

# Minimum Shareholding Policy

The Board of Directors (**Board**) of Metcash Limited (**Metcash**) recognises the importance of aligning directors and Key Management Personnel (KMP) interests with the long-term interests of Metcash's shareholders.

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

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

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## Minimum shareholding requirements

### Scope

This policy applies to all KMP executives and non-executive directors of Metcash Limited from time to time.

### Minimum shareholding levels

KMP Executives and non-executive directors are required to acquire, and thereafter maintain, a minimum shareholding level in Metcash shares.

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

Role	Minimum Shareholding Level
<b>Chairperson and Non-Executive Directors</b>	100% Annual Base Fees* (excluding Committee fees) as at 30 April
<b>Group CEO</b>	100% TEC* as at 30 April
<b>Other KMP</b>	50% of TEC* as at 30 April

\*pre-tax

### **Accumulation and maintenance timing**

Non-executive directors will have up to 5 years from:

- the date of adoption of this policy on 1 May 2018 or
- the date of their appointment to a participating position

and KMP Executives will have up to five years from:

- the amendment to this policy to include KMP on 1 May 2019 or
- the date of their appointment to a participating position

to acquire the minimum shareholding level. Once attained, the minimum shareholding level must be maintained for the duration of time individual holds a participating position.

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 or the participating group 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 participant; and
- exempt an individual from compliance with this policy in whole or in part or determine an individual 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 individual'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 KMP Executive's TEC;
- fluctuations in Metcash's share price; and
- any difficulties individuals 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 individual 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 as at 30 April each year, based on:

- the aggregated purchase price of the shares acquired; or
- the number of issued Metcash shares; and
- the individual's Annual Base Fees or TEC (as applicable) at that date

### **Annual Reporting**

Non-executive directors and KMP Executives 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 individual as at 30 April.

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

Details of shareholding levels 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)*. KMP Executives and non-executive 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 an individual 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 individual 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.
Key Management Personnel (KMP)	A nominated position within the executive team that is identified as having key impact on the business as is included for disclosure in the Annual Report.
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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<b>Version</b>	2.0
<b>Prepared by</b>	Head of Reward and Chief P&C Officer
<b>Approved by</b>	P&C Committee
<b>Publication date</b>	April 2019
<b>Review date</b>	April 2020