

RAW MILK SUPPLY AGREEMENT

DATED [●] 2009

[FRIESLANDCAMPINA]

AND

[Owner of DPC Plant] (the “Qualified Buyer”)

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THIS AGREEMENT is made on [●] 2009

BETWEEN:

- (1) [FRIESLANDCAMPINA] whose registered office is at [●] the Netherlands (Supplier); and
- (2) [OWNER OF DPC PLANT] (**Qualified Buyer**);

(jointly referred to as the **Parties**, and individually as a **Party**).

WHEREAS:

- (A) This agreement is entered into pursuant to the remedies offered to the European Commission by Zuivelcoöperatie Friesland Foods U.A. and Koninklijke Friesland Foods N.V., and Zuivelcoöperatie Campina U.A. and Campina B.V. in order to obtain the European Commission's approval for the merger between such parties.
- (B) Pursuant to the Commitments of 27 November 2008 (the "**Commitments**"), the Raw Milk Remedy 2 (as defined in the Commitments) "aims to make raw milk available for plants of dairy processing companies ("**DPC Plants**") that are registered with the Dutch Dairy Board ("**Productschap Zuivel**") as processor of raw milk in the Netherlands and that are or will be downstream competitors of the merged entity. The Raw Milk will be made available by FrieslandCampina (Supplier) through an independent body (the Dutch Milk Foundation ("**DMF**")) by granting "drawing rights" to owners of DPC Plants".
- (C) In the context of the Commitments, and in order to comply with the Commitments, Supplier is willing to supply Raw Milk to Qualified Buyer under the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 In this agreement the following terms shall have the following meanings unless the contrary intention appears:

COKZ means the Netherlands controlling authority for milk and milk products.

Delivery Site means the site where the DPC Plant producing fresh basic dairy products, Dutch type nature cheese and/or one of these products in combination with other dairy products is located in the Netherlands

Dutch Milk Foundation means the independent body charged with the implementation and management of the raw milk supply arrangement in accordance with the "Raw Milk Remedies" as offered to the European Commission by Zuivelcoöperatie Friesland Foods U.A. and Koninklijke Friesland Foods N.V., and Zuivelcoöperatie Campina U.A. and Campina B.V.;

Effective Date means the first day of any calendar month on which the supply of Raw Milk by Supplier hereunder to Qualified Buyer takes place;

Fresh Basic Dairy Products means fresh plain milk, plain yoghurt in gable top packaging and buttermilk;

FrieslandCampina means, as the context may require, Koninklijke FrieslandCampina N.V. or Zuivelcoöperatie FrieslandCampina U.A.;

Group means, in relation to Supplier or Cheese, as the case may be, any Subsidiary and/or holding company of Supplier or Cheese and/or any other Subsidiary of that holding company;

Guaranteed Price (*de Garantieprijs*) means the price of Raw Milk as paid by FrieslandCampina to its Members; this price: (a) is based on standard fat (4.41%) and protein (3.47 %) contents, (b) shall be objectively adjusted for the actual fat and protein contents of the untreated conventional raw milk supplied, (c) represents the price for the untreated conventional raw milk paid out in several countries in North Western Europe and is a proxy for the average annual raw milk price paid out by dairy companies in Germany (ZMP or equivalent), Denmark (Arla), the Netherlands (CONO, DOC and Bel Leerdammer) and Belgium (Milcobel), all together reflecting the average price paid for about 45 billion kilograms of raw milk. An example of the calculation of the Guaranteed Price is included in SCHEDULE 1;

Members means the dairy farmers that are members of Zuivelcoöperatie FrieslandCampina U.A.;

Price means the Guaranteed Price minus the Rebate and plus the Fees as set out in clause 4;

Product means Raw Milk which satisfies the Specifications;

Quality Control Procedures means the quality control procedures, test methods and storage conditions contained in the Working Manual;

Qlip means the independent organisation charged with testing and sampling of any Product for its contents and quality;

Raw Milk means untreated conventional raw cow milk produced in the Netherlands, excluding organic raw milk, specialty raw milk used for FrieslandCampina's branded fresh basic dairy products, raw milk used for the production of PDO (Protected Designation of Origin) (Noord-Holland) cheese and “Weidemelk” (to the extent used for other than fresh dairy applications);

RMO (*rijdende melkontvangst*) means a mobile installation used for the collection of Raw Milk from the Members and operated by and/or on behalf of Supplier, which installation possesses the required instrumentation for taking a sample and measuring the volume of the collected Raw Milk;

Rebate means the rebate of 1% as further described in clause 4.1;

Specifications means the specifications as set out in SCHEDULE 2 as may be amended from time to time;

Subsidiary means a subsidiary (*dochtermaatschappij*) as defined in Article 2:24 (a) of the Dutch Civil Code;

Taxes means any kind of tax, duty or levy or any similar charge in relation to the sale of products, whether or not similar to any in force at the date of this agreement, and whether levied by the tax authorities of the Netherlands or elsewhere, and any related fine, penalty, interest or other amount;

VAT means value added taxation or its equivalent in any relevant jurisdiction;

Working Manual means the working manual (*Praktijkreglement*) applicable to FrieslandCampina and its Members.

1.2 The headings in this agreement do not affect its interpretation.

2. SALE AND PURCHASE

As of.....Supplier shall supplykilograms of Product (the “**Contract Volume**”) for the period of 12 calendar months at the relevant Price for the production of Fresh Basic Dairy Products and / or Dutch type nature cheese in accordance with the terms and conditions of this agreement.

3. VOLUME TO BE SUPPLIED

3.1 Supplier shall deliver the volume of Raw Milk (A) to the Delivery Site in accordance with the following formula

$$A = (95 \text{ to } 105\% \times B) / 52 (+ \text{ or } - C)$$

Whereby

A= the volume to be delivered to the Delivery Site per week; and

B= the Contract Volume

C = the seasonal fluctuations of the total Raw Milk of Supplier calculated as the average fluctuation from week to week in the production of Raw Milk by members of FrieslandCampina in the Netherlands over the three calendar years immediately preceding the entry into force of this agreement. The average fluctuation over the relevant period is set forth in SCHEDULE 3.

3.2 Deliveries shall take place seven days a week equally spread over each day of the week. All deliveries shall be based on full truckloads.

3.3 Qualified Buyer may request a deviation from what has been set out in clauses 3.1 to 3.2. Supplier will accommodate such request which will be in consideration of a reasonable and cost based mark up of the Price to be determined by Supplier and will notify DMF of any such requests. In case of disagreement about the amount of the mark up, DMF may give binding instructions to Supplier after having been notified of such disagreement by Qualified Buyer.

3.4 Any adjustment to the weekly volume (defined as A above) should be requested in writing to Supplier ultimately at 11.00 AM on the Wednesday of the week preceding the week in which the next delivery is scheduled. Any request received after this time will not be considered. In the event of a volume change, Supplier shall use its reasonable efforts to accommodate such request without additional costs. If there are such costs, Supplier will specify those costs in advance and will charge them to Qualified Buyer.

4. PRICES

4.1 The Price per Kilogram of Product shall be the Guaranteed Price per Kilogram of Raw Milk that FrieslandCampina offers its Members. The Guaranteed Price will be subject to a rebate of 1% (the **Rebate**) for the period up to 1 July 2014.

- 4.2 The Guaranteed Price will be increased with a fee (the **Fee**) for the additional costs relating to (i) logistics and transport, (ii) quality control and quality assurance and (iii) administration and service and actual costs of national levies on raw milk, to the extent applicable. The Fee shall be based on (i) actual average costs of logistics and transportation of the Product to Qualified Buyer based on optimal logistic solutions and economies of scale, (ii) actual costs of quality control and quality assurance by Supplier in relation to the Product, and (iii) actual costs of administration and service and actual costs of national levies on raw milk, all of (i), (ii), and (iii) on the basis as applied within the Group of Supplier.
- 4.3 Prior to the Effective Date, Supplier shall provide Qualified Buyer and DMF with a transparent overview of the applicable Fees for each cost component referred to above. Supplier shall inform Qualified Buyer and DMF at least one month in advance of any change in the Fee for each cost component.
- 4.4 The allocation of costs by Supplier will be supervised by DMF and in case of a dispute relating to the allocation of costs, DMF shall be notified by the Parties and may give binding instructions to FC.
- 4.5 Upon the request of Qualified Buyer, logistics, quality testing and administration may (partly) be organized by Qualified Buyer, to be agreed upon between the Parties. The Parties will inform DMF of any such agreement. Collection on farms of members of Supplier may be effectuated by Qualified Buyer, only (i) upon consultation with Supplier and (ii) with the prior approval of the individual farmers concerned. If Qualified Buyer decides to arrange collection and transportation of raw milk itself, it should engage to do so for at least three years without interruption. Qualified Buyer shall not be charged by Supplier any mark up for collection or transportation.
- 4.6 The Guaranteed Price shall be determined at the end of each month on the basis of the actual fat and protein contents contained in the Product supplied in any month as determined in accordance with clause 6.2 and the assessment of the price of raw milk as referred to under (c) of the definition of the Guaranteed Price.
- 4.7 The manner in which the Guaranteed Price is determined will be re-evaluated by FrieslandCampina every three years and may be adjusted by Supplier accordingly. Supplier shall inform Qualified Buyer and DMF of any adjustment in the Guaranteed Price. Moreover, Supplier may modify the formula for calculating the Guaranteed Price during this three year period if necessary for technical reasons (for instance, inavailability of a particular reference price). The Guaranteed Price as adjusted will always be the same as applied by FrieslandCampina to its Members and will be binding on Qualified Buyer.
- 4.8 Supplier shall keep Qualified Buyer and DMF informed from time to time of changes or other developments that are relevant to Qualified Buyer regarding to the determination of the Guaranteed Price.

5. PAYMENT

- 5.1 The Price is exclusive of any VAT. To the extent that any VAT will be due over the Price under applicable law, Qualified Buyer shall, against delivery of a valid VAT invoice (or equivalent, if any) in addition to any amount expressed under this agreement to be payable by Qualified Buyer, pay to Supplier such VAT.
- 5.2 Supplier shall invoice Qualified Buyer on a two-weekly basis within eighteen days of the end of each two-weekly period and provide Qualified Buyer with a valid invoice for VAT purposes (or equivalent, if any) for all Product supplied on a two-weekly basis. Each invoice

shall specify (i) the estimated fat and protein contents of the Product supplied for the period involved, (ii) to the extent available, the actual fat and protein contents of the Product supplied in the two weeks period immediately preceding the two weeks period to which the invoice relates as determined in accordance with clause 6.2 and, (iii) the amount by which the previous invoice was over- or understated. The amount due by either Qualified Buyer or Supplier in relation to this previous invoice shall be offset against the amount of the invoice as a final settlement. In addition the invoice will refer to the Fees and the Rebate as applied in accordance with clause 4.1.

- 5.3 All payments, including VAT to the extent applicable, shall be due to Supplier, within 15 days of receipt of the invoice. Qualified Buyer shall pay the invoiced amounts to the bank account nominated by Supplier unless otherwise agreed in writing by Supplier.
- 5.4 Each Party shall pay to the other Party interest on any overdue amount, without any notice of default being required, at a rate equal to the 3-monthly EURIBOR rate increased by 3.5%, from the due date for payment until payment calculated on a daily basis and compounded monthly.
- 5.5 [Without prejudice to the preceding clauses, Qualified Buyer shall pay an amount of EUR [i.e. amount representing two average biweekly instalments on the basis Guaranteed Price prevailing at the date of signing of this agreement], as a retainer in due time before the Effective Date. Qualified Buyer may deduct this amount from the payments as meant to in clause 5.3 in respect of the last two biweekly invoices to be provided by Supplier on the basis of clause 5.2. No deliveries under this agreement will be made by Supplier before the retainer has been received by Supplier. Alternatively, Qualified Buyer may provide security to Supplier in the form of an irrevocable and unconditional bank guarantee in an amount equal to the retainer referred to above, which bank guarantee should be for the period ending at the end of the 56th week from the Effective Date. If such bank guarantee is issued after the retainer has been paid by Qualified Buyer, Supplier will reimburse the retainer within seven days from receipt of the bank guarantee. The form and wording of the bank guarantee shall be subject to the priori written approval of Supplier which approval will not be unreasonably withheld]
- 5.6 Except as provided otherwise in this clause, each Party shall make all payments in Euro unless otherwise agreed in writing, without set-off or counterclaim.
- 5.7 Any complaints of Qualified Buyer regarding the amount due on any Product must be notified to Supplier as soon as possible but ultimately within eight days of receipt of the invoice. Any disputes following from such complaint shall be dealt with in accordance with clause 23. Supplier shall only be entitled to suspend the supply of Product to Qualified Buyer upon receipt of an arbitral award in Supplier's favour, without being liable for any damages that may be incurred by Qualified Buyer as a consequence thereof.
- 5.8 Each payment will be considered to offset the oldest invoice due, including any accrued interest thereon.

6. DELIVERY

- 6.1 The Product shall be delivered by Supplier at the Delivery Site.
- 6.2 The volume of the Product delivered by or on behalf of Supplier shall be measured by a RMO with equipment calibrated by an externally certified calibration firm. The actual fat and protein contents of the Product shall be finally determined by Qlip, acting on behalf of Supplier, in accordance with the Working Manual.

- 6.3 Supplier shall deliver the Product at the Delivery Site in accordance with clauses 3.1 to 3.4. If Supplier is, or is likely to be, unable to deliver the Product, Supplier shall promptly give Qualified Buyer written notice of the relevant circumstances together with a date and timeframe upon which Supplier reasonably expects to be able to fulfil the order. Supplier is liable for any direct damages as a result from the delay in delivery, except in the events referred to in clause 9.3, in which events the present clause shall not apply, always provided that Supplier shall promptly give Qualified Buyer written notice of the relevant circumstances as referred to in clause 9.3.
- 6.4 The Delivery Site must be equipped with modern and adequate unloading and cleaning equipment. Qualified Buyer shall arrange for sufficient buffer and uploading capacity to secure a swift intake of the Product. Supplier acknowledges that the Delivery Site satisfies the above criteria as at the Effective Date.
- 6.5 Qualified Buyer will allow the RMO to use the cleaning equipment at the Delivery Site, free of charge.
- 6.6 Risk and title in the Products shall pass from Supplier to Qualified Buyer when the Product is delivered at the unloading tanks at the Delivery Site.

7. SPECIFICATIONS

- 7.1 The Product sold and delivered to Qualified Buyer shall be in conformity with the Specifications and of substantially equal quality to the quality of the Raw Milk used by Supplier itself or supplied by Supplier to other parties in The Netherlands (including any members of its Group) for the purposes of the production of fresh dairy products and/or Dutch nature cheese. Supplier understands that the Products shall be processed for use in human consumption.
- 7.2 Each of Supplier and Qualified Buyer acknowledges and agrees that the supply of the Product will be in accordance with:
- (a) the policies regarding the operations, including policies on labour, health, safety and maintenance of each of Supplier and Qualified Buyer; and
 - (b) the Working Manual of Supplier.

Each of Supplier and Qualified Buyer has taken notice of aforementioned policies, in relation to Qualified Buyer only, the Working Manual and the quality system of Supplier and agrees unconditionally to their contents, including any possible amendments thereof by each of Supplier or Qualified Buyer, as the case may be, acting in its sole discretion.

- 7.3 Supplier shall conduct testing and sampling procedures for the Product as supplied by each Member from time to time in accordance with the Quality Control Procedures contained in the Working Manual. In accordance with the Working Manual, the proportions of fat and protein contained in the Product shall be determined through testing performed by Qlip and sampling performed by the RMO, both acting on behalf of Supplier. Qualified Buyer acknowledges and agrees that these Quality Control Procedures, if correctly applied, are sufficient to it and waives the right to require Supplier to apply stricter quality testing (including testing and sampling procedures), provided however that the testing and sampling procedures shall always be in accordance with the applicable laws from time to time and such other testing requirements and control procedures as may be required by public authorities.

- 7.4 At Qualified Buyer's written request, it will be granted insight into any test results with regard to the Product (including test results by Qlip and RMO as well as those of COKZ).

8. RECALL

Either Party shall promptly inform the other Party if it becomes aware that the Product does not meet the Specifications or if it is otherwise reasonably foreseeable that the Product may give rise to liability towards any third party. To the extent possible, Parties will discuss in good faith whether a withdrawal or recall of the Product and consumer products using the Product as an ingredient is required, taking into account the negative effects such action may have on Parties and their respective businesses. Further to the aforementioned good faith discussions:

- (a) Supplier may instruct Qualified Buyer to withdraw or recall the Product out of the Delivery Site or such consumer product out of the market within a reasonable period of time to be determined by Supplier. However, Qualified Buyer may choose not to comply with said instruction by Supplier, but will then be obligated to indemnify and hold harmless Supplier against any losses, expenses and claims that would have been prevented if Qualified Buyer had followed said instruction;
- (b) Qualified Buyer may decide at its sole discretion to withdraw the Product from the Delivery Site or to recall such consumer products out of the market;
- (c) Subject to clauses 9 and 10, any direct costs relating to the withdrawal or recall shall be for the account of Supplier if: (i) the Qualified Buyer executed an instruction of Supplier as described under (a) above, or (ii) the Product is not in conformity with the Specifications.

9. LIABILITIES

- 9.1 Each Party agrees to promptly give the other Party notice of any actual or threatened suit, claim or other action arising out of any breach of obligations under this agreement.
- 9.2 Each Party's liability, on whatever ground, for damage suffered by another Party as a result of or in connection with this agreement shall at all times be limited as described below.
- 9.3 Supplier shall not be liable towards Qualified Buyer in the event that Supplier is not able to supply the ordered volumes of Product due to:
- (a) any virus, illness, disorder or condition of cows that effects or threatens to effect the production, quality and/or safety of the Product and which is due to an event beyond Supplier's control;
 - (b) any other reason to assume that the Product contains a substance that could reasonably be deemed to be harmful to national health due to an event beyond Supplier's control;
 - (c) delay or (permanent or temporary) suspension of the delivery of the Product from a material number of Members due to non-compliance of such Members with the Working Manual, or because any other reasons including any strike or other disruption by the Members;
 - (d) strike or disruptions of its work force, of Qualified Buyer employees or of distribution companies, or blockades which bring the production or distribution of a significant volume of the supplied Product to a (temporary) standstill;

- (e) any applicable administrative order, regulation or law; or
 - (f) any other Force Majeure as set out in clause 19.
- 9.4 Qualified Buyer shall not be liable for any damages resulting from any event that prevents Supplier from delivering the Product in accordance with this agreement due to :
- (a) any applicable administrative order, regulation or law; or
 - (b) any other Force Majeure as set out in clause 19.
- 9.5 The Parties shall use all reasonable efforts to resolve any event as referred to in clauses 9.3 and 9.4 in order to limit the potential losses for each Party and to continue delivery in conformity with the orders as soon as reasonably possible.
- 9.6 Supplier commits to procure that in case of supply shortfalls or disruptions as described in clauses 9.3 and 10, Supplier shall allocate the remaining volume of the Product on a pro rata basis between all Qualified Buyers, FrieslandCampina's own dairy production companies and the dairy production of the members of its Group.
- 9.7 For the purpose of this clause, **Product Liability** means liability based on articles 6:185 and 6:190 of the Dutch Civil Code (*Burgerlijk Wetboek*) or an applicable foreign equivalent thereof. Subject to clauses 9.3 and 10, Supplier will indemnify Qualified Buyer and hold Qualified Buyer harmless against third party claims that are based on Product Liability if and to the extent it relates to Product Liability of the Product as delivered by Supplier to Qualified Buyer, except if its relates to (a) acts, omissions or mistakes of Qualified Buyer, its employees, or its agents, in relation to the Product, (b) inadequate storage or processing by Qualified Buyer, its agents or employees of Qualified Buyer, or (c) Qualified Buyer's non-performance of its obligations under this agreement. Qualified Buyer will indemnify and hold harmless Supplier against third party claims that are based on Product Liability in all events for which Supplier is not liable pursuant to this clause 9.7.
- 9.8 If any claims are made against Qualified Buyer which may give rise to a liability of Qualified Buyer and which is the subject of indemnity by or liability of Supplier under this Agreement, Qualified Buyer shall promptly give notice to Supplier in writing of the claim and the likely liability resulting therefrom. To the extent Qualified Buyer is able, with the assistance of Supplier, Qualified Buyer shall take all reasonable steps (i) to establish whether any claim is bona fide and reasonable; and (ii) to defend or settle any claim, subject to Supplier indemnifying Qualified Buyer, as the case may require, in connection therewith. Qualified Buyer shall take no action and shall make no admission in relation to the claim, without the prior approval in writing of Supplier. Supplier may assume the conduct of any claim against Qualified Buyer for which Supplier under this Agreement has given Qualified Buyer an indemnity or for which Supplier may be liable. Supplier shall consult with Qualified Buyer and keep Qualified Buyer informed at all times concerning the defence of the claim and all negotiations concerning the claim and any compromise of the claim which Supplier accepts. Supplier shall bear all costs associated with the conduct of the defence of the claim and any settlement negotiations connected therewith. At Supplier's request, Qualified Buyer will provide to Supplier, in a reasonable manner, all information that is necessary for the conduct of any action.

10. LIMITATION OF LIABILITY

- 10.1 In all other circumstances than those mentioned in clauses 9.3, 9.4 and 9.7 above, a Party will only be liable for damages in case of a material breach, and if such material breach is curable,

only if it fails to cure such breach within 30 days upon receipt of written notice by the other Party thereof. Any liability under this clause 10.1 shall always be limited as follows:

- (a) a Party will at no time be liable for consequential or indirect loss or damage. For the avoidance of doubt: indirect or consequential losses or damages include but are not limited to loss of profit, loss of business, loss of goodwill, reputational damage and loss of opportunity;
- (b) in the event that Qualified Buyer accepts any non-conforming Product, Supplier shall not be liable for any loss, injury or damage of any nature arising out of such non-conformity, provided the same was disclosed to Qualified Buyer should;
- (c) in all situations not covered under paragraph (a) or (b), the liability of the Parties shall be limited to an amount of EUR 250,000 per event or series of directly related events.

Provided that, the limitations of liability described under (a) to (c) above shall not apply if and to the extent damage results directly from intentional or deliberately reckless conduct of the liable Party.

11. INSURANCE

- 11.1 Each Party agrees to insure itself in relation to its performance under this agreement provided, in relation to Supplier, that this insurance will not (significantly) increase the insurance premium currently paid.
- 11.2 Each Party shall provide evidence from time to time that such policies remain in force upon request of the other Party.

12. COMMENCEMENT AND TERM

- 12.1 This agreement enters into force upon the Effective Date and terminates automatically, without any notice being required, on the date which is 1 year after the Effective Date, unless terminated earlier by each Party in accordance with clause 13.

13. DEFAULT AND TERMINATION

- 13.1 This agreement may be terminated by each Party immediately by notice in writing to the other Party if:
 - (a) such other Party commits a material or persistent breach of any of its obligations under this agreement or is guilty of any conduct or omission which, in the reasonable opinion of the other Party entitled to serve notice under this clause, is prejudicial to the interests of the that other Party, and where such breach, conduct or omission is remediable fails to remedy it in 30 days after service of written notice from Supplier requiring such remedy;
 - (b) such other Party to this agreement is declared bankrupt or applies for suspension of its payment, for a moratorium, or in any other way is apparently insolvent;
 - (c) such other Party to that agreement takes steps to liquidate its company or if its company comes to a standstill for any other reason;
 - (d) a material part of the assets or goods of such other Party to that agreement intended for the performance of its obligations under that agreement are attached or seized,

unless in case of a provisional seizure which shall be lifted within 60 days of such seizure;

- (e) such other Party is affected in any way under any jurisdiction, by any equivalent to any of the things referred to in paragraphs (b), (c), or (d) of this clause.

13.2 Subject to clauses 1 and 14, Qualified Buyer may terminate this agreement with 2 months written notice if the quality of the Product structurally and materially deviates from the Specifications, and Supplier has not cured such deviation, after having been notified thereof and upon expiry of a reasonable cure period. Notwithstanding such termination, the orders of Product made by Qualified Buyer up to and including the date of notification, will continue to be performed under the terms of this agreement.

14. EFFECTS OF TERMINATION

14.1 Upon termination of this agreement for any reason:

- (a) any indebtedness of one Party to the other Party shall immediately become due and payable;
- (b) any Confidential Information as defined in clause 16 will promptly be returned to the Party from whom the information was received, unless otherwise agreed in writing.

14.2 Without prejudice to article 14.1, upon termination of this Agreement by Supplier on the basis of article 13.1a, Qualified Buyer shall forfeit an immediately payable penalty in the amount equal to 1% of the Guaranteed Price for the volume of Raw Milk delivered until the date of termination. In addition to the foregoing, Qualified Buyer shall owe to Supplier (and shall pay within 10 days after expiration of the Contract Year) the actual damages suffered by Supplier as a consequence of the fact that Supplier can no longer supply the remaining volume of the Contract Volume as specified in clause 2.

14.3 The termination of this agreement for any reason shall be without prejudice to any rights or obligations which shall have accrued before termination and shall not destroy or diminish the binding force of any of the provisions of this agreement which are expressly provided to come into force on, or continue in force after such termination.

15. ANNOUNCEMENTS

No Party shall make (or permit any member of its Group to make) any announcement concerning this agreement or any ancillary matter before the date of this agreement except as required by law, or any regulatory body or with the prior written approval of the other Party, such approval not to be unreasonably withheld or delayed.

16. CONFIDENTIALITY

16.1 Each Party shall treat confidential all proprietary data and other information received from the other Party whether or not marked, as confidential, including business information, information on pricing and technical information (the **Confidential Information**). Confidential Information shall not include information that (i) is or becomes a matter of public knowledge other than as a result of any action or inaction of the receiving Party or to the knowledge, of the receiving Party, after due inquiry, as a result of a breach of an obligation of confidentiality; (ii) is rightfully received by a Party from a third party not under any duty of confidentiality with respect thereto; or (iii) is independently developed by or on behalf of a Party without reference to the Confidential Information.

- 16.2 Neither Party shall duplicate nor use any Confidential Information received from the other Party for any purpose other than for the execution and performance of this agreement.
- 16.3 Neither Party shall disclose, and shall cause members of its Group not to disclose, any Confidential Information to any party other than members of its Group that (i) is not specifically authorized by the providing Party to receive it and (ii) has not agreed in writing to be bound by the same obligations specified in this clause 16. Each Party further agrees that it will only disclose the Confidential Information to its employees on a need-to-know-basis and under the same obligations as set forth herein with respect to Confidential Information during the term of this agreement and for three years thereafter. Notwithstanding the above, the Parties will disclose to DMF or the Monitoring Trustee Confidential Information requested by the same for the purposes of carrying out their respective roles.
- 16.4 In protecting information, each Party will take the necessary precautions to ensure that Confidential Information is treated in the same manner and with the same degree of care as such Party treats its own confidential information.
- 16.5 The provisions of this clause 16 shall retroactively be in full force and effect from the date first contacts were established including contacts with DMF with respect to the subject matter of this agreement and shall remain in full force.

17. ASSIGNMENT

- 17.1 Qualified Buyer is not entitled to assign, sub-contract or transfer the rights or obligations under this agreement without the prior written consent of Supplier.
- 17.2 Supplier is entitled to assign all or part of its rights and obligations under this agreement to any members of its Group.

18. GENERAL

- 18.1 The standard terms and conditions of Qualified Buyer and of Supplier shall not apply to the purchase and sale of any Product by Supplier to Qualified Buyer, notwithstanding that they may be printed on any other document issued by a Party.
- 18.2 Neither the Uniform Laws on International Sales nor the Convention on Contracts on the International Sale of Goods shall apply to this agreement.
- 18.3 Nothing in this agreement shall be deemed to either constitute a partnership between any of the Parties or constitute any Party the agent of any other Party for any purpose.
- 18.4 This agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and any party may enter into this agreement by executing a counterpart.
- 18.5 This agreement and the documents referred to in it contain the whole agreement between the Parties relating to the transactions contemplated by this agreement and supersede all previous agreements between the Parties relating to these transactions.
- 18.6 A waiver (whether express or implied) by one of the Parties of any of the provisions of this agreement or of any breach of or default by the other Party in performing any of those provisions shall not constitute a continuing waiver and that waiver shall not prevent the waiving Party from subsequently enforcing any of the provisions of this agreement not waived or from acting on any subsequent breach of or default by the other Party under any of the provisions of this agreement.

18.7 The invalidity, illegality or unenforceability of any of the provisions of this agreement shall not affect the validity, legality and enforceability of the remaining provisions of this agreement.

19. FORCE MAJEURE

19.1 Force Majeure shall mean an event beyond a Party's control (*overmacht*) within the meaning of article 6:75 of the Dutch Civil Code, as a result of which it cannot fulfil or cannot reasonably be required to fulfil its obligations hereunder. Force Majeure will in any event mean the outbreak of animal diseases such as foot-and-mouth disease which may affect the collection and delivery of Raw Milk. The affected Party shall inform the other Party and DMF promptly in writing specifying the Force Majeure as well as its expected duration. The affected Party shall be excused from performance hereunder to the extent the Force Majeure prevents such performance, but shall use its best efforts to limit the period during which the Force Majeure prevents such performance.

19.2 In case of Force Majeure, all Raw Milk supplied by Supplier will be allocated by Supplier on a pro rata basis between Supplier and all Qualified Buyers with which Supplier has entered, or will enter into Raw Milk supply agreements. In case of disputes relating to the allocation of Raw Milk in the event of Force Majeure, DMF may give binding instructions to Supplier.

20. NOTICES

20.1 Any notice or other document to be served under this agreement may be delivered or sent by overnight courier or facsimile process or e-mail to the Party or DMF as the case may be to be served as follows:

(a) to Supplier at:

[FrieslandCampina]
Fax:
E-mail: ●
Marked for the attention of:

(b) to Qualified Buyer at:

[●]
Fax: [●]
E-mail: [●]
Marked for the attention of: [●]

(c) to DMF at:

[●]
Fax: [●]
E-mail: [●]
Marked for the attention of: [●]

or at such other address or facsimile number or e-mail address as it may have notified to the other Party in accordance with this clause.

20.2 In proving service of a notice or document it shall be sufficient to prove that delivery was made or that the envelope containing the notice or document was properly addressed and delivered or that the facsimile message was properly addressed and despatched, or that the e-mail message was properly addressed and confirmed for delivery.

21. PARENT COMPANY GUARANTEE

21.1 [●] unconditionally and irrevocably guarantees as primary obligor, the due performance by Qualified Buyer (or its assignee or successor) of its obligations toward Supplier (or its assignee or successor) under this agreement.

22. GOVERNING LAW

22.1 This agreement is governed by Dutch Law.

23. DISPUTE RESOLUTION

23.1 In the event of disputes arising out of or in connection with Clauses 3.3, 4.4. and 19.2 of this Agreement, if the DMF has not given binding instructions to Supplier as provided in these provisions, Qualified Buyer shall first request DMF to issue binding instructions to Supplier within a period of two weeks as from the date of the request, before being allowed to take the matter to arbitration under Clause 23.2 of this agreement.

23.2 All disputes arising out of or in connection with the present agreement (including disputes about binding instructions) or further agreements resulting therefrom, shall be notified to DMF and finally settled in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (NAI). The arbitral tribunal shall be composed of three arbitrators, unless the Parties agree to appoint only one arbitrator. If three arbitrators are to be appointed, each party shall appoint an independent arbitrator and the Chairman shall be appointed by the NAI. If the Parties agree to appoint only one arbitrator, he/she shall be appointed by the NAI. The place of arbitration shall be Amsterdam, The Netherlands. The arbitral procedure shall be conducted in the Dutch language unless the Parties agree otherwise. The arbitral tribunal shall make its award in accordance with the rules of law (*regelen des rechts*) and render its final arbitral award within three months from the date of acceptance of its mandate. The decision shall be final and binding on the Parties.

23.3 On receipt of any award, Supplier shall provide (i) a copy to DMF and the Monitoring Trustee forthwith and (ii) an English translation of the award to the Monitoring Trustee within ten days.

24. LANGUAGE

24.1 The language of this agreement and the transactions envisaged by it is English and all notices, demands, requests, certificates or other documents or communications shall be in English unless otherwise agreed.

IN WITNESS WHEREOF this agreement has been executed by the Parties on the date first above written.

SIGNATORIES

SIGNED by: [●])
for and on behalf of)
[FRIESLANDCAMPINA])

SIGNED by: [●])
for and on behalf of)
[FRIESLANDCAMPINA])

SIGNED by: [●])
for and on behalf of)
[●])

SIGNED by: [●])
for and on behalf of)
[●])

In acceptance of clause 21

SIGNED by: [●])
For and on behalf of)
[●])

SCHEDULE 1


EXAMPLE OF GUARANTEED PRICE CALCULATION

- (1) The Guaranteed Price is a representative price for raw milk in North West Europe and reflects the weighted average milk price over the year paid out by dairy companies in Denmark, Germany, Belgium and the Netherlands ("**the Dairy Companies**"), altogether constituting the average price paid for about 45 billion Kilograms of raw milk. The milk prices of the Dairy Companies are based on verifiable sources like ZMP in Germany and LTO Nederland (*Land- en Tuinbouw Organisatie Nederland*) in the Netherlands. The development is determined by the monthly price developments in Germany, Belgium, Denmark and the Netherlands.
- (2) The table below demonstrates how the Guaranteed Price using the weighted average milk price over the year paid out by the Dairy Companies is determined. In the last column of the table the weight attributed to each of the Dairy Companies involved is mentioned (i.e. CONO, Bel Leerdammer, DOC each account for 7.9%, Arla accounts for 10%, Milcobel accounts for 6.7% and the dairy companies reflected in the ZMP data account for 59.6%).

Details of guaranteed price
Development of milk prices weighted by country (at 4.41 fat and 3.47 protein)

	2003	2004	2005	2006	2007	Ave. 5 year	Supplied kg milk	%
Cono	32.62	31.74	31.97	31.96	37.73	33.20	3.6	7.9
Bel Leerdammer	31.77	30.62	30.38	29.44	37.41	31.92	3.6	7.9
DOC	31.01	31.13	30.46	29.94	37.52	32.01	3.6	7.9
Ave. Netherlands	31.80	31.16	30.93	30.45	37.55	32.38		
ZMP = Germany	30.51	30.00	29.49	29.26	35.23	30.90	26.8	59.6
Arla = Denmark	34.00	31.79	30.54	29.61	32.70	31.73	4.5	10.0
Milcobel = Belgium	29.37	29.94	28.42	27.72	35.57	30.21	3.0	6.7
Guaranteed price	31.09	30.45	29.87	29.47	35.55	31.29	45.0	100

In NL total 10.6 billion kg milk
 In DK 4.49 billion
 In B 3.01 billion


7

SCHEDULE 2
SPECIFICATIONS
RAW MILK

Coöperative Affairs and Raw Materials. Specifications liquid dairy	Res. Nr. : Date effective : 03-04-2007 Version : 1.0 Page : 1 of 2
<u>Type 1033: Raw milk pasture.</u>	

General description: Milk without temperature treatment from healthy cows Nothing may be added or withdrawn. Milk directly collected at the farm. Specification is valid at the moment of delivery to the milkprocessing plant of Friesland Foods. The milk complies at least with EU-regulations 852/2004 and 853/2004				
Physical/chemical and organoleptical specifications				
Parameter		Specification	Method	Remarks
Age	days	≤ 3.0 = target ≤ 3.5 = limit		at moment of loading
Fat content	%	3.0 < - < 6.0	ISO 1211: 1999	
Protein content	%	2.5 < - < 5.0	IDF 20A: 1986	
Total solids	%	12.0 < - < 14.0	ISO 6731: 1989	
Freezing point	°C	≤ - 0.515	ISO 6764: 1987	
Temperature	°C	≤ 6.0 = target 8.0 = maximum	calabrated thermometer	
Acidity	°N	≤ 19.0	IDF 81: 1981	
NO ₃ ⁻	mg / kg	≤ 2	IDF 118: 1984	
FFA	mmol / 100 g vet	≤ 1.0	IDF 68: 1989	
Phosphataseactivity	µg fenol / l	≥ 1000	ISO 3356: 1975	
Scorched particles + foreign matters		A/250 ml	ADP1 916: 1990	
Aflatoxin M1	µg / kg	≤ 0.020	IDF 111A: 1989	
Contaminants		According to Dutch + EC legislation	RIKILT / COKZ	
Antibiotics		According to Dutch + EC legislation	MCS + Delvotest SP	
Flavour/ taste/ color		normal; specific for the product		
Somatic cell count	cfu/ml	≤ 400.000	Fossomatic	

Coöperative Affairs and Raw Materials. Specifications liquid dairy	Res. Nr. : Date effective : 03-04-2007 Version : 1.0 Page : 2 of 2
<u>Type 1033: Raw milk pasture</u>	

Microbiological specifications				
Parameter		Specification	Method	Remarks
Standard plate count	cfu/ml	≤ 100.000	Bactoscan IDF 100A: 1987	
Butyric acid spores	cfu/ml	≤ 10	FNZ 53.6	
Pathogenic micro-organisms	cfu/ml	According to Dutch + EC legislation	Dutch + EC legislation	

SCHEDULE 3

AVERAGE FLUCTUATIONS

Voorbeeld