



BEGA CHEESE LIMITED (ACN 008 358 503)

RISK MANAGEMENT POLICY

Only through the effective management of risk will Bega Cheese continue to achieve its vision of becoming an Australian dairy industry icon, creating value for our shareholders, people, customers and community. We will do this through understanding and responding to the uncertainties we face in supporting the needs of our customers, producing a record of superior shareholder returns, enabling excellent supplier relationships, maintaining a safe and energised workforce and demonstrating long term community support and engagement.

All Bega employees are required to manage all sources of uncertainty throughout the organisation using a consistent and systematic approach. The company will maintain a framework based on AS/NZS ISO 31000:2009 that ensures we continue to manage risk effectively and in a manner that creates the greatest value. In this way we will make ourselves more resilient to those sources of uncertainty that threaten our values and objectives whilst increasing our agility so that we can recognise and benefit from opportunities when they arise.

Risk management will be integrated into all our important decision-making processes so that we reduce the effect of uncertainty on achieving our values and objectives. To do this we will stop to challenge decisions before they are taken to ensure we are properly informed, our actions are soundly based and we become right first time. Alternative ways to treat sources of uncertainty will always be considered and the appropriate responses will be taken in a timely manner.

We will also learn systematically from both our successes and failures, to ensure that we have the required controls in place to enable the achievement of our values and objectives. In this way Bega will drive operational excellence, organisational learning and growth.

The Bega Risk Management Standards specify how we will all act in future and each manager is responsible for achieving compliance with these in the parts of the business for which they are accountable. In particular, managers are responsible for integrating the risk management process into their specific management and decision-making processes. They are also accountable for ensuring that key controls we rely on to achieve our values and objectives are actively monitored so that they remain in place and are effective at all times.

Good governance will be achieved through regular measurement, reporting and communication of performance against Bega's Risk Management Standards. The Company Secretary will report at least annually to the Chief Executive Officer and the Audit and Risk Committee of the Board on compliance with this policy and whether the Bega framework for managing risk remains sound and effective.

The Chief Executive Officer will ensure the necessary resources are available to ensure we can comply with this policy.

Updated 23 April 2019