

METCASH LIMITED BOARD CHARTER

1. Introduction

- 1.1 This Charter outlines the purpose, duties, operation and authority of the Board of Directors (“Board”) of Metcash Limited (“Metcash”). The scope of this Charter extends to all subsidiaries of Metcash and all references to Metcash expressly include those subsidiaries.
- 1.2 In carrying out its responsibilities and powers as set out in this Charter, the Board of Metcash will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of Metcash’s shareholders, as well as its employees, customers and the community. It will work to promote and maintain an ethical environment within Metcash that establishes these principles as basic guidelines for all of its employees and representatives at all times.

2. Purpose and Role of the Board and the Chair

- 2.1 The Board provides overall leadership and is responsible for:
- (a) charting the direction and strategic and financial objectives for Metcash and overseeing the implementation of those directions, strategies and financial objectives by management;
 - (b) overseeing the integrity of accounting and corporate reporting systems by ensuring effective management of financial and other risks, reliable management and financial reporting, including half and full year accounts, compliance with laws and regulations and maintenance of independent, effective and efficient internal and external audit functions;
 - (c) ensuring Metcash has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
 - (d) overseeing compliance with regulatory requirements and ethical standards, and the monitoring of the effectiveness of Metcash’s corporate governance framework and practices;
 - (e) overseeing Metcash’s processes for ensuring timely and balanced disclosure of all material information, bearing in mind what a reasonable person would expect to have a material impact on the price or value of Metcash’s securities;
 - (f) setting measurable objectives for achieving gender diversity and to assess the objectives and Metcash’s progress in achieving them;
 - (g) considering the social, ethical and environmental impact of Metcash’s activities and operations and setting standards in respect of Metcash’s social responsibilities and practices;
 - (h) appointing the Chair, and where appropriate, the Deputy Chair; and
 - (i) appointing and reviewing the performance of the Group CEO.
- 2.2 In performing the responsibilities set out above, the Board should act at all times:
- (a) in a manner designed to create and continue to build sustainable value for all stakeholders; and
 - (b) in accordance with the duties and obligations imposed upon them by the Metcash Limited Constitution and by the law.

- 2.3 The Chair represents the Board to shareholders and the Board communicates its position through the Chair and in particular, the Chair:
- (a) should be an independent non-executive director;
 - (b) leads the Board and acts as facilitator in encouraging constructive discussion and debate at Board meetings;
 - (c) is responsible for monitoring the development requirements of non-executive directors and their development plans and each director's contribution and for counselling directors regarding their contributions to the Board; and
 - (d) is responsible for maintaining effective communication between the Board and management.

3. Powers

- 3.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:
- (a) appointment of the Chair, and where appropriate, the Deputy Chair and/or senior independent director;
 - (b) appointment of (and where necessary, the replacement of) the Chief Executive Officer and determination of his or her terms and conditions (including remuneration);
 - (c) appointment of (and where necessary, the replacement of) Key Management Personnel;
 - (d) appointment of (and where necessary, the replacement of) the Company Secretary;
 - (e) approvals of each of the following and only, where applicable, where the relevant matter is in excess of discretions that the Board has delegated to management from time to time in accordance with the Metcash Delegations of Authority Manual:
 - (i) the operating budgets, and the strategic plan, at least annually;
 - (ii) establishing operations in a new country or region;
 - (iii) any items of major operational or capital expenditure or lease commitments;
 - (iv) the overall remuneration framework and particularly the remuneration and conditions of service including financial incentives for any executive directors, the head of the internal audit function, the Company Secretary and all direct reports to the CEO, and the establishment and terms of any incentive plans, at least annually;
 - (v) significant changes to organisational structure and the appointment of such senior officers as the Board may determine;
 - (vi) the acquisition, establishment, disposal or cessation of any significant business of Metcash and any other matter requiring significant capital expenditure;
 - (vii) new or increases in overall debt facilities;
 - (viii) material supplier and customer trading terms;
 - (ix) the issue of any shares, options, equity instruments or other equity or debt securities in Metcash;
 - (x) determination or declaration of dividends and the terms and any underwriting of any dividend reinvestment plans;
 - (xi) approval of half and full year accounts;

- (xii) any public statements which reflect significant issues of Metcash policy or strategy;
- (xiii) the appointment of auditors and investment bank advisers and other material professional advisory or consultant engagements;
- (xiv) commencing or settling material litigation; and
- (xv) any changes to the discretions delegated to management from the Board.

4. Role of Management

- 4.1 The day to day management of the company and its business is the responsibility of the CEO, supported by the executive leadership team.
- 4.2 The Board delegates to the CEO all powers to manage the day to day operations and to implement the strategic objectives, subject to those powers reserved to the Board as detailed elsewhere in this document.
- 4.3 The CEO and executive leadership team manage and administer the day to day operations of the company. Without limitation, these duties include:
 - (a) developing and recommending business and management strategies to the Board;
 - (b) developing and recommending budgets to the Board;
 - (c) ensuring Metcash operates within the risk appetite set by the Board;
 - (d) ensuring compliance with continuous disclosure obligations, work health and safety requirements and Metcash's Code of Conduct; and
 - (e) providing accurate, timely and clear information to enable the Board to perform its responsibilities.
- 4.4 The Group CEO is responsible for the assignment of responsibilities to each member of the executive leadership team and supervises and reports on their performance to the Board.
- 4.5 The Group CEO is responsible for reporting regularly to the Board on all management matters so as to ensure that the Board is fully informed and able to discharge its responsibilities effectively.

5. Board Membership

- (a) The majority of the Board must be composed of independent directors.
- (b) The Board should consist of directors who provide a mix of industry experience and knowledge and overall skill and wisdom that will enable the company to grow for the benefit of all shareholders and other stakeholders. Whether directors are defined as 'independent' or 'non-independent' it is essential that they have and display an independence of mind that will enable them to make decisions impartially and for the benefit of all shareholders.
- (c) Directors, and especially non-executive directors, may seek independent professional advice, at Metcash's expense, in circumstances where they feel it is necessary to assist them to discharge their responsibilities.

6. Specific Responsibilities

- 6.1 The Board has a specific responsibility to:
- (a) oversee and assess management's performance in achieving any strategies and budgets approved by the Board;
 - (b) set criteria for, and evaluate, at least annually, the performance of the Group CEO; and
 - (c) review on a regular and continuing basis:
 - (i) executive succession planning (and in particular for the Group CEO); and
 - (ii) executive development activities.

7. Meetings

- 7.1 Meetings of the Board and the Committees must take place regularly.
- 7.2 Board and Committee papers should where possible be provided to directors at least four days prior to the relevant meeting.
- 7.3 The non-executive directors should meet at least twice each year for private discussions of management issues.

8. Self-Assessment

- 8.1 The Board shall undertake an annual performance evaluation of itself, the Chair and individual directors that:
- (a) compares performance with the requirements of the Charter;
 - (b) sets forth the goals and objectives for the upcoming year; and
 - (c) effects any improvements to the Board Charter deemed necessary or desirable.
- 8.2 The performance evaluation shall be conducted in such manner as the Board deems appropriate and periodically should involve evaluation by external consultants.

9. Board Committees

- 9.1 The Board may from time to time establish committees ("Committees") to assist it in carrying out its responsibilities, and shall adopt Charters setting out matters relevant to the composition, responsibilities and administration of such Committees, and other matters that the Board may consider appropriate.
- 9.2 The Board shall as a minimum establish the following committees, and shall adopt charters ("Charters") setting out matters relevant to the composition, responsibilities and administration of those Committees:
- (a) Audit, Risk & Compliance Committee
 - (b) People and Culture Committee
 - (c) Nomination Committee.
- 9.3 The responsibilities of each Committee extend to those matters that affect the Metcash group of companies, including the pillar entities and other subsidiaries.

10. Metcash Board Committee standing rules

10.1 These rules shall apply to, and be deemed incorporated into the Charter of:

- (a) the Audit, Risk & Compliance Committee
- (b) the People and Culture Committee
- (c) the Nomination Committee

(each “a Standing Committee”) save where expressly varied by the Charter of that Committee.

10.2. *Committee Membership*

- (a) Each Standing Committee will exclusively comprise non-executive directors.
- (b) Minimum membership of each Standing Committee will be three directors.
- (c) The quorum for any Standing Committee meeting shall be any two members.
- (d) Members will be appointed by the Board, and shall serve at the discretion of the Board and for such term or terms as the Board may determine. The Board shall appoint one member of each Standing Committee as its chairperson and that member should be an independent director.
- (e) Any director may attend (but not vote at) a meeting of a Standing Committee of which he or she is not a member, for discussion on a particular area of interest to the director.

10.3 *Meetings*

- (a) Standing Committee meetings are to be held regularly and where possible prior to the Board meeting at which the Standing Committee is to report.
- (b) Standing Committee meetings may be held by means of conference call or similar communications equipment by means of which Board meetings may be held under the relevant provisions of the Metcash Limited constitution and Corporations Act.

10.4 *Performance Evaluation*

- (a) Each Standing Committee shall produce and provide to the Board an annual performance evaluation of that Committee that:
 - (i) compares the performance of the Committee with the requirements of its Charter;
 - (ii) sets forth the goals and objectives of the Committee for the upcoming year; and
 - (iii) recommends to the Board any improvements to the Committee’s Charter deemed necessary or desirable.
- (b) The Company Secretary shall provide advice to the Chairperson of each Standing Committee as to the manner in which the performance evaluation shall be conducted, and shall assist that process as the Chairperson may request.
- (c) The report to the Board may take the form of an oral report by the Chairperson of the Standing Committee or any other member of the Committee designated by the Committee to make the report.

11. Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Without limiting the above:

- (a) The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communications with regulatory bodies and the ASX and all statutory and other filings.
- (b) The Company Secretary is adviser to the Board in respect of governance matters and is responsible for ensuring that business conducted at meetings of the Board and its Committees is accurately captured in the minutes.

Each director is able to communicate directly with the Company Secretary and vice versa.