



BEGA CHEESE LIMITED (ACN 008 358 503)
NOMINATION, REMUNERATION & HUMAN RESOURCES
BOARD COMMITTEE CHARTER

1.0 INTRODUCTION

1.1. Purpose of Charter

The purpose of this Charter is to record the role and responsibilities, composition and structure of the Nomination, Remuneration and Human Resources Committee, including the ongoing processes for reviewing and providing recommendations to the full Board on:

- a. the review of Board performance and nomination of new non-executive Directors;
- b. the remuneration of directors and executives; and
- c. Human Resources policies that are contemporary, regulatory compliant and support Bega Cheese Limited (Bega Cheese) Mission and Vision.

2.0 NOMINATION, REMUNERATION AND HUMAN RESOURCES COMMITTEE

2.1. Structure of the Committee

The Nomination, Remuneration and Human Resources Committee (**Committee**) will be comprised of at least three directors appointed by the Board, one of whom will act as Chairperson of the Committee.

2.2. Role of the Committee

The Committee has two broad roles.

The first is to assess and make recommendations to the Bega Cheese board of directors (**Board**) on any changes to the composition of the Board so that it is able to operate effectively and efficiently and adequately discharge its responsibilities and duties.

The other role is to advise and assist the Board to enable Bega Cheese to:

- a. establish coherent human resources policies and practices which enable Bega Cheese to attract and retain executives and directors who will create value for shareholders and that support Bega Cheese's wider objectives and strategies, and that they are adhered to;
- b. fairly and responsibly remunerates directors and executives, having regard to the performance of Bega Cheese, the performance of the executives and the general remuneration environment; and
- c. establish effective policies and procedures to attract, motivate and retain appropriately skilled persons to meet Bega Cheese's needs.

2.3. Specific Functions of the Committee

The Committee is responsible for reviewing the following nomination matters:

- a. process for the identification and nomination of new non-executive directors;
- b. succession plans for Bega Cheese's non-executive directors;
- c. induction programs for Bega Cheese's new non-executive directors;
- d. assess the requirements for non-executive directors and set a transparent process to review whether they are meeting those requirements;
- e. establish and evaluate the necessary and desirable competencies of the Board and Board Committees; and
- f. establish processes to periodically evaluate the performance of the Board, its Committees and individual directors.

The Committee is responsible for reviewing the following human resource matters:

- a. Chairman/Chief Executive Officer Remuneration
 - Review and recommend to the Board on at least an annual basis, the specific remuneration packages of the Chairman and Chief Executive Officer (CEO).
- b. Senior Management Team
 - Review the CEO's proposed recommendations for the remuneration packages of the senior management group.
 - Review the company's remuneration recruitment, retention and termination policies for the senior management group.
- c. Board
 - Review and recommend, on at least an annual basis, the remuneration for their non-executive roles (such recommendation as endorsed by the Board shall then be subject to the approval of shareholders at the Annual General Meeting).
- d. Bega Employees
 - To oversee, at least annually, a review of Bega Cheese's Human Resources and Remuneration policies and practices so those policies and practices are:
 - i. relevant to Bega Cheese's wider objectives and strategies; and
 - ii. legal and defensible.
- e. Succession
 - Review and make recommendations to the Board on succession plans for the Board, Executive Chairman and CEO.
 - Review the Company's succession plans to put in place adequate arrangements are to attract, develop and retain high calibre individuals.
- f. Annual Reporting
 - Review the annual remuneration report to satisfy itself that the report is complete and meets all reporting and disclosure requirements before recommending the report to the full Board.
- g. Diversity
 - Review and make recommendations to the Board on the Bega Cheese Diversity Policy and application thereof in respect of compliance with relevant legislation and governance principles.
 - Review and report on an annual basis the relative proportion of women and men in the workforces at all levels of Bega Cheese and its controlled entities.
- h. External Review
 - To engage and seek advice (or attendance at Committee meetings) from external human resources and remuneration specialists, which may assist in the aforementioned functions of the Committee.

2.4. Procedures for Nomination and Appointment of Directors

The Constitution of Bega Cheese requires the Board to include at least four Supplier Directors. Subject to this requirement, the Committee will review the selection and appointment of new Directors and the re-election of incumbent Directors. In conducting this review the Committee will consider whether the Board comprises Directors who are able to provide the mix of industry, business and finance skills required to enable the Board to effectively carry out its role in relation to the Bega Cheese business. Bega Cheese also has a programme in place for inducting new Directors and providing appropriate professional development

opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

3.0 MEMBERSHIP AND STRUCTURE

- The Committee will consist of a minimum of 3 non-executive Directors
- If the company is included in the S&P/ASX 300 at the beginning of a financial year the Committee will only comprise non-executive Directors during that entire financial year
- The Chairperson of the Committee is appointed from the members of the Committee
- The Company Secretary, or his/her appointee will act as secretary of the Committee and will prepare minutes of the meetings for Committee approval
- The Committee may invite any person from time to time to attend meetings of the Committee

4.0 MEETINGS

- Any member of the Committee may call a meeting of the Committee
- The Committee will meet a minimum of 4 times a year, to review and make recommendations to the Board on matters within its charter
- A quorum shall consist of 3 members

5.0 REPORTING

The Chairperson of the Committee is to report to the Board and, as appropriate, make recommendations to the Board after each Committee meeting, concerning matters dealt with by the Committee

6.0 ACCESS AND ADVISERS

The Committee will have direct access to Bega Cheese's senior management.

The Chairperson will have the authority to directly seek independent, professional or other advice as required for the Committee to carry out its responsibilities.

If the Committee engages expert advisers on matters relating to the remuneration of directors and key management personnel of Bega Cheese, those advisers may provide advice directly to the Committee.

This document was approved by the Bega Cheese Board on 25 February 2020 with effect from the date of approval.