

## METCASH LIMITED AUDIT INDEPENDENCE CHARTER

### 1. Charter of Audit Independence

This Charter of Audit Independence sets out the circumstances in which the Company's Auditor may perform Non-Audit Related Services and the procedures to be followed to obtain approval for those services where they are permitted.

### 2. Interpretation

**Audit, Risk and Compliance Committee** means the Audit, Risk and Compliance Committee of the Board.

**Auditor** means the external auditors of Metcash Limited.

**Board** means the Board of Directors of Metcash Limited.

**Metcash** means Metcash Limited and each of its subsidiaries.

**CFO** means the Group Chief Financial Officer of Metcash.

**Non-Audit Related Services** means services other than those which are necessary for the Auditor to carry out its statutory audit or review.

### 3. Corporate Governance and Audit Independence

The purpose of this Charter is to ensure that the Audit, Risk and Compliance Committee, the Board and Metcash's shareholders can be satisfied that the Auditor is, and is seen to be, independent at all times. Among other matters, this requires that the Auditor is not involved directly or indirectly in auditing its own work - that is, it must not do work for Metcash that it may be required to review as part of the external audit. This Charter sets out the Board's policies and procedures which are to be followed to ensure this independence, and identifies various obligations of the Auditor, Metcash management and the Audit, Risk and Compliance Committee designed to ensure that the provisions of this Charter are observed in day-to-day practice.

### 4. Performance of Non-Audit Related Services

#### 4.1. Non-Audit Related Services

Appendix 1 to this Charter contains a list of Non-Audit Related Services commonly provided by audit firms. The list is divided into the following two categories:

*Category A - Non-Audit Related Services Acceptable for Auditor to perform*

These comprise Non-Audit Related Services which can be provided by the Auditor subject to obtaining approval as set out in section 4.2(a).

*Category B - Non-Audit Related Services which Auditor may not perform*

These comprise Non-Audit Related Services which would impact the actual or perceived independence of the Auditor's ongoing assurance engagements. These services may not be provided by the Auditor.

#### 4.2. Obtaining Approval for Category A and B Non-Audit Related Services

- a) The Auditor may perform Category A Non-Audit Related Services with the prior approval of the Audit, Risk and Compliance Committee or, subject to section 4.2(c) below, the CFO.
- b) The CFO can approve a specific Category A Non-Audit Related Service above if:

- i) the fee for those services will be less than \$250,000; and
  - ii) that fee, together with the total fees paid to the Auditor for all other Non-Audit Related Services during the applicable financial year at the time approval is sought, will be less than \$1,000,000.
- c) If total non-audit fees reach this level during a financial year, any subsequent Non-Audit Related Services to be performed during that financial year must be pre-approved by the Audit, Risk and Compliance Committee.
  - d) If Audit, Risk and Compliance Committee approval for the performance of Non-Audit Related Services is required but it is not practical, due to time or other limitations, to obtain that approval, the Chair of the Audit, Risk and Compliance Committee may approve the performance of those services, with ratification by the Audit, Risk and Compliance Committee to follow at the next Audit, Risk and Compliance Committee meeting.
  - e) A request for approval for the Auditor to perform Non-Audit Related Services must be made in writing and be materially consistent with the template form in Appendix 2. This applies when seeking approval from either the Audit, Risk and Compliance Committee or, if applicable, the CFO. The form should be completed and sent to the Company Secretary for submission to the Audit, Risk and Compliance Committee or directly to the CFO.

#### **4.3. Reporting**

A bi-annual report summarising Non-Audit Related Services will be communicated to the Audit, Risk and Compliance Committee for review at the Audit, Risk and Compliance Committee meeting.

#### **4.4. Other Services not in Appendix 1**

The Audit, Risk and Compliance Committee is authorised to determine the categorisation of any Non-Audit Related Services not listed in Appendix 1. Pending any such determination, any services not included in Appendix 1 will be regarded as Category B services.

#### **4.5. Application of Policy**

This policy is to be applied by reference to the substance of a particular matter. Accordingly, the restrictions in this policy apply:

- a) whether or not any remuneration, compensation or other benefit is provided directly or indirectly for the particular service; and
- b) whether the service is performed directly or indirectly by the Auditor (including by any of its associates or related entities).

### **5. Governance**

#### **5.1. Hiring External Audit Staff**

That no former partner of the External Auditor be hired by Metcash within a period of two years of having been involved in the audit of Metcash or related companies.

#### **5.2. Partner Rotation**

That the lead external audit partner and review partner are each rotated every five years.

### **6. Review of Charter and Policy**

This Charter will be subject to review by the Audit, Risk and Compliance Committee on an annual basis, and otherwise as appropriate. Any changes to the Charter must be approved by the Audit, Risk and Compliance Committee.

## Appendix 1

### SCHEDULE OF NON-AUDIT RELATED SERVICES

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**Metcash's Auditor must not be involved, directly or indirectly, in auditing its own work. That is, it must not do work for Metcash that it may be required to review as part of the external audit.**

#### **Category A - Non-Audit Related Services acceptable for Auditor to perform**

The following Non-Audit Related Services can be provided by the Auditor subject to obtaining the approval referred to in section 4.2(a) of this Charter.

- Defined audit-related work and other regulatory reporting
- Compliance services (including fraud and money laundering)
- Forensic accountant services
- Risk advisory services
- Sustainability services
- Transaction work (mergers, acquisitions, disposals, internal restructure, due diligence etc) where the Auditor is not the auditor of the target
- Corporate tax compliance and consulting (excluding acting on behalf of management)
- Internal audit effectiveness
- Revenue assurance
- Capital market compliance and advice
- IT risk and security
- Valuation services that are distinguishable from work audited as part of the external audit
- Any other services the Committee determines from time to time are distinguishable from work audited as part of the external audit and may be provided by the Auditor without impacting its independence (actual or perceived)

#### **Category B - Non-Audit Related Services which Auditor may not perform**

The following Non-Audit Related Services would impact the actual or perceived independence of the Auditor's ongoing assurance engagements. They may not be provided by the Auditor.

- Executive or 'management' roles and functions
- Systems implementation
- Book keeping services
- Internal accounting or other internal financial services
- Financial valuation services (other than services that are distinguishable from work audited as part of the external audit)
- Actuarial services
- Other financial services (e.g. broker financial adviser or investment banking services)
- Design, development or implementation of financial information or internal control systems
- Internal audit services or their outsourcing
- Secondments of staff

## Appendix 2

### REQUEST FOR APPROVAL OF SERVICES TO BE PERFORMED BY AUDITOR

#### Request for Approval of Services to be performed by Auditor

To: Audit, Risk and Compliance Committee AND / OR CFO

Name of project / proposal:	
Service requested by:	
Date of issuance of request:	
Timing of services:	
Estimate of fees:	
Nature of services to be provided: (with reference to list of services at Appendix 1 of the Charter of Audit Independence):	
Reason why auditors need to do the work:	

Requesting party name and signature:	Date:
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#### Non-Audit Fees – Estimate of Total Amount Payable to Auditor during the current financial year

Activity	Proposed Pre-Approved Fee Limit \$
<b>TOTAL AMOUNT</b>	

Signed by CFO:	Date:
Signed by External Auditor:	Date:
Signed by Chair of Audit, Risk and Compliance Committee:	Date: