



## **Notice of Annual General Meeting**

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (**Meeting**) of Bega Cheese Limited ABN 81 008 358 503 (**Bega Cheese or Company**) will be held at the Sapphire Coast Turf Club, 1695 Sapphire Coast Drive, Kalaru NSW on Tuesday, 25 October 2016 at 11:00 am.

### **Business**

**1. Annual Financial Report and Directors' and Auditor's Reports**

To consider the Company's Financial Report and the Directors' and Auditor's Reports for the financial year ended 30 June 2016.

**2. Adoption of the Remuneration Report**

To adopt the Remuneration Report for the year ended 30 June 2016.

**3. Re-election of directors**

(a) Mr Max Roberts, who retires by rotation in accordance with the Company's Constitution, offers himself for re-election.

(b) Mr Richard Platts, who retires by rotation in accordance with the Company's Constitution, offers himself for re-election.

**4. Directors' Fee Pool Increase**

To consider and, if thought fit to pass, the following resolution:

"That the maximum aggregate yearly remuneration that the directors may be paid for their services as directors be increased by \$300,000 to \$1,200,000."

**Date: 21 September 2016**

**BY ORDER OF THE BOARD**

**Brett Kelly  
Company Secretary**

# **Bega Cheese Limited**

ABN 81 008 358 503

## **Further information**

### **Right to vote**

A member can vote at the Meeting:

- (a) in person;
- (b) by proxy;
- (c) by attorney; or
- (d) by corporate representative (if you are a corporate shareholder).

You will be eligible to attend and vote at the Meeting if you are registered as a holder of shares in the Company at 11:00am on Sunday 23 October 2016.

### **Proxies**

A member entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote for the member. The person appointed as proxy may, but does not need to be, a member of the Company. A proxy form accompanies this notice.

If the member is entitled to cast two or more votes, the member may appoint two proxies. If you appoint two proxies, each will require a separate form. If you require a second proxy form please contact the Company Secretary on (02) 6491 7777. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the votes.

An instrument of proxy in which the name of the appointee is not filled in is taken to be given in favour of the Chairperson of the meeting to which it relates.

If the member does not instruct its proxy on how to vote, the proxy may, subject to the restrictions to the voting of undirected proxies outlined below, vote as he or she sees fit at the Meeting.

Please refer to the enclosed proxy form for instructions on completion and lodgement. In order for the appointment of a proxy to be valid, the proxy form MUST be received by the Company at least 48 hours before the time for holding the Meeting. Where the proxy form is executed under a power of attorney, the original or an attested copy of the power of attorney or other authority (if any) under which it is signed MUST also be lodged with the Company at least 48 hours before the time for holding the Meeting. Proxy forms received after this time will be invalid.

### **How the Chairperson will vote undirected proxies**

The Chairperson will vote undirected proxies on, and in favour of, all of the proposed resolutions.

## **Bega Cheese Limited**

ABN 81 008 358 503

### **Voting Restrictions**

Certain voting restrictions apply in relation to item 2 (Adoption of Remuneration Report) and item 4 (Directors' Fee Pool Increase). Please refer to the explanatory notes for each item for further information.

### **Voting by corporate representative**

Corporate shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the corporate shareholder's representative. The authorisation may be effective either for this Meeting only or for all meetings of the Company.

### **Lodgement of proxy forms, powers of attorney and authorities**

The appointment of a proxy or attorney for the Meeting is not effective unless the instrument appointing the proxy or attorney, and the original or an attested copy of the power of attorney or other authority (if any) under which the instrument is signed, are received by the Company at least 48 hours before the Meeting. Any forms received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON            Link Market Services Limited  
                                 Level 12, 680 George Street  
                                 Sydney NSW 2000

BY MAIL                Bega Cheese Limited  
                                 C/- Link Market Services Limited  
                                 Locked Bag A14  
                                 Sydney South NSW 1235  
                                 Australia

BY FACSIMILE        +61 2 9287 0309

ONLINE:                at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on the front of the proxy form).

# Bega Cheese Limited

ABN 81 008 358 503

## Explanatory Notes

### 1. Annual Financial Report and Directors' and Auditor's Reports

The Financial Report, Directors' Report and Auditor's Report for the Company in relation to the year ended 30 June 2016 will be laid before the Meeting. There is no requirement for shareholders to approve these reports. However, the Chairperson will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company.

Shareholders will be given a reasonable opportunity to ask questions of the Board, management or the auditor about the business and management of the Company, or the conduct of the audit and the content of the Auditor's Report.

### 2. Adoption of the Remuneration Report

The Remuneration Report explains the Company's remuneration policy for directors, chief executive officer and other key management personnel. The Remuneration Report forms part of the Directors' Report.

The vote on this resolution is advisory only and will not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Under the Corporations Act, if 25% or more of votes are cast against the adoption of the remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (**spill resolution**) that another meeting of the Company's shareholders be held within 90 days at which all of the Company's directors (other than the managing director) will cease to hold office immediately before the end of that meeting but may stand for re-election at that meeting.

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast on this resolution by any member of the key management personnel of the Bega Cheese consolidated group (**Bega Cheese Group**) whose remuneration details are included in the remuneration report and any closely related party of such member. However, the Company will not disregard a vote if it is cast by such member of the key management personnel or closely related party as proxy on behalf of a person who is entitled to vote, in accordance with the directions on the proxy form. If the proxy is the Chairperson of the Meeting, the Chairperson can also vote undirected proxies on this resolution provided that the proxy appointment expressly authorises the Chairperson to exercise the proxy even though the resolution is connected with the remuneration of a member of the key management personnel. The proxy form prepared by the Company includes this authorisation to enable the Chairperson to vote undirected proxies.

Key management personnel of the Bega Cheese Group are the directors of Bega Cheese and other persons having authority and responsibility for planning, directing and controlling the activities of the Bega Cheese Group, directly or indirectly.

The Board unanimously recommends that shareholders support the adoption of the Remuneration Report.

## **Bega Cheese Limited**

ABN 81 008 358 503

### **3. Re-election of directors**

#### **Max Roberts**

Max Roberts, who retires by rotation in accordance with the Company's Constitution, offers himself for re-election.

Mr Roberts became a director of The Bega Co-operative Society Limited and has continued to be a member of the Board through the period of the co-operative's conversion to a company and the successful listing of Bega Cheese Limited on ASX. In this respect, Mr Roberts has been a part of the team that has nurtured the company's growth and development.

Mr Roberts has also played an important long-term role in the dairy industry. He has been the president of the NSW Dairy Farmers Association, Vice-President of the Australian Dairy Farmers and a director of NSW Milk Marketing Pty Limited. He became a director of Dairy Australia in 2000 and in 2003 was appointed chairman of the Dairy Australia board. His role at Dairy Australia involved him in domestic and international activities for the betterment of the Australian dairy industry.

In addition to his corporate and industry roles, Mr Roberts worked for 15 years as a journalist with ABC and has successfully developed and managed his family dairy farm.

The directors, other than Mr Roberts, recommend that shareholders vote in favour of the re-election of Mr Roberts.

The Chairperson of the Meeting intends to vote undirected proxies in favour of the re-election of Mr Roberts.

#### **Richard Platts**

Richard Platts, who retires by rotation in accordance with the Company's Constitution, offers himself for re-election.

Mr Platts has been representing farmers for over 20 years through various dairy industry roles. Mr Platts has an extensive background in agriculture, has an advanced diploma in agriculture and is a member of Australian Institute of Company Directors.

Mr Platts is one of Bega Cheese's largest suppliers and has been a director of the Company since 2000 providing stewardship and experience through a period of continued growth for the organisation. Mr Platts responsibilities include membership of the Nominations and Remuneration Committee.

Mr Platts is pleased to offer himself for re-election but also recognises the need for succession on the Board. It is Mr Platts intention to remain on the Board during the transition of a new CEO into the Bega business.

Mr Platts has advised the Board that he is prepared to retire to make way for a new director during his next term of office and the Board will commence the process of finding a new independent director on the basis that this process is part of the aim of increasing the number of independent directors on the Company's Board. The Board believes that Mr Platts provides significant experience and expertise as a director and appreciates his assistance in facilitating Board succession.

## Bega Cheese Limited

ABN 81 008 358 503

The directors, other than Mr Platts, recommend that shareholders vote in favour of the re-election of Mr Platts.

The Chairperson of the Meeting intends to vote undirected proxies in favour of the re-election of Mr Platts.

#### 4. Directors' Fee Pool Increase

In accordance with Rule 9.3(a) of the Company's Constitution and ASX Listing Rule 10.17, the Board seeks shareholder approval to increase the maximum aggregate yearly remuneration that the directors may be paid for their services as directors by \$300,000 from \$900,000 to \$1,200,000 per annum.

The current fee pool limit of \$900,000 was approved by the shareholders on 21 April 2011 in conjunction with the adoption of the constitution and the listing of Bega Cheese on ASX.

The total remuneration payable to directors, in that capacity, in the financial year ended 30 June 2016 was \$825,164 and particulars of this are set out in the Remuneration Report.

The Board's Nomination Remuneration & Human Resources Committee (**NRHRC**) has recently reviewed the directors' remuneration with the benefit of advice from remuneration experts. As a result of this review the NRHRC has recommended that the following fee increases apply from 1 November 2016:

<b>Fees and allowances by role</b>	<b>Rate increase</b>	<b>Rate from 1/11/2016</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Chairman's allowance	-	180,000	180,000
Director fees	2,500	85,500	598,500
Chair of Audit & Risk Committee	5,000	20,000	20,000
Audit & Risk Committee member allowance	2,500	10,000	20,000
Chair of NRHRC	5,500	17,500	17,500
NRHRC member allowance	2,750	8,750	26,250
Chair of Milk Services Committee	3,000	10,000	10,000
Milk Services Committee allowance	1,500	5,000	5,000
			<b>877,250</b>

The total fees identified in the above table have been calculated on the assumption that the composition of the Board and Committees remains the same as outlined in the 2016 Annual Report.



## **Bega Cheese Limited**

ABN 81 008 358 503

Based on the current Board and Committee composition, the total remuneration payable to directors in the current financial year ending 30 June 2017, as contemplated in the above table, is not expected to exceed the existing \$900,000 cap on the directors' fee pool. However, as the total remuneration payable to directors is approaching the existing cap, the directors considered it prudent to seek shareholder approval at this Annual General Meeting.

No securities have been issued to any non-executive directors under ASX Listing Rule 10.11 or 10.14 with shareholder approval at any time in the preceding 3 years.

### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules and the Corporations Act, no votes may be cast, and the Company will disregard any votes cast on this resolution:

- by or on behalf of the directors, or any of their associates; and
- as a proxy by a person who is a member of the key management personnel of the Bega Cheese Group whose remuneration details are included in the Remuneration Report at the date of this Meeting, or by any of their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote on this resolution:

- in accordance with the person's directions on how to vote on the proxy form; or
- by the Chairperson of the Meeting, in accordance with an express authorisation to exercise the proxy, even though this resolution is connected with the remuneration of a member of the key management personnel and in accordance with a direction in the proxy form to vote as the proxy decides.

The proxy form prepared by the Company includes this authorisation to enable the Chairperson to vote undirected proxies.

Given the interest of the directors in this resolution, the Board has not provided any recommendation to shareholders in respect of this resolution.

The Chairperson of the Meeting intends to vote all available proxies in favour of this Resolution.

## KEY HIGHLIGHTS

### Australian dairy industry

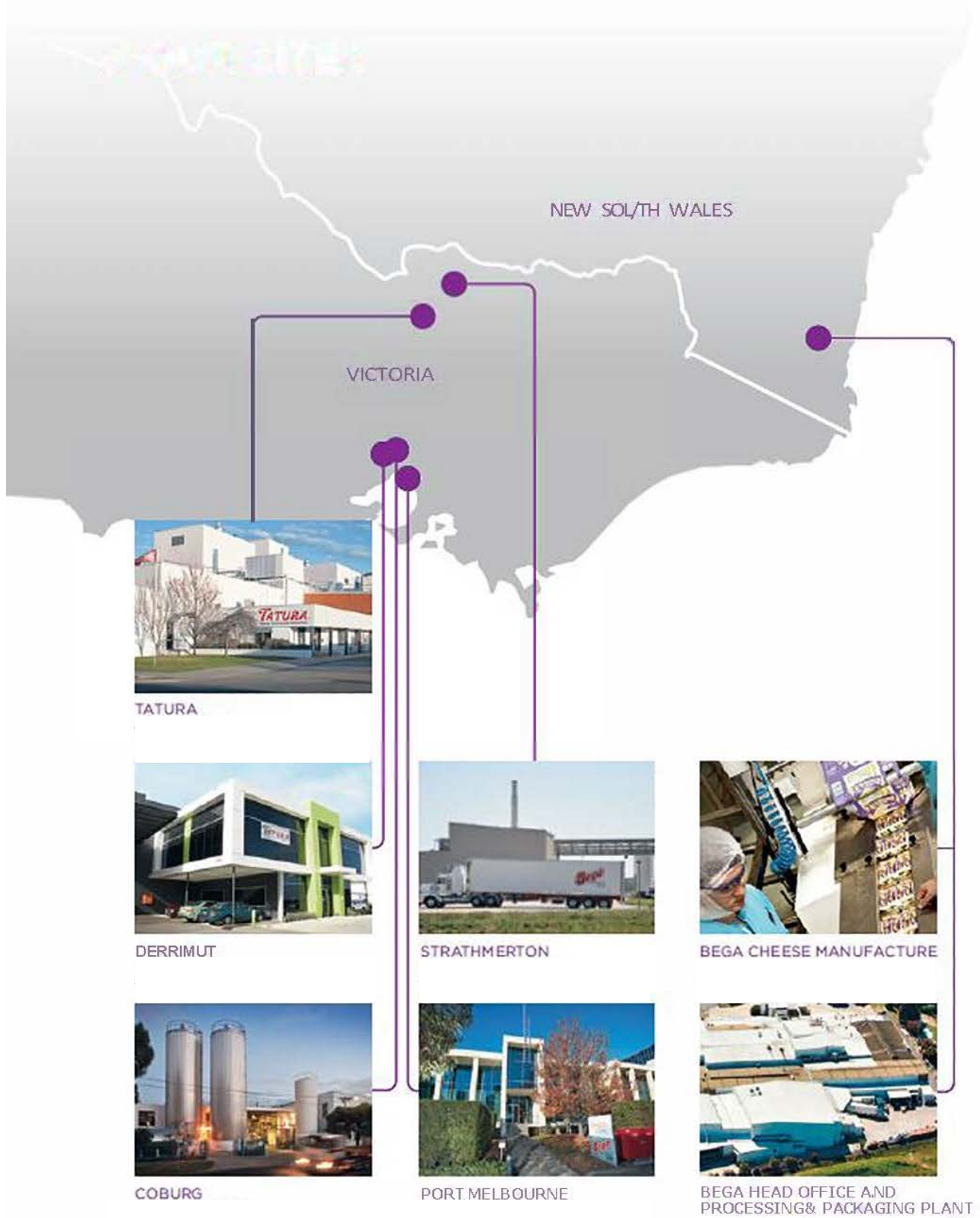
- Global supply and demand
- Australian markets
- Competitor behavior

### Bega Cheese

- Significant revenue growth
- Improved financial performance
- Honoured milk price commitments to farmers
- Continued investment in capacity and capabilities
- Strong balance sheet



## OUR SITES





**Bega Cheese Limited**  
ABN 81 008 358 503

**LODGE YOUR VOTE**

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**BY MAIL**  
Bega Cheese Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



**X99999999999**

**PROXY FORM**

I/We being a member(s) of Bega Cheese Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

**STEP 1**

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Tuesday, 25 October 2016 at The Sapphire Coast Turf Club, 1695 Sapphire Coast Drive, Kalaru, NSW** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Items 2 and 4:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 2 and 4, even though the Items are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .**

**STEP 2**

Items	For	Against	Abstain*
<b>2</b> Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3a</b> Re-Election of Mr Max Roberts as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3b</b> Re-Election of Mr Richard Platts as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> Directors' Fee Pool Increase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

**STEP 3**

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**BGA PRX1601C**



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Items are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 23 October 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Bega Cheese Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**