

20 December 2018

Metcash Position on the Food & Grocery Code of Conduct Review

Metcash has undergone significant transformation since the inception of the Food & Grocery Code of Conduct (Code) in 2015. Subject to the comments below, we believe we may now be in a position where we are able to comply with much of the Code in both letter and spirit. We have extensively reviewed both the Code as it currently stands, and the proposed amendments as recommended by Professor Graeme Samuel.

We are confident that, with appropriate amendments, the Code can be as applicable to Australian wholesalers, as it is to retailers.

The key areas of concern outlined in Metcash's submission in relation to the current, and proposed, Code relate to the following areas:

- A mandated versus continuing with a voluntary code
- Coverage of the Code particularly as it may relate to smaller independent retailers
- Making wholesalers subject to all of the retail centric provisions contained within Part 3 of the Code, without appropriate amendment to accommodate the wholesale model
- Replacing the 'good faith' requirement with a 'fair dealings' concept
- The role of an adjudicator in the dispute resolution process.

Subject to relevant items being resolved and appropriate amendments being agreed to address our areas of concern, we do not anticipate there being any matters preventing Metcash from signing an updated version of the Code.

Yours sincerely,



Scott Marshall
CEO Supermarkets & Convenience
Metcash Trading Limited