



Metcash Limited

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

26 July 2019

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

Dear Sir/Madam

METCASH LIMITED – 2019 ANNUAL GENERAL MEETING

In accordance with ASX Listing Rule 3.17, please find attached the following documents which have been lodged at Australia Post today for despatch to members:

- Notice of Annual General Meeting (and Explanatory Memorandum to Shareholders)
- Proxy Form.

The 2019 annual general meeting will be held at The Lyceum, Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales, 2000 on Wednesday, 28 August 2019 at 2.30pm.

Yours faithfully

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

Julie Hutton
Company Secretary

Notice of Annual General Meeting

Metcash Limited
ABN 32 112 073 480

Notice is given that the 2019 annual general meeting of Metcash Limited (Company) will be held at The Lyceum, Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales 2000 on Wednesday, 28 August 2019 at 2.30pm (AEST):

Agenda Items

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 2019.

2 Resolutions to elect and re-elect directors

Shareholders are asked to consider, and if thought fit, to pass each of the following resolutions as separate ordinary resolutions:

(a) To elect Mr Peter Birtles as a director

“That Mr Peter Birtles, being a director of the Company who was appointed by the directors on 1 August 2019 under rule 8.1(c) and who retires under rule 8.1(d)(1) of the Company’s constitution, and being eligible, is elected as a director of the Company.”

(b) To elect Ms Wai Tang as a director

“That Ms Wai Tang, being a director of the Company who was appointed by the directors on 1 August 2019 under rule 8.1(c) and who retires under rule 8.1(d)(1) of the Company’s constitution, and being eligible, is elected as a director of the Company.”

(c) To re-elect Ms Helen Nash as a director

“That Ms Helen Nash, being a director of the Company who retires by rotation under rule 8.1(d)(2) of the Company’s constitution, and being eligible, is 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 2019 be adopted.”

The remuneration report is set out on pages 46 to 58 of the 2019 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 *Corporations Act 2001* (Cth) (**Corporations Act**) restricts the Company's key management personnel and their closely related parties from voting in relation to the resolution proposed in item 3 in certain circumstances.

The terms 'key management personnel' and 'closely related party' are defined in the Corporations Act. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. A closely related party includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the key management personnel.

In accordance with the Corporations Act, the Company will disregard any votes cast on the resolution proposed in item 3:

1. 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 end 30 April 2019 or their closely related parties (regardless of the capacity in which the vote is cast); or
2. 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:

1. in accordance with a direction on the proxy form; or
2. by the Chairman 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 Jeffery Adams, 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 Jeffery Adams on the terms described in the Explanatory Memorandum accompanying this notice of meeting."

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes on the resolution proposed in item 4:

1. cast in favour of the resolution by or on behalf of Mr Adams or his associates, regardless of the capacity in which the vote is cast; or
2. cast 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 4:

1. in accordance with a direction on the proxy form; or

2. by the Chairman of the meeting in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution in item 4 is connected with the remuneration of a member of the Company's key management personnel.

What the voting exclusions on the resolutions in items 3 and 4 mean for shareholders

If you intend to appoint a member of the Company's key management personnel (such as one of the directors) as your proxy, please ensure that you direct them how to vote on the resolutions proposed in items 3 and 4.

If you appoint the Chairman of the meeting as your proxy (or the Chairman becomes your proxy by default) and you do not mark a voting box for the resolutions proposed in items 3 or 4, then by completing and submitting the proxy form you will be expressly authorising the Chairman of the meeting to exercise the proxy in respect of the relevant resolution, even though the resolution is connected with the remuneration of the Company's key management personnel.

The Chairman of the meeting intends to vote all available proxies **in favour** of each resolution.

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

26 July 2019

Background Information

Entitlement to vote and required majority

Snapshot time

The Company 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 Monday, 26 August 2019** 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 is present at the annual general meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Required majority

The resolutions proposed in item 2 (*Resolutions to elect and re-elect directors*), item 3 (*Resolution to adopt the remuneration report*) and item 4 (*Resolution to approve grant of performance rights to Mr Jeffery Adams, Group CEO*), are ordinary resolutions and each will be passed if more than 50% of the votes cast by shareholders entitled to vote on the resolution are cast in favour of the resolution.

In the interests of transparency and good governance, and so as to include proxy votes that have been lodged before the meeting, the vote on each resolution set out in the Notice of Meeting will be decided on a poll.

Each shareholder present in person or by proxy, attorney or representative has one vote for each fully paid ordinary share held (subject to the exclusions on voting referred to below).

Proxies, attorneys and corporate representatives

A shareholder entitled to attend and vote can do so either by:

- attending and voting in person, by appointing an attorney to attend and vote for the shareholder, or if the shareholder is a corporate shareholder, appointing a representative to attend and vote on the shareholder's behalf; or
- appointing not more than 2 proxies to attend and vote for the shareholder.

Voting by proxy

If a shareholder cannot attend the meeting but is entitled to attend and vote, the shareholder can appoint the Chairman or another person as proxy to attend and vote for the shareholder. A proxy may but need not be a shareholder of the Company and can be either an individual or a body corporate. 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 2 or more votes may appoint up to 2 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 two proxies, neither is entitled to vote as proxy on a show of hands at the meeting (however, as noted above, the vote on each resolution set out in the Notice of Meeting will be decided on a poll).

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.

If a shareholder wishes to appoint a proxy, they must complete the accompanying proxy form. 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,

at least 48 hours before the meeting for the proxy to be effective (that is, no later than **2.30pm (AEST) on Monday, 26 August 2019**), at the following address, facsimile number or website address:

Address:	By mail:	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 AUSTRALIA	In person:	Level 12 225 George Street Sydney NSW 2000 AUSTRALIA
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Facsimile: +61 2 9290 9655

Online: www.votingonline.com.au/metcashagm2019

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 **2.30pm (AEST) on Monday, 26 August 2019** 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 a formal notice of appointment signed as required by section 127 of the Corporations Act or the constitution of the corporation. A form of notice of appointment can be obtained from Boardroom Pty Limited or downloaded from <http://boardroomlimited.com.au/investor-forms/>

Voting exclusions

Certain voting restrictions apply to item 3 (*Resolution to adopt the remuneration report*) and item 4 (*Resolution to approve grant of performance rights to Mr Jeffery Adams, Group CEO*). If you wish to appoint a member of the Company's key management personnel (which includes each of the directors and the Chairman) as your proxy, please read the voting exclusions in items 3 and 4 in this notice of meeting and the proxy form carefully. Shareholders are encouraged to direct their proxies how to vote.

How the Chairman will vote available proxies

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

Default to the Chairman

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

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.

Explanatory Memorandum to Shareholders

Metcash Limited

ABN 32 112 073 480

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 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 2019 to be laid before the annual general meeting. Neither the Corporations Act nor the Company's constitution requires a vote of shareholders on the reports or statements (other than the non-binding vote in respect of the remuneration report forming part of the directors' report – see the resolution in item 3). However, shareholders will be given an opportunity to raise questions or comments on the reports and statements at the meeting.

Also, a reasonable opportunity will be given to shareholders as a whole at the meeting to ask the Company's auditor questions 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. In addition, shareholders can submit written questions to the auditor about the conduct of the audit of the Company's financial report for the year ended 30 April 2019 and the content of the auditor's report. Written questions must be received by **2.30pm (AEST) on Wednesday, 21 August 2019** by the Company's corporate registry, Boardroom Pty Limited (at the address or facsimile number for lodgement of proxies or via email at enquiries@boardroomlimited.com.au). A list of written questions will be made available to shareholders attending the meeting. The auditor is not obliged to provide written answers. If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting.

2 Resolutions to elect and re-elect directors

Under rule 8.1(d)(1) of the Company's constitution, each director of the Company, other than the managing director, who was appointed by the directors since the last annual general meeting, must retire from office as a director.

Under rule 8.1(d)(2) of the Company's constitution, at each annual general meeting 1/3 of the directors of the Company (excluding the managing director and any director appointed since the last annual general meeting), rounded down, if necessary, to the nearest whole number, and any other director who, if they do not retire, will at the conclusion of the meeting have been in office for 3 or more years and for 3 or more annual general meetings since they were last elected to office, must retire from office as directors. Under rule 8.1(e) of the Company's constitution, the directors who must retire at an annual general meeting are those who have been longest in office since their last election but, as between persons who were last elected as directors on the same day, those to retire must be determined by agreement among themselves or, in the absence of agreement, by lot.

Accordingly:

1. Mr Peter Birtles, who will be appointed as a director of the Company by the directors on 1 August 2019, retires under rule 8.1(d)(1) of the Company's constitution, and being eligible, offers himself for election as a director of the Company in accordance with rule 8.1(f) of the Company's constitution;
2. Ms Wai Tang, who will be appointed as a director of the Company by the directors on 1 August 2019, retires under rule 8.1(d)(1) of the Company's constitution, and being eligible, offers herself for election as a director of the Company in accordance with rule 8.1(f) of the Company's constitution; and
3. Ms Helen Nash retires by rotation in accordance with rule 8.1(d)(2) of the Company's constitution and, being eligible, offers herself for re-election as a director of the Company in accordance with rule 8.1(f) of the Company's constitution.

Ms Fiona Balfour is not seeking re-election at the 2019 annual general meeting. The Board would formally like to thank Ms Balfour for her significant contribution to the Company.

Each year, the Nomination Committee reviews the skills and experience represented on the Board and considers whether there are any areas that should be addressed through Board renewal and succession. When a vacancy exists or is pending or it is considered that the Board would benefit from the services of a new Director with particular skills and expertise, the Nomination Committee identifies and reviews potential candidates, assesses their qualifications, skills and experience and conducts appropriate checks including as to the candidate's character, experience and education. In addition, the Board conducts an annual review of the performance and effectiveness 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 and effectiveness consultant. Through these processes the Nomination Committee and Board has conducted a detailed review and assessment of each of the candidates standing for election and re-election.

Profiles of directors standing for election and re-election

Mr Peter Birtles, Independent Non-Executive Director (BSc Hons, FCA, MAICD)

Mr Birtles will be appointed to the Board on 1 August 2019. He will be appointed to the Audit, Risk and Compliance Committee and Nomination Committee on 1 August 2019.

Mr Birtles has more than 30 years' executive experience across three industries: professional accounting services; healthcare manufacturing, marketing and distribution; and specialty retail.

Mr Birtles brings extensive financial and accounting expertise to the role, as well as broad commercial and consumer focused retail operations experience. He qualified as a Chartered Accountant in the UK and started his professional career with Coopers and Lybrand. He then spent over 10 years at The Boots Company, progressing to senior finance and strategy roles, in both the UK and Australia. At Super Retail Group, he was initially the Chief Financial Officer and Company Secretary and subsequently became the Group Managing Director and Chief Executive Officer, responsible for the business strategy, organisational development and operational performance for Australia's leading specialty retailer of automotive, sporting and outdoor leisure products.

Mr Birtles is a non-executive director and member of the Audit Committee of GWA Group Limited (since November 2010), a non-executive director of AutoGuru Australia Pty Ltd (since 2015) and a former executive director of Super Retail Group Limited (2006 to 2019).

The Board considers Mr Birtles to be an independent director. The Company conducted appropriate checks into Mr Birtles' background and experience before appointing him as a director and those checks did not reveal any information of concern regarding Mr Birtles.

Ms Wai Tang, Independent Non-Executive Director (BSc, MBA, FAICD)

Ms Tang will be appointed to the Board on 1 August 2019. She will be appointed to the People and Culture Committee and Nomination Committee on 1 August 2019.

Ms Tang has almost 30 years' executive experience across three industries: professional services; paper product manufacturing and distribution; and fast-moving consumer goods manufacturing, distribution and retail.

Ms Tang brings extensive commercial and operational experience to the role and has a strong track record of delivering business results through supply chain optimisation, enabled by process improvement and technology solutions. Over her career, Ms Wang has held roles in professional services organisations, delivering business process and supply chain transformation programs. In her executive career, she has been the Group Operations Director for Just Group Limited, with accountability for operations, IT, e-Commerce, supply chain, logistics, merchandise and inventory planning for all seven brands and Chief Executive Officer for Peter Alexander Sleepwear, responsible for leading and developing the business across Australia, New Zealand and the USA.

Ms Tang is a non-executive director of Ovato Limited (since 2017), Visit Victoria Limited (since 2016), Vicinity Centres Re Ltd (since 2015) and JB Hi-Fi Limited (since 2015) and Deputy Chair of Melbourne Festival (since 2013).

Ms Tang was also previously a non-executive director of kikki.K Pty Ltd (2012 to 2017), Federation Centres Limited (2014 to 2015), Specialty Fashion Group Limited (2010 to 2012) and Melbourne Fashion Festival Limited (2009 to 2013).

The Board considers Ms Tang to be an independent director. The Company conducted appropriate checks into Ms Tang's background and experience before appointing her as a director and those checks did not reveal any information of concern regarding Ms Tang.

Ms Helen Nash, Independent Non-Executive Director (BA Hons, GAICD)

Ms Nash was appointed to the Board on 23 October 2015. She is a member of the Nomination Committee, and has recently assumed the role of Chair of the People and Culture Committee given the upcoming retirement of Ms Fiona Balfour.

Ms Nash has more than 20 years' executive experience across three diverse industries: consumer packaged goods, media and quick service restaurants.

Ms Nash brings rounded commercial and consumer focused experience to her role. She initially trained in the UK as a Certified Management Accountant. 18 years in brands and marketing allow her to bring a strong consumer lens to the Board. She gained extensive strategic, operational and general management experience in her role of Chief Operating Officer at McDonalds Australia, overseeing business and corporate strategy, store operations including all company and franchised stores, marketing, menus, research and development and information technology.

Ms Nash is currently a non-executive director of Blackmores Limited (since October 2013), Southern Cross Media Group Limited (since April 2015) and Inghams Group Limited (since May 2017), and a former non-executive director of Pacific Brands Group Limited (2013 to 2016).

The Board considers Ms Nash to be an independent director.

Recommendations

The Board (other than each candidate stranding for election or re-election in respect of their own election or re-election, as applicable) unanimously recommends that shareholders vote in

favour of the resolutions to elect Mr Birtles and Ms Tang as a director and the resolution to re-elect Ms Nash as a director.

In summary, the Board supports:

- the election of Mr Birtles as a director due to his extensive retail and consumer goods industry expertise, combined with his strong financial and accounting skills and qualifications (being a Chartered Accountant), and senior executive and strategic experience;
- the election of Ms Tang as a director due to her extensive commercial and operational experience and strong track record of delivering business results through supply chain optimisation, enabled by process improvement and technology solutions; and
- the re-election of Ms Helen Nash as a director due to her capacity to bring a strong consumer lens to the Board and her strategic, operational and general management experience in the retail and franchise sectors,

each being skills and experience very relevant and valuable to the Company at this stage if its strategic transformation and implementation.

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 46 to 58 of the 2019 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 team members 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 at the annual general meeting. The vote on the resolution in item 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 this resolution.

4 Resolution to approve grant of performance rights to Mr Jeffery Adams, Group CEO

Background

Shareholder approval is sought to grant 442,804 performance rights to the Group CEO, Mr Jeffery Adams, as part of his long-term incentive (LTI) for FY2020 (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 to a director under an employee incentive scheme.

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

Overview

If shareholders approve the grant to Mr Adams, he will be granted 442,804 Performance Rights. This number has been determined by dividing Mr Adams' LTI opportunity of \$1,200,000 by \$2.71, being the volume weighted average price (**VWAP**) of the Company's shares traded on the ASX over the 20 trading days ended 30 April 2019, the last trading day before the start of the Company's 2020 financial year. Mr Adams' LTI opportunity is 67% of his Total Employment Cost (**TEC**) of \$1,800,000.

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

Performance Conditions

The award will be subject to two performance conditions that will be tested over a three-year performance period running from 1 May 2019 to 30 April 2022. Half of the Performance Rights will be subject to an absolute total shareholder return (**TSR**) hurdle. The remaining half of the Performance Rights will be subject to a return on funds employed (**ROFE**) hurdle. 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 opening and closing share prices used in the calculation are set with reference to the VWAP of Metcash shares over the 20 business days ended 30 April 2019 and 30 April 2022 respectively. 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	% of Performance Rights subject to the Absolute TSR condition that vest
Below Threshold	0%
Threshold	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	100%

The Board sets the above TSR performance condition through consideration of historical returns of ASX200 companies, future expectations regarding market returns and also the Metcash weighted average cost of capital (**WACC**). Full vesting of the TSR component will only occur if Metcash achieves a TSR CAGR of 10% or more in respect of the three-year performance period, which is approximately one percentage point higher than the Metcash WACC. If the Performance Rights ultimately vest, the performance condition percentages will be disclosed after the test date.

ROFE

ROFE is calculated as underlying Earnings Before Interest and Tax (**EBIT**) divided by the average of funds employed at the beginning and end of the financial year. The overall ROFE result will be determined as the mathematical average of the individual ROFE result determined in respect of each of the three financial years over the performance period.

Metcash ROFE	% of Performance Rights subject to the ROFE condition that vest
Below Threshold	0%
Threshold	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	100%

The Board sets the above ROFE performance condition 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. Full vesting of the ROFE component will only occur if Metcash achieves a ROFE of 23.1% or more in respect of the three-year performance period. The Board plans to adjust the ROFE performance condition to appropriately reflect the impact of the new accounting standard *AASB16 Leases*, which applies to Metcash with effect from 1 May 2019. If the Performance Rights ultimately vest, the performance condition percentages will be disclosed after the test date.

All of Mr Adams' Performance Rights will be tested against satisfaction of the above performance conditions after the FY2022 financial results are released in or around June 2022 and also in respect of the employment service condition up to 15 August 2022. 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

Each Performance Right that vests entitles Mr Adams to one share in the Company (or an equivalent cash payment in lieu of an allocation of shares).

Any shares issued or transferred to Mr Adams on vesting of his Performance Rights may be purchased on-market or issued by the Company. No amount will be payable by Mr Adams for those shares.

The Performance Rights do not carry any voting rights or entitlements to receive dividend payments prior to vesting. Once vested, the shares are not subject to any disposal restriction, however Mr Adams must comply with the Company's 'Code for Directors and Management in Respect of Share Transactions' as amended from time to time.

Cessation of employment

Unless the Board determines otherwise, all Performance Rights held will lapse if Mr Adams is summarily dismissed or has otherwise:

- engaged in serious or wilful misconduct;
- been seriously negligent in the performance of his duties;
- committed a serious breach of his employment contract;
- committed an act, whether at work or otherwise, which brings the Company

into disrepute; or

- been convicted of an offence punishable by imprisonment.

If Mr Adams ceases to be employed by a Group Company before a Performance Right has vested for any other reason, the Board has full discretion to consider the various circumstances under which his employment has ceased and based on those circumstances has full discretion to determine whether to vest (immediately or subject to conditions) and/or lapse some or all of the unvested performance rights.

Change of control

The Board has full discretion to vest or lapse some or all of Mr Adams' 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.

Misconduct

The PRP Rules contain forfeiture and clawback provisions that will apply in certain circumstances. For example, if Mr Adams 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).

Additional information provided for shareholders in accordance with ASX Listing Rules

If shareholder approval is forthcoming, the Company intends to grant the Performance Rights to Mr Adams 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 Adams for Performance Rights as they form part of his total remuneration package.

Mr Adams has previously received a grant under the PRP. Since shareholder approval was last obtained at the 2018 annual general meeting, Mr Adams has received 368,098 Performance Rights at no cost, and now holds a total of 835,902 Performance Rights. 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 Adams of any shares on vesting of those Performance Rights.

If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

Recommendation

The Board (with Mr Adams abstaining) unanimously recommends that shareholders vote in favour of the resolution to grant Mr Adams Performance Rights set out in item 4.

✉ **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) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective your proxy form must be lodged **before 2:30pm (AEST) on Monday, 26 August 2019.**

🖨 TO LODGE YOUR PROXY ONLINE

STEP 1: VISIT www.votingonline.com.au/metcashagm2019

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

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

📱 BY SMARTPHONE



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. 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 this 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

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 Metcash Limited (which includes each of the Directors) at the date of the AGM 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. 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 him how to vote by marking the box for the relevant item. If you do not mark any box opposite items 3 or 4, by completing and submitting the Proxy Form you are expressly authorising the Chair of the Meeting to cast your vote as he sees fit on the relevant item (in which case the Chair of the Meeting intends to vote in favour of items 3 and 4).

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

STEP 3 SIGN THE FORM

The 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.**

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 **2.30pm AEST Monday, 26 August 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

💻 **Online** www.votingonline.com.au/metcashagm2019

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

👤 **In Person** Level 12, 225 George Street,
Sydney NSW 2000 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

I/We being a member/s of Metcash Limited (Company) and entitled to attend and vote hereby appoint:

☐

the Chair of the Meeting (mark box)

OR 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 below

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 at the Annual General Meeting of the Company to be held at **The Lyceum Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney, New South Wales 2000 on Wednesday, 28 August 2019 at 2:30pm AEST** and at any adjournment of that meeting, 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.

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 these items even though items 3 and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel for Metcash Limited, which includes the Chair of the Meeting.

The Chair of the Meeting intends to vote all available proxies in favour of all resolutions. If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default), and you wish to give the Chair specific voting directions on an item, you should mark the appropriate box opposite that item in step 2 below (directing the Chair to vote for, against or to abstain from voting).

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 (a)	To elect Mr Peter Birtles as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (b)	To elect Ms Wai Tang as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 (c)	To re-elect Ms Helen Nash 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 grant of performance rights to Mr Jeffery Adams, Group CEO	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019