



Metcash Limited

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

12 August 2024

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

Dear Sir/Madam

METCASH LIMITED – 2024 ANNUAL GENERAL MEETING

In accordance with ASX Listing Rule 3.17, please find attached the following documents which are being sent to members today:

- Letter to shareholders regarding the 2024 annual general meeting
- Proxy Form.

Please also find attached the Notice of Annual General Meeting (and Explanatory Memorandum to Shareholders).

The 2024 annual general meeting will be held at the Whiteley Room, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney, New South Wales 2000, on Friday, 13 September 2024 at 2.00pm (AEST).

Please refer to the attached for further details.

Yours faithfully

A handwritten signature in black ink, appearing to read "Julie Hutton".

Julie Hutton
Company Secretary

12 August 2024

Dear Shareholder

The 2024 Annual General Meeting (**Meeting**) of shareholders of Metcash Limited (**Company** or **Metcash**) will be held at **2.00pm (AEST) on Friday, 13 September 2024**. Shareholders are invited to attend the Meeting at the Whiteley Room, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney, New South Wales 2000.

The Notice of Meeting can be viewed and downloaded at <https://www.metcash.com/investor-centre/2024-agm/>. The Notice of Meeting includes information on participating in the Meeting and the business to be considered at the Meeting, including:

- the consideration of our financial and statutory reports for FY24;
- the re-election of Ms Haseltine as a director;
- the adoption of Metcash's Remuneration Report for FY24;
- the approval to grant performance rights to Mr Douglas Jones, Group CEO; and
- the approval to give financial assistance under section 260B(2) of the Corporations Act.

You can request a hard copy of the Notice of Meeting by contacting Boardroom on 1800 655 325 (within Australia) or +61 2 9290 9696 (outside Australia).

Shareholders should monitor the Metcash website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Meeting.

If you are unable to attend the Meeting, we encourage you to submit a directed proxy form as early as possible. Shareholders may use the Proxy Form attached or can lodge their proxy online at www.votingonline.com.au/metcashagm2024. Proxy Forms must be lodged by 2.00pm (AEST) on Wednesday, 11 September 2024.

Shareholders who are unable to attend the Meeting can listen to and ask questions or make comments at the Meeting via webcast at <https://web.lumiconnect.com/389140530>. Access will require the Voting Access Code (VAC) printed on the enclosed proxy form. Shareholders will not be able to vote via the webcast.

Shareholders can also ask questions before the Meeting by emailing questions to metcash@boardroomlimited.com.au by no later than 5pm (AEST) on Friday, 6 September 2024. Please note that individual responses will not be sent to any shareholder.

The Board and management of Metcash look forward to welcoming you to the Meeting and providing an update on Metcash's activities.



Peter Birtles
Chair

12 August 2024

All Correspondence to:

- By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** www.boardroomlimited.com.au
- By Phone:** (within Australia) 1800 655 325
(outside Australia) +61 2 9290 9696

YOUR VOTE IS IMPORTANT

For your vote to be effective your proxy form must be lodged **before 2.00pm (AEST) on Wednesday, 11 September 2024.**

 TO LODGE YOUR PROXY ONLINE **BY SMARTPHONE**

STEP 1: VISIT www.votingonline.com.au/metcashagm2024

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



PLEASE NOTE: For security reasons it is important you keep the above information confidential.

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM**STEP 1 APPOINTMENT OF PROXY**

Indicate who you want to appoint as your proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1 on the next page. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave that section blank, or your named proxy does not attend the Meeting or does not vote on a poll in accordance with your directions, the Chair 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.

Appointment of a Second Proxy

If you are entitled to cast two or more votes on a resolution, you are entitled to appoint up to two proxies to attend the Meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting 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

It is recommended that you direct your proxy how to vote particularly where the proxy is not the Chair. To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that 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 to the extent permitted by law. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy voting by key management personnel: The key management personnel of the Company (which includes each of the Directors) at the date of the Meeting and their closely related parties will not be able to cast your votes on items 3 or 4 unless you direct them how to vote, or the Chair of the Meeting is your proxy. If you intend to appoint a member of the key management personnel or one of their closely related parties as your proxy, please ensure that you direct them how to vote on items 3 and 4 by marking the box opposite that item.

If you have appointed the Chair of the Meeting as your proxy (or the Chair becomes your proxy by default), you can direct them how to vote by marking the box for the relevant item. If you do not mark any box opposite item 3 or 4, by completing and submitting the Proxy Form you are expressly authorising the Chair of the Meeting to cast your vote as they see fit on those items, even though the items are connected with the remuneration of the key management personnel.

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 the Meeting. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

STEP 3 SIGN THE FORM

The Proxy Form **must** be signed 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 should 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 should be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. **Please indicate the office held by signing in the appropriate place.**

If submitting your Proxy Form online you do not need to lodge a signed copy of the Proxy Form.

STEP 4 LODGEMENT

Proxy Forms (and any Power of Attorney or other authority under which it is signed) must be received no later than 48 hours before the commencement of the Meeting, therefore by **2.00pm AEST on Wednesday, 11 September 2024.** Any Proxy Form received after that time will not be valid for the Meeting.

Proxy Forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** www.votingonline.com.au/metcashagm2024
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Attending the Meeting

If you wish to attend the Meeting please bring this form with you to assist registration.

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 in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

At the Annual General Meeting of **Metcash Limited** (Company) to be held at **the Whiteley Room, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney, New South Wales 2000 on Friday, 13 September 2024 at 2.00pm (AEST)** and at any adjournment or postponement of that meeting (Meeting), I/we being a member/s of the Company and entitled to attend and vote at the Meeting hereby appoint:

the **Chair of the Meeting** (mark box)

OR

Note: If you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy, in this box.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy to act generally at the Meeting 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 (subject to voting exclusions).

Chair of the Meeting authorised to exercise available proxies on remuneration related matters (items 3 and 4): If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of items 3 or 4, then by completing and submitting this form, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of those items even though items 3 and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

The Chair of the Meeting intends to vote all available proxies in favour of all resolutions.

If you wish to direct your proxy how to vote, you can provide a direction by marking the 'For', 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * 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 vote will not be counted in calculating the required majority on a poll.

		For	Against	Abstain*
Resolution 2	To re-elect Ms Margaret Haseltine as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To approve the grant of performance rights to Mr Douglas Jones, Group CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Special resolution to approve the giving of financial assistance under section 260B(2) of the Corporations Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS
 This form must be signed 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 / / 2024

Listening to the meeting by webcast

Shareholders who are unable to attend the Meeting in person can listen to and ask questions and make comments at the Meeting by webcast at <https://web.lumiconnect.com/389140530>. Access requires the Voting Access Code (VAC) from the front of this proxy form. Please note that shareholders will not be able to vote through this virtual platform. Shareholders wishing to vote who are unable to attend the physical meeting must submit a valid proxy instruction **by 2.00pm (AEST) on Wednesday, 11 September 2024**.

NOTICE OF ANNUAL GENERAL MEETING 2024

METCASH LIMITED (ABN 32 112 073 480)

AGENDA ITEMS

Notice is given that the 2024 annual general meeting of Metcash Limited (Company) will be held at the Whiteley Room, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney, New South Wales 2000, on Friday, 13 September 2024 at 2.00pm (AEST).

Shareholders should monitor the Metcash website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

1. Financial report

To receive and consider the financial report of the Company and the reports of the directors and auditor for the year ended 30 April 2024.

2. Resolution to re-elect director

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

"That Ms Margaret Haseltine, who retires in accordance with the Company's constitution, be 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 2024 be adopted."

The remuneration report is set out on pages 50 to 66 of the 2024 annual report. Please note that the vote on this resolution is advisory only, and does not bind the directors or the Company.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on the resolution proposed in item 3:

- by or on behalf of a person who is a member of the Company's key management personnel named in the remuneration report for the year ended 30 April 2024 or their closely related parties (regardless of the capacity in which the vote is cast); or
- as proxy by a person who is a member of the Company's key management personnel on the date of the annual general meeting or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on the resolution proposed in item 3:

- in accordance with a direction on the proxy form; or
- by the Chair of the meeting in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution in item 3 is connected with the remuneration of the Company's key management personnel.

4. Resolution to approve grant of performance rights to Mr Douglas Jones, Group CEO

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

"That approval is given for all purposes, including ASX Listing Rule 10.14, for the grant of performance rights to Mr Douglas Jones on the terms described in the Explanatory Memorandum accompanying this notice of meeting."

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on the resolution proposed in item 4:

- in favour of the resolution by or on behalf of Mr Jones or any of his associates, regardless of the capacity in which the vote is cast; or
- as proxy by a person who is a member of the Company's key management personnel on the date of the annual general meeting or their closely related parties,

unless the vote is cast on the resolution proposed in item 4:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chair of the meeting as proxy for a person entitled to vote on the resolution in accordance with an express authorisation to exercise the proxy as the Chair of the meeting decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Special resolution to approve the giving of financial assistance under section 260B(2) of the Corporations Act

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

"That for the purposes of section 260B(2) of the Corporations Act 2001 (Cth), approval is given for the financial assistance to be provided by SFG Group Holdings Pty Ltd ACN 607 436 386, Total Tools Holdings Pty Ltd ACN 138 595 525, Bianco Hardware Pty. Limited ACN 152 645 406, The Truss Company Pty Ltd ACN 010 781 085, Girrawheen SPV Pty Ltd ACN 670 425 911, TT Adelaide West Pty Ltd ACN 148 140 694 and Alltools (Pakenham) Pty Ltd ACN 006 867 545 and any of their respective subsidiaries from time to time in connection with the Acquisitions as described in the Explanatory Memorandum accompanying this notice of meeting."

Background Information and Explanatory Memorandum

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

By Order of the Board



Julie Hutton
Company Secretary

12 August 2024

BACKGROUND INFORMATION

Entitlement to vote and required majority

SNAPSHOT TIME

The Board has determined, under Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that for the purposes of the annual general meeting, persons who are the registered holders of shares in the Company as at **7.00pm (AEST) on Wednesday, 11 September 2024** will be entitled to attend and vote at the annual general meeting as a shareholder. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

If more than one joint holder of shares tenders a vote (whether in person or by proxy, attorney or representative), only the vote of the joint holder whose name appears first on the register will be counted.

RESOLUTIONS

All items of business at the meeting are ordinary resolutions and will be decided on a poll.

Proxies, attorneys and corporate representatives

VOTING BY PROXY

All shareholders who are entitled to attend and vote at the meeting can appoint the Chair of the meeting or another person as proxy to attend and vote in their place.

A proxy may but need not be a shareholder of the Company and can be either an individual or a body corporate. If a shareholder directs their appointed proxy how to vote on an item of business, the proxy must vote in accordance with the direction.

The proxy can be appointed in respect of some or all of the votes held by the shareholder. A shareholder that is entitled to cast two or more votes may appoint up to two 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.

If a shareholder appoints a body corporate as proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the meeting.

LODGING PROXY FORMS

If a shareholder wishes to appoint a proxy, they must complete the proxy form for the meeting. Completed proxy forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be received by the Company's corporate registry, Boardroom Pty Limited, by **2.00pm (AEST) on Wednesday, 11 September 2024**, at the following address, facsimile number or website address:

Address: By mail: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
AUSTRALIA

Facsimile: +61 2 9290 9655

Online: www.votingonline.com.au/metcashagm2024

VOTING BY ATTORNEY

Where a shareholder appoints an attorney to act on their behalf at the meeting, the instrument appointing the attorney (together with any authority under which the instrument was signed or a certified copy of the authority) must be received by **2.00pm (AEST) on Wednesday, 11 September 2024** by the Company's corporate registry, Boardroom Pty Limited, as set out above for proxy forms.

VOTING BY CORPORATE REPRESENTATIVE

Any corporate shareholder or proxy may appoint a person to act as its representative at the meeting. The representative must bring to the meeting a formal notice of appointment, including any authority under which the appointment is signed. A form of notice of appointment can be obtained from Boardroom Pty Limited or downloaded from <http://boardroomlimited.com.au/investor-forms/>.

HOW THE CHAIR INTENDS TO VOTE AVAILABLE PROXIES

If a shareholder appoints the Chair of the meeting as their proxy or the Chair of the meeting becomes their proxy by default and the shareholder has not marked a voting box for Resolutions 3 or 4, then by completing and submitting a proxy form, the Chair of the meeting is expressly authorised to vote available proxies in respect of those items even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

The Chair of the meeting intends to vote all available proxies **in favour** of the resolutions set out in this notice of meeting.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chair of the meeting, who is required to vote proxies as directed.

Asking questions

IN ADVANCE OF THE MEETING

A shareholder entitled to attend and vote at the annual general meeting may submit written questions to the Company or the external auditor before the meeting. Written questions to the auditor must be in relation to the conduct of the audit or the content of the auditor's report.

Any questions should be emailed to metcash@boardroomlimited.com.au by no later than **5pm (AEST) on Friday, 6 September 2024**. Please note that individual responses will not be sent to any shareholder.

BACKGROUND INFORMATION CONTINUED

AT THE MEETING

During the meeting, shareholders as a whole will have a reasonable opportunity to ask questions or make comments to the Company or the external auditor. In the interests of all attendees, please confine questions to matters being considered at the meeting that are relevant to shareholders as a whole.

Questions to the external auditor must be relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Chair will endeavour to address as many of the more frequently raised relevant questions as possible. However, there may not be sufficient time available at the meeting to address all of the questions raised.

Admission to meeting

Shareholders or their proxies, attorneys or representatives who will be attending the meeting are asked to arrive 15 minutes before the start of the meeting and to bring their proxy form to help speed admission. Shareholders who appoint a proxy or attorney may still attend the meeting. However, if the shareholder votes on a resolution, the proxy or attorney is not entitled to vote as that shareholder's proxy or attorney on the resolution.

Shareholders who do not plan to attend the meeting are encouraged to complete and return a proxy form.

Listening to the meeting by webcast

Shareholders who are unable to attend the annual general meeting in person can listen to and ask questions and make comments at the meeting by webcast at <https://web.lumiconnect.com/389140530>. Refer to the user guide available at <https://www.metcash.com/investor-centre/2024-agm/> for instructions on accessing the webcast and submitting live questions. Please note that shareholders will not be able to vote through this virtual platform. Shareholders wishing to vote who are unable to attend the physical meeting must submit a valid proxy instruction by **2.00pm (AEST) on Wednesday, 11 September 2024**.

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. It is an important document. Please read it carefully.

Agenda Items

1. FINANCIAL REPORT

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires:

1. the reports of the directors and auditor; and
2. the annual financial report, including the financial statements of the Company,

for the year ended 30 April 2024 to be laid before the annual general meeting.

While no resolution is required for this item, shareholders will be given a reasonable opportunity to raise questions or comments on the reports and statements, as well as the management of the Company, at the meeting. A copy of the annual report of the Company for the year ended 30 April 2024 is available on Metcash's website at <https://www.metcash.com/investor-centre/annual-reports/>.

2. RESOLUTION TO RE-ELECT DIRECTOR

Resolution 2 seeks approval for the re-election of Ms Margaret Haseltine who is retiring by rotation under rule 7.1(d) of the Company's constitution.

The Board conducts an annual review of the performance of the Board, its Committees and the individual directors, alternating each year between an internal self-assessment and an external review conducted by a board performance consultant. As part of these processes, the Board has reviewed the performance of Ms Haseltine and considered her contributions to the Board and its Committees, and her skills and expertise.

For these reasons, and those outlined in the director's profile below, the Board recommends shareholders vote in favour of the re-election of Ms Haseltine.

PROFILE OF MS HASELTINE

Ms Margaret Haseltine, Independent Non-executive Director (BA, FAICD)

Ms Haseltine was appointed to the Board on 3 May 2021 and is Chair of the People, Culture and Nomination Committee and a member of the Technology Advisory Working Group.

Ms Haseltine has more than 30 years of experience across supply chains and logistics, customer interface in the FMCG sector, change management and governance. Her executive career includes 20 years at Mars Inc. including five years as Chief Executive Officer of Food in Australia.

Ms Haseltine is a non-executive director and Chair of Bapcor Limited (director since May 2016, Chair since February 2021) and a non-executive director of Inghams Group Limited (since September 2023), Tye Soon Limited (listed on the Singapore Exchange, since February 2022), Real Pet Food Company Pty Ltd (since March 2022), Kennards Hire Pty Limited (since October 2022) and Central Coast Industry Connect (a community group to promote industry and employment in the Central Coast area (NSW), since 2019). She is also a Fellow of the Australian Institute of Company Directors.

Ms Haseltine was formerly a non-executive director of Bagtrans Group Pty Limited (2016 to 2021), Newcastle Permanent Building Society (2018 to 2022), Droppoint Australia Pty Ltd (2019 to 2022) and Fairhaven Disability Services (2021 to 2022).

The Board considers Ms Haseltine to be an independent director.

RECOMMENDATION

For the reasons outlined above and in the director's profile, the Board (with Ms Haseltine abstaining) unanimously recommends that shareholders vote in favour of Resolution 2.

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 50 to 66 of the 2024 annual report and is also available on the Company's website www.metcash.com. The remuneration report:

1. describes the policies behind, and structure of, the remuneration arrangements of the Company and the link between the remuneration of group executives and the Company's performance;
2. sets out the remuneration details for the non-executive directors, the Group CEO and the group executives of the Company who together have the authority and responsibility for planning, directing and controlling the activities of the Company; and
3. explains the differences between the bases for remunerating non-executive directors and executives.

A reasonable opportunity for discussion of the remuneration report will be provided to shareholders at the annual general meeting. The vote on Resolution 3 is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote and discussion at the meeting into account in setting remuneration policy for future years.

RECOMMENDATION

The Board unanimously recommends that shareholders vote in favour of Resolution 3.

4. RESOLUTION TO APPROVE GRANT OF PERFORMANCE RIGHTS TO MR DOUGLAS JONES, GROUP CEO

BACKGROUND

Shareholder approval is sought to grant 469,948 performance rights to the Group CEO, Mr Douglas Jones, as his long-term incentive (LTI) award for FY25 (the **Performance Rights**).

If shareholder approval is obtained, the Performance Rights will be granted under the Company's Senior Executive Performance Rights Plan (PRP).

WHY IS APPROVAL SOUGHT?

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval in order to issue securities under an employee incentive scheme to a director, an associate of a director or a person whose relationship with the Company, a director or associate of the Company is such that, in ASX's opinion, the acquisition should be approved by security holders. As Mr Jones is a director of the Company, he falls within the first category (ASX Listing Rule 10.14.1).

Accordingly, the Company is seeking shareholder approval for the grant of Performance Rights to Mr Jones in the interests of transparency and good governance, and so that the Company will have the flexibility to issue shares to Mr Jones if the performance conditions are achieved and his Performance Rights vest.

If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Jones.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS CONTINUED

NUMBER OF PERFORMANCE RIGHTS

If shareholders approve the grant of Performance Rights to Mr Jones, he will be granted 469,948 Performance Rights.

This number has been determined by dividing Mr Jones' LTI opportunity of \$1,837,500 by \$3.91, being the volume weighted average price (**VWAP**) of the Company's shares traded on the ASX over the 20 trading days ended 30 April 2024, the last trading day before the start of the Company's 2025 financial year. Mr Jones' LTI opportunity is 105% of his fixed remuneration of \$1,750,000.

The actual value that Mr Jones will receive (if any) will depend on whether the performance conditions for the grant are achieved and the price of the Company's shares at the date of vesting.

The Company uses Performance Rights because they create share price alignment between executives and ordinary shareholders, but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Performance Rights vest.

PERFORMANCE CONDITIONS

The award will be subject to two performance conditions that will be tested over a three-year performance period from 1 May 2024 to 30 April 2027. The Board has determined that the most appropriate performance conditions are absolute Total Shareholder Return (**TSR**) and Adjusted Earnings Per Share (**AEPS**) with a Return on Funds Employed (**ROFE**) gate-opener.

50% of the Performance Rights will be subject to the absolute TSR hurdle with the other 50% subject to the AEPS hurdle with a ROFE gate-opener. Metcash applied ROFE as the second performance condition metric in relation to prior period LTI plans. For the FY25 grant of Performance Rights, AEPS (with a ROFE gate-opener) replaces ROFE as the second performance condition metric.

Further detail about each of these performance conditions is set out below.

ABSOLUTE TSR

TSR is measured as the growth in share price over the performance period plus dividends paid to shareholders and assuming dividends are reinvested when they are paid. The Board may exercise its discretion to include other share capital transactions, including buybacks and otherwise adjust the calculation for capital transactions as deemed appropriate. The TSR result is expressed as a percentage and reported as the compound annual growth rate over the performance period (**TSR CAGR**).

Metcash TSR CAGR	TSR CAGR %	% of Performance Rights subject to the Absolute TSR condition that vest
Below Threshold	–	0%
Threshold	6.0%	25%
Between Threshold and Target	–	Pro-rata vesting on a straight-line basis
Target	7.3%	50%
Between Target and Stretch	–	Pro-rata vesting on a straight-line basis
Stretch	8.7%	75%
Between Stretch and Maximum	–	Pro-rata vesting on a straight-line basis
Maximum or above	10.0%	100%

The Board sets the above vesting scale for the TSR performance condition through consideration of historical returns of ASX200 companies, future expectations regarding market returns and also the Company's weighted average cost of capital (**WACC**). Full vesting of the TSR component will only occur if the Company achieves a TSR CAGR of 10% or more in respect of the three-year performance period.

ADJUSTED EPS (AEPS)

AEPS represents consolidated Metcash underlying earnings per share adjusted to include Program Horizon significant items expense (after tax) and Mega Distribution Centre significant items expense (after tax). AEPS will be measured by reference to the compound annual growth rate (CAGR) of the Company's AEPS over the three-year performance period from the FY24 year AEPS result to the FY27 year AEPS result.

ROFE is calculated as underlying Adjusted Earnings Before Interest and Tax (**Adjusted EBIT**) divided by the average of funds employed at the beginning and end of the financial year. Adjusted EBIT represents Underlying Earnings Before Interest and Tax less Program Horizon significant items expense (pre-tax) and less Mega Distribution Centre significant items expense (pre-tax). The overall ROFE result will be determined as the mathematical average of the individual ROFE result determined in respect of each of the relevant three financial years over the performance period.

If ROFE does not equal or exceed the gate-opener threshold of 17.5% over the performance period, then no Performance Rights in the AEPS tranche will vest. If ROFE equals or exceeds the gate-opener threshold of 17.5% over the performance period, then the Performance Rights will vest based on the AEPS results that will be determined as follows:

Metcash AEPS CAGR	AEPS CAGR %	% of Performance Rights subject to the AEPS condition that vest
Below Threshold	–	0%
Threshold	3.5%	25%
Between Threshold and Target	–	Pro-rata vesting on a straight-line basis
Target	*	50%
Between Target and Stretch	–	Pro-rata vesting on a straight-line basis
Stretch	*	75%
Between Stretch and Maximum	–	Pro-rata vesting on a straight-line basis
Maximum or above	8.0%	100%

*To be disclosed after test date.

As noted above, Metcash applied ROFE as the second performance condition metric in relation to prior period LTI plans. The Board has considered the strategic objectives of the Company and has determined to adjust and expand the second performance condition by changing to AEPS as the primary metric, but nevertheless retaining ROFE as a gate-opener.

The shift to AEPS reflects the Company's strategic focus on growth and is aligned with the Company's objective to grow earnings in a manner that is directly aligned with shareholder interests. However, the Board also recognises the importance of generating growth at a return on capital that is at a rate superior to the Company's WACC and holding management to account in relation to the level of capital investment required, and the funding sources used, to deliver targeted earnings. Hence, as an added level of rigour, the Board determined to retain a minimum ROFE target as a gate-opener.

The Board has set the AEPS performance condition vesting scale through consideration of the latest strategic plan presented to the Board (which is commercially sensitive) and also after taking into account the strategic and market risks and opportunities which may present over the performance period. In setting the targets the Board was mindful of striking an appropriate balance between setting the targets at a level with an appropriate level of outperformance against the five-year strategic plan while being motivating and incentivising for management.

None of the AEPS component will vest unless the Company achieves an AEPS CAGR of at least 3.5% in respect of the three-year performance period. Full vesting of the AEPS component will only occur if the Company achieves an AEPS CAGR of 8% or more in respect of the three-year performance period. If the Performance Rights ultimately vest, the full AEPS performance condition vesting range will be disclosed after the test date.

As noted above, the Board has determined that the ROFE gate-opener should be set at 17.5% which is significantly higher than the Company's WACC which is currently estimated at 10%. While 17.5% is below the recent historical performance of the Company of 24.7% in FY24, the Board considers that this is an appropriate hurdle rate as it will allow management the flexibility to put forward strategic investment opportunities that will deliver growth in shareholder value but may in the short term reduce ROFE.

Mr Jones' Performance Rights will be tested:

- against satisfaction of the above performance conditions after the financial results of the last year of the performance period are released in or around June 2027; and
- in respect of an employment service condition up to 15 August 2027.

When testing the performance conditions, the Board has discretion to include or exclude any items from its calculations. Calculation of the hurdles and achievement against the hurdles will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (including changes to Australian Accounting Standards). Any Performance Rights that do not vest when they are tested will lapse.

TERMS APPLYING TO ALL PERFORMANCE RIGHTS

Vesting	<p>Each Performance Right that vests entitles Mr Jones to one fully paid ordinary share in the Company (or an equivalent cash payment in lieu of an allocation of shares).</p> <p>Any shares issued or transferred to Mr Jones on vesting of his Performance Rights may be purchased on-market or issued by the Company. No amount will be payable by Mr Jones for those shares.</p> <p>The Performance Rights do not carry any voting rights or entitlements to receive dividend payments prior to vesting. Once Performance Rights have vested, the shares issued or transferred to Mr Jones are not subject to any disposal restriction, however Mr Jones must comply with the Company's Securities Trading Policy as amended from time to time.</p>
Cessation of employment	<p>Unless the Board determines otherwise, where Mr Jones' employment is terminated:</p> <ul style="list-style-type: none"> • for cause or he resigns or gives notice of resignation prior to the vesting date, all unvested Performance Rights will lapse; or • in all other circumstances, a pro rata portion of his unvested Performance Rights will remain on foot (calculated based on the portion of the performance period that has elapsed) and will be tested in the ordinary course subject to the performance conditions outlined above as though Mr Jones had not ceased employment.
Change of control	<p>The Board has full discretion to vest or lapse some or all of Mr Jones' unvested Performance Rights if there is a takeover or other event that the Board reasonably considers should be treated in the same way as a change of control of the Company.</p>
Misconduct	<p>The PRP Rules contain forfeiture and clawback provisions that will apply in certain circumstances. For example, if Mr Jones acts fraudulently or dishonestly or is in breach of his obligations to the Metcash Group, the Board may determine that any or all of his Performance Rights lapse (or shares allocated on vesting are forfeited).</p>

ADDITIONAL INFORMATION PROVIDED FOR SHAREHOLDERS IN ACCORDANCE WITH ASX LISTING RULES

Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Jones' current total remuneration:

Fixed remuneration	\$1,750,000
Short-term incentive opportunity	70% of fixed remuneration at target, 157.5% at maximum
Long-term incentive opportunity	105% of fixed remuneration on a face value basis

Shareholders are referred to the Company's remuneration report for full details of Mr Jones' remuneration.

If shareholder approval is obtained, the Company intends to grant the Performance Rights to Mr Jones as soon as practicable after the annual general meeting and, in any event, no later than 12 months after approval is obtained.

No amount will be payable by Mr Jones for Performance Rights as they form part of his FY25 remuneration package.

The ASX Listing Rules require this Notice of Meeting to state the number and average price of securities received by Mr Jones under the PRP. 1,631,764 Performance Rights have been issued to Mr Jones under the PRP (at no cost) in respect of prior annual long-term incentive grants, the deferred component of his FY22, FY23 and FY24 short-term incentive awards and a buyout of executive incentives issued by his former employer. 550,172 of these Performance Rights have vested and been allocated to Mr Jones as fully paid ordinary shares.

Mr Jones is a director of the Company and no other director of the Company is entitled to participate in the PRP.

No loan will be made by the Company in connection with the grant of Performance Rights or the allocation or issue to Mr Jones of any shares on vesting of those Performance Rights.

Details of any Performance Rights issued under the PRP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the PRP after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

RECOMMENDATION

The Board (with Mr Jones and Ms Holman abstaining) unanimously recommends that shareholders vote in favour of Resolution 4.

Ms Holman advised the Chair that she abstained from voting on the resolution to recommend that shareholders vote in favour of Resolution 4 as, while she supports the issue of Performance Rights to the Group CEO as set out in this Explanatory Memorandum:

- she did not support the ROFE gate-opener threshold and the AEPS vesting scale approved by the Board; and
- the Board retains discretion under the terms of the PRP to make decisions in relation to the LTI award in future and she will be retiring from the Board at the conclusion of the annual general meeting.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS CONTINUED

As noted above, the vesting scale for the AEPS is set by reference to (among other things) the latest strategic plan submitted to the Board (which is commercially sensitive). The AEPS CAGR Threshold has been set at 3.5% and the Maximum at 8%. Ms Holman was of the view that the Threshold be set at 4% and the Maximum at 8.5%.

Ms Holman is also of the view that the ROFE gate-opener should be higher than 17.5% and be set in accordance with the ROFE projections in the five-year strategic plan. This reflects a difference in perspective on the role of a gate-opener and as explained above the other members of the Board are of the opinion that the gate-opener should provide flexibility for management to progress value creating investments not currently considered in the five-year plan.

5. SPECIAL RESOLUTION TO APPROVE THE GIVING OF FINANCIAL ASSISTANCE UNDER SECTION 260B(2) OF THE CORPORATIONS ACT

EXECUTIVE SUMMARY

This resolution is proposed in order to enable the Company and its subsidiaries (**Metcash Group**) to comply with the Metcash Group's existing debt financing arrangements by causing:

- SFG Group Holdings Pty Ltd ACN 607 436 386 (**SFG HoldCo**) and certain of its subsidiaries as set out in Appendix 1 (the **SFG Companies**);
- Total Tools Holdings Pty Ltd ACN 138 595 525 (**TT HoldCo**) and certain of its subsidiaries as set out in Appendix 1 (the **TT Companies**);
- Bianco Hardware Pty. Limited ACN 152 645 406 (**Bianco**) and certain of its subsidiaries as set out in Appendix 1 (the **Bianco Companies**);
- The Truss Company Pty Ltd ACN 010 781 085 (**Truss**); and
- Girrawheen SPV Pty Ltd ACN 670 425 911 (**Girrawheen**),

(together, the **Acquired Companies**) to become guarantors of the debt arising under the Metcash Group's financing arrangements alongside other existing members of the Metcash Group.

The Metcash Group acquired the Acquired Companies pursuant to the transactions described in further detail below. Except for the Truss Acquisition, Girrawheen Acquisition, the TT Adelaide West Acquisition and the TT Pakenham Acquisition (each as defined below), the Company has previously made ASX announcements concerning each of these acquisitions.

The Metcash Group used its debt financing arrangements to assist with the funding of each of these acquisitions. These debt financing arrangements are described in further detail below. Further details of the guarantee and other financial assistance proposed to be provided by the Acquired Companies are also set out in more detail below.

If the Acquired Companies become guarantors of the debt financing arrangements, the guarantee provided by these entities and the related transactions entered into by these entities in connection with such guarantee and financing arrangements may be regarded as constituting providing 'financial assistance' to the Metcash Group to acquire shares in themselves, or their respective holding company, for the purposes of the Corporations Act.

The Corporations Act requires this kind of financial assistance to be approved by:

- a resolution agreed to by all ordinary shareholders of each of the Acquired Companies (being the companies giving the financial assistance); and
- a special resolution passed at a general meeting of the Company (being the listed ultimate holding company of the Acquired Companies immediately after completion of the relevant acquisition).

Accordingly, the shareholders of the Company are being asked to consider and, if thought fit, pass the financial assistance resolution proposed in item 5 of the notice of annual general meeting to which this Explanatory Memorandum is attached (the **HoldCo Financial Assistance Resolution**).

For the reasons set out below, the directors of the Company consider the HoldCo Financial Assistance Resolution is in the best interests of the Company and unanimously recommend that the shareholders vote in favour of the HoldCo Financial Assistance Resolution.

BACKGROUND TO THE REQUIREMENT FOR THE HOLDCO FINANCIAL ASSISTANCE RESOLUTION

RESTRICTIONS ON COMPANIES GIVING FINANCIAL ASSISTANCE

Section 260A(1) of the Corporations Act expressly allows a company to financially assist a person to acquire shares in the company or a holding company of the company if the assistance is approved by shareholders under section 260B of the Corporations Act. There are other exceptions under the Corporations Act which the Company is not seeking to rely on at this time.

The requirements for shareholder approval under section 260B of the Corporations Act are described in the section titled 'Shareholder approval of financial assistance' below.

SHAREHOLDER APPROVAL OF FINANCIAL ASSISTANCE

- (a) Section 260B(1) of the Corporations Act provides that for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:
 1. a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
 2. a resolution agreed to, at a general meeting, by all ordinary shareholders.
- (b) In addition, if immediately after the acquisition, the company will be a subsidiary of a domestic corporation that is listed in Australia (**Listed Holding Company**) then the financial assistance must also be approved by a special resolution of the shareholders of the Listed Holding Company passed under section 260B(2) of the Corporations Act at a general meeting of the Listed Holding Company.

THE ACQUISITIONS

OVERVIEW OF THE ACQUISITIONS

(a) SFG Acquisition

Metcash Trading Limited ACN 000 031 569 (**Metcash Trading**), a wholly owned subsidiary of the Company, purchased the entire issued share capital of SFG HoldCo under the terms of a share sale agreement dated 5 February 2024 between the then shareholders of SFG HoldCo and Metcash Trading (the **SFG Acquisition**). Completion of the SFG Acquisition occurred in June 2024. The Company has previously made ASX announcements concerning the SFG Acquisition.

(b) TTH Acquisition

Mitre 10 Australia Pty Ltd ACN 009 713 704 (**Mitre 10**), a wholly owned subsidiary of the Company, acquired 70% of the issued share capital in TT HoldCo in September 2020 under the terms of a sale agreement that also provided a clear pathway for Mitre 10 to acquire the remaining 30% of the issued share capital in TT HoldCo. Mitre 10 acquired a further 15% shareholding in TT HoldCo in June 2021 increasing its ownership interest to 85%, and subsequently acquired the remaining 15% shareholding in November 2023. As of November 2023, Mitre 10 holds 100% of the issued share capital of TT HoldCo. The acquisition of the entire issued share capital in TT HoldCo across the period from September 2020 to November 2023 is referred to as the **TTH Acquisition**. The Company has previously made ASX announcements concerning the TTH Acquisition.

(c) Bianco Acquisition

Mitre 10 purchased the entire issued share capital of Bianco and 40% of the issued share capital of Bianco Construction Supplies Pty Limited ACN 152 933 750 (of which Bianco held the remaining 60%) under the terms of a sale agreement entered into in February 2024 (together, the **Bianco Acquisition**). Completion of the Bianco Acquisition occurred in March 2024. The Company has previously made ASX announcements concerning the Bianco Acquisition.

(d) Truss Acquisition

Finlayson Timber & Hardware Pty. Ltd. ACN 010 536 580 (**Finlayson**), a wholly owned subsidiary of the Company, purchased the entire issued share capital of Truss under the terms of a sale agreement entered into in November 2023 (the **Truss Acquisition**). Completion of the Truss Acquisition occurred in December 2023.

(e) Girrawheen Acquisition

Metcash Food & Grocery Pty Ltd ACN 004 391 422 (**MF&G**), a wholly owned subsidiary of the Company, purchased the entire issued share capital of Girrawheen under the terms of a sale and purchase agreement entered into in September 2023 (the **Girrawheen Acquisition**). Completion of the Girrawheen Acquisition occurred in December 2023.

(f) TT Adelaide West Acquisition

Total Tools Stores Pty Ltd ACN 617 752 806 (**TTS**), a wholly owned subsidiary of TT HoldCo, purchased the remaining 40% of issued share capital it did not already own in TT Adelaide West Pty Ltd ACN 148 140 694 (**TT Adelaide West**) from the sellers, pursuant to the terms of a share sale agreement entered into in May 2024 (the **TT Adelaide West Acquisition**). Completion of the TT Adelaide West Acquisition occurred in May 2024.

(g) TT Pakenham Acquisition

TTS purchased the remaining 40% of issued share capital it did not already own in Alltools (Pakenham) Pty Ltd ACN 006 867 545 (**TT Pakenham**) from the sellers, pursuant to the terms of a share sale agreement entered into in July 2024 (the **TT Pakenham Acquisition**). Completion of the TT Pakenham Acquisition occurred in July 2024.

The SFG Acquisition, the TTH Acquisition, the Bianco Acquisition, the Truss Acquisition, the Girrawheen Acquisition, the TT Adelaide West Acquisition and the TT Pakenham Acquisition are each an (**Acquisition**) and are referred to together as the **Acquisitions**.

LISTED HOLDING COMPANY AFTER THE ACQUISITIONS

The Company is (and was immediately after completion of each Acquisition) the Listed Holding Company of Metcash Trading, Mitre 10, Finlayson, MF&G and TTS (being the purchasers under the Acquisitions). Accordingly, on completion of each Acquisition, the Company became the Listed Holding Company of each of the Acquired Companies.

As a result, the approval of the shareholders of the Company (as Listed Holding Company) under section 260B(2) of the Corporations Act is required to be obtained to enable SFG HoldCo, TT HoldCo, Bianco, Truss, Girrawheen, TT Adelaide West and TT Pakenham and each of their respective subsidiaries (including the SFG Companies, TT Companies and Bianco Companies) to provide financial assistance (as described below) in connection with the Acquisitions.

FUNDING ARRANGEMENTS**OVERVIEW OF FACILITY AGREEMENTS**

As part of the ongoing financing arrangements of the Metcash Group, Metcash Trading and certain other members of the Metcash Group have entered into the following facility agreements:

- (a) senior unsecured syndicated facility agreements comprising revolving and term facilities (the **SFAs**); and
- (b) senior unsecured working capital facility agreements comprising revolving facilities (the **Working Capital Facility Agreements**), together, the **Facility Agreements**.

FACILITIES UNDER THE FACILITY AGREEMENTS

Under the SFAs, Metcash Trading is provided with the following facilities (each an **SFA Facility**):

- (a) under an SFA initially entered into in September 2020:
 1. a revolving loan facility for an amount of up to \$125,000,000 repayable on the last day of each interest period and otherwise in full in May 2028;
 2. a revolving loan facility for an amount of up to \$200,000,000 repayable on the last day of each interest period and otherwise in full in May 2029; and
 3. a revolving loan facility for an amount of up to \$300,000,000 repayable on the last day of each interest period and otherwise in full in May 2027;
- (b) under an SFA initially entered into in April 2022, a revolving loan facility for an amount of up to \$200,000,000 which is repayable on the last day of each interest period and otherwise in full in May 2026; and
- (c) under an SFA initially entered into in April 2024:
 1. a term loan facility for an amount of up to \$125,000,000 repayable in full in May 2031; and
 2. a revolving loan facility for an amount of up to \$125,000,000 repayable on the last day of each interest period and otherwise in full in May 2031.

Each of the SFA Facilities have been or may be drawn for the purpose of refinancing of any existing financial indebtedness of the Metcash Group and for the general corporate purposes of the Metcash Group (including towards funding of one or more of the Acquisitions).

Under the Working Capital Facility Agreements, Metcash Trading and in some instances, certain other members of the Metcash Group, are provided with the following facilities:

- (a) a multi option facility for an amount of up to \$170,000,000 which can be utilised in various ways, including as cash advances, overdrafts or by way of provision of letters of credit or bank guarantees and which is repayable in full in July 2025 (unless extended by agreement with the relevant financier);
- (b) revolving loan facilities:
 1. for an amount of up to \$125,000,000 which is repayable on the last day of each interest period and otherwise in full in February 2025;
 2. for an amount of up to \$100,000,000 which is repayable on the last day of each interest period and otherwise in full in March 2025; and
 3. for an amount of up to \$50,000,000 which is repayable on the last day of each interest period and otherwise in full in December 2028; and
- (c) cash advance and overdraft facilities for an aggregate amount of up to \$130,000,000 and which have a termination date in November 2024 (unless extended by agreement with the relevant financier).

Each Working Capital Facility Agreement has been or may be drawn for the purpose of refinancing any existing financial indebtedness of the Metcash Group and for general corporate purposes of the Metcash Group (including towards funding of one or more of the Acquisitions).

EXPLANATORY MEMORANDUM TO SHAREHOLDERS CONTINUED

HEDGING AGREEMENTS

The Metcash Group has entered into hedging arrangements with certain of the financiers under the Facility Agreements to hedge the interest rate exposure of the Metcash Group under the Facility Agreements and to hedge the foreign exchange risk of the Metcash Group (together, the **Hedging Agreements**).

COMMON TERMS DEED POLL AND GUARANTEE DEED POLL

The Facility Agreements and the Hedging Agreements benefit from guarantees and other provisions contained in:

- (a) a common terms deed poll dated 10 February 2011 (as amended from time to time) made by Metcash Trading, the Company and certain other members of the Metcash Group (collectively the **Metcash Guarantors**) and ANZ as the agent (**CTDP**); and
- (b) a guarantee deed poll dated 27 March 2019 made by the Metcash Guarantors (including the Company) and ANZ as the agent (**GDP**).

The CTDP is given by the Metcash Guarantors in favour of the financiers under the Facility Agreements, the hedge providers under the Hedging Agreements and any other person who is nominated as a 'Finance Party' under the CTDP from time to time in respect of any other loan or facility agreement or hedging agreement which may be provided to the Metcash Group from time to time.

The GDP contains guarantees and indemnities given by the Metcash Guarantors in favour of the financiers under the Facility Agreements, the hedge providers under the Hedging Agreements and any other person who is nominated as a 'Finance Party' under the GDP from time to time in respect of any other loan or facility agreement or hedging agreement which may be provided to the Metcash Group from time to time.

As is usual for financing arrangements of this kind, the terms of the CTDP require that (subject to certain conditions and exceptions) subsidiaries of the Company become party to the GDP as 'Guarantors' and the CTDP as 'Obligors' (**Guarantor Requirements**). To satisfy the Guarantor Requirements, the Company is required to cause the Acquired Companies to accede to the GDP as 'Guarantors' and to the CTDP as 'Obligors'.

A failure by the Company to satisfy the Guarantor Requirements would (in the absence of a waiver by the finance parties) result in an event of default occurring under the CTDP, which could in return result in the finance parties under the different debt arrangements of the Metcash Group, including each of the SFAs, Working Capital Facility Agreements and Hedging Agreements described above, terminating their financing arrangements and requiring immediate repayment of amounts due to them under the Facility Agreements and early termination and close out of the hedges under the Hedging Agreements.

FINANCIAL ASSISTANCE

ACCESSION TO THE FINANCE DOCUMENTS

The Company therefore proposes that, pursuant to the terms of the CTDP, each of the Acquired Companies accede to the GDP as a 'Guarantor' pursuant to a guarantor accession deed poll and to the CTDP as an 'Obligor' pursuant to an obligor accession deed poll (such guarantor accession deed poll and obligor accession deed poll together with the Facility Agreements, the Hedging Agreements, the CTDP and the GDP are collectively referred to as the **Finance Documents**).

Other subsidiaries of the Acquired Companies may, at the same time, or subsequently from time to time, also accede to the GDP as 'Guarantors' and to the CTDP as 'Obligors'.

By becoming 'Guarantors' for the purposes of the GDP and 'Obligors' for the purposes of the CTDP, the Acquired Companies would (among other things) become liable as guarantors and obligors in respect of the Facility Agreements, the Hedging Agreements and any other loan or facility agreement or hedging agreement that has the benefit of the GDP and the CTDP from time to time.

In addition, the Acquired Companies will become bound by the other provisions of the GDP and the CTDP, which include events of default, representations and warranties and undertakings usual for financing arrangements of this nature.

OTHER SUPPORT

The Acquired Companies may, or may be required to, enter into other transactions in the future which benefit other Metcash Group members and may be regarded as financial assistance for the purposes of the Corporations Act. Such transactions could include:

- (a) subordinating intercompany claims;
- (b) transferring assets to, or assuming other liabilities of, the Company or other members of the Metcash Group;
- (c) making available directly or indirectly their cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company and the Metcash Guarantors (or other members of the Metcash Group) to comply with their payment and other obligations in respect of the Finance Documents and the Acquisitions;
- (d) consenting or agreeing to amendments to the Finance Documents, including amendments that make their obligations more onerous;
- (e) providing additional support, which may include incurring additional obligations and/or providing additional guarantees, mortgages and/or charges or other security; and/or
- (f) providing other financial assistance in connection with the Acquisitions including, without limitation, in connection with any refinancing of the debt arrangements of the Metcash Group.

FINANCIAL ASSISTANCE RESOLUTION

FINANCIAL ASSISTANCE APPROVALS

The entry into the Finance Documents by each Acquired Company, the performance by each Acquired Company of its rights and obligations under the Finance Documents and the participation by the Acquired Companies in the funding arrangements and other transactions, all as described above, constitutes the giving of financial assistance in connection with the Acquisitions within the meaning of Part 2J.3 of the Corporations Act.

Pursuant to section 260B of the Corporations Act, it is proposed that the giving by the Acquired Companies of the financial assistance be approved by:

- (a) the HoldCo Financial Assistance Resolution pursuant to section 260B(2) of the Corporations Act; and
- (b) a resolution agreed to by all the ordinary shareholders of each Acquired Company pursuant to section 260B(1) of the Corporations Act (**Acquired Company Financial Assistance Resolution**). The approvals referred to in this paragraph (b) will be sought once the HoldCo Financial Assistance Resolution has been approved as required at the annual general meeting of the Company.

The HoldCo Financial Assistance Resolution must be approved as a special resolution, that is, 75% or more of the votes cast by shareholders of the Company present and voting at the annual general meeting of the Company (either in person or by proxy, attorney or representative).

Each Acquired Company Financial Assistance Resolution must be approved as a resolution agreed to, at a general meeting, by all ordinary shareholders of the relevant Acquired Company (either in person or by proxy, attorney or representative).

REASONS FOR GIVING FINANCIAL ASSISTANCE

The purpose for the giving of the financial assistance, as described above, is to enable the Company, Metcash Trading and the other Metcash Guarantors to continue to comply with their obligations under the CTDP and will enable the Metcash Group to continue to have access to funding and other financial accommodation under the Finance Documents, including the Facility Agreements.

EFFECT OF FINANCIAL ASSISTANCE

As the Company and the other Metcash Guarantors are already liable for the amounts payable under the Finance Documents, the giving of the financial assistance described in this Explanatory Memorandum by the Acquired Companies is unlikely to have any adverse effect on the Company.

The giving of the financial assistance described in this Explanatory Memorandum will affect the Acquired Companies as each Acquired Company will have guaranteed all amounts payable under the Finance Documents pursuant to the GDP. The operations of the Acquired Companies will also be restricted by the representations and undertakings given by them under the CTDP.

The directors of the Company do not currently believe that the Company, any of the other Metcash Guarantors or any of the Acquired Companies are likely to default in their obligations under the Finance Documents.

ADVANTAGES OF THE PROPOSED RESOLUTION

The advantage to the Company of the HoldCo Financial Assistance Resolution is that the Acquired Companies will be able to accede to the Finance Documents and so avoid an event of default occurring under the CTDP, which could in return result in the finance parties terminating and requiring immediate repayment of amounts due to them under the Finance Documents.

The advantages of the HoldCo Financial Assistance Resolution to the Acquired Companies include that the Company and the other Metcash Guarantors will be able to comply with their obligations under the Finance Documents. The directors of the Company believe that this is in the interests of the Acquired Companies because the Acquired Companies will benefit from the Metcash Group being able to have continued access to funding under the Facility Agreements and other financial accommodation in the bank markets in the future which may from time to time be nominated to take the benefit of the CTDP and GDP.

In addition, as is usual for financing arrangements of this kind, the terms of the CTDP allow greater flexibility for provision of intragroup funding between members of the Metcash Group that are 'Obligors' and 'Guarantors' under the CTDP and GDP, including for the purposes of on-lending amounts borrowed under the Facilities. The Acquired Companies will benefit from this flexibility from the time that they become 'Obligors' and 'Guarantors' as described above.

DISADVANTAGES OF THE PROPOSED RESOLUTION

As the Company and the other Metcash Guarantors are already liable for amounts payable under the Finance Documents, the directors of the Company do not believe there are any disadvantages to the Company of the HoldCo Financial Assistance Resolution, except that, as noted above, the operations of the Acquired Companies will be restricted by the representations and undertakings given by them under the CTDP.

The disadvantages of the HoldCo Financial Assistance Resolution for the Acquired Companies include the following:

- (a) they will become liable for the amounts due under the Finance Documents;
- (b) their operations, and the operations of their subsidiaries, will be restricted by the representations and undertakings given by them under the CTDP;
- (c) the finance parties nominated as 'Finance Parties' under the GDP from time to time in respect of any other loan or facility agreement or hedging agreement which may be provided to the Metcash Group from time to time may make a demand under the guarantee and indemnity provided by the Acquired Companies under the GDP, requiring immediate payment of the amounts due under the Finance Documents.

A demand made under the guarantee and indemnity provided by the Acquired Companies under the GDP could ultimately result in the winding up of the Acquired Companies if they were unable to pay the amounts due.

This could result in a return to the Company (and ultimately its shareholders) that is significantly lower than could have been achieved by the Company had the relevant Acquired Company continued trading.

PRIOR NOTICE TO AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

As required by section 260B(5) of the Corporations Act, copies of the notice of annual general meeting of the Company and this Explanatory Memorandum as sent to the shareholders were lodged with the Australian Securities & Investments Commission prior to being sent to the shareholders of the Company.

DISCLOSURE

The directors of the Company consider that this Explanatory Memorandum contains all information known to the Company that would be material to the shareholders of the Company in deciding how to vote on the HoldCo Financial Assistance Resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

RECOMMENDATION

For the reasons set out above, the directors of the Company consider the HoldCo Financial Assistance Resolution is in the best interests of the Company and consequently:

The Board unanimously recommends that shareholders of the Company vote in favour of the HoldCo Financial Assistance Resolution to approve the giving of financial assistance by the Acquired Companies.

Appendix I

Bianco Companies means each of:

- (a) Bianco;
- (b) Bianco Construction Supplies Pty Limited ACN 152 933 750; and
- (c) BCS Whyalla Pty Ltd ACN 659 284 518.

SFG Companies means each of:

- (a) SFG HoldCo;
- (b) SFG Finance Pty Ltd ACN 607 436 920;
- (c) NFD Holdings Pty Ltd ACN 160 029 381;
- (d) Superior Food Group Pty Ltd ACN 607 519 737;
- (e) Mooloolah River Fisheries Pty Ltd ACN 091 255 131;
- (f) Global Meats Pty Ltd ACN 162 812 357;
- (g) Global Meats (Australia) Pty Ltd ACN 622 779 186;
- (h) Zircon (WA) Pty Ltd ACN 109 738 703;
- (i) Karloo Holdings Pty Ltd ACN 009 121 402;
- (j) Cantala Holdings Pty Ltd ACN 009 121 359;
- (k) Sealanes (1985) Pty Ltd ACN 009 121 331;
- (l) Q.F.S. Holdings Pty Ltd ACN 106 541 440;
- (m) Quality Food Services (Aust) Pty Ltd ACN 072 096 596; and
- (n) St. Boris Pty. Limited ACN 083 026 206.

TT Companies means each of:

- (a) TT HoldCo;
- (b) Total Tools (Importing) Pty Ltd ACN 084 220 342;
- (c) Total Tools Licensing Pty Ltd ACN 143 791 735;
- (d) Total Tools Stores Pty Ltd ACN 617 752 806;
- (e) Total Tools Industrial Pty. Limited ACN 073 711 789;
- (f) Total Tools Commercial Pty Ltd ACN 621 146 772;
- (g) Total Tools Online Pty Ltd ACN 167 416 355;
- (h) TT Adelaide West Pty Ltd ACN 148 140 694; and
- (i) Alltools (Pakenham) Pty Ltd ACN 006 867 545.

