



Metcash Limited

ABN 32 112 073 480
1 Thomas Holt Drive
Macquarie Park
NSW 2113 Australia

26 July 2019

Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**METCASH LIMITED –
2019 APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT**

In accordance with ASX Listing Rules 4.7.3 and 4.7.4, please find enclosed the Metcash Limited 2019 Appendix 4G and Corporate Governance Statement.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Julie Hutton', is written over a thin horizontal line.

Julie Hutton
Company Secretary

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

METCASH LIMITED

ABN / ARBN:

32 112 073 480

Financial year ended:

30 APRIL 2019

Our corporate governance statement² for the above period above can be found at:³

This URL on our website: www.metcash.com/investor-centre/corporate-information/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 30 April 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 26 July 2019

Name of Secretary authorising lodgement: Julie Hutton
Company Secretary



¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter at www.metcash.com/investor-centre/corporate-information/corporate-governance</p>	
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<p>1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at page 43</p>	
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at page 43</p>	
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at pages 41 to 43</p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> information about us and our governance on our website: <input checked="" type="checkbox"/> at www.metcash.com/investor-centre	
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<input checked="" type="checkbox"/> the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<input checked="" type="checkbox"/> our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at page 43</p>	
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that the board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at pages 39 to 40</p>	

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
<p>8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at page 43</p>	
<p>8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in the Metcash Limited 2019 Annual Report at pages 46 to 58</p>	
<p>8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> at www.metcash.com/investor-centre/corporate-information/corporate-governance</p>	

2019 CORPORATE GOVERNANCE STATEMENT

The information in this Corporate Governance Statement is current as at 30 April 2019 and has been approved by the Metcash Limited (**Metcash** or **Company**) board of directors (**Board**).

Metcash is committed to maintaining strong corporate governance practices and high standards of behaviour and accountability, which underpins our approach to sustainably enhancing shareholder value and protecting the interests of stakeholders.

The Company requires that all Directors, senior executives and team members act ethically and responsibly at all times.

The Board reviews the Metcash Group's corporate governance policies and practices periodically to ensure they reflect, in all substantial respects, changes and developments in corporate governance regulations and practices in Australia, including the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**).

This Corporate Governance Statement sets out Metcash's corporate governance framework and approach. The Appendix 4G accompanying this Corporate Governance Statement provides a checklist of each recommendation set out in the 3rd Edition of the ASX Principles and Recommendations, confirms that Metcash has followed each recommendation for the full financial year ended 30 April 2019 (**FY19**) and cross-references where that compliance is disclosed. This Corporate Governance Statement and the accompanying Appendix 4G are both available on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

The Board has commenced its review of the Metcash Group's corporate governance policies and practices against the 4th Edition of the ASX Principles and Recommendations released on 27 February 2019 and will complete that review in FY20. This Corporate Governance Statement and the accompanying Appendix 4G reports against the 3rd Edition of the ASX Principles and Recommendations. Many of the new suggestions contained in the 4th Edition are already embedded in the Group's existing governance arrangements, as outlined in this Corporate Governance Statement.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

Metcash is governed by a Board of Directors (the Board) who are elected by the shareholders with the exception of the Group Chief Executive Officer (appointed by the Board). The Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of Metcash's shareholders and our stakeholders which include our team members, customers, suppliers and the community. It works to promote and maintain an ethical environment within Metcash that establishes these principles as basic guidelines for all of its team members and representatives at all times.

In discharging these responsibilities, the Board continues to focus on the cultural tone of the organisation, 'setting the tone from the top', and overseeing reporting on culture. The Directors are mindful of the recommendations of various inquiries, reviews and reports in Australia which touch on corporate culture and are continuing to oversee and evaluate their culture responsibilities and initiatives in light of those recommendations.

The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. The Board reviews and approves the Group's strategic and business plans and guiding policies.

Day-to-day management of the Group's affairs and implementation of its strategy and policy initiatives are delegated to the Group Chief Executive Officer and senior executives, who operate in accordance with Board-approved policies.

In order to assist the Board with its responsibilities, it has established the following Board Committees:

- Audit, Risk and Compliance Committee
- Nomination Committee
- People and Culture Committee.

The Board's Charter and those of its Board Committees can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

Company Secretary

All Directors have access to the Company Secretary who is accountable to the Board, through the Chair, on all governance matters.

EVALUATING THE PERFORMANCE OF THE BOARD AND SENIOR EXECUTIVES

Board Effectiveness

Annual reviews of the Board, its Committees and Directors are performed, alternating each year between an internal self-evaluation and an external independent review conducted by a recognised Board performance and effectiveness consultant. In FY19 an external independent review was undertaken. In addition, the Board also participated in Metcash's annual Engagement survey, and conducted a review of their results from that survey, in FY19.

The annual review of the Board evaluates a number of areas including: the Board's role, accountabilities and governance; Board processes and support (from management generally and from the Office of the Company Secretary specifically); the Board's capabilities and quality of contribution; the Board's culture; Board Committees; achievement against action items arising from prior Board reviews; the Board's major strengths and pressing needs/areas for improvement; succession; priorities, challenges and issues; and performance generally.

Senior Executive Effectiveness

On an annual basis, the People and Culture Committee reviews the performance of the Group Chief Executive Officer against qualitative and quantitative criteria, which include profit performance, other financial measures, review of behaviours and achievement of the Group's strategic objectives. The Group Chief Executive Officer's performance was reviewed in accordance with this process in FY19.

The Company maintains a performance evaluation process which measures other senior executives against previously agreed Strategic Objectives, Key Measures and Performance Targets in a balanced Business Scorecard format. The Scorecards for the Group Chief Executive Officer and all senior executives are available to the Board each month for progress review. Each senior executive reviews their progress against their Scorecard progressively through the year with a formal annual performance evaluation occurring following the year end. Senior executives' performance was reviewed in accordance with this process in FY19. Scorecards for FY20 for the Group CEO and other senior executives have now also been set by the Board.

Senior executives also agree Personal Development Plans to update and enhance their skills and knowledge.

OUR APPROACH TO DIVERSITY

Diversity and inclusion remains a key driver of employee engagement at Metcash and plays an important role in our goal of being a favourite place to work.

In the past 12 months we have:

- Secured the Workplace Gender Equality Agency's citation as an Employer of Choice for Gender Equality.
- Continued the Metcash Diversity & Inclusion Council, with representation from senior leaders across the organisation. The Council focuses on supporting diversity and inclusion at all levels of Metcash.
- Continued a number of activities and initiatives, including Listening Posts, to encourage open dialogue around diversity and inclusion.
- Held multiple forums to celebrate International Women's Day and International Men's Day across Australia and New Zealand.
- Consciously supported women in our traditionally male dominated industries through membership of councils and associations that provide networking opportunities, personal and professional development and mentoring for women.
- Put in place annualised targets for female representation to help us achieve our goal of a 40:40:20 gender distribution by 2020 (that is, 40% male, 40% female, and a buffer of 20% between that gender split), particularly at leadership levels, and regularly report our progress towards them.
- Continued to increase our female representation on our Board of Directors from 50% to 57% in the past year.
- Provided employees access to resources, information and support through membership with the Diversity Council Australia (DCA).
- Continued to actively encourage practices that allow employees to manage their health and wellbeing and home commitments.

- Implemented a comprehensive program, supported by an expanded Policy, to encourage the broader adoption of flexible working practices.
- Continued to support employees experiencing domestic and family abuse.
- Actively monitored and reported to the Board any allegations of bullying and harassment across the organisation.
- Maintained our “Fifth Week” program, where eligible employees are able to take an additional week of annual leave by reducing their accrued leave to nil.
- Continued learning programs to support diversity and inclusion in the workplace.

Metcash’s Diversity Policy can be found on our website www.metcash.com under the heading ‘Corporate Information’ in the Investor Centre.

To support robust, defensible and equitable remuneration practices, Metcash uses a globally benchmarked job evaluation and remuneration framework, which sizes roles fairly and equitably against key criteria and market data, and recommends market-driven remuneration guidelines. Within this framework, Metcash is able to benchmark its remuneration practices against over 400 leading Australian and global organisations.

The current workplace profile, captured below, shows that in the reporting year Metcash saw:

- Female representation among the Non-executive Directors on our Board increase from 57% to 67%.
- Female representation among managers improve slightly to 31%.
- Overall female representation remain steady at 31%.

Metcash is a “relevant employer” under the *Workplace Gender Equality Act 2012* (Cth) and, accordingly, is required to make annual filings with the Workplace Gender Equality Agency disclosing its “Gender Equality Indicators”, as defined in and published under that Act. Metcash’s latest “Gender Equality Indicators” can be accessed here <https://www.wgea.gov.au/public-reports>

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

A MAJORITY OF THE BOARD SHOULD BE INDEPENDENT DIRECTORS

Appointment to the Board

The Board's policy for the selection, appointment and re-appointment of Directors is to ensure that the Board possesses an appropriate range of skills, experience and expertise to enable the Board to most effectively carry out its responsibilities. As part of this appointment process, the Directors consider Board renewal and succession plans and whether the Board is of a size and composition that is conducive to making appropriate decisions.

Prior to Directors standing for re-election, the Nomination Committee reviews the skills and contribution of the Directors concerned, including having regard to the findings and feedback from the most recent internal self-evaluation or external independent review, and decides whether the Committee supports their re-election. The Committee then recommends its decision to the Board, who determines (taking cognisance of the Nomination Committee's recommendation) whether to support the re-election.

When a vacancy exists or is pending, or when it is considered that the Board would benefit from the services of a new Director with particular skills, the Nomination Committee selects a panel of candidates with appropriate expertise and experience. This may be supplemented with advice from external consultants if necessary. When reviewing potential Director candidates, the Nomination Committee considers experience, skills and education, and conducts appropriate background checks including as to a candidate's good fame and character (which is now a recommendation in the 4th Edition of the ASX Principles and Recommendations).

The Board, on the Committee's recommendation, then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders, and all material information relevant to a decision on whether or not to elect the candidate is included in the notice of meeting.

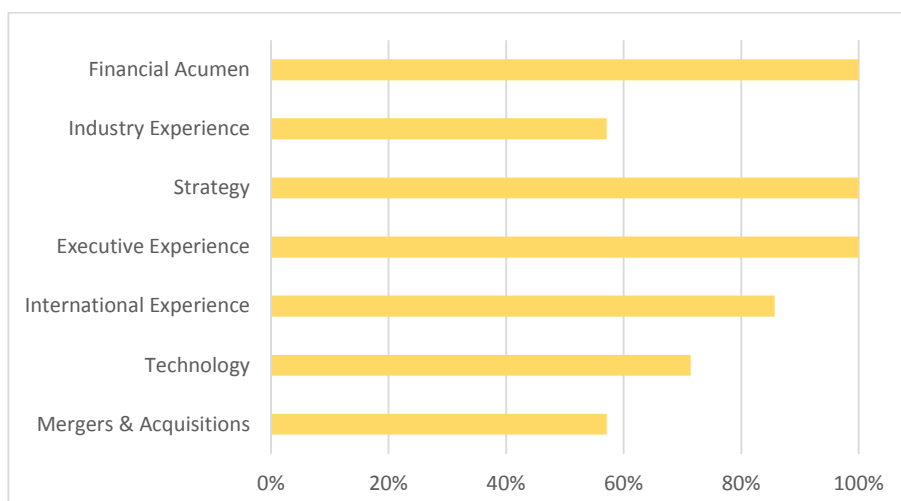
Ms Fiona Balfour and Ms Anne Brennan recently advised the Board of their intention to each retire as a Director at the conclusion of the Company's 2019 Annual General Meeting. A search for two replacement Non-executive Directors was recently undertaken in accordance with the process outlined above, resulting in the appointment on 1 August 2019 of Mr Peter Birtles and Ms Wai Tang as Non-executive Directors.

At the time of appointment, each Director is required to sign a written agreement which sets out the terms of their appointment. Directors are not appointed for a fixed term but, under the Company's Constitution and relevant Australian Securities Exchange (**ASX**) Listing Rules, must be re-elected at least each three years by rotation.

Board Composition

Maintaining a balance of experience and skills is an important factor in Board composition. For details of the skills, experience and expertise of the individual Directors, and the period of office held by each Director, please refer to the 'Operating and Financial Review' section within our Annual Report.

The following matrix summarises the skills and experience represented on Metcash's Board:



* The above skills matrix includes the skills and experience of Ms Fiona Balfour and Ms Anne Brennan who have each notified their intention to retire from the Metcash Board following the conclusion of the Company's 2019 Annual General Meeting. It does not include the skills and experience of Mr Peter Birtles or Ms Wai Tang as they were not Directors as at 30 April 2019, the date of this Statement.

Each year, the Nomination Committee reviews the skills and experience represented on Metcash's Board and considers whether there are any areas that should be addressed through Board renewal and succession and/or professional development.

Independent Non-executive Directors

The Board only considers Directors to be independent where they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Metcash and its security holders generally.

When assessing the independence of a Director, the Board will consider whether the Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- is or has been employed in an executive capacity by the Company or another Group member and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is or has been within the last three years a principal, partner, director or senior employee of a provider of material professional services to the Company or another Group member;
- is or has been within the last three years in a material business relationship (e.g. as a supplier or customer) with the Company or other Group member, or an officer of or otherwise associated with someone with such a relationship;
- has a material contractual relationship with the Company or another Group member other than as a Director of the Company or other Group member;
- has close family ties with any person who falls within any of the above categories; or
- has been a Director of the Company for such a period that their independence may have been compromised.

Directors are required to declare any interests which may impact their independence to the Board for review.

Independent Directors hold key positions that include chairing the Board and the Board Committees of Audit, Risk and Compliance, People and Culture and Nomination. They provide an external perspective and checks and balances for the interests of all shareholders.

An assessment of the independence of each Director was completed at the conclusion of the 2019 financial year having regard to the factors outlined above. Materiality, for the purpose of considering whether a Director is an officer of or associated with a material supplier or customer, is assessed as supplying 2.5% or more of the Metcash Group's annual purchases or purchasing 2.5% or more of the Metcash Group's annual sales. Following this review and as at the date of this Statement, the Board consists of seven Directors, six of whom are Non-executive, and all six of whom are considered to be Independent Directors.

Any association between a Director and an entity with whom Metcash has a business relationship is disclosed in the Company's financial report each year. Each of Mr Murray, Ms Dwyer, Ms Nash and Ms Brennan hold positions in companies with which Metcash has business relationships, however the Board has considered each case separately and, having regard to the nature and value of the business relationships, has concluded that these positions do not influence their respective capacity to exercise independent judgement or their ability to act in the best interests of Metcash and its security holders. None of these Directors are involved in any Board decision-making regarding the companies with which they have an association.

Executive Directors

The Board has one Executive Director, Mr Jeffery Adams, who was appointed as Metcash's Group Chief Executive Officer on 5 December 2017. All senior executives, including Executive Directors, are required to enter into written agreements setting out the terms of their appointment and employment.

All Directors, whether independent or not, bring an independent judgement to bear on Board decisions.

Professional Development and Independent Professional Advice

Metcash has in place an induction program for new Directors and provides support for ongoing professional development for all Directors in order to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

The Board has a policy of enabling Directors to seek independent professional advice at the Group's expense. The Board will review in advance the estimated costs for reasonableness, but will not impede Directors from seeking advice.

THE CHAIR SHOULD BE AN INDEPENDENT DIRECTOR

The Chair, Mr Rob Murray, is considered by the Board to be an Independent Director.

THE ROLES OF CHAIR AND CHIEF EXECUTIVE OFFICER SHOULD NOT BE EXERCISED BY THE SAME INDIVIDUAL

The roles of Group Chief Executive Officer and Chair are not exercised by the same individual.

THE BOARD SHOULD ESTABLISH A NOMINATION COMMITTEE

The Board has a Nomination Committee, with all members of the Board (other than the Group Chief Executive Officer) also currently being members of the Nomination Committee.

The membership of the Nomination Committee consists of only Non-executive Independent Directors. Details of their qualifications and attendance at meetings during the past financial year can be found in our Annual Report within the Directors' Report.

The Charter of the Committee can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

ESTABLISH A CODE OF CONDUCT

The Company has a Code of Conduct that applies to Directors and all team members. Subjects covered by the Code include:

- promoting belonging and diversity;
- compliance, fraud, corruption, bribery and irregular transactions;
- safety;
- protecting Metcash assets and resources and confidentiality and privacy guidelines;
- conflicts of interest and acceptance of gifts, entertainment and services;
- adding value in our community and environmental protection;
- continuous disclosure and share trading;
- media (including social media); and
- honest ethical behaviour generally.

The Code can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

Compliance with the Code is monitored through the Group's functions and related processes including compliance, internal audit, security, human resources and work health and safety. New team members are required to attend an induction program that includes behaviour guidelines and are required to complete an assessment to confirm their understanding. Additionally, the Group's performance evaluation process includes team members' performance against 'Key Behavioural Indicators' as well as Performance Targets and Key Objectives.

The Company also has a Speak Up Policy, which provides a mechanism to protect those who, on reasonable grounds, report any actual or suspected misconduct or improper state of affairs concerning Metcash including potential breaches of the Code of Conduct. This policy can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

THE BOARD SHOULD ESTABLISH AN AUDIT COMMITTEE

The Board has an Audit, Risk and Compliance Committee (**ARCC**) which reports regularly to the Board.

The membership of the ARCC consists of solely Non-executive Independent Directors. The members of the ARCC as at the date of this Statement are:

- Ms Tonia Dwyer (Chair);
- Mr Murray Jordan; and
- Ms Anne Brennan.

Details of their qualifications and attendance at meetings during the past financial year can be found in our Annual Report within the Directors' Report.

The function of the ARCC is to advise on the establishment and maintenance of a framework of internal control, effective management of financial and other risks, compliance with laws and regulations and appropriate ethical standards for the management of the Company. It also gives the Board additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial statements. In accordance with the ASX Principles and Recommendations, the Committee consists only of Non-executive Directors (and all of whom are Independent Directors) and is chaired by an Independent Director who is not the Chair of the Board.

The Committee has rights of access to team members and auditors (internal and external) without management present to seek additional information and explanations as required. The Committee meets regularly, in private, with the lead partner of the Company's external auditors and the head of the internal audit function.

COMMITTEE CHARTER

The Committee's Charter sets out the specific responsibilities delegated to it by the Board and details the manner in which the Committee will operate. The Charter can be found on the Company's website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

The principal terms of reference of the ARCC are the effective management of financial and non-financial risks through ensuring that systems and management processes are in place to identify and manage operational, financial and compliance risks.

ROLE OF THE EXTERNAL AUDITOR

The Group's external auditor is Ernst & Young.

A 'Charter of Audit Independence' is in place that details the circumstances under which the Group's external auditor may perform non-audit related services and the procedures to be followed to obtain approval for those services where they are permitted. The Charter also outlines the Group's policies on the:

- hiring of former partners and senior managers of the external auditor; and
- rotation of the lead audit and review partner(s) of the external auditors.

The Charter can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

The external auditor attends the Group's Annual General Meeting and is available to answer questions from those attending regarding the conduct of the audit (including the auditor's independence), the preparation and content of the auditor's report and the accounting policies adopted by the Company in relation to the preparation of the financial statements.

CEO/CFO DECLARATION

The Group Chief Executive Officer and Chief Financial Officer provided a declaration to the Board in respect of both the FY19 half year and full year financial statements that:

- the financial records of the Company and its consolidated entities have been properly maintained;
and
- the financial statements and associated notes for the Company and its consolidated entities comply with Australian Accounting Standards and give a true and fair view of its financial position and performance as at the relevant date and for the relevant period respectively,

and that their opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively, in all material respects, in relation to financial reporting risks.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

COMPLIANCE WITH ASX LISTING RULE CONTINUOUS DISCLOSURE REQUIREMENTS

Metcash is committed to ensuring timely and balanced disclosure to keep the market informed about information that a reasonable person would expect to have a material effect on the price or value of Metcash's securities.

The Metcash Market Disclosure Policy is designed to ensure that:

- there is full and timely disclosure of the Group's activities to shareholders and the market, in accordance with the Group's legal and regulatory obligations; and
- all stakeholders (including shareholders, the market and other interested parties) have an equal opportunity to receive and obtain externally available information issued by the Company.

The policy reflects the Group's obligation to comply with the continuous disclosure requirements of the Listing Rules of the ASX, as well as relevant corporations and securities legislation.

The Market Disclosure Policy can be found on the Company's website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

DISCLOSURE RESPONSIBILITIES AND PROCEDURES

Metcash has established a Disclosure Committee comprised of the Group Chief Executive Officer, Group Chief Financial Officer and Company Secretary (each a **Disclosure Officer**). The Disclosure Committee has responsibility and authority for reviewing and approving proposed disclosures and making decisions in relation to which information can or should be disclosed to the market. In performing its functions, the Disclosure Committee must act through at least two of its members (or their delegates) as are reasonably available to perform the function in the relevant circumstances. Without limiting the Disclosure Committee's authority to act in accordance with the foregoing, where possible and practicable, all disclosures of market sensitive information will be provided to the Board for review before being released to the ASX. The Company Secretary has responsibility for reviewing and approving disclosures of an administrative nature and liaising with the ASX in relation to all announcement and disclosure issues. All announcements and releases to ASX concerning Metcash are provided promptly to the Board after they are released to the market (which is now a recommendation in the 4th Edition of the ASX Principles and Recommendations).

All Company team members are required to inform a Disclosure Officer of any potentially market sensitive information concerning the Group as soon as they become aware of it. Given the importance of Metcash complying with its continuous disclosure obligations team members must err on the side of caution and report *potentially* market sensitive information to a Disclosure Officer even if they are not sure that it would require disclosure. Team members may speak to the head of their business pillar or a Disclosure Officer if they are in doubt as to whether information is potentially market sensitive.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Metcash believes that shareholder and market confidence in all its dealings is paramount and is committed to ensuring it complies with continuous disclosure obligations so that its investors have timely and equal access to important Group information.

In addition, Metcash ensures shareholders and the broader investment community have timely access to important Group information through a series of regular disclosure events during the financial year:

- **Metcash website** – Information about Metcash including information provided to the ASX is made available on our website www.metcash.com so that all shareholders and other key stakeholders have timely access to it. The Group's website contains over five years' of results announcements and ASX announcements, more than 10 years' of Annual Reports, and recent market updates and presentations in the Investor Centre. Metcash's key corporate governance charters, policies, codes and rules can also be accessed in the Investor Centre under the heading 'Corporate Information';
- **Annual General Meeting** – Metcash facilitates and encourages participation of shareholders at the Annual General Meeting (**AGM**) to ensure a high level of accountability and discussion of the Group's strategy, goals and performance. This is achieved through:
 - giving shareholders in attendance at the AGM an opportunity to ask questions regarding the items of business and the conduct of the annual audit of the Company's financial statements (including the auditor's independence), the preparation and content of the auditor's report and the accounting policies adopted by the Company in relation to the preparation of the financial statements, and making the Directors, members of the senior management team and the external auditor available to answer those questions;
 - providing shareholders who are unable to attend the AGM with an opportunity to submit questions in advance of the meeting;
 - allowing shareholders to lodge proxies electronically; and
 - all resolutions in the notice of meeting for the AGM being decided on a poll, not a show of hands (which is now a recommendation in the 4th Edition of the ASX Principles and Recommendations);
- **Annual and Half Year Report** – Metcash issues a financial report for each half year and full financial year which are available on our website www.metcash.com under the headings 'Financial Results' and 'ASX Announcements' in the Investor Centre;
- **ASX Announcements** – ASX announcements (including results announcements) are made available on our website following their release to the ASX under the headings 'Financial Results' and 'ASX Announcements' in the Investor Centre;
- **Investor relations** – Metcash welcomes engagement by shareholders through forums such as the AGM and investor roadshows that are conducted throughout the year. Supplementary briefings for investors, market analysts and the media are held at the same time as annual and half year results are released. These briefings are webcast and the recording, as well as any investor or analyst presentation materials, are made available on the Company's website for all shareholders and other stakeholders. Shareholders are also able to engage with us outside of formal forums through our Shareholder Service, details of which are available on our website www.metcash.com under the heading 'Shareholder Services' in the Investor Centre.

The Company's Shareholder Communications Policy can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

The Company encourages electronic communication with shareholders to facilitate the speedy and inexpensive dissemination of information. This is being done through email, the Group's website, corporate social media and direct distribution. Shareholders are able to request printed hard copies of publications where they are unable to access them electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Metcash recognises that risk is an accepted part of doing business, enabling us to create long-term shareholder value. We are committed to the identification, monitoring and management of material risks to protect and enhance shareholder interests.

OVERSIGHT AND MANAGEMENT OF MATERIAL BUSINESS RISKS

The Board is responsible for determining the Group's appetite for risk, taking into account the Group's strategic objectives and other factors including stakeholder expectations, and for monitoring financial and non-financial risks.

The Board is supported in its risk oversight role by the Audit, Risk and Compliance Committee (the ARCC). On behalf of the Board, the ARCC monitors those risk events that could prevent the achievement of the Group's corporate strategies. The ARCC's Charter can be found on the Company's website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

The membership of the ARCC as at the date of this Statement comprises the following Non-executive Independent Directors:

- Ms Tonianne Dwyer (Chair);
- Mr Murray Jordan; and
- Ms Anne Brennan.

Details of their qualifications and attendance at meetings during the past financial year can be found in our Annual Report within the Directors' Report.

The Company's Risk and Assurance function, with oversight from the ARCC, implements a continuous process of communication with internal stakeholders regarding financial and non-financial risks. It also periodically (and at least annually, including in FY19) conducts a risk profiling exercise, which examines the Group's external and internal environments and maps out the Group's key strategic and operational risks and ascertains that management has in place a framework to manage risk, particularly significant risks. This process and outcomes are reviewed by the ARCC and inform Metcash's material business risks disclosure in its Annual Report, the internal audit program for the following period and matters to be addressed as part of strategic planning.

Metcash's approach to risk oversight and management of material business risks is summarised in our Risk Management Policy which can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre. The ARCC reviews the Risk Management Policy annually (including in FY19). The Group's risk management philosophy and practices are documented more fully in the Metcash Risk Management Framework and Guidelines.

Material business risks have been outlined within the 'Operating and Financial Review' section in our Annual Report.

INTERNAL AUDIT

The Group has an internal audit function operating as part of the broader Risk and Assurance function. The head of the internal audit function has a direct reporting line to the Chair of the ARCC and, therefore, to the Board.

The internal audit function's goal is to provide independent, objective assurance to assist Metcash meet its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance over business processes.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

People and Culture Committee

The People and Culture Committee's purpose is to assist the Board in discharging its duties in respect of Metcash's people policies and practices as well as other related matters as directed by the Board. The People and Culture Committee's Charter can be found on the Company's website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

The membership of the People and Culture Committee as at the date of this Statement comprises the following Non-executive Independent Directors:

- Ms Fiona Balfour (Chair);
- Ms Helen Nash; and
- Mr Murray Jordan.

Details of their qualifications and attendance at meetings during the past financial year can be found in our Annual Report within the Directors' Report.

Remuneration Policy

The Group's Remuneration Policy is summarised in the 'Remuneration Report' contained within the Directors' Report in our Annual Report. Details of the compensation of Key Management Personnel, including retirement benefits and termination entitlements, are also contained in the Remuneration Report.

The Group's policy on the expected standards of behaviour when trading shares including under any equity-based remuneration scheme is set out in the Metcash Code for Directors and Management in Respect of Share Transactions, which can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.

Minimum Shareholding Policy

To further align the interests of the Company's shareholders and its Key Management Personnel, Metcash adopted a Minimum Shareholding Policy for its Directors effective 1 May 2018, which was reviewed in FY19 and extended to other Key Management Personnel effective 1 May 2019.

Under the Minimum Shareholding Policy, the Chair and other Non-executive Directors are each required to hold 100% of their annual base fees in Metcash shares as at 30 April each year, while the Group CEO is required to hold 100% and other Key Management Personnel are required to hold 50% of their Total Employment Cost in Metcash shares as at 30 April each year, with all Directors and other Key Management Personnel having 5 years (from the later of the policy adoption or their appointment) to attain the minimum shareholding.

The Minimum Shareholding Policy can be found on our website www.metcash.com under the heading 'Corporate Information' in the Investor Centre.