

Minimum Shareholding Policy

The Board of Directors (**Board**) of Metcash Limited (**Metcash**) recognises the importance of aligning directors' interests with the long terms interests of Metcash's shareholders.

The purpose of this policy is to strengthen and enhance alignment between the interests of Metcash's executive and non-executive directors with the interests of Metcash's shareholders by requiring directors to build a minimum shareholding in Metcash and maintain it during their tenure.

This policy sets out the minimum shareholding requirements for Metcash directors and how this policy will be administered.

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Minimum shareholding requirements

Scope

This policy applies to all executive and non-executive directors of Metcash Limited from time to time (**Directors**).

Minimum shareholding levels

Directors are required to acquire, and thereafter maintain, a minimum shareholding level in Metcash shares.

The minimum shareholding level, expressed as a % of annual Annual Base Fees or Total Employment Cost (TEC) as at 30 April, for each Director is:

Role	Minimum Shareholding Level
Chairperson and Non-Executive Directors	100% Annual Base Fees* (excluding Committee fees) as at 30 April
Group CEO	100% TEC* as at 30 April

*pre-tax

Accumulation and maintenance timing

Directors will have up to 5 years from:

- the date of adoption of this policy (in the case of Directors in office at that date); or
- the date of their appointment as a Director (in the case of Directors appointed after the date of adoption of this policy),

to acquire the minimum shareholding level. Once attained, the minimum shareholding level must be maintained for the duration of time the Director holds office as a Director.

It is expected that meaningful progress towards the minimum shareholding level will be achieved over the course of the shareholding accumulation period.

Administration

Oversight

The Chief People and Culture (P&C) Officer will monitor and administer this Policy with oversight by the P&C Committee. The Company Secretary will provide administration support.

Board overriding discretion

The Board retains overriding discretion to:

- vary the minimum shareholding level or duration of the shareholding accumulation period in respect of an individual Director or the Directors as a whole;
- adjust the average Metcash share price used for compliance testing purposes (refer under “Assessment” below);
- determine whether meaningful progress towards the minimum shareholding level over the shareholding accumulation period is being achieved by each Director; and
- exempt a Director from compliance with this policy in whole or in part or determine a Director has complied with this policy even if the number of Metcash shares held does not match or exceed the minimum shareholding level.

In exercising this discretion, the Board may take into account the following matters:

- the size of the Director’s shareholding (including any unvested performance rights held pursuant to Metcash’s incentive plans and likelihood of vesting);
- changes in the Director’s Annual Base Fees or TEC;
- fluctuations in Metcash’s share price; and
- any difficulties Directors have had in acquiring Metcash shares (e.g. because they were prevented from acquiring shares due to the operation of Metcash’s closed period trading restrictions or insider trading laws).

Assessment

All Metcash shares in respect of which the Director has a relevant interest (as defined under the *Corporations Act 2001* (Cth)) will be counted towards the minimum shareholding level, including:

- any shares held under an incentive plan that are not subject to ‘a risk of forfeiture’; and
- any shares held which were issued following vesting of performance rights under incentive plans.

However, unvested performance rights held pursuant to a grant made under Metcash's incentive plans will not (subject to the Board's overriding discretion noted above) count towards the minimum shareholding level, as these rights remain subject to a risk of forfeiture until vesting occurs.

Compliance testing will be performed for each Director as at 30 April each year, based on:

- the number of Metcash shares counted towards the minimum shareholding level for that Director at that date; and
- the Director's Annual Base Fees or TEC (as applicable) at that date.

The value of Metcash shares for compliance testing purposes will be calculated using the volume weighted average price of Metcash shares traded on the ASX over the 20 trading days ended 30 April or such other period determined by the Board from time to time.

Annual Reporting

Directors must advise the Company Secretary in writing annually, by 15 May, of the number of Metcash shares that may be counted towards the minimum shareholding level for that Director as at 30 April.

The Chief P&C Officer will provide a summary of progress against the minimum shareholding level for each Director to the P&C Committee for review on an annual basis in June.

Details of each Director's shareholding level at 30 April will be included in Metcash's annual report.

Dealing in Metcash shares

Nothing in this policy limits or otherwise affects the application or operation of the *Metcash Code for Directors and Managers in Respect of Share Transactions (Code)*. Directors must ensure that any dealing in Metcash shares, including those acquired and held pursuant to this policy, is in accordance with the Code and all applicable laws.

Each time a Director requests approval from the Chairman to dispose of Metcash shares in accordance with the Code, the Chair will have regard to this policy and the minimum shareholding level and accumulation of the Director at that time.

Annual review

The P&C Committee will review this Policy annually, and may make any changes it considers necessary or appropriate.

Definitions

Annual Base Fees	The annual fees payable to Metcash non-executive directors for acting in that office inclusive of superannuation contributions. Annual Base Fees exclude any Committee fees.
Director	An executive or non-executive director of Metcash Ltd. from time to time.
Metcash	Metcash Limited ACN 112 073 480.
Total Employment Cost (TEC)	Includes base salary, superannuation contributions and any salary sacrifice items. This is also commonly referred to as fixed pay.

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Approved by	P&C Committee
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