

BEGA CHEESE LIMITED

ACN 008 358 503



SHARE PURCHASE PLAN

OFFER BOOKLET

This is an important document and requires your immediate attention.

Each Eligible Shareholder has the opportunity to participate in the Bega Cheese Share Purchase Plan by applying for up to \$15,000 of new ordinary shares in Bega Cheese without incurring brokerage or other transaction costs.

Shares issued under the Bega Cheese Share Purchase Plan will rank equally with existing Bega Cheese ordinary shares.

This Offer Booklet provides details of the Bega Cheese Share Purchase Plan and explains how shareholders can participate.

For personal use only

Key dates

Record date (the date that eligibility to participate in the SPP is determined)	7.00pm, Friday, 7 September 2018
Announcement date	Tuesday, 11 September 2018
Opening Date	Tuesday, 18 September 2018
Closing Date	5:00pm, Thursday, 18 October 2018
Issue of New Shares under SPP	Friday, 26 October 2018
New Shares commence trading on ASX	Monday, 29 October 2018
Despatch of SPP Shareholding statements	Thursday, 1 November 2018

This timetable is indicative only and Bega Cheese may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX. All times are Melbourne time.

You should read this Offer Booklet in full.

This Offer Booklet contains important information. You should read this Offer Booklet in full and seek advice from a broker, accountant or other professional adviser if you have any questions about your investment in Bega Cheese or the impact of the transactions described in this Offer Booklet. If you have any questions on how to participate in the SPP after reading this Offer Booklet, please contact the Bega Cheese Limited SPP Offer Information Line from 8.30am to 5.30pm (Melbourne time) Monday to Friday on 1300 553 490 (callers within Australia) and on +61 1300 553 490 (callers outside Australia).

This Offer Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

18 September 2018

Dear Shareholder,

On behalf of the Directors of Bega Cheese Limited (**Bega Cheese** or **Company**), I am pleased to offer you the opportunity to participate in Bega Cheese's Share Purchase Plan (**SPP**).

The SPP gives Eligible Shareholders the opportunity to acquire up to \$15,000 of new fully paid ordinary shares in Bega Cheese (**New Shares**), at a discount (see "*Price*" under section titled "*Key features of the SPP*" below) and without incurring brokerage or transaction costs. The SPP aims to raise approximately \$50 million and is not underwritten. Bega Cheese may determine to raise a higher amount or decide to scale back Applications under the SPP at its absolute discretion (including to ensure that the Company's Shareholding Limit is not breached).

On 11 September 2018, Bega Cheese completed a placement of new fully paid ordinary shares to institutional and professional investors raising approximately \$200 million (**Placement**). Further details of the Placement and a copy of the Capital Raising Presentation can be found in the ASX announcement dated 11 September 2018, which is available at www.asx.com.au and www.begacheese.com.au.

The proceeds from the Placement and the SPP will be used to reduce debt following the acquisition of the Koroit Facility and improve Bega Cheese's financial flexibility to take advantage of future growth opportunities in dairy and food.

I encourage Eligible Shareholders to participate in the SPP and take advantage of the opportunity to acquire additional Bega Cheese shares at an Issue Price of \$7.10 per share, being a \$0.10 discount to the issue price under the Placement.

Key features of the SPP

- **Price** – Shares are offered under the SPP at an Issue Price of \$7.10 per New Share, which represents a 6.9% discount to the volume weighted average price of Bega Cheese Shares traded on the ASX over the last five days on which sales in Bega Cheese Shares were recorded before 11 September 2018¹ (being the date on which the SPP was announced) and a \$0.10 discount to the issue price under the Placement.
- **Eligible Shareholders** – Participation in the SPP is optional and is open to Eligible Shareholders, including Eligible Shareholders who are custodians on behalf of Eligible Beneficiaries on the term and conditions set out in this Offer Booklet.

Your right to participate in the SPP is not transferable.

- **Offer Period** – The SPP opens on Tuesday, 18 September 2018, and is expected to close at 5.00pm (Melbourne time) on Thursday, 18 October 2018.
- **Priority** – All New Shares issued under the SPP will rank equally with existing Bega Cheese Shares.

The terms and conditions of the SPP are set out in this Offer Booklet. I urge you to read this Offer Booklet in its entirety, and seek your own financial, taxation and other professional advice in relation to the SPP before you decide whether to participate.

¹ The relevant five days are 3 September 2018 to 7 September 2018.

How to apply

To apply for New Shares under the SPP, you must either:

- complete and return the Acceptance Slip attached to your personalised Application Form, together with payment via cheque, bank draft or money order; or
- make a payment directly via BPAY (in which case, you do not need to return the Acceptance Slip attached to your Application Form).

Applications for New Shares can only be made in \$1,000 increments and must be for a minimum of \$1,000 and a maximum of \$15,000.

If you have any questions in relation to how to participate in the SPP, please contact the Bega Cheese Limited SPP Offer Information Line from 8.30am to 5.30pm (Melbourne time) Monday to Friday on 1300 553 490 (callers within Australia) and on +61 1300 553 490 (callers outside Australia).

On behalf of the Board, I thank you for your continued support and encourage you to participate in the SPP.

Yours sincerely



Barry Irvin
Executive Chairman

Key Information on the SPP

This section outlines the key information on the SPP. You should read this section in conjunction with the attached Terms and Conditions of the SPP.

1. What is the Share Purchase Plan (SPP)?

The SPP being offered by Bega Cheese gives Eligible Shareholders the opportunity to subscribe for up to \$15,000 worth of New Shares in Bega Cheese (without incurring brokerage or other transaction costs).

New Shares issued under the SPP will rank equally with all other fully paid ordinary shares on issue in the capital of Bega Cheese.

2. Do I have to participate in the SPP?

No, participation in the SPP is entirely voluntary.

Before you decide whether to participate in the SPP, Bega Cheese recommends you seek independent financial advice from your broker, accountant or other professional adviser.

If you do not wish to participate in the SPP, do nothing.

3. What is the Issue Price of the New Shares under the SPP?

The Issue Price of each New Share issued under the SPP will be \$7.10 per New Share, which represents a 6.9% discount to the volume weighted average price of Bega Cheese Shares traded on the ASX over the last five days on which sales in Bega Cheese Shares were recorded before 11 September 2018² (being the date on which the SPP was announced).

The number of New Shares to be issued to each applicant will be calculated by dividing the amount subscribed for by the applicant (subject to any scale back at the discretion of Bega Cheese) by the Issue Price. Fractions will be rounded up to the nearest whole New Share.

There is a risk that the market price of Bega Cheese Shares may rise or fall between the date of the offer under this Offer Booklet and the time of issue of New Shares under the SPP. This means that the Issue Price for the New Shares may be less than or more than the market price of Shares at the date of this Offer Booklet or at the Issue Date. Your Application is unconditional and may not be withdrawn even if the market price of Bega Cheese Shares is less than the Issue Price.

4. How much will Bega Cheese raise under the SPP?

Bega Cheese is seeking to raise approximately \$50 million under the SPP. Bega Cheese may, at its discretion, determine to raise a higher amount.

5. How will the funds raised from the SPP be utilised by Bega Cheese?

The proceeds from the SPP and Placement will be used to reduce debt following the acquisition of the Koroit Facility and improve Bega Cheese's financial flexibility to take advantage of future growth opportunities in dairy and food.

Further information regarding the Placement can be found in the Company's ASX announcement dated 11 September 2018.

² The relevant five days are 3 September 2018 to 7 September 2018.

6. Am I eligible to participate in the SPP?

Shareholders who are registered holders of Bega Cheese Shares at 7.00pm (Melbourne time) on Friday, 7 September 2018 (**Record Date**) with a registered address either in Australia or New Zealand (provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States) (**Eligible Shareholder**) are eligible to participate in the SPP.

Custodians who are Eligible Shareholders may apply for New Shares on behalf of their beneficial holders as at the Record Date, according to the terms set out in the Terms and Conditions. Custodians must certify that each Eligible Beneficiary for whom it applies for New Shares has a registered address in Australia or New Zealand.

The Board of Bega Cheese has determined that it is either not lawful or not practical for Shareholders in other jurisdictions to participate in the SPP.

7. What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians and who wish to apply for New Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive New Shares for one or more Eligible Beneficiaries, you must complete and submit a Custodian Certificate that contains further certifications and details (as required under the terms of the Class Order) before your Application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase New Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$15,000 limit under the Class Order.

To request a Custodian Certificate or for further information about the Custodian application process, please contact the Bega Cheese Limited SPP Offer Information Line from 8.30am to 5.30pm (Melbourne time) Monday to Friday on 1300 553 490 (callers within Australia) and on +61 1300 553 490 (callers outside Australia).

Custodians must not participate in the SPP on behalf of, and must not distribute this Offer Booklet or any documents relating to this SPP to any person in the United States.

A Custodian will be ineligible to participate in the SPP if their participation would be in breach of the Class Order.

8. How many shares can I apply for under the SPP?

You may apply for a minimum of \$1,000 and up to a maximum of \$15,000 of New Shares under the SPP. Applications must be in \$1,000 increments. Applications may be scaled back at the absolute discretion of Bega Cheese. In addition, Applications may be scaled back to ensure compliance with the Company's Shareholding Limit.

9. How will the New Shares be allocated?

The Bega Cheese Board may, in its absolute discretion, decide to issue any person fewer New Shares than that person applied for under the SPP.

Without limiting the Board's discretion, New Shares will not be issued to an applicant if the issue of those New Shares, either alone or in conjunction with the issue of New Shares under other Applications received by Bega Cheese, would contravene any law, the Listing Rules, the Class Order or the Company's Shareholding Limit.

If Bega Cheese issues a lesser number of New Shares than a Shareholder has applied for (including under any scale back), application money received from that Shareholder not applied in subscribing for New Shares will be returned to the applying Shareholder, without interest, by way of credit to their nominated account (as recorded with the Registry) or cheque sent to their registered address.

10. What happens if the SPP is oversubscribed?

The SPP aims to raise approximately \$50 million. If the SPP is oversubscribed, at the absolute discretion of the Bega Cheese Board, it may scale back the number of New Shares that will be issued to individual Shareholders under the SPP.

Bega Cheese may also decide to accept Applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

11. Can my right to participate in the SPP be transferred?

No, offers made under the SPP are not renounceable. Shareholders cannot transfer their right to acquire New Shares under the SPP to any other person.

12. Is the SPP underwritten?

No, the SPP is not underwritten.

13. How do I apply for New Shares under the SPP?

Applications to acquire New Shares under SPP must be made in one of the following two ways. By applying for New Shares under the SPP, you agree to be bound by the Terms and Conditions of the SPP.

Pay via BPAY

To pay via BPAY, you will need to:

- use the personalised reference number shown on your Application Form which is required to identify your shareholding;
- be an account holder with an Australian financial institution; and
- ensure that your payment for the appropriate amount that supports BPAY transactions is received by the Registry by **5.00pm (Melbourne time) on Thursday, 18 October 2018**. Financial institutions may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

If you pay by BPAY, there is no need to return the Acceptance Slip attached to the Application Form.

OR

Pay by cheque, bank draft or money order

To pay by cheque, bank draft or money order, you will need to complete and return the Acceptance Slip attached to your personalised Application Form which accompanies this Offer Booklet together with your cheque, bank draft or money order made payable to "Bega Cheese Limited" and crossed "Not Negotiable". Acceptance Slips and payment for New Shares must be received by the Registry by **5.00pm (Melbourne time) on Thursday, 18 October 2018**.

Your completed Acceptance Slip and cheque, bank draft or money order should be mailed or hand delivered to the following address:

Mailing Address

Bega Cheese Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or Hand Delivery

Bega Cheese Limited
c/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of a financial institution.

You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque, your Application under the SPP will be rejected. Bega Cheese will not re-present any dishonoured cheques.

14. What are the key dates for the SPP

Record date (the date that eligibility to participate in the SPP is determined)	7.00pm, Friday, 7 September 2018
Announcement date	Tuesday, 11 September 2018
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Issue of New Shares under SPP	Friday, 26 October 2018
New Shares commence trading on ASX	Monday, 29 October 2018
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This timetable is indicative only and Bega Cheese may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX. All times are Melbourne time.

15. When do I receive notification of my issue?

The Registry will send you a holding statement on or around Thursday, 1 November 2018 which will include details of the number of New Shares issued to you and your total holding of Bega Cheese Shares.

Important Notice and Disclaimer

This Offer Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation and particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

ASIC relief

The offer of New Shares under the SPP is made in accordance with the Class Order which grants relief from the requirement for Bega Cheese to prepare a disclosure document for the SPP subject to certain terms and conditions. This Offer Booklet is not a prospectus or disclosure document under Chapter 6D of the Corporations Act.

Overseas Shareholders

The laws of some countries prohibit or make impractical, participation in the SPP by certain overseas Shareholders. Shareholders who are not resident in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of Bega Cheese Shares for sale in any other jurisdiction.

Custodians and other trustees or nominees may not distribute any part of this document, and may not permit any beneficial shareholder to participate in the SPP, in any country outside Australia or New Zealand.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of Bega Cheese at the Record Date with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Offer Booklet may not be released or distributed in the United States. This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, shares in the United States or to, or for the account or benefit of, U.S. Persons. The New Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

SPP Terms and Conditions

If you participate in the SPP (whether by completing and returning the Acceptance Slip attached to your Application Form with your cheque, bank draft or money order, or by making payment by BPAY), you are accepting the risk that the market price of Bega Cheese Shares may change between the Opening Date and the Issue Date. This means that the Issue Price for the New Shares may be less than or more than the market price of Shares at the Opening Date or the Issue Date. Your Application is unconditional and may not be withdrawn even if the market price of Bega Cheese Shares is less than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Shareholders participating in the SPP will also be bound by the constitution of Bega Cheese.

The Key Information on the SPP, Important Notice and Disclaimer and Glossary sections of this Offer Booklet form part of these terms and conditions.

The Glossary section contains definitions of some of the terms used in these terms and conditions.

1. Offer

- 1.1 Bega Cheese Limited offers each Eligible Shareholder the opportunity to purchase up to \$15,000 worth of New Shares under the Share Purchase Plan (**SPP**) subject to and in accordance with these terms and conditions (**Offer**).
- 1.2 The Offer is dated and taken to be made on the Opening Date. Applications may be made on and from the Opening Date.
- 1.3 You are eligible to participate in the Offer if you:
 - (a) were registered on the Register as a Shareholder on the Record Date;
 - (b) have a registered address in either Australia or New Zealand at that time; and
 - (c) are not in the United States and are not acting for the account or benefit of a person in the United States.
- 1.4 The Offer is also extended to Eligible Shareholders who are Custodians, in accordance with clauses 2.2 and 3.3 below.
- 1.5 The Offer is not made to Shareholders with a registered address outside of Australia or New Zealand.
- 1.6 The Offer closes on the Closing Date and all Applications and payments of application money must be received by the Registry by the Closing Date.
- 1.7 Each Offer is made on the same terms and conditions. All Eligible Shareholders will receive the same offer, irrespective of the number of Shares which they hold on the Record Date.
- 1.8 The Offer is non-transferable and therefore, Eligible Shareholders cannot transfer their right to purchase New Shares under the SPP to any other person.
- 1.9 Participation in the Offer is voluntary. It is a matter for each Eligible Shareholder to decide whether or not they apply for New Shares under the Offer.
- 1.10 The Offer is not underwritten.

2. Joint holders and Custodians

2.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.

2.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the Offer on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Shares.

3. Application for New Shares

3.1 An Eligible Shareholder may apply for New Shares in \$1,000 increments. Applications must be for a minimum of \$1,000 and a maximum of \$15,000.

3.2 To apply for New Shares, Eligible Shareholders must either:

- (a) complete the Acceptance Slip attached to the enclosed Application Form and forward it with a cheque, bank draft or money order drawn from the Australian branch of a financial institution for payment of the application amount to the Registry in accordance with the instructions on the Application Form, so that they are received by the Closing Date; or
- (b) make a payment for the application amount via BPAY in accordance with the instructions on the Application Form so that the payment is received by the Closing Date.

3.3 If you wish to apply for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit a Custodian Certificate that contains further certifications and details (required under the Class Order) before your Application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

3.4 In any consecutive 12 month period, the maximum value of Shares for which each Eligible Shareholder may subscribe under the SPP is \$15,000 (or such other amount as the Board may determine in its discretion). This limit applies to each Shareholder even if that person holds Shares in more than one capacity - for example, as a sole holder and as a first (or subsequent) named holder of two or more joint holders. However, a trustee or nominee expressly noted on the Register may receive an Offer for each occasion they are separately recorded as a trustee or nominee for a different beneficiary named on that register.

3.5 Bega Cheese and its officers and agents may refuse to accept or may suspend or withdraw any Application for New Shares at their discretion, including if:

- (a) that Application might:
 - (i) prejudice the effective operation of the SPP;
 - (ii) give rise to breaches of applicable laws or the Listing Rules; or
 - (iii) give rise to a breach of the Company's Shareholding Limit;
- (b) it appears that the applicant is not an Eligible Shareholder;
- (c) if paying by cheque, bank draft or money order, the Acceptance Slip attached to the Application Form is incomplete or incorrectly completed or is otherwise determined by Bega Cheese to be invalid, or the cheque is dishonoured or has been incorrectly completed;

- (d) it appears that the applicant is applying to purchase more than \$15,000 worth of New Shares in aggregate (including as a result of Shares the applicant holds directly, jointly or through a custodian or nominee arrangement) or otherwise in contravention of the Class Order;
- (e) the Application is not for an amount in a \$1,000 increment;
- (f) payment of the application money is not submitted in Australian currency or, if payment is made by cheque, bank draft or money order, the cheque, bank draft or money order is not drawn on the Australian branch of a financial institution;
- (g) the amount of the applicant's cheque, bank draft or money order is not equal to the amount of the application. If this occurs, Bega Cheese may at its absolute discretion:
- (i) refund in full the application money and not issue any New Shares to the applicant; or
 - (ii) issue to the applicant the number of New Shares that would have been issued had the applicant applied for the highest designated amount that is less than the amount of their payment and refund the excess of their application money.

3.6 If you are entitled to a refund of all or any of your application money, the refund will be paid to you, without interest, as soon as is practicable by:

- (a) direct credit to your nominated account (as recorded by the Registry) or cheque; or
- (b) returning your Acceptance Slip and cheque, bank draft or money order, if not processed, to your registered address (as recorded on the Register).

4. New Shares

4.1 New Shares issued under the SPP will rank equally in all respects with existing Shares.

4.2 New Shares will be issued on the Issue Date.

4.3 Bega Cheese will apply to ASX for quotation of New Shares on the ASX. It is anticipated that the New Shares will be quoted on the ASX immediately after their issue.

4.4 The Registry will send you a holding statement, confirming the issue of New Shares, on or around Thursday, 1 November 2018.

5. Issue Price

5.1 The Issue Price per New Share will be \$7.10 per New Share, which represents a 6.9% discount to the volume weighted average price of Shares traded on the ASX over the last five trading days on which sales in Bega Cheese Shares were recorded before 11 September 2018³ (being the date on which the SPP was announced).

5.2 The current Share price can be obtained from the ASX.

5.3 You agree to pay the Issue Price per New Share for the number of New Shares calculated under clauses 6.1 and 6.2 (subject to clause 7 if there is a scale back).

³ The relevant five days are 3 September 2018 to 7 September 2018.

6. Number of New Shares to be issued

- 6.1 If you apply for New Shares, you will apply for a certain value, rather than a certain number, of New Shares. If your application is accepted, Bega Cheese will divide the value of your application money by the Issue Price in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- 6.2 If this calculation produces a fractional number, the number of New Shares issued will be rounded up to the nearest whole New Share.
- 6.3 If applicable, you must accept a lesser number of New Shares issued to you than applied for and must accept a refund of the application money in relation to those New Shares applied for but which are not issued to you, without interest.

7. Scale back

- 7.1 The Bega Cheese Board may, at its discretion, undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including as may be required to ensure that the Company's Shareholding Limit is not breached).
- 7.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied and your excess application money will be refunded to you in accordance with clause 3.6.

8. Acknowledgements and warranties

- 8.1 By returning the Acceptance Slip attached to your Application Form with a cheque, bank draft or money order or making a payment via BPAY, you:
- (a) are deemed to have accepted the Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (b) warrant that all details and statements in your Application are true and complete and not misleading;
 - (c) agree that your Application will be irrevocable and unconditional, and cannot be withdrawn;
 - (d) agree to pay the Issue Price per New Share issued to you;
 - (e) acknowledge that no interest will be paid on any application money held pending the issue of New Shares or subsequently refunded to you for any reason;
 - (f) acknowledge that Bega Cheese and its officers and agents are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
 - (g) confirm that you are lawfully permitted to apply for New Shares under the SPP;
 - (h) confirm, for all New Shares applied for by you under the SPP, that you do not make the Application for any other person in circumstances which might involve any breach of securities laws of any jurisdiction other than Australia;
 - (i) acknowledge and agree that:
 - (i) you are not in the United States and are not acting for the account or benefit of any U.S. Person;

- (ii) the New Shares have not been, and will not be, registered under the Securities Act or the securities law of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
 - (iii) you have not, and will not, send this Offer Booklet or any materials relating to the SPP to any person in the United States;
 - (iv) if in the future you decide to sell or otherwise transfer the new Shares, you will only do so in the regular way for transactions on the ASX where neither you nor the person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
 - (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is a resident in Australia or New Zealand, and you have not sent this Offer Booklet or any materials relating to the SPP to any person outside Australia and New Zealand;
- (j) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
- (i) you are not applying for New Shares with an application price of more than \$15,000 under the SPP (including by instructing a Custodian to acquire New Shares on your behalf under the SPP);
 - (ii) the total of the application price for the following does not exceed \$15,000:
 - (A) the New Shares the subject of the Application;
 - (B) any other Shares you have applied for or have been issued to you under the SPP or any similar arrangement in the 12 months before the Application;
 - (C) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the Application as a result of an instruction given by you to the Custodian or another Custodian to apply for Shares on your behalf, and which resulted in you holding beneficial interests in those Shares;
- (k) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (i) you are a Custodian (as that term is defined in the Class Order);
 - (ii) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that the Eligible Beneficiary has been given a copy of this Offer Booklet;
 - (iii) you are not applying for New Shares on behalf of any Eligible Beneficiary with an application price of more than \$15,000 under the SPP in accordance with the Class Order; and

- (iv) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (l) accept the risk associated with any refund that may be despatched to you by direct credit or cheque to you address shown on the Register;
- (m) are responsible for any dishonour fees or other costs Bega Cheese may incur in presenting a cheque for payment which is dishonoured;
- (n) agree to be bound by the constitution of Bega Cheese (as in force from time to time);
- (o) acknowledge that none of Bega Cheese, its officers, employees, advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (p) authorise Bega Cheese and its offers and agents to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions;
- (q) without limiting clause 8.1(p), authorise Bega Cheese and its officers and agents to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail. However, Bega Cheese has no obligation to correct or amend defective Application Forms; and
- (r) acknowledge that Bega Cheese may at any time determine that your Application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective.

9. Cost to participants

- 9.1 Subject to rule 9.2, no brokerage, commission or other transaction costs will be payable by an Eligible Shareholder in respect of New Shares issued to it under the SPP.
- 9.2 In the event of a change in legislation so that at the date of any issue or allotment of New Shares under the SPP, stamp duty or any other tax or duty is payable on those New Shares, the amount of that stamp duty or other tax or duty must be:
- (a) paid by the Eligible Shareholder to whom the New Shares are issued; and
- (b) in respect of each of those New Shares, included in the calculation of the Issue Price.

10. Board's powers

- 10.1 The SPP will be administered by the Board which has the power to:
- (a) decide appropriate procedures for the administration and implementation of the SPP, consistent with these terms and conditions, and to settle any difficulty which may arise generally or in a particular case, in regard to the SPP, as the Board thinks appropriate and its decision is final and binding on all Shareholders and other persons to whom the decision relates;
- (b) resolve conclusively all questions of fact or interpretation in connection with the SPP; and

- (c) delegate to any one or more persons for a period and on the conditions it decides, its powers or discretions under the SPP, other than the powers under rule 10.4.
- 10.2 Bega Cheese and its officers and employees will not be held responsible or liable for any error or omission which occurs in the administration of the SPP.
- 10.3 The Board may vary administrative procedures to be followed in the implementation of the SPP. The procedures may be varied at any time by the Board having regard to ASX or ASIC requirements.
- 10.4 The Board may:
- (a) at any time modify, vary or amend the SPP and these terms and conditions;
 - (b) waive strict compliance with any provision of these terms and conditions;
 - (c) vary the timetable for the SPP, including the Closing Date;
 - (d) suspend the operation of the SPP from time to time for any period; or
 - (e) terminate the SPP at any time without any need for giving advance notice to Shareholders.
- 10.5 If the SPP is withdrawn or terminated, all application money will be refunded. No interest will be paid on any money returned to you.
- 10.6 The powers of Bega Cheese under these terms and conditions may be exercised by the Board or its delegate.

11. Taxation

- 11.1 None of Bega Cheese, its officers, employees, advisers or agents makes any representations or warranties about, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax in respect of any issue of New Shares, payment or other transaction under the SPP.

12. Dispute resolution

- 12.1 Bega Cheese may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant under the SPP or Application, and the decision of Bega Cheese will be conclusive and binding on all participants and other persons to whom the determination relates.

13. Privacy policy

- 13.1 Chapter 2C of the Corporations Act requires information about you as securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 13.2 The Company and the Registry may collect personal information to process your Application, implement the SPP and administer your Shareholding. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

- 13.3 Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of Bega Cheese and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 13.4 Bega Cheese's privacy policy is available at: www.begacheese.com.au/privacy/
- 13.5 The Registry's privacy policy is available on its website: www.linkmarketservices.com.au/corporate/Privacy.html

14. Governing law

- 14.1 These terms and conditions are governed by the law in force in Victoria. Any dispute arising out of, or in connection with, these terms and conditions, or the Offer, will be determined by the courts of Victoria. By accepting the Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Victoria.

Glossary

The following definitions apply throughout this Offer Booklet unless the context requires otherwise.

Acceptance Slip means the acceptance slip attached to the Application Form.

Application means an application for New Shares under the SPP.

Application Form means your personalised application form enclosed with this Offer Booklet.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the case requires).

Bega Cheese or Company means Bega Cheese Limited (ACN 008 358 503).

Board or Bega Cheese Board means the board of directors of Bega Cheese as constituted from time to time.

Class Order means ASIC Class Order [CO 09/425].

Closing Date means 5.00pm (Melbourne time) on Thursday, 18 October 2018 (or such other date as Bega Cheese determines, in its absolute discretion).

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian has the definition given to that term in paragraph 14 of the Class Order.

Custodian Certificate means a notice in writing provided by a participating Shareholder certifying to Bega Cheese compliance with the matters required by paragraph 9 of the Class Order.

Eligible Beneficiary means a person on whose behalf a Custodian is holding Shares on the Record Date with a registered address in either Australia or New Zealand, provided that such person is not in the United States.

Eligible Shareholder means a Shareholder who is a registered holder of Shares on the Record Date with a registered address in either Australia or New Zealand, provided that such Shareholder is not in the United States or acting for the account or benefit of person in the United States.

Issue Date means Friday, 26 October 2018 (or such other date as Bega Cheese determines, in its absolute discretion).

Issue Price means \$7.10 per New Share.

Koroit Facility means the Koroit dairy processing facility acquired by Bega Cheese from Saputo Dairy Australia Pty Ltd.

Listing Rules means the listing rules of the ASX and any other rules of ASX which are applicable to Bega Cheese, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

New Shares means fully paid ordinary shares in Bega Cheese issued under the SPP.

Offer means the offer in clause 1.1 of the terms and conditions of the SPP.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Opening Date means Tuesday, 18 September 2018.

Placement means the placement of fully paid ordinary shares by Bega Cheese to institutional and professional investors, raising approximately \$200 million, the completion of which was announced on Tuesday, 11 September 2018.

Record Date means 7.00pm (Melbourne time) on Friday, 7 September 2018.

Register means the register of Shareholders.

Registry means Link Market Services Limited (ABN 54 083 214 537).

Securities Act means the US Securities Act of 1933 (as amended).

Share or **Bega Cheese Share** means a fully paid ordinary share in Bega Cheese.

Shareholder means a register holder of Shares.

Shareholding Limit means the maximum shareholding limit permitted under the constitution of Bega Cheese, which currently provides that no person, together with his or her associates, may hold or have a relevant interest in a number of Bega Cheese Shares which exceeds 15% of the total number of Bega Cheese Shares on issue.

SPP means the Offer made to Eligible Shareholders under this Offer Booklet.

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