

METCASH LIMITED BOARD CHARTER

1. Introduction

- 1.1 This Charter outlines the purpose, role, responsibilities, powers, operation and authority of the Board of Directors of Metcash Limited (“Board”). The scope of this Charter extends to all subsidiaries of Metcash Limited and all references to Metcash in this Charter mean Metcash Limited and its subsidiaries.
- 1.2 In carrying out its responsibilities and exercising its powers as set out in this Charter, the Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of Metcash’s shareholders, as well as its employees, customers and the community. It will work to demonstrate leadership and promote and maintain an ethical environment within Metcash that establishes these principles as basic guidelines for all of its employees and representatives at all times.

2. Purpose, Role and Responsibilities of the Board and the Chair

- 2.1 The Board provides overall leadership and is responsible for:
- (a) defining Metcash’s purpose and setting its strategic and financial objectives and overseeing the implementation of those strategies and financial objectives by management;
 - (b) overseeing the integrity of Metcash’s accounting and corporate reporting systems, including by ensuring there are adequate controls in place to enable reliable financial reporting, including management accounts and half and full year financial statements, and the maintenance of independent, effective and efficient internal and external audit functions;
 - (c) ensuring Metcash has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
 - (d) setting the tone from the top and approving Metcash’s statement of values and Code of Conduct to underpin the desired cultural tone of the organisation;
 - (e) overseeing the effectiveness of Metcash’s corporate governance framework, policies and practices and compliance with laws, regulations and high ethical standards, including by receiving information regarding material breaches of the Code of Conduct (including breaches of anti-bribery and corruption policies within the Code of Conduct) and reports of material incidents under the Metcash Speak Up Policy via reports from the Audit, Risk and Compliance Committee;
 - (f) overseeing that an appropriate framework exists for relevant information to be provided by management to the Board, including on culture, governance and compliance;
 - (g) overseeing Metcash’s processes for ensuring timely and balanced disclosure of all material information, bearing in mind what a reasonable person would expect to have a material impact on the price or value of Metcash’s securities;
 - (h) overseeing and assessing management’s implementation of strategies and budgets approved by the Board, instilling of Metcash’s values and performance generally;
 - (i) considering the social, ethical and environmental impact of Metcash’s activities and operations and setting standards in respect of Metcash’s social and sustainability responsibilities and practices;

- (j) determining the size, composition and structure of the Board, subject to the Metcash Limited constitution and the Corporations Act, and tenure of individual Board members;
- (k) appointing and succession planning for the Group CEO and Group CFO and other key management personnel;
- (l) reviewing on a regular and continuing basis the performance of the Group CEO and other members of the Group Leadership Team; and
- (m) overseeing that the Group's remuneration framework and policies are aligned with the Group's purpose, values, strategic objectives and risk appetite.

2.2 In performing the role and responsibilities set out above, the Board should act at all times:

- (a) in a manner designed to create and continue to build sustainable value for all stakeholders; and
- (b) in accordance with the duties and obligations imposed upon them by the Metcash Limited constitution and by the law.

2.3 The Chair represents the Board to shareholders and the Board communicates its position through the Chair and in particular, the Chair:

- (a) should be an independent non-executive director;
- (b) sets the agenda for, and leads the Board and acts as facilitator in encouraging constructive discussion and debate at, Board meetings;
- (c) is responsible for overseeing the development requirements of non-executive directors and their development plans and each director's contribution and for counselling directors regarding their contributions to the Board; and
- (d) is responsible for overseeing and maintaining effective communication and promoting constructive and respectful relationships (including by building trust and confidence) between the Board and management, particularly the Group CEO.

3. Powers

3.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board (with recommendations, where appropriate, from relevant Board Committees) are as follows:

- (a) appointment and, where necessary, replacement of the Chair and the appointment and tenure of other non-executive directors (including recommendations to be made to shareholders regarding the re-election of the Chair and other non-executive directors);
- (b) appointment and, where necessary, replacement of the Group CEO and Group CFO and other key management personnel;
- (c) appointment and, where necessary, replacement of the Company Secretary;
- (d) determination of the terms of appointment (including initial fees) to be paid to the Chair and other non-executive directors and any changes to those fees;
- (e) determination of the terms of employment (including initial remuneration) of the Group CEO and Group CFO and other key management personnel;
- (f) determination of the terms of termination of the Group CEO and Group CFO and other key management personnel (including retention, vesting and/or lapsing of any variable remuneration entitlements);

- (g) approval of the executive remuneration framework and any changes to that framework including the establishment and structure and terms of any incentive plans and any changes to the structure or terms;
- (h) determination of the annual performance metrics for the Group CEO and other members of the Group Leadership Team and performance ratings against those metrics;
- (i) determination of the fixed remuneration and variable remuneration opportunity of the Group CEO and other members of the Group Leadership Team, annually;
- (j) determination of the variable remuneration outcomes for the Group CEO and other members of the Group Leadership Team, annually;
- (k) determination of the aggregate amount of short-term incentive outcomes for management, annually;
- (l) determination of the aggregate annual pay review budget for employees, annually;
- (m) determination of the process for evaluating the performance and effectiveness of the Board and its Standing Committees and the contributions of individual directors;
- (n) approval of Metcash's half and full year financial statements, annual report (including the directors' report and the remuneration report), notice of annual general meeting and Corporate Governance Statement;
- (o) approval of any public statements including ASX announcements which reflect significant Metcash strategy, policy or events including any statement on modern slavery;
- (p) approval of Metcash's Board Tax Policy and Treasury Policy;
- (q) approval of each of the following and only, where applicable, where the relevant matter is in excess of discretions that the Board has delegated to management from time to time in accordance with the Metcash Group Board Limits of Authority Policy:
 - (i) the operating budgets, and the strategic plan, at least annually;
 - (ii) establishing operations in a new country or region, or entering a new industry;
 - (iii) related party transactions between the Group and Metcash's directors, the Group CEO and other members of the Group Leadership Team;
 - (iv) any items of major operational or capital expenditure or lease commitments and material loans and security interests;
 - (v) the acquisition, establishment, disposal or cessation of any significant business of Metcash;
 - (vi) increases in the total level of committed debt facilities;
 - (vii) material supplier and customer trading terms and customer credit limits;
 - (viii) the issue, buy-back or cancellation of any shares, options, performance rights or other equity or debt securities in Metcash Limited;
 - (ix) determination or declaration of Metcash Limited dividends and the terms and any underwriting of any dividend reinvestment plans;
 - (xii) the appointment of investment bank advisers and other material professional advisory or consultant engagements;
 - (xiii) the appointment and replacement of the external auditors and their terms of engagement; and

- (xiv) commencing or settling material litigation; and
- (r) approval of any changes to the Metcash Group Board Limits of Authority Policy and the discretions delegated to management from the Board as set out in the Metcash Group Board Limits of Authority Schedule to that Policy.

4. Role of Management

- 4.1 The day to day management of Metcash and its business is the responsibility of the Group CEO, supported by the Group Leadership Team.
- 4.2 The Board delegates to the Group CEO all powers to manage the day to day operations and to implement the strategic objectives, subject to those powers reserved to the Board as detailed elsewhere in this document.
- 4.3 The responsibilities of the Group CEO and Group Leadership Team in managing the day to day operations of Metcash and implementing the strategic objectives include:
 - (a) developing and recommending business and management strategies and plans to the Board;
 - (b) developing and recommending budgets to the Board;
 - (c) ensuring Metcash operates within the risk appetite set by the Board;
 - (d) ensuring compliance with continuous disclosure obligations, work health and safety requirements and Metcash's Code of Conduct; and
 - (e) providing accurate, timely and clear information to enable the Board to perform its responsibilities.
- 4.4 The Group CEO is accountable to the Board for the exercise of their delegated authority and is responsible for the assignment of responsibilities to each member of the Group Leadership Team and supervises and reports on their performance to the Board.
- 4.5 The Group CEO (supported by the Group Leadership Team) is responsible for reporting regularly to the Board on all management matters so as to ensure that the Board is fully informed and able to discharge its responsibilities effectively.
- 4.6 The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Where required, the Board will provide feedback to and challenge the Group CEO and the Group Leadership Team.

5. Board Membership

- 5.1 The majority of the Board must be composed of independent directors.
- 5.2 The Board should consist of directors who provide a mix of industry experience and knowledge and overall skill and wisdom that will enable Metcash to grow for the benefit of all shareholders and other stakeholders. Whether directors are defined as 'independent' or 'non-independent', it is essential that they have and display an independence of mind that will enable them to make decisions impartially and for the benefit of all shareholders.
- 5.3 Directors, and especially non-executive directors, may seek independent professional advice, at Metcash's expense, in circumstances where they feel it is necessary to assist them to discharge their responsibilities.

6. Meetings

- 6.1 Meetings of the Board and the Committees must take place regularly.
- 6.2 Board and Committee papers should where possible be provided to directors at least four days prior to the relevant meeting.

- 6.3 The non-executive directors should set aside time at each regularly-scheduled Board meeting for private discussions of management issues.

7. Performance and Effectiveness Evaluation

- 7.1 The Board shall undertake an annual performance and effectiveness evaluation of itself, the Chair and individual directors that:
- (a) assesses the performance and effectiveness of the Board as against its purpose, role, responsibilities, powers, operation and authority as outlined in this Charter;
 - (b) sets the goals and objectives for the upcoming year;
 - (c) identifies any areas of focus or development to improve the Board's performance and effectiveness; and
 - (d) effects any changes to the Board Charter deemed necessary or desirable.
- 7.2 The performance and effectiveness evaluation shall be conducted in such manner as the Board deems appropriate and periodically should involve evaluation by external consultants.
- 7.3 The Company Secretary shall assist with the implementation and conduct of the performance and effectiveness evaluation and otherwise assist that process as the Chair may request.

8. Board Committees

- 8.1 The Board may from time to time establish committees ("Committees") to assist it in carrying out its responsibilities.
- 8.2 The Board shall as a minimum establish the following committees (each a "Standing Committee"):
- (a) Audit, Risk and Compliance Committee;
 - (b) People and Culture Committee; and
 - (c) Nomination Committee,

and shall adopt charters ("Charters") setting out matters relevant to the composition, role, responsibilities, operation and authority of those Standing Committees and review them at least annually for effectiveness.

9. Metcash Standing Committee Rules

- 9.1 The rules set out in this section 9 apply to, and are deemed incorporated into the Charter of, each Standing Committee.
- 9.2 *Committee Membership*
- (a) Each Standing Committee will comprise non-executive directors only, a majority of whom must also be independent.
 - (b) Minimum membership of each Standing Committee is three non-executive directors.
 - (c) The quorum for any Standing Committee meeting is any two members.
 - (d) Members will be appointed by the Board, and will serve at the discretion of the Board and for such term or terms as the Board may determine. The Board will appoint one member of each Standing Committee as the Committee's chair, who must be an independent director.
 - (e) Any director may attend (but not vote at) a meeting of a Standing Committee of which he or she is not a member.

9.3 *Meetings*

- (a) Standing Committee meetings are to be held regularly and where possible closely before the Board meeting at which the Standing Committee is to report.
- (b) Standing Committee meetings may be held by means of telephone or video conference or similar communications equipment by means of which Board meetings may be held under the relevant provisions of the Metcash Limited constitution and Corporations Act.

9.4 *Performance and Effectiveness Evaluation*

- (a) Each Standing Committee shall undertake an annual performance and effectiveness evaluation of that Committee and the contributions of its members that:
 - (i) assesses the performance and effectiveness of the Committee against its role, responsibilities, operation and authority as outlined in its Charter;
 - (ii) sets the goals and objectives of the Committee for the upcoming year;
 - (iii) recommends to the Committee any areas of focus or development to improve the Committee's performance and effectiveness; and
 - (iv) recommends to the Board any changes to the Committee's Charter deemed necessary or desirable.
- (b) The performance and effectiveness evaluation shall be conducted in such manner as the Board deems appropriate and periodically should involve evaluation by external consultants.
- (c) The Company Secretary shall assist with the implementation and conduct of the performance and effectiveness evaluation and otherwise assist that process as the Chair may request.

9.5 *Board Reporting*

- (a) The Standing Committee will provide a report of the actions of the Committee at the Board meeting following the Committee meeting.
- (b) The report to the Board may take the form of an oral report by the chair of the Standing Committee or any other member of the Committee designated by the Committee to make the report.
- (c) The minutes and papers of Standing Committee meetings will be made available to all directors (subject to conflicts protocols).

10. **Company Secretary**

10.1 The Company Secretary is appointed by and is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

10.2 Without limiting the above:

- (a) The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communications with regulatory bodies and the ASX and all statutory and other filings.
- (b) The Company Secretary is adviser to the Board in respect of governance matters and is responsible for ensuring that business conducted at meetings of the Board and its Committees is accurately captured in the minutes.

10.3 Each director is able to communicate directly with the Company Secretary and vice versa.