



## **ASX ANNOUNCEMENT**

### **Revised Security Trading Policy**

Bega Cheese Limited (Bega Cheese) advises that on 20 February 2017, the Board approved amendments to Bega Cheese's Security Trading Policy.

In accordance with ASX Listing Rule 12.10, Bega Cheese encloses its amended Security Trading Policy, which will also be made available at <http://www.begacheese.com.au/investors/corporate-governance/>.

23 February 2017

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For further information please contact

Brett Kelly  
Company Secretary  
Bega Cheese Limited

02 6491 7777



## BEGA CHEESE LIMITED (ACN 008 358 503)

### SECURITY TRADING POLICY

#### 1.0 OBJECTIVES

- 1.1. The ordinary shares of Bega Cheese Limited (Bega Cheese) are listed on the ASX.
- 1.2. Definitions to assist in the interpretation of this policy are set out in clause 11.1 of this policy.
- 1.3. The purpose of this security trading policy is to ensure compliance with the ASX Listing Rules, and to ensure that Designated Personnel are aware of the legal restrictions in dealing in Bega Cheese's securities while in possession of unpublished price sensitive information concerning Bega Cheese.
- 1.4. This document summarises the law relating to insider trading and establishes a best practice procedure for Designated Personnel when dealing in securities of Bega Cheese.
- 1.5. The security trading policy recognises that it is illegal for any person to deal in Bega Cheese's securities when that person is in possession of unpublished price sensitive information. This is regardless of whether the terms of this policy have been complied with.
- 1.6. This policy shall be distributed to all Designated Personnel and it is the responsibility of each Designated Person to comply with this policy. Any non-compliance with this policy will be considered as serious misconduct.
- 1.7. The trading restrictions set out in this policy are additional to any provisions governing or restricting the trading of securities set out in any agreement between Bega Cheese and a Designated Person or a Securityholder or any provisions in Bega Cheese's employee share plans. Where the provisions of an agreement between Bega Cheese and a Designated Person or a Securityholder conflict with the provisions of this policy, the most restrictive provisions will prevail.

#### 2.0 INSIDE INFORMATION AND INSIDER TRADING

##### What is "inside information"?

- 2.1. Inside information is information that:
  - a. is not generally available; and
  - b. if it were generally available, a reasonable person would expect it to have a material effect on the price or value of an entity's securities.
- 2.2. Information is considered to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities. This type of information is commonly referred to as "price sensitive information".

##### What is "insider trading"?

- 2.3. If a person has inside information relating to Bega Cheese, it is illegal for that person to:
  - a. buy, sell or otherwise deal in Bega Cheese's securities or agree to do so; or
  - b. advise, procure or encourage another person to buy, sell or otherwise deal in Bega Cheese's securities or agree to do so; or



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- c. pass on information to any other person if that person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.
- 2.4. A person cannot avoid the insider trading prohibition by arranging for a member of their family or a friend to deal in Bega Cheese's securities, nor may a person give "tips" relating to Bega Cheese's securities to another person when that "tip" is based on inside information.

#### Consequences of insider trading

- 2.5. Insider trading is a criminal offence, punishable by substantial fines and/or imprisonment. Bega Cheese may in certain circumstances also be liable if a Designated Person engages in insider trading. Insider trading may also attract civil liability, including liability to pay compensation to those who suffer loss or damage as a result of the insider trading.

#### Not limited to Bega Cheese's securities

- 2.6. The prohibition in the Corporations Act against insider trading applies equally to circumstances where inside information is held by a person in respect of another company's securities, as it does to inside information relating to the securities of Bega Cheese.

### 3.0 SCOPE OF THIS POLICY

- 3.1. This policy extends to dealing in the securities of Bega Cheese by Designated Personnel or a person or entity over which Designated Personnel have investment control or influence.

### 4.0 PERIODS DURING WHICH DEALING MAY TAKE PLACE

- 4.1. Subject to clause 4.2, dealing by Designated Personnel in Bega Cheese's securities may take place only during the following periods:
- a. the period of 30 days commencing on the day following the release of Bega Cheese's half year results to the ASX;
  - b. the period of 30 days commencing on the day following the release of Bega Cheese's year end results to the ASX; and
  - c. the period of 30 days commencing on the day following the Annual General Meeting of Bega Cheese.

(collectively the **Trading Windows**).

- 4.2. The Board or the Chairperson may, however, prohibit trading by any Designated Person during a Trading Window.

### 5.0 PRE-DEALING CHECKLIST - TRADING INSIDE TRADING WINDOWS

- 5.1. For all periods during which dealing is permitted, the procedure in this clause 5.0 must be complied with before any dealing in Bega Cheese's securities is undertaken unless it is a dealing under an Exempt Transaction. A summary is set out in the box text below.



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Is the Designated Person aware of any inside information (where inside information refers to information that is not generally available but, if the information was generally available, a reasonable person would expect to have a material effect on the price or value of securities of Bega Cheese)?

→ NO → the Designated Person may submit an application to the Company Secretary requesting clearance from the Relevant Officer to deal in Bega Cheese's securities.

→ YES → has the information been disclosed to the ASX?

→ YES → the Designated Person may submit an application to the Company Secretary requesting clearance from the Relevant Officer to deal in Bega Cheese's securities.

→ NO → the Designated Person may not deal in Bega Cheese's securities.

- 5.2. For all periods during which dealing is permitted, Designated Personnel must lodge an application with the Company Secretary requesting clearance from the Relevant Officer to deal in the securities of Bega Cheese. The application must be in the form set out in Schedule 1 and submitted to the Company Secretary.
- 5.3. On receipt of an application under the provision above, the Company Secretary shall procure that the Relevant Officer considers the application. No dealing may be undertaken before the Designated Person receives written clearance from the Company Secretary, signed for and on behalf of the Relevant Officer.
- 5.4. If the Designated Person receives written clearance for their dealing from the Company Secretary, for and on behalf of the Relevant Officer, that dealing must be completed within 14 days from the date that the Designated Person receives the written approval, or such earlier time as determined. Confirmation of the approved trading must be given to the Company Secretary when the approved trading has been completed.
- 5.5. Any clearance to trade can be given or refused by Bega Cheese at its discretion, without giving reasons.
- 5.6. A clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances.
- 5.7. The decision by Bega Cheese to refuse clearance is final and binding on the Designated Person seeking clearance and the refusal must be kept confidential and not disclosed to anyone.

#### 6.0 BLACKLISTED SECURITIES

- 6.1. From time to time, Bega Cheese may be engaged in certain activities where insider information in relation to securities of another entity may be available to Designated Personnel as a result of their role or position within the Bega Cheese Group. Bega Cheese wishes to minimise the risk that such Designated Personnel might be perceived to be engaged in inappropriate dealings, and therefore Bega Cheese may blacklist certain securities in relation to particular Designated Personnel.
- 6.2. Where the Board or the Chairperson notifies a Designated Person in writing that they are subject to a blacklist in relation to the securities of a particular entity (Blacklisted Securities), that Designated Person must not deal in the Blacklisted Securities for the



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time period specified in the notice, unless they first comply with the pre-dealing clearance procedure outlined in clauses 5.1 to 5.4 above (as if the Blacklisted Securities were Bega Cheese's securities), and then always subject to the law.

#### 7.0 DEALING DURING PROHIBITED PERIODS IN EXCEPTIONAL CIRCUMSTANCES

- 7.1. Designated Personnel may in exceptional circumstances lodge an application with the Company Secretary seeking clearance from the Relevant Officer to trade during a Prohibited Period, provided that the Designated Person is not in possession of inside information. The application must be in the form set out in Schedule 2 and submitted to the Company Secretary.
- 7.2. On receipt of the application under clause 9.1, the Company Secretary shall procure that the Relevant Officer considers the application. No dealing may be undertaken before the Designated Person receives the written clearance from the Company Secretary, signed for and on behalf of the Relevant Officer.
- 7.3. The Relevant Officer may grant the Designated Person written clearance to deal in securities during the Prohibited Period if the Relevant Officer is satisfied that the applicant's circumstances amount to exceptional circumstances, when taking into account the factors listed in 7.4 below.
- 7.4. The following factors are to be considered by the Relevant Officer in determining whether the Designated Person is granted permission to trade during a Prohibited Period:
  - a. whether the Designated Person is suffering severe financial hardship;
  - b. whether the Designated Person is bound by a court order, enforceable undertaking or other legal or regulatory requirement to transfer or sell the securities of Bega Cheese;
  - c. if the Designated Person is not actually in possession of inside information in relation to Bega Cheese securities; and
  - d. whether the Designated Person's circumstances are otherwise exceptional and the proposed dealing is the only reasonable course of action available.
- 7.5. If approval is granted in writing by the Company Secretary, for and on behalf of the Relevant Officer, the Designated Person must complete the dealing within 14 days of receiving such written approval, or such earlier time as determined. Confirmation of the approved trading must be given to the Company Secretary when the approved trading has been completed.

#### 8.0 EXCLUDED TRADING

- 8.1. The prohibition on dealing in Bega Cheese's securities outside Trading Windows (see clause 4.1) does not apply to the following types of transactions (**Exempt Transactions**):
  - a. transfers of securities already held by a Designated Person into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary in respect of which prior written approval has been granted in accordance with clause 5.0 except during any Corporate Activity;
  - b. where a Designated Person is a trustee, trading in the securities of Bega Cheese by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other



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trustees or by the investment managers independently of the Designated Person;

- c. undertakings to accept, or the acceptance of, a takeover offer;
- d. a disposal of Bega Cheese's securities arising from the acceptance of a court-approved scheme of arrangement or equal access buy-back;
- e. an acquisition of Bega Cheese's securities under a Bega Cheese dividend reinvestment plan or an employee incentive plan;
- f. a disposal of rights or acquisition of securities under a pro rata issue by Bega Cheese; and
- g. any other transactions identified by the Board for this purpose.

#### 9.0 CONFIRMATION AFTER DEALING BY A DIRECTOR

9.1. As soon as practicable (and in any case no more than two days) after a director deals in Bega Cheese securities at any time, the director must notify the Company Secretary of:

- a. the date of the transaction;
- b. the number of Bega Cheese securities involved;
- c. whether it was a sale, purchase, or subscription;
- d. the consideration paid; and
- e. any other information that is required to enable Bega Cheese to comply with its disclosure and reporting obligations under the ASX Listing Rules.

#### 10.0 FURTHER ASSISTANCE

10.1. Any Designated Person who is unsure of the nature of the information that they have in their possession and whether they may deal in Bega Cheese's securities should contact the Company Secretary.

#### 11.0 LIMITING RISK

11.1. A Designated Person who participates in unvested entitlements under any equity-based remuneration schemes is prohibited from entering into transactions in associated products which limit their economic risk.

11.2. A Designated Person is prohibited from entering into margin lending and other secured financing arrangements when purchasing or selling Bega Cheese securities.

#### 12.0 DEFINITIONS

The following definitions are used in this policy:

**ASX** means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

**Bega Cheese** means Bega Cheese Limited, ACN 008 358 503.

**Bega Cheese Group** means Bega Cheese and its wholly owned subsidiaries.

**Board** means the board of directors of Bega Cheese Limited.

**Chairperson** means the individual who at the relevant time is the chairperson of the Board.

**Chief Executive Officer** means the individual who at the relevant time is the chief executive officer of Bega Cheese and, if more than one individual hold such office, any of those individuals.



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**Chief Financial Officer** means the individual who at the relevant time is the chief financial officer of Bega Cheese and, if more than one individual holds such office, each of those individuals.

**Company Secretary** means the individual who at the relevant time is the company secretary of Bega Cheese and, if more than one individual holds such office, each of those individuals.

**Corporate Activity** means any merger, demerger, acquisition, divestment or any other project or activity which may lead to a transaction that has the potential to impact on the price or value of Bega Cheese's securities.

**Dealing** means applying for, acquiring or disposing of securities, or entering into an agreement to do any of those things.

**Designated Personnel** (singular use **Designated Person**) any director of the Bega Cheese Group, the Chief Executive Officer, the Senior Executive Team and their direct reports, Company Secretary, the Specified Finance Team, and the Executive Assistant, and any other persons designated by the Board or the Chairperson from time to time.

**Executive Assistant** means the individual who at the relevant time is the executive assistant of the Chief Executive Officer or the Chairperson or the Company Secretary and, if more than one individual holds such office, each of those individuals.

**Exempt Transaction** has the meaning given to that term in clause 3.2.

**Generally available**, in relation to information, means any such information which:

- a. is readily observable;
- b. has been made known in a manner which is likely to bring it to the attention of persons who commonly invest in securities of a kind whose price or value might be affected by the information provided that a reasonable period for that information to be disseminated has elapsed since it was made known; or
- c. consists of deductions, conclusions or inferences made or drawn from information falling under either paragraphs (a) or (b) above.

**Prohibited Period** means any period that falls outside the Trading Windows.

**Relevant Officer** means:

- a. in the case that the Chairperson is applying to deal in securities, the Chair of the Audit & Risk Committee; or
- b. in the case of all other Designated Personnel, the Chairperson.

**Securities** includes:

- a. ordinary shares;
- b. partly paid shares;
- c. preference shares;
- d. hybrid securities;
- e. debentures;
- f. legal or equitable rights or interests in (a) to (e) above; and
- g. any derivatives including but not limited to options in respect of any of (a) to (e) above.

**Securityholder** means a holder of securities in Bega Cheese.

**Senior Executive Team** means the management personnel of the Bega Cheese Group reporting directly to the Chief Executive Officer.

**Specified Finance Team** means the personnel of the Bega Cheese Group reporting directly to the Chief Financial Officer and those personnel of the Bega Cheese Group holding the titles of



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Group Treasurer, Corporate & Tax Accountant, Group Budgeting & Forecasting Manager, Financial Accounting Manager, Financial Accountant, Budgeting Analyst, Finance Manager Dairy Foods, Finance Manager SBU, Finance Manager PPU, Finance Manager Ingredients, Business Analyst Ingredients, Finance Leader DBU, Finance Leader CBU, Strategy & Planning Analyst, Manager Business Intelligence & Data Warehouse, Business Analyst Business Intelligence & Data Warehouse.

**Trading Windows** has the meaning given to that term in clause 4.1.

*This document was originally approved by the Board of Bega Cheese on 24 May 2011, with effect from the date that Bega Cheese is listed on the ASX. This document was revised and approved by the Board on 20 February 2017.*



## SCHEDULE 1 - APPLICATION FORM TO TRADE DURING PERMITTED PERIODS

Name of Applicant \_\_\_\_\_

Residential Address \_\_\_\_\_

Office or Position \_\_\_\_\_

Type of Transaction (circle)    Sale / Purchase

Number of securities that are subject of the proposed transaction \_\_\_\_\_

Class of securities that are the subject of the proposed transaction \_\_\_\_\_

Will the transaction take place on the ASX? (circle)    Yes / No

If the transaction is not to take place on the ASX, advise details of the transaction

\_\_\_\_\_  
\_\_\_\_\_

Likely date of the transaction \_\_\_\_\_

I HEREBY ACKNOWLEDGE that:

I have read the Bega Cheese Security Trading Policy and my decision to deal in securities of Bega Cheese has not been made on the basis of information that:

- a.    is not generally available; and
- b.    would be expected by a reasonable person to have a material effect on the price or value of securities of Bega Cheese, if it was generally available.

I request the Relevant Officer to approve the purchase/sale of the above securities.

Signed by the Designated Person \_\_\_\_\_

Date \_\_\_\_\_

### ***Relevant Officer Approval***

***(signed by the Company Secretary for and on behalf of the Relevant Officer)***

I have reviewed the contents of the attached application and now give my consent to the proposed transaction.

Signed by the Company Secretary \_\_\_\_\_

Date \_\_\_\_\_

## SCHEDULE 2 - APPLICATION FORM TO TRADE DURING PROHIBITED PERIODS

Name of Applicant \_\_\_\_\_

Residential Address \_\_\_\_\_

Office or Position \_\_\_\_\_

Type of Transaction (circle)    Sale / Purchase

Number of securities that are subject of the proposed transaction \_\_\_\_\_

Class of securities that are the subject of the proposed transaction \_\_\_\_\_

Will the transaction take place on the ASX? (circle)    Yes / No

If the transaction is not to take place on the ASX, advise details of the transaction

\_\_\_\_\_  
\_\_\_\_\_

Likely date of the transaction \_\_\_\_\_

I HEREBY ACKNOWLEDGE that:

I have read the Bega Cheese Security Trading Policy and my decision to deal in securities of Bega Cheese has not been made on the basis of information that:

- a.    is not generally available; and
- b.    would be expected by a reasonable person to have a material effect on the price or value of securities of Bega Cheese, if it was generally available.

I request the Relevant Officer to approve the purchase/sale of the above securities.

Signed by the Designated Person \_\_\_\_\_

Date \_\_\_\_\_

### ***Relevant Officer Approval***

***(signed by the Company Secretary for and on behalf of the Relevant Officer)***

I have reviewed the contents of the attached application and now give my consent to the proposed transaction.

Signed by the Company Secretary \_\_\_\_\_

Date \_\_\_\_\_