a transaction of the kind referred to in the definition of Competing Proposal, following satisfaction or waiver of any conditions; or
 - (ii) has a relevant interest in at least 50% of Bellamy's Shares under unconditional contracts; or
- (c) Mengniu terminates this deed under clause 13.1(a)(i).

12.3 Payment conditions

- (a) Notwithstanding the occurrence of any event under clause 12.2, no amount is payable under that clause if the Scheme becomes Effective.
- (b) Bellamy's can only ever be liable to pay the Bellamy's Break Fee once.

12.4 Timing of payment

If the Bellamy's Break Fee is payable under this clause 12, Bellamy's must pay the Bellamy's Break Fee without set-off or withholding within 5 Business Days of receipt of a demand for payment from Mengniu.

12.5 Nature of payment

The amount payable by Bellamy's to Mengniu under clause 12.2 is an amount to compensate Mengniu for:

- (a) advisory costs (including costs of Advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses;
- (d) opportunity costs incurred in pursuing the Transaction (including the significant disruption of its existing business, and diversion of board and management time and focus from its existing business), or in not pursuing other alternative acquisitions or strategic initiatives which could have been developed to further business and objectives,

incurred by Mengniu.

12.6 Compliance with law

- (a) This clause 12 imposes obligations on Bellamy's only to the extent that the performance of all or part of those obligations:
 - (i) does not constitute unacceptable circumstances as declared by the Australian Takeovers Panel; and
 - (ii) is not determined to be unlawful by a court,
 subject to all proper avenues of appeal and review, judicial and otherwise, having been exhausted.
- (b) The parties must not make, or cause or permit to be made, any application to the Australian Takeovers Panel or a court for or in relation to a declaration or determination of a kind referred to in clause 12.6(a).

12.7 Limitation of liability

Notwithstanding any other provision of this deed:

- (a) the maximum aggregate liability of Bellamy's to Mengniu under or in connection with this deed, including in respect of any breach of this deed, will be the amount of the Bellamy's Break Fee;
- (b) a payment by Bellamy's of the Bellamy's Break Fee in accordance with this clause 12 represents the sole and absolute liability of Bellamy's to Mengniu under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by Bellamy's to Mengniu in connection with this deed; and
- (c) the amount of the Bellamy's Break Fee payable to Mengniu under this clause 12 shall be reduced by the amount of any loss or damage recovered by Mengniu in relation to a breach of any other clause of this deed.

13 Termination**13.1 General rights**

- (a) Either party may terminate this deed by written notice to the other at any time before 8am on the Second Court Date:
 - (i) if:
 - (A) either:
 - (1) the other party is in material breach of any provision of this deed (other than a Mengniu Representation and Warranty or a Bellamy's Representation and Warranty not being true and correct); or
 - (2) a representation and warranty given by the other party (being the Mengniu Representations and Warranties where the "other party" is Mengniu, and being the Bellamy's Representations and Warranties where the "other party" is Bellamy's) is not true and correct, where that breach of representation and warranty is material in the context of the Transaction as a whole;
 - (B) the party wishing to terminate has given written notice to the other setting out the relevant circumstances and stating an intention to terminate this deed; and
 - (C) the relevant circumstances continue to exist for 5 Business Days from the time the notice of intention to terminate is given (or any shorter period ending at 5:00pm on the Business Day before the Second Court Date); or
 - (ii) in the circumstances set out in, and in accordance with, clause 3.6(b).
- (b) Mengniu may terminate this deed by written notice to Bellamy's at any time before 8:00am on the Second Court Date if any director of Bellamy's has changed, withdrawn or adversely modified its recommendation that Bellamy's Shareholders vote in favour of the Scheme at the Scheme Meeting or has recommended or made a statement supporting or endorsing a Competing Proposal.
- (c) Without limiting Bellamy's obligations under clause 7, Bellamy's may terminate this deed by written notice to Mengniu at any time before 8:00am on the Second Court Date if a majority of the Bellamy's Board withdraws its recommendation that Bellamy's Shareholders vote in favour of the Scheme at the Scheme Meeting, and, if required to

pay the Bellamy's Break Fee as a result of such withdrawal, Bellamy's has paid Mengniu the Bellamy's Break Fee.

13.2 Automatic termination

Without limiting any other term of this deed, this deed will terminate automatically if, at the Scheme Meeting, Bellamy's Shareholders do not pass the resolution to approve the Scheme in accordance with the requirements of section 411(4)(a)(ii) of the Corporations Act.

13.3 Effect of termination

If this deed is terminated by a party under clause 3.6(b) or 13.1 or pursuant to clause 13.2, this deed will be of no force or effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued before termination and the provisions of this clause 13 and of clauses 1, 8.4, 9, 10, 12, 14, 15, 16 and 17, which will remain in force after the termination.

13.4 Termination by written agreement

The parties may terminate this deed by another written agreement between them.

14 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality and Exclusivity Deed save that the terms of this deed will prevail over the Confidentiality and Exclusivity Deed to the extent of any inconsistency.

15 GST

15.1 Recovery of GST

If GST is or becomes payable, or notionally payable, on a supply made under or in connection with this deed, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**) as calculated by the party making the supply (the **Supplier**) in accordance with the GST law. Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time and in the same manner that the other consideration for the supply is provided. This clause 15 does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

15.2 Liability net of GST

Notwithstanding any other provision in this deed, where any indemnity, reimbursement or similar payment under this deed is based on any cost, expense or other liability incurred by a party, it must first be reduced by any input tax credit entitlement, or notional input tax credit entitlement, of that party (or its representative member) in relation to the relevant cost, expense or other liability.

15.3 Adjustment events

If an adjustment event occurs in relation to a supply under or in connection with this deed, the GST Amount will be recalculated in accordance with the GST law to reflect that adjustment and an appropriate payment will be made between the parties and the Supplier shall issue an adjustment note to the recipient within 10 Business Days after becoming aware of the occurrence of the adjustment event.

15.4 Survival

This clause 15 will continue to apply after expiration or termination of this deed.

15.5 Definitions

Unless the context requires otherwise, words used in this clause 15 that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) have the same meaning in this clause 15.

16 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this deed:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient:
 - (i) by prepaid post (or, if posted to an address in another country, by registered airmail) or by hand to the address below or the address last notified by the intended recipient to the sender; or
- (c) by email to the email address below or the email address last notified by the intended recipient to the the sender:

(i) to Bellamy's: Level 4, 115 Cimitiere Street, Launceston, Tasmania, 7250

Attention: Melinda Harrison
General Counsel, Company Secretary
and Regulatory Affairs

Email: melinda.harrison@bellamysorganic.com.au

with a copy to (which by itself does not constitute a Notice):

Allens, Level 28, Deutsche Bank Place, 126 Phillip Street,
Sydney, New South Wales 2000, Australia

Attention: Guy Alexander

Email: Guy.Alexander@allens.com.au

(ii) to Mengniu: 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay,
Hong Kong

Attention: Lidong Guo
Email: guolidong@mengniu.cn

with a copy to (which by itself does not constitute a Notice):

Norton Rose Fulbright, Level 18, Grosvenor Place, 225 George
Street, Sydney, New South Wales 2000, Australia

Attention: John Elliott

Email: john.elliott@nortonrosefulbright.com

- (i) will be conclusively taken to be duly given or made:
- (ii) in the case of delivery in person, when delivered;
- (iii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
- (iv) in the case of delivery by email, the earlier of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

- (B) the time that the email is first opened or read by the intended recipient, or an employee or officer of the intended recipient; and
- (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, during that two hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made:

- (v) on a day that is not a business day in the place to which the Notice is sent or later than 5:00pm (local time), then it will be taken to have been duly given or made at the start of business on the next business day in that place; or
- (vi) before 9:00am (local time) on a business day in the place to which the Notice is sent, then it will be taken to have been duly given or made at 9:00am (local time) on that business day in that place.

17 General provisions

17.1 Amendment

This deed may be amended only by another deed executed by all the parties.

17.2 Assignment

A party cannot assign, charge, encumber or otherwise deal with at law or in equity any of its rights or obligations under this deed, or attempt or purport to do so, without the prior consent of the other party.

17.3 Costs and stamp duty

Each party must bear its own costs arising out of the negotiation, preparation and execution of this deed. All stamp duty (including fines, penalties and interest) payable on or in connection with this deed and any instrument executed under or any transaction evidenced by this deed must be borne by Mengniu.

17.4 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

17.5 Entire agreement

This deed, the Confidentiality and Exclusivity Deed and any other documents specified by the parties for the purposes of this clause 17.5 contain the entire agreement between the parties with respect to their subject matter. This deed, the Confidentiality and Exclusivity Deed and any other documents specified by the parties for the purposes of this clause 17.5 set out the only conduct relied on by the parties and supersede all earlier conduct and prior agreements and understandings between the parties in connection with their subject matter.

17.6 Further assurances

Each party must do anything necessary (including executing agreements and documents) to give full effect to this deed and the transactions contemplated by it.

17.7 Governing law and jurisdiction

This deed is governed by the laws of New South Wales. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

17.8 Process Agent

Mengniu irrevocably appoints Norton Rose Fulbright Australia to receive on its behalf service of process issued out of the courts of New South Wales or courts exercising jurisdiction in New South Wales in relation to any dispute, claim, legal action or proceeding arising out of or in any way related to this deed and related non-contractual matters, and agrees that service of any process or documents on the agent will be sufficient service on it.

17.9 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

17.10 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

17.11 Severability of provisions

Any provision of this deed that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction.

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Schedule 1 – Mengniu Representations and Warranties

- 1 **(Status)** Mengniu is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.
- 2 **(Power)** Mengniu has the power to enter into and perform its obligations under this deed to carry out the transactions contemplated by this deed.
- 3 **(Corporate authorisations)** Mengniu has taken all necessary corporate action to authorise the entry into and the performance of this deed by it and to carry out the transactions contemplated by this deed.
- 4 **(Documents binding)** This deed is its valid and binding obligation enforceable in accordance with its terms.
- 5 **(Transactions permitted)** The execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate any provision of:
- (a) a law or treaty or a judgment, ruling, order or decree of a Government Agency binding on it or any of its Related Bodies Corporate; or
 - (b) its constituent documents.
- 6 **(Mengniu Sub)** On and from the incorporation of Mengniu Sub (which Mengniu must procure prior to lodgement of the draft Scheme Booklet with ASIC for review):
- (a) Mengniu Sub is an indirectly wholly owned subsidiary of Mengniu; all of the shares in Mengniu Sub are legally and beneficially owned by Mengniu or another wholly owned subsidiary of Mengniu; and no other person will have any right to be issued or transferred any share in Mengniu Sub; and
 - (b) Mengniu also gives the representations and warranties in this Schedule 1 in relation to the status, power and authorisation of Mengniu Sub, and the valid, binding and enforceable nature of the obligations of Mengniu Sub under the Deed Poll.
- 7 **(Solvency)** No member of the Mengniu Group is affected by an Insolvency Event.
- 8 **(Scheme Booklet)** At the time Bellamy's commenced sending the Scheme Booklet to Bellamy's Shareholders (other than Excluded Shareholders), the Mengniu Information contained in the Scheme Booklet (in the form consented to by Mengniu) is true and correct in all material respects, complies with all applicable laws and does not contain any statement which is misleading or deceptive in any material respect (whether by omission or otherwise).
- 9 **(No regulatory approvals):** No approval from any Government Agency is required to be obtained by Mengniu in order to execute and perform this deed, other than the Regulatory Approvals.
- 10 **(No relevant interests)** Other than as disclosed to Bellamy's prior to the date of this deed, as at the date of this deed, no member of the Mengniu Group has a relevant interest in any Bellamy's Shares.
- 11 **(No dealings with Bellamy's Shareholders):** No member of the Mengniu Group has any agreement, arrangement or understanding with any Bellamy's Shareholder under which that Bellamy's Shareholder (or an Associate of that Bellamy's Shareholder) would be entitled to receive any collateral benefit in relation to the Scheme, or under which the Bellamy's Shareholder has agreed to vote in favour of the Scheme (or against any Competing Proposal).
- 12 **(No dealings with Bellamy's directors or employees):** Other than as disclosed to Bellamy's and approved by the Bellamy's Board, no member of the Mengniu Group has any agreement,

arrangement or understanding with any director or employee of Bellamy's relating in any way to the Transaction or operations of Bellamy's after the Effective Date.

- 13 **(Reasonable basis)** At all times between the date of this deed and 8.00am on the Second Court Date, Mengniu has a reasonable basis to expect that it will have available to it sufficient cash amounts (whether from internal cash reserves or external funding arrangements) to satisfy Mengniu's obligations to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll.
- 14 **(Unconditional cash reserves)** By 8.00am on the Second Court Date, Mengniu will have available to it on an unconditional basis (other than conditions relating to, or which will cease to apply or be satisfied following, the approval of the Court and other conditions within the control of Mengniu) sufficient cash reserves (whether from internal cash reserves or external funding arrangements) to satisfy Mengniu's obligations to pay the Scheme Consideration in accordance with its obligations under this deed, the Scheme and the Deed Poll.

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Schedule 2 – Bellamy's Representations and Warranties

- 1 **(Status)** It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.
- 2 **(Power)** It has the power to enter into and perform its obligations under this deed to carry out the transactions contemplated by this deed.
- 3 **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of this deed by it and to carry out the transactions contemplated by this deed.
- 4 **(Deed binding)** This deed is its valid and binding obligation enforceable in accordance with its terms.
- 5 **(Transactions permitted)** The execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate any provision of:
- (a) a law or treaty or a judgment, ruling, order or decree of a Government Agency binding on it or any of its Related Bodies Corporate; or
 - (b) its constitution or other constituent documents.
- 6 **(Capital structure)**
- (a) As at the date of this deed,
 - (i) Bellamy's has 113,368,297 Bellamy's Shares on issue; and
 - (ii) 5,231,993 Options on issue,and there are no other securities, issued and outstanding at the date of this deed.
 - (b) No member of the Bellamy's Group is subject to any obligation (including any contingent obligation) to issue or have transferred to any person securities in or of it or any other member of the Bellamy's Group other than:
 - (i) ordinary shares to be issued under the terms of the Options that Bellamy's has issued and outstanding at the date of this deed; or
 - (ii) 300,000 Bellamy's Shares to be issued as 'Consideration Shares' under the terms of the Camperdown Share Purchase Agreement.
- 7 **(Continuous disclosure):**
- (a) it has complied in all material respects with its continuous disclosure obligations under ASX Listing Rule 3.1; and
 - (b) as at the date of this deed, it is not withholding any information from public disclosure in reliance on ASX Listing Rule 3.1A (other than the information in relation to the Transaction).
- 8 **(Scheme Booklet)** At the time Bellamy's commenced sending the Scheme Booklet to Bellamy's Shareholders, the information contained in the Scheme Booklet (other than the Mengniu Information and the Independent Expert's Report) is true and correct in all material respects, complies with all applicable laws and does not contain any statement which is misleading or deceptive in any material respect (whether by omission or otherwise).
- 9 **(Solvency)** No member of the Bellamy's Group is affected by an Insolvency Event.
- 10 **(No material breach of laws)** Bellamy's is not aware of any material breach of law by any member of the Bellamy's Group of any Australian or foreign laws and regulations applicable to it or orders of Australian or foreign Government Agencies having jurisdiction over it.

- 11 **(Material licences and authorisations)** the Bellamy's Group has all material licences, permits and franchises necessary for it to conduct its activities as they are conducted as at the date of this deed.
- 12 **(Due Diligence Material)** The Due Diligence Material has been collated and prepared in good faith, and Bellamy's is not aware of any information contained in the Due Diligence Material that is false or misleading in any material respect (including by omission). Other than where Bellamy's has indicated to Mengniu that it is withholding particular information from disclosure to Mengniu on the basis that it is commercially sensitive to Bellamy's, Bellamy's has not intentionally withheld information from disclosure to Mengniu which could reasonably be expected to be material to Mengniu's evaluation of the Bellamy's Group and the merits of the Transaction. For the avoidance of doubt, Bellamy's makes no representation or warranty whatsoever as to the adequacy or sufficiency of the Due Diligence Material for the purpose of Mengniu acquiring the Scheme Shares or for Mengniu's funding of that acquisition, which are matters of which Mengniu has to satisfy itself.
- 13 **(Litigation)** Other than as disclosed to Mengniu prior to the date of this deed, Bellamy's has not been subject to any material litigation or regulatory actions within the 2 years before signing this deed which have not been disclosed to ASX or to Mengniu, and there are no outstanding threats of material litigation against Bellamy's.

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Schedule 3 – Bellamy's Prescribed Occurrences

- 1 Bellamy's converts all or any of its shares into a larger or smaller number of shares.
- 2 Bellamy's resolves to reduce its share capital in any way.
- 3 Bellamy's:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- 4 Any member of the Bellamy's Group issues shares or other securities to a person, or grants an option over or a right to receive its shares or other securities, or agrees to make such an issue or grant such an option or right, other than:
 - (a) where the shares or other securities are issued, or where the options are granted, by a member of the Bellamy's Group (other than Bellamy's) to another member of the Bellamy's Group;
 - (b) the issue of Bellamy's Shares prior to the Scheme Record Date upon the exercise or vesting of Options which are on issue as at the date of this deed; or
 - (c) the issue of 300,000 Bellamy's Shares prior to the Scheme Record Date as 'Consideration Shares' under the Camperdown Share Purchase Agreement.
- 5 Any member of the Bellamy's Group issues, or agrees to issue, convertible notes or any other instrument or security convertible into shares or securities in or of any member of the Bellamy's Group, other than to another member of the Bellamy's Group.
- 6 Bellamy's disposes, or agrees to dispose, of the whole or a substantial part of the business or property of the Bellamy's Group.
- 7 Bellamy's grants, or agrees to grant, a security interest in or over the whole or a substantial part of the business or property of the Bellamy's Group.
- 8 Any member of the Bellamy's Group agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a dividend (other than any Permitted Dividend) or any other form of distribution of profits or capital.
- 9 Any member of the Bellamy's Group resolves to be wound up.
- 10 A liquidator or provisional liquidator of any member of the Bellamy's Group is appointed.
- 11 A court makes an order for the winding up of any member of the Bellamy's Group.
- 12 An administrator of any member of the Bellamy's Group is appointed under section 436A, 436B or 436C of the Corporations Act.
- 13 Any member of the Bellamy's Group executes a deed of company arrangement.
- 14 A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Bellamy's Group.
- 15 A product recall of any product distributed, supplied or produced by Bellamy's is initiated at the request of any Government Agency or is otherwise made or notified by Bellamy's.
- 16 Any product distributed, supplied or produced by Bellamy's is the subject of food contamination or food safety issues.

Schedule 4 - Timetable

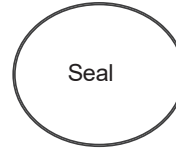
Event	Date
Execution of this deed	15 September 2019
Bellamy's submits draft Scheme Booklet to ASIC	14 October 2019
Mengniu to execute Deed Poll	25 October 2019
First Court hearing for Scheme	29 October 2019
Bellamy's sends Scheme Booklet to Bellamy's Shareholders	1 November 2019
Scheme Meeting	4 December 2019
Second Court hearing for Scheme	6 December 2019
Effective Date	9 December 2019
Scheme Record Date	17 December 2019
Implementation Date	24 December 2019

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Execution page

Executed and delivered as a deed

Signed Sealed and Delivered by China Mengniu Dairy Company Limited:



Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* by **Bellamy's Australia Limited:**

Director Signature

~~Director/Secretary Signature~~

John Murphy

Melinda Harrison

Print Name

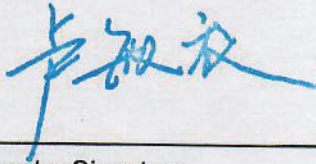
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Execution page

Executed and delivered as a deed

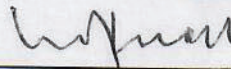
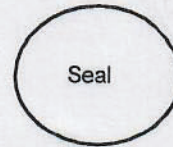
Signed Sealed and Delivered by China Mengniu Dairy Company Limited:



Director Signature

MINFANG LU

Print Name



Director/Secretary Signature

FWOK WA CHEONG

Print Name

Executed as a deed in accordance with section 127 of the Corporations Act 2001 by Bellamy's Australia Limited:

Director Signature

Print Name

Director/Secretary Signature

Print Name

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Annexure A – Form of Scheme**Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)****Between**

Bellamy's Australia Limited (ACN 124 272 108) of 115 Cimitiere Street, Launceston, Tasmania, 7250 (**Bellamy's**).

And

Each holder of Bellamy's Shares recorded in the Bellamy's Share Register as at the Scheme Record Date (each a **Scheme Shareholder** and together the **Scheme Shareholders**).

Recitals

- A Bellamy's is an Australian public company limited by shares, registered under the Corporations Act, and has been admitted to the official list of the ASX. Bellamy's Shares are quoted for trading on the ASX.
- B Mengniu is a Cayman Islands incorporated company listed on the Hong Kong Stock Exchange, and its indirectly wholly owned subsidiary, Mengniu Sub, is an Australian proprietary company limited by shares.
- C Bellamy's and Mengniu have entered into a Scheme Implementation Deed dated **15 September 2019** (the **Scheme Implementation Deed**) pursuant to which:
- (a) Bellamy's has agreed to propose this Scheme to Bellamy's Shareholders; and
 - (b) Bellamy's and Mengniu have agreed to take certain steps to give effect to this Scheme.
- D If this Scheme becomes Effective, then:
- (a) all of the Scheme Shares and all of the rights and entitlements attaching to them on the Implementation Date will be transferred to Mengniu Sub; and
 - (b) the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (c) Bellamy's will enter the name and address of Mengniu Sub in the Bellamy's Share Register as the holder of all of the Scheme Shares.
- E By executing the Scheme Implementation Deed, Bellamy's has agreed to propose and implement this Scheme, and Mengniu has agreed to assist with that proposal and implementation, on and subject to the terms of the Scheme Implementation Deed.
- F Mengniu and Mengniu Sub have each entered into the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that Mengniu and Mengniu Sub will observe and perform the obligations contemplated of it under this Scheme.

It is agreed as follows.

1 Definitions and interpretation**1.1 Definitions**

In this document, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market

known as 'ASX' operated by it.

ASX Listing Rules means the official listing rules of ASX.

Bellamy's Share Register means the register of members of Bellamy's maintained in accordance with the Corporations Act.

Bellamy's Share Register means the register of members of Bellamy's maintained by or on behalf of Bellamy's in accordance with section 168(1) of the Corporations Act.

Bellamy's Share Registry means Link Market Services, Level 1, 333 Collins Street, Melbourne, or any replacement share registry services provider to Bellamy's.

Bellamy's Shares means fully paid ordinary shares issued in the capital of Bellamy's.

Bellamy's Shareholder means a person who is registered in the Bellamy's Share Register as a holder of Bellamy's Shares.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, Australia.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Constitution means the constitution of Bellamy's, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing between Bellamy's and Mengniu.

Deed Poll means the deed poll executed on [date] by Mengniu and Mengniu Sub in favour of the Scheme Shareholders.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the date that is 6 months after the date of the Scheme Implementation Deed, or such other date as may be agreed in writing between Bellamy's and Mengniu.

Excluded Share means a Bellamy's Share held by or on behalf of a member of the Mengniu Group.

Excluded Shareholder means a holder of Excluded Shares.

Implementation Date means the fifth Business Day after the Scheme Record Date, or such other date as Bellamy's and Mengniu may agree in writing.

Mengniu means China Mengniu Dairy Company Limited (incorporated in the Cayman Islands) of PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

Mengniu Sub means [] ACN [], an indirectly wholly owned subsidiary of Mengniu.

Registered Address means, in relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Bellamy's Share Register as at the Scheme Record Date.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Bellamy's and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by Mengniu and Bellamy's (such

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agreement not to be unreasonably withheld or delayed) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Bellamy's and Mengniu.

Scheme Consideration means the consideration to be provided to each Bellamy's Shareholder for the transfer to Mengniu Sub of each Scheme Share being, in respect of each Scheme Share, a cash amount of \$12.65..

Scheme Meeting means the meeting of Bellamy's Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment or postponement of that meeting.

Scheme Orders means the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Record Date means 7:00pm on the sixth Business Day after the Effective Date or such other time and date agreed to in writing between Bellamy's and Mengniu.

Scheme Shares means the Bellamy's Shares on issue as at the Scheme Record Date, other than the Excluded Shares.

Scheme Transfer means, in relation to each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act.

Second Court Date means the first day of hearing of an application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Subsidiary has the meaning given in the Corporations Act, provided that an entity will also be taken to be a Subsidiary of another entity if it is controlled by that entity (as 'control' is defined in section 50AA of the Corporations Act) and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share;
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation; and
- (c) an entity will also be deemed to be a Subsidiary of an entity if that entity is required by the accounting standards to be consolidated with that entity.

Trust Account means an Australian dollar denominated trust account operated by Bellamy's (or by the Bellamy's Share Registry on behalf of Bellamy's) as trustee for the Scheme Shareholders.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause is a reference to a clause of this Scheme.

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- (vi) A reference to an agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
- (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
- (viii) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).
- (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (x) A reference to *dollars* or \$ is to Australian currency.
- (xi) Words and phrases not specifically defined in this Scheme have the same meanings (if any) given to them in the Corporations Act.
- (xii) A reference to time is to Sydney, Australia time.
- (xiii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.

2 Conditions

2.1 Conditions Precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8:00am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent relating to the approval of the Court set out in clause 3.1(c) of the Scheme Implementation Deed) has been satisfied or waived in accordance with the Scheme Implementation Deed;
- (b) as at 8:00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll has been terminated in accordance with its terms;
- (c) the Court makes orders approving this Scheme under section 411(4)(b) of the Corporations Act, including with such alterations made or required by the Court under section 411(6) of the Corporations Act and that are agreed to Bellamy's and Mengniu (such agreement not to be unreasonably withheld or delayed);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and that are agreed to Bellamy's and Mengniu (such agreement not to be unreasonably withheld or delayed); and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme come into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date.

2.2 Lapsing

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or

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- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms unless Bellamy's and Mengniu otherwise agree in writing.

3 Scheme becoming Effective

Subject to clause 2, this Scheme will take effect on and from the Effective Date.

4 Implementation of Scheme

- (a) If the conditions precedent in clause 2.1 are satisfied or waived, Bellamy's must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Orders on the day on which the Scheme Orders are entered, or such other date as agreed by Bellamy's and Mengniu.
- (b) On the Implementation Date, subject to Mengniu having satisfied its obligations in clause 5.2, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Mengniu Sub, without the need for any further act by any Scheme Shareholder (other than acts performed by Bellamy's or any of its directors and officers as attorney and agent for Scheme Shareholders under this Scheme), by:
- (i) Bellamy's delivering to Mengniu for execution duly completed (and, if necessary, stamped) Scheme Transfers to transfer all of the Scheme Shares to Mengniu Sub (and one or more Scheme Transfers can be a master transfer of all or part of all of the Scheme Shares), duly executed by Bellamy's (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 8.3;
 - (ii) Mengniu Sub executing the Scheme Transfers as transferee and delivering them to Bellamy's for registration; and
 - (iii) Bellamy's, immediately after receipt of the Scheme Transfers under clause 4(b)(ii), entering, or procuring the entry of, the name and address of Mengniu Sub in the Bellamy's Share Register as the holder of all of the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder.

5.2 Deposit of Scheme Consideration

Mengniu must, by no later than the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds into the Trust Account an amount at least equal to the aggregate amount of the Scheme Consideration payable to each Scheme Shareholder provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Mengniu's account.

5.3 Payment to Scheme Shareholders

- (a) On the Implementation Date, subject to Mengniu having satisfied its obligations in clause 5.2, Bellamy's must pay or procure the payment, from the Trust Account, to each Scheme Shareholder the Scheme Consideration as that Scheme Shareholder is entitled under this clause 5.

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- (b) The obligations of Bellamy's under clause 5.3(a) will be satisfied by Bellamy's (in its absolute discretion):
- (i) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Bellamy's Share Registry to receive dividend payments from Bellamy's by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.3(b)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.4).

5.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Bellamy's, the holder whose name appears first in the Bellamy's Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Bellamy's, the holder whose name appears first in the Bellamy's Share Register as at the Scheme Record Date or to the joint holders.

5.5 Cancellation and re-issue of cheques

- (a) Bellamy's may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to Bellamy's or the Bellamy's Share Registry; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Bellamy's or the Bellamy's Share Registry (which request may not be made until the date which is 20 Business Days after the Implementation Date), Bellamy's must reissue a cheque that was previously cancelled under clause 5.5(a).

5.6 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.7 Unclaimed monies

- (a) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).
- (b) Bellamy's may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to Bellamy's; or

- (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (c) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Bellamy's (or the Bellamy's Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Bellamy's must reissue a cheque that was previously cancelled under this clause 5.7.

5.8 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Bellamy's obligations under the other provisions of this clause 5 and provided Mengniu Sub has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Bellamy's (or the Bellamy's Share Registry on Bellamy's behalf) to Mengniu.

5.9 Orders of a court

- (a) If written notice is given to Bellamy's (or the Bellamy's Share Registry) of an order or direction made by a court that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Bellamy's in accordance with this clause 5, then Bellamy's shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents Bellamy's from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibitive by applicable law, Bellamy's shall be entitled to (as applicable) retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) court or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 5.9(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6 Dealings in Bellamy's Shares

6.1 Dealings in Bellamy's Shares by Scheme Shareholders

For the purpose of establishing the persons who are Scheme Shareholders, dealings in Bellamy's Shares will be recognised by Bellamy's provided that:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Bellamy's Share Register as the holder of the relevant Bellamy's Shares by the Scheme Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Bellamy's Share Registry by 5.00pm on the day which is the Scheme Record Date at the place where the Bellamy's Share Register is located (in

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which case Bellamy's must register such transfers or transmission applications before 7.00pm on that day),

and Bellamy's will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders nor for any other purpose (other than to transfer to Mengniu Sub pursuant to this Scheme and any subsequent transfers by Mengniu Sub and its successors in title), any transfer or transmission application in respect of Bellamy's Shares received after such times, or received prior to such times but not in actionable or registrable form (as appropriate).

6.2 Register

- (a) Bellamy's will, until the Scheme Consideration has been provided and the name and address of Mengniu Sub has been entered in the Bellamy's Share Register as the holder of all of the Scheme Shares, maintain, or procure the maintenance of, the Bellamy's Share Register in accordance with this clause 6, and the Bellamy's Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.
- (b) As from the Scheme Record Date (and other than for Mengniu Sub following the Implementation Date), each entry in the Bellamy's Share Register as at the Scheme Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.
- (c) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, Bellamy's will ensure that details of the names, Registered Addresses and holdings of Bellamy's Shares for each Scheme Shareholder as shown in the Bellamy's Share Register are available to Mengniu in the form Mengniu reasonably requires.

6.3 Effect of share certificates and holding statements

As from the Scheme Record Date (and other than for Mengniu Sub following the Implementation Date), all share certificates and holding statements for Scheme Shares (other than statements of holding in favour of Mengniu Sub) will cease to have effect as documents of title in respect of those Scheme Shares.

6.4 No disposals after Record Date

If this Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5.00pm on the Scheme Record Date (other than to Mengniu Sub in accordance with this Scheme and any subsequent transfers by Mengniu Sub and its successors in title), and any attempt to do so will have no effect and Bellamy's shall be entitled to disregard any such disposal, purported disposal or agreement.

7 Suspension and termination of quotation of Bellamy's Shares

- (a) Bellamy's must use best endeavours to ensure that ASX suspends trading of the Bellamy's Shares on ASX with effect from the close of business on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Mengniu, Bellamy's must apply to ASX for termination of official quotation of the Bellamy's Shares on ASX and the removal of Bellamy's from the official list of ASX.

8 General provisions

8.1 Further assurances

- (a) Each Scheme Shareholder and Bellamy's will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it.
- (b) Without limiting Bellamy's other powers under this Scheme, Bellamy's has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

8.2 Scheme Shareholders' agreements and consents

Each Scheme Shareholder:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Mengniu Sub in accordance with the terms of this Scheme; and
- (b) acknowledges and agrees that this Scheme binds Bellamy's and all Scheme Shareholders (including those that did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting) and, to the extent of any inconsistency, overrides the Constitution; and
- (c) irrevocably consents to Bellamy's, Mengniu and Mengniu Sub doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

8.3 Appointment of Bellamy's as attorney for implementation of Scheme

Each Scheme Shareholder, without the need for any further act by that Scheme Shareholder, irrevocably appoints Bellamy's as that Scheme Shareholder's agent and attorney for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) under clause 4(b)(i); and
- (b) enforcing the Deed Poll against Mengniu or Mengniu Sub,

and Bellamy's accepts such appointment. Bellamy's, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 8.3 to all or any of its directors and officers (jointly, severally, or jointly and severally).

8.4 Warranty by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to Mengniu, and, to the extent enforceable, to have appointed and authorised Bellamy's as that Scheme Shareholder's agent and attorney to warrant to Mengniu, that all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to Mengniu Sub pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they

have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Mengniu Sub pursuant to this Scheme. Bellamy's undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Mengniu Sub on behalf of that Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

- (d) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Mengniu Sub will, at the time of transfer of them to Mengniu Sub, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.
- (e) Immediately upon the deposit of the Scheme Consideration in the manner contemplated by clause 5.2, Mengniu Sub will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Bellamy's of the name and address of Mengniu Sub in the Bellamy's Share Register as the holder of the Scheme Shares.

8.6 Appointment of Mengniu as attorney and agent for Scheme Shares

- (a) From the time that Mengniu has satisfied its obligations in clause 5.2 until Mengniu Sub is registered in the Bellamy's Share Register as the holder of all Scheme Shares, each Bellamy's Shareholder:
 - (i) without the need for any further act by that Bellamy's Shareholder, irrevocably appoints Mengniu as its proxy to (and irrevocably appoints Mengniu Sub as its agent and attorney for the purpose of appointing any director or officer of Mengniu Sub as that Bellamy's Shareholder's proxy and, where appropriate, its corporate representative to):
 - (A) attend shareholders' meetings of Bellamy's;
 - (B) exercise the votes attaching to the Bellamy's Shares registered in the name of the Bellamy's Shareholder; and
 - (C) sign any Bellamy's Shareholders' resolution;
 - (ii) must take all other action in the capacity of a Bellamy's Shareholder as Mengniu Sub reasonably directs; and
 - (iii) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), Mengniu Sub and any person nominated by Mengniu Sub under clause 8.6(a) may act in the best interests of Mengniu Sub as the intended registered holder of the Scheme Shares.
- (b) From the time that Mengniu has satisfied its obligations in clause 5.2 until Mengniu Sub is registered in the Bellamy's Share Register as the holder of all Scheme Shares, no Bellamy's Shareholder may attend or vote at any meetings of Bellamy's Shareholders or sign any Bellamy's Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 8.6.

8.7 Alterations and conditions to Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions, Bellamy's may, by its counsel or solicitors, and with the prior written consent of Mengniu:

- (a) consent on behalf of all persons concerned, including each Bellamy's Shareholder, to those alterations or conditions; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Bellamy's has consented to.

8.8 Enforcement of Deed Poll

Bellamy's undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Mengniu and Mengniu Sub on behalf of and as agent and attorney for the Scheme Shareholders.

8.9 Consent

Each of the Scheme Shareholders consents to Bellamy's doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Bellamy's or otherwise.

8.10 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Bellamy's, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Bellamy's registered office or by the Bellamy's Share Registry, as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Bellamy's Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.11 Duty

Mengniu will:

- (a) pay all duty (including stamp duty and any related fines, penalties and interest) payable on the transfer by Scheme Shareholders of the Scheme Shares to Mengniu pursuant to this Scheme; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.11(a).

8.12 Governing law and jurisdiction

This document is governed by the laws of New South Wales. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there and courts of appeal from them in connection with matters concerning this document. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

Annexure B – Form of Deed Poll**Deed Poll**

This Deed Poll is made on

By

China Mengniu Dairy Company Limited (incorporated in the Cayman Islands) of PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands, British (**Mengniu**).

[] (ACN []) of [] (**Mengniu Sub**).

In favour of

Each Scheme Shareholder

Recitals

- A Mengniu and Bellamy's Australia Limited (ACN 124 272 108) of 115 Cimitiere Street, Launceston, Tasmania, 7250 (**Bellamy's**) have entered into a Scheme Implementation Deed dated 15 September 2019 (the **Scheme Implementation Deed**).
- B Bellamy's has agreed in the Scheme Implementation Deed to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, Mengniu Sub will acquire all of the Scheme Shares from Scheme Shareholders in return for the payment by Mengniu of the Scheme Consideration.
- C In accordance with the Scheme Implementation Deed, Mengniu and Mengniu Sub are entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that they will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1 Definitions and interpretation**1.1 Definitions**

Terms defined in the Scheme Implementation Deed have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme Implementation Deed form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this Deed' in that clause are references to 'this Deed Poll'.

2 Nature of Deed Poll

Each of Mengniu and Mengniu Sub acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder appoints Bellamy's as its agent and attorney to enforce this Deed Poll against Mengniu and Mengniu Sub on behalf of that Scheme Shareholder.

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3 Conditions precedent and termination

3.1 Conditions precedent

The obligations of Mengniu and Mengniu Sub under this Deed Poll are subject to the Scheme becoming Effective.

3.2 Termination

If the Scheme Implementation Deed is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of Mengniu and Mengniu Sub under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless Bellamy's, Mengniu and Mengniu Sub otherwise agree.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Mengniu and Mengniu Sub are released from their obligations under this Deed Poll, except those obligations under clause 8.6; and
- (b) each Scheme Shareholder retains any rights, powers or remedies that Scheme Shareholder has against Mengniu and Mengniu Sub in respect of any breach of their obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Compliance with Scheme obligations

4.1 Obligations of Mengniu

Subject to clause 3, each of Mengniu and Mengniu Sub covenants in favour of each Scheme Shareholder that they will observe and perform all obligations contemplated of Mengniu under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration in accordance with the terms of the Scheme.

5 Representations and warranties

Each of Mengniu and Mengniu Sub makes the following representations and warranties in respect of itself.

- (a) **(Status)** It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.
- (b) **(Power)** It has the power to enter into and perform its obligations under this Deed, and to carry out the transactions contemplated by this Deed.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of this Deed Poll by it and to carry out the transactions contemplated by this Deed Poll.
- (d) **(Document binding)** This Deed Poll is its valid and binding obligation enforceable in accordance with its terms.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) its constitution or other constituent documents.

6 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) each of Mengniu and Mengniu Sub having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7 Further assurances

Each of Mengniu and Mengniu Sub will, on its own behalf and, to the extent authorised by the Scheme, on behalf of each Scheme Shareholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be sent by regular ordinary post (airmail if appropriate) to the addresses referred to below, or sent by email to the addresses referred to below:

to Mengniu or Mengniu Sub: 32nd Floor, COFCO Tower,
262 Gloucester Road,
Causeway Bay, Hong Kong

Attention: Lidong Guo
Email: guolidong@mengniu.cn

with a copy to (which by itself does not constitute a Notice):

Norton Rose Fulbright, Level 18, Grosvenor
Place, 225 George Street, Sydney, New South
Wales 2000, Australia

Attention: John Elliott

Email: john.elliott@nortonrosefulbright.com

will be conclusively taken to be duly given or made:

- (i) in the case of delivery in person, when delivered;
- (ii) in the case of delivery by post, 3 Business Days after the date of posting (if posted to an address in the same country) or 7 Business Days after the date of posting (if posted to an address in another country); and
- (iii) in the case of email, at the earliest of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the intended recipient confirms receipt of the email by reply email; and

- (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that two hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made:

- (iv) in the case of delivery by hand or post, at a time that is later than 5pm;
- (v) in the case of delivery by email, at a time that is later than 7pm; or
- (vi) on a day that is not a business day,

in the place specified by the intended recipient as its postal address under clause 8.1(b), it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by Mengniu, Mengniu Sub or by any Scheme Shareholder operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

8.3 Remedies cumulative

The rights, powers and remedies of Mengniu, Mengniu Sub and of each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

- (a) either:
 - (i) before the Second Court Date, the amendment or variation is agreed to in writing by Bellamy's, Mengniu and Mengniu Sub (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); or
 - (ii) on or after the Second Court Date, the amendment or variation is agreed to in writing by Bellamy's, Mengniu and Mengniu Sub (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder), and is approved by the Court; and
- (b) Mengniu and Mengniu Sub enter into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

8.5 Assignment

The rights and obligations of Mengniu, Mengniu Sub and of each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of Mengniu, Mengniu Sub and Bellamy's.

8.6 Duty

Mengniu will:

- (a) pay all duty (including stamp duty and any related fines, penalties and interest) payable on the transfer by Scheme Shareholders of the Scheme Shares to Mengniu Sub pursuant to the Scheme; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.6(a).

8.7 Process Agent

Each of Mengniu and Mengniu Sub irrevocably appoints Norton Rose Fulbright Australia to receive on its behalf service of process issued out of the courts of New South Wales or courts exercising jurisdiction in New South Wales in relation to any dispute, claim, legal action or proceeding arising out of or in any way related to this deed and related non-contractual matters, and agrees that service of any process or documents on the agent will be sufficient service on it.

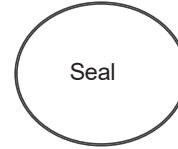
8.8 Governing law and jurisdiction

This Deed Poll is governed by the laws of New South Wales. Mengniu submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

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Executed and delivered as a Deed Poll.

Signed Sealed and Delivered by China Mengniu Dairy Company Limited:



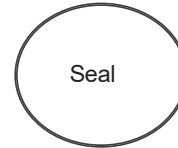
Director Signature

Director/Secretary Signature

Print Name

Print Name

Signed Sealed and Delivered by [Mengniu Sub]:



Director Signature

Director/Secretary Signature

Print Name

Print Name

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