

NOTICE OF ANNUAL GENERAL MEETING



Notice is given that the 2010 annual general meeting of Metcash Limited (Company) will be held at Ballroom 2, Four Seasons Hotel, 199 George Street, Sydney, New South Wales on Thursday, 2 September 2010 at 2.30pm

AGENDA ITEMS

Ordinary business

1. Financial report

To receive and consider the financial report of the Company and the reports of the directors and auditors for the year ended 30 April 2010.

2. Ordinary resolutions to re-elect directors

Shareholders are asked to consider, and if thought fit, to pass each of the following resolutions as ordinary resolutions:

(a) **To re-elect Mr Michael Butler as a director**

"That Mr Michael Butler, being a director of the Company who retires by rotation under rule 8.1(d) of the Company's constitution, and being eligible, is re-elected as a director of the Company."

(b) **To re-elect Mr Edwin Jankelowitz as a director**

"That Mr Edwin Jankelowitz, being a director of the Company who retires by rotation under rule 8.1(d) of the Company's constitution, and being eligible, is re-elected as a director of the Company."

3. Resolution to adopt the remuneration report

Shareholders are asked to consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the remuneration report that forms part of the directors report of the Company for the financial year ended 30 April 2010 be adopted."

The remuneration report is set out on pages 45 to 53 of the 2010 annual report. Please note that the vote on this resolution is advisory only, and does not bind the directors or the Company.

Special business

4. Ordinary resolution to approve the performance rights plan

Shareholders are asked to consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the Performance Rights Plan, the principal terms of which are summarised in the Explanatory Memorandum, and the issue of performance rights under that plan, be approved for all purposes, including for the

purpose of ASX Listing Rule 7.2 Exception 9 (as an exception to ASX Listing Rule 7.1).

"Voting exclusions on the resolution in this Item 4 are set out under the heading "Entitlement to Vote" below.

5. Ordinary resolution to increase the maximum aggregate remuneration of non-executive directors

Shareholders are asked to consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the maximum aggregate remuneration payable to the non-executive directors of the Company in a financial year be increased by \$300,000 to \$1,300,000 for the purposes of rule 8.3(a) of the Company's constitution and ASX Listing Rule 10.17."

Voting exclusions on the resolution in this Item 5 are set out under the heading "Entitlement to Vote" below.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this notice of meeting.

Entitlement to vote

1. Snapshot time

It has been determined that under the Corporations Regulations 7.11.37, for the purposes of the annual general meeting, shares will be taken to be held by the persons who are the registered holders at 7 pm on Tuesday, 31 August 2010. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

2. Voting exclusions

The Company will disregard any votes cast on:

- the resolution in Item 4 by the directors of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any of their associates;
- the resolution in Item 5 by the directors of the Company and any of their associates.

Proxies

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received at least 48 hours prior to the appointed time for the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice and to be effective must be received at the Company's corporate registry:

Registries Limited

GPO Box 3993

Sydney NSW 2001

by facsimile: +61 2 9290 9655

OR online @

www.registries.com.au/vote/metcashagm2010

at least 48 hours before the appointed time of the meeting.

By Order of the Board

Dated: 9 July 2010

John Randall

Company Secretary

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the annual general meeting.

ORDINARY BUSINESS

1. Annual financial report

The Corporations Act requires:

- › the reports of the directors and auditors; and
- › the annual financial report, including the financial statements of the Company for the year ended 30 April 2010,

to be laid before the annual general meeting. Neither the Corporations Act nor the Company's constitution requires a vote of shareholders on the reports or statements (other than the non-binding vote in respect of the remuneration report forming part of the directors report – see the resolution in Item 3). However, shareholders will be given ample opportunity to raise questions or comments on the reports and statements at the meeting.

Also, a reasonable opportunity will be given to members as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit and the preparation and content of the auditor's report.

2. Ordinary resolutions to re-elect directors

Mr Michael Butler and Mr Edwin Jankelowitz each retire by rotation as directors of the Company in accordance with rule 8.1(d) of the Company's constitution.

Mr Michael Butler and Mr Edwin Jankelowitz being eligible, offer themselves for re-election as directors of the Company in accordance with rule 8.1(f) of the Company's constitution.

Mr Carlos dos Santos retires by rotation as a director of the Company in accordance with rule 8.1(d) of the Company's constitution, but is not offering himself for re-election. The board thanks Mr Carlos dos Santos for his significant contribution to the Company over his tenure.

Profiles of directors standing for re-election

Michael Butler

Mr Butler has extensive experience in investment banking gained as an Executive Director of Bankers Trust's Corporate Finance group and as Executive Vice President of its Private Equity group. He is presently a non-executive director of AXA Asia Pacific Holdings Limited. He was previously a non-executive director and Chairman of Ausdoc Group Limited, Freightways Express Limited,

Hamilton Island Limited, Members Equity Bank Pty Limited, Industry Super Holdings Pty Ltd, Verticon Group Limited, Position Partners Pty Ltd and APN Property Group Ltd.

Edwin Jankelowitz

Qualified as a Chartered Accountant (SA) in 1966. From July 1967 to November 1979 with Adcock Ingram Ltd in Head Office – promoted over time to Group Company Secretary and then Finance Director.

Consulting January 1980 to March 1983 – business management and tax.

Caxton Ltd 1983–1997 - Finance Director; Managing Director; Chairman. Chairman of other publicly quoted companies.

Metcash Trading Limited, Metcash Limited – May 1998 to date – Finance Director.

Mr Jankelowitz has spent over 36 years in corporate offices of listed companies. He was a member of the Income Tax Special Court in South Africa for 20 years (1977–1997).

Recommendation

The directors (Mr Michael Butler and Mr Edwin Jankelowitz not participating) recommend that shareholders vote in favour of the resolutions to re-elect each of Mr Michael Butler and Mr Edwin Jankelowitz as directors of the Company.

3. Resolution to adopt the remuneration report

Shareholders are asked to adopt the Company's remuneration report. The remuneration report is set out on pages 45 to 53 of the 2010 annual report and is also available on the Company's website (www.metcash.com).

The remuneration report:

- › describes the policies behind, and structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance;
- › sets out the remuneration arrangements in place for each director and for specified senior executives of the Company; and
- › explains the differences between the bases for remunerating non-executive directors and executives, including the executive directors.

A reasonable opportunity for discussion of the remuneration report will be provided at the annual general meeting. The vote on the resolution in Item 3 is advisory only, and does not bind the directors or the Company.

SPECIAL BUSINESS

4. Ordinary resolution to approve the performance rights plan

4.1 Background to resolution

The Board considered that there was a need for the Company to revisit its long term incentive arrangements to ensure that it continues to retain and motivate key executives in a manner aligned with shareholders.

As a result of that review, the Board resolved that long term incentives should be provided to key executives in the form of performance rights.

It is proposed that performance rights will be issued to participants in accordance with the rules of the Performance Rights Plan. A summary of the principal terms of the Performance Rights Plan rules is set out in the Summary to this Explanatory Memorandum. A copy of the Performance Rights Plan rules is available on the Company's website www.metcash.com.

No securities have yet been issued by the Company under the Performance Rights Plan.

It is currently proposed that, subject to shareholder approval of the Performance Rights Plan, the Company will make grants of performance rights to approximately 60 executives in September 2010 to be effective from 1 July 2010.

4.2 ASX Listing Rule issues

Shareholder approval is being sought to approve the issue of performance rights under the Performance Rights Plan so that the Company will satisfy Listing Rule 7.2 Exception 9 (as an exception to ASX Listing Rule 7.1).

Listing Rule 7.1 of the ASX Listing Rules provides that without the approval of the holders of ordinary securities, an entity must not issue or agree to issue equity securities which amount to more than 15% of its issued share capital in any rolling 12 month period. However, ASX Listing Rule 7.2 sets out a number of exceptions to ASX Listing Rule 7.1. These exceptions include Exception 9 which is an issue under an employee incentive scheme if within 3 years before the date of issue the holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule.

Recommendation

The non-executive directors recommend that shareholders vote in favour of the resolution to approve the Performance Rights Plan.

The executive directors may be interested in the outcome of this resolution and therefore do not consider it appropriate to make a recommendation to shareholders.

5. Ordinary resolution to increase the maximum aggregate remuneration of non-executive directors

Shareholder approval is being sought to increase the amount fixed by the Company as the maximum aggregate remuneration for non-executive directors of the Company for a financial year.

The current amount fixed by the Company as the maximum aggregate remuneration for non-executive directors of the Company for a financial year is \$1,000,000.

For the purposes of rule 8.3(a) of the Company's constitution and Listing Rule 10.17, shareholder approval is sought to increase by \$300,000 the maximum aggregate remuneration from \$1,000,000 to \$1,300,000 per annum.

No increase in the maximum aggregate remuneration has been sought since 2005, when the \$1,000,000 maximum was set.

Since the maximum aggregate remuneration was increased in 2005:

- › the number of non-executive directors has increased from five to six and Mr dos Santos and Mr Rubin now receive directors' fees (prior to 2005, they were employed by Metoz, the former group holding company); and
- › Listing Rule 10.17 has recently been amended to require that superannuation payments must now be included as part of the maximum aggregate remuneration (previously, the maximum aggregate remuneration excluded superannuation payments) and to allow for the payment of superannuation "within" the non-executive director fee cap.

The higher maximum aggregate remuneration is being sought to allow the Company the flexibility to increase the number of non-executive director appointments, whilst providing accommodation for future fee increases in line with industry standards.

As the directors may have an interest in the outcome of this resolution, they consider it would not be appropriate to make a recommendation to shareholders as to how to vote in relation to this resolution.

6. Glossary

Corporations Act means Corporations Act 2001 (Cth).

Explanatory Memorandum means the explanatory memorandum included in the notice which convened this meeting.

Option Plan means the Metcash Limited Employee Option Plan as amended from time to time.

Performance Rights Plan means the Metcash Limited Senior Executive Performance Rights Plan as amended from time to time.

Shares means ordinary shares in the Company.

Trust means the 'Metcash Employee Share Trust', established by way of the execution of a trust deed by the Company and Australian Executor Trustees Limited (ACN 007 869 794) on 15 June 2010. Australian Executor Trustees Limited, an external trust services provider, has agreed to act as the initial trustee of the Trust.

SUMMARY OF THE PERFORMANCE RIGHTS PLAN RULES

A summary of the Performance Rights Plan rules is set out below:

Eligibility:	The Performance Rights Plan is open to full time or part-time employees (including directors employed in an executive capacity) of a Metcash group company who is declared by the Board to be an Eligible Executive for the purposes of the Performance Rights Plan.
Allocation:	As determined by the Board in its absolute discretion.
Proposed Grant Date:	As determined by the Board in its absolute discretion.
Grant Price:	No payment is required on the grant of the performance rights to an Eligible Executive and no exercise price is payable by a participant upon their performance rights vesting.
Vesting:	<p>The vesting of performance rights is conditional on the satisfaction of performance conditions attaching to the performance rights.</p> <p>Where the relevant performance conditions have been met, then the performance rights will vest and be automatically exercised into Shares.</p> <p>A performance right will lapse on the applicable performance conditions not being achieved within a prescribed period.</p> <p>Where a participant ceases to be an employee of the Company group in any of the circumstances referred to below, the Board may determine that any of the performance rights granted will vest during such period as the Board may determine whether or not the date of vesting has been attained. The circumstances are:</p> <ul style="list-style-type: none">› total and permanent disability;› death; and› any other circumstances the Board may determine. <p>Notwithstanding this and subject to the ASX Listing Rules:</p> <ul style="list-style-type: none">› the Board may vest some or all of a participant's performance rights even if a performance condition has not been satisfied, if the Board considers that to do so would be in the interests of the Company to do so; and› the vesting of a participant's performance rights may be subject to such further conditions as determined by the Board.
Transferability:	Performance rights are not transferable, except on the participant's death, to his or her legal personal representative.

Lapse of performance rights:	<p>All performance rights that have not vested on or before the fifth anniversary of the grant date automatically lapse and are not capable of being exercised.</p> <p>If a participant ceases to be an employee in the Company group (otherwise than for the reasons described above) that participant's performance rights lapse automatically on cessation of the employee's employment unless the Board determines a further period for exercise.</p> <p>The Board may also deem performance rights to lapse if it believes a participant acts fraudulently or dishonestly or breaches any employment obligation, owed to a Group company. The performance rights also lapse if the Company passes a resolution to wind up the Company.</p>
Shares:	<p>Each performance right will entitle the participant to one Share upon vesting.</p> <p>Within 21 days after a performance right has vested, the Board will normally instruct the trustee of the Trust to subscribe for, acquire and/or allocate, one Share in respect of each performance right of the participant which has vested. Those Shares are to be held by the trustee in the Trust for the benefit of the participant.</p> <p>All Shares issued, acquired or allocated on the vesting of performance rights (as the case may be) will generally rank equally with the Shares for the time being on issue.</p> <p>The Company will seek official quotation of Shares issued pursuant to the Performance Rights Plan on the Australian Securities Exchange.</p>
Rights of participants while Shares held in Trust:	<p>Where the trustee of the Trust holds Shares on behalf of a participant, a participant:</p> <ul style="list-style-type: none"> › will be entitled to receive all dividends paid by the Company on those Shares; and › may direct the trustee by notice in writing as to how to exercise the voting rights attaching to those Shares, either generally or in respect of a particular resolution, by way of proxy. › Those Shares will remain held in the Trust for the benefit of the relevant participant, until the Shares are withdrawn from the Trust: › by the participant submitting (or being deemed to have submitted) to the Company a withdrawal notice; › the Board approving that withdrawal notice; and › the trustee acting in accordance with any such approval by transferring the legal title in those Shares to the participant (or their nominee), or by selling those Shares, in accordance with the direction of the participant.
Takeovers:	<p>In broad terms, if a person becomes entitled to acquire Shares in the Company by way of compulsory acquisition or becomes entitled to 100% of the issued Shares in the Company, a participant's performance rights will vest immediately to the extent that the performance conditions attaching to those performance rights have been satisfied and the remaining performance rights will automatically lapse.</p>
Bonus issues, rights issues and capital reconstruction:	<p>If the Company makes a bonus issue, then the participants will become entitled to a proportionately greater number of Shares on vesting of the performance rights, as if the performance rights had vested before the bonus issue.</p> <p>If there is any other form of capital reconstruction (including consolidation, sub-division, reduction, return or cancellation), the number of performance rights will be adjusted in accordance with the ASX Listing Rules.</p>
New Issues:	<p>A participant is not entitled to participate in any new issue of securities in the Company other than as described above.</p>
Amendments to Performance Rights Plan:	<p>Subject to the ASX Listing Rules, the Board may amend the rules of the Performance Rights Plan, but no amendment may materially reduce the rights of participants generally in respect of the performance rights granted to them, except an amendment made primarily to enable compliance with the law governing or regulating the Performance Rights Plan or like plans, to correct a manifest error, to take into account changes in developments in taxation law, or to enable compliance with the Corporations Act or the ASX Listing Rules.</p>



Metcash Limited

ABN 32 112 073 480

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:
Registries Limited
GPO Box 3993
Sydney NSW 2001
Australia

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

Reference Number: <SRN/HIN>

Name and Address

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 2.30PM, TUESDAY
31st AUGUST 2010

TO VOTE ONLINE



STEP 1 : VISIT www.registries.com.au/vote/metcashagm2010

STEP 2: Enter your holding/Investment type

STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed

In the spaces provided you must sign this form as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at 2.30pm on Thursday, 2 September 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL Share Registry – Registries Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX + 61 2 9290 9655

IN PERSON Share Registry – Registries Limited,
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

**www.registries.com.au/vote/metcashagm2010 or
turnover to complete the Form →**

Metcash Limited

<Address 1>
<Address 2>
<Address 3>
<Address 4>
<Address 5>

<BARCODE>

STEP 1 - Appointment of Proxy

I/We being a member/s of **Metcash Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **6TH Annual General Meeting of Metcash Limited to be held at the Four Seasons Hotel, Ballroom 2, 199 George Street, Sydney, NSW 2000 on Thursday, 2nd September 2010 at 2.30pm** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business

			For	Against	Abstain*
Item 2	(a)	To re-elect Mr Michael Butler as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	(b)	To re-elect Mr Edwin Jankelowitz as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3		To adopt the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

			For	Against	Abstain*
Item 4		To approve the performance rights plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5		To approve the increase in the maximum aggregate remuneration of non-executive directors by \$300,000 to \$1,300,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone Date / / 2010