

1.0 INTRODUCTION

1.1. Formation of the Committee

Peanut Company of Australia Limited (**PCA**) on behalf of Bega Cheese Limited (**Bega Cheese**) requires a substantial quantity of Australian grown high oleic peanuts to enable it to produce the peanut-based products it manufactures and sells within Bega Cheese and to external customers. The majority of peanuts grown are supplied to and purchased by PCA from Australian growers. The Bega Cheese board of directors (**Board**) has established the Peanut Growing and Breeding Committee (**Committee**) to assist the Board in formulating strategies that are directed to ensuring that Bega Cheese can purchase appropriate quantities of peanuts to satisfy the strategic plans of the business and fostering its relationship with peanut grower suppliers.

1.2. Purpose of Charter

This Charter records the role, composition and powers of the Committee.

2.0 PEANUT GROWING AND BREEDING COMMITTEE

2.1. Membership of the Committee

The Committee will be comprised of up to four members appointed by the Board (one of whom will act as Chairperson of the Committee). The Committee will also include PCA management, the Executive General Manager Bega Foods and the Company Secretary.

2.2. Role of the Committee

The role of the Committee is to carry out the necessary research in relation to, and formulate recommendations to the Board on, the following matters:

- a. strategies designed to encourage and increase the supply of peanuts by grower suppliers meeting the long-term strategic needs of Bega Cheese;
- b. programs to encourage grower suppliers to choose PCA as the purchaser of their peanuts and to differentiate PCA from other purchasers of peanuts in the relevant supply regions;
- c. building and maintaining long term relationships with peanut grower suppliers;
- d. mechanisms to enable Bega Cheese to communicate effectively with its peanut grower suppliers and the development of protocols to ensure that this communication does not give rise to a breach of Bega Cheese's ASX continuous disclosure obligations;
- e. assessing the effectiveness of PCA peanut payments to grower suppliers and considering alternate pay structures to retain and attract grower suppliers, and meet the long-term peanut supply requirements of Bega Cheese;
- f. assessing and improving the services provided by PCA to grower suppliers and advising the Board on the resources required for those services;
- g. formulating strategies to encourage the growth, sustainability and quality of peanuts produced by grower suppliers and monitoring programs established by PCA in relation to these matters;
- h. reviewing capital requirements of PCA to ensure consistency with the growth strategy;
- i. oversee governance of contractual arrangements with grower suppliers and other service providers to PCA;

- j. monitor peanut research & development programme to ensure alignment with strategic goals;
- k. encourage industry representation by PCA and strengthening of regional and State Government relationships;
- l. assessing competition in key supply areas and the broader market;
- m. any other peanut supply issues that the Board refers to the Committee.

The Committee's role is an advisory one and the implementation of the Committee's recommendations is a matter for the Board as a whole. The Committee's role does not include the setting of pricing, which remains a matter for management and the Board.

3.0 MEMBERSHIP AND STRUCTURE

The Company Secretary, or his/her appointee, will act as secretary of the Committee and will prepare minutes of the Committee's meetings.

The Committee may invite any person from time to time to attend meetings of the Committee.

4.0 MEETINGS

A quorum shall consist of two committee members and at least two management representatives.

Meetings will be held at least four times each year, with further meetings being convened by the Chairman of the Committee as necessary to deal with matters referred to the Committee by the Board.

5.0 REPORTING

The Chairperson of the Committee will report to and, if appropriate, make recommendations to the Board concerning matters dealt with by the Committee.

6.0 AUTHORITY AND ACCESS

The Committee is authorised to investigate any activity within the terms of this Charter and to seek such information it requires to properly carry out its role. Subject to the approval of the Chairman of the Board, the Committee may also obtain, at the cost to Bega Cheese or PCA, any professional or consulting advice that it considers necessary.

7.0 REVIEW

The Peanut Growing and Breeding Committee will be reviewed by the Board on an annual basis.

This document was approved by the Board of Bega Cheese on 29 April 2019, with effect from the date of approval.