Metro Performance Glass Limited
(the Company, Metroglass)

Minutes of the 2021 Annual Shareholders' Meeting ("ASM")

Date and time:	Friday 6 August 2021 at 10.00am
Venue:	Virtual meeting portal (via Link Market Services) at: https://www.virtualmeeting.co.nz/mpg21
Present:	Peter Griffiths, Chair Angela Bull, Director Mark Eglinton, Director Rhys Jones, Director Graham Stuart, Director and approximately 95 other Company shareholders *(either in person on virtually)*
Apologies	None
In attendance:	10 Metroglass staff, including: Simon Mander, CEO Brent Mealings, CFO Andrew Paterson, Company Secretary Troy Florence, PwC Toby Sharpe, Bell Gully Shireen Jithoo (and team), Link Market Services and several other visitors (not shareholders, directors, or employees)

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1. Welcome and preliminary comments
The Chair, Mr Peter Griffiths:

- Welcomed shareholders to the Company's first ever hybrid in person and online ASM and reminded shareholders that they can vote and ask questions (whether attending in person or online)
- Outlined the meeting agenda
- Introduced the Company's directors and senior management present at the meeting, and noted that detailed director biographies were provided in the Company's 2021 annual report, as well as in the Notice of Meeting for retiring directors
- Noted that Russell Chenu, who joined the Board prior to the company's IPO in 2014, has retired in advance of this meeting
- Advised that representatives of the Company's auditors (PwC), legal counsel (Bell Gully) and share registry (Link Market Services) were also in attendance
- Confirmed that the Notice of Meeting for the ASM had been sent to all persons entitled to receive it, and that there was a quorum of shareholders present at the meeting.

2. Chair's address

The Chair, Mr Peter Griffiths began by acknowledging that FY21 was a very challenging year for Metroglass and every other business in NZ and Australia. However, the Metro Group displayed real resilience in the face of the significant pressures and uncertainties caused by the COVID-19 pandemic.

He recalled that the business began the financial year under COVID-19 Alert level 4 which saw operations in New Zealand completely closed until the transition to Alert Level 3 on the 28th of April 2020. Australian operations were also affected by restrictions, and while these were less severe than in New Zealand, they were in place for considerably longer and continue to have impacts on the business today. It had been pleasing to see the whole team respond quickly to the various lockdown announcements, focussing on the safety and wellbeing of our people and our customers, preserving cash, and ensuring sufficient balance sheet liquidity. He noted that while in New Zealand today we are fortunate to be operating in relative normality, the quickly developing situation in Australia highlights that the importance of remaining alert to the risk of a sudden Alert Level change.

The Chair highlighted that as a consequence of the pandemic, there has also been widespread disruption to the international shipping network which has impacted all importers into New Zealand including Metroglass. Since late 2020, the group has been working hard to increase its safety stocks and to best utilise its national processing and distribution footprint to limit the impacts on customers. While the scale of these disruptions has provided additional short-term challenges and financial impacts, the Chair noted that he believes the Company has managed them well. The disruptions have brought associated increasing costs and price increases have been introduced where appropriate in both New Zealand and Australia as a result.

The Chair noted that overall demand for glass and residential consenting more broadly is currently strong in both countries, which are expected to support the level of actual residential construction activity remaining at the current strong levels through 2021 and 2022. While general demand is strong, execution is complicated by the pandemic and supply chain disruptions which are also expected to continue through the financial year.

When reflecting on the Company's FY21 financial results, the Chair explained that while group profitability declined year on year, the group's performance was solid given the circumstances it faced. He believed that this was achieved through the resilience of the Company's people, staying connected to customers and remaining focused on the commitment to service and quality.

The Chair advised that the New Zealand market remains competitive, with the commissioning of an additional competitor capacity in the North Island early last year contributing to the total national glass processing capacity continuing to sit above current demand. Customers have a choice in who they partner with and it's important to ensure that choosing Metroglass is an easy decision to make. Metroglass' strategy to defend its market leadership position, while recalibrating its sales mix in the new competitive landscape has delivered encouraging results, in what the Board consider to be a transitional year. Strong growth in Metroglass' "B2C" channel, Retrofit, and other segments has helped to offset the competition for share in the residential window segment, and this market dynamic is expected to continue.

The Chair noted that to be successful in this environment, Metroglass must focus on providing a compelling and differentiated value proposition. It must maintain strong customer relationships and ensure that it is consistently providing a broad range of high-quality products, delivered, and installed to specification across the country every day.

When discussing Australian performance, the Chair noted that Australian Glass Group ("AGG") is a focused double-glazing provider, in a fragmented and competitive market. The business has continued to strengthen its value proposition and delivered a significantly improved result in FY21. After achieving a positive earnings before interest and tax ("EBIT") result in the first half, AGG closed the year with a modest EBIT loss after its operations were negatively impacted late in the financial year by further COVID-19 restrictions in Victoria and also a severe weather event in New South Wales. The growing use of double glazing in south-east Australia, supported by upcoming National Construction Code changes, continues to underpin AGG's revenue growth and future strategy. In FY21, AGG grew its double-glazing sales by 9% and this momentum had continued into the new financial year. The Chair noted that while COVID-19 risks continue to be evident, the Board believes that AGG is on a solid footing with a positive long-term outlook and has exciting growth opportunities ahead.

The Chair highlighted that in FY21 strong operating cashflows, focused capital expenditure and prudent cost management allowed the Company to further strengthen its balance sheet, with net debt reducing by $18.9 million, year on year, to $48.0 million as at the end of March. He also reminded attendees that the group refinanced its banking facilities in October 2020, extending the term from August 2021 to October 2023. The total facility size was reduced from $120m to $85m, including a $10m standby facility which was never drawn upon and will end in October 2021. He noted that reducing debt over the past 24-36 months has allowed the Company to set a new, lower, balance between minimising funding costs and maintaining appropriate financing flexibility.

The Chair noted that the Board remains focussed on ensuring that the company is a successful glass processor that delivers value to its stakeholders. He said that while the current market challenges and the pandemic response must be a key consideration at present, the Company and Board are now in a position to seriously consider the future, and answer questions including “what should come next for Metroglass?”, “how does AGG take best advantage of growth opportunities in Australia?”, “how will the overcapacity issues in New Zealand be resolved”, and “how do we ensure that the Company comes through this period with a market leadership position and sustained financial performance?”. He reiterated that the group’s key near-term goals were:

1. To maintain our leadership position and refine our sales mix to take advantage of opportunities in an increasingly competitive New Zealand market
2. To grow and improve the profitability of our Australian business and benefit from increasing demand for double glazing
3. Ensure our balance sheet remains strong and sufficient to cope with future risks and opportunities.

The Chair reiterated the Company’s long-standing goal of reducing its leverage ratio, being net debt to earnings before interest, tax, depreciation, and amortisation (“EBITDA”), to 1.5 times. Despite disruptions from COVID-19, success in debt reduction means that this target is expected to be met in FY22. He confirmed that it is the Board’s intention to resume declaring dividends alongside the Company’s FY22 interim results in November 2021. In accordance with the Company’s published policy, the Board expects to pay fully imputed dividends each financial year of between 50% and 70% of net profit after tax before significant items.

The Board provided an update on its approach to capital management in May 2021, which involved the adoption of a more balanced approach as the Company’s leverage target is reached. The Chair noted that more capital will be available to improve the efficiency and effectiveness of the business, which will include targeted investments into unit capacity increases within our existing factory footprint. The timing of capital expenditure will be impacted by the ability to source and install equipment without disruption to production. As well as funding the dividend, the Company will continue to reduce debt in the coming years as it brings leverage towards the bottom end of its longer-term target range of 1x – 2x net debt to EBITDA.

The Chair summarised his address by stating that the threat of COVID-19 and its complications will be present for some time contributing to ongoing disruption both locally and globally. The Company and Board are continuing to monitor and plan for disruptive events to enable us to respond effectively. It is the Board’s current view that positive market conditions will continue for some time in both countries and Metroglass will seek to maintain its position in New Zealand and grow its business in Australia.

The Chair ended by thanking Metroglass employees, customers, suppliers, and shareholders on behalf of the Board for their continued commitment and support through an incredibly challenging year.

3. Chief Executive Officer’s (CEO) address

The CEO, Simon Mander, welcomed shareholders attending in person and online, and thanked the Chair. He began by reiterating the Chair’s comments on the significant impacts that fluctuating COVID-19 restrictions and international supply chain disruptions had on the Company’s operations in both countries in FY21. These issues are continuing as illustrated by the heightened restrictions implemented in both Sydney and Melbourne in recent days. He noted that he is immensely proud of the Company’s teams who continue to be resilient and adaptable to manage these disruptions which have impacted momentum in both New Zealand and Australia. Importantly, under all circumstances, the Company has maintained a strong connection and service level to its customers.

The CEO confirmed that as of today, all seven glass processing plants across our network in NZ and Australia are open and operational, albeit with the Sydney plant operating on a restricted basis under a strict set of safety protocols (the Melbourne plant is currently supporting with supplementary supply into the region).

Reflecting on FY21, the CEO recalled that New Zealand based operations were fully closed from late March to the end of April 2020. Pleasingly, from June 2020 onwards, activity in the Company’s retrofit and commercial glazing segments were strong. He noted that the retrofit business grew 16% in FY21 despite the lockdown, with significant increases in enquiry levels and record growth in its forward book of committed work. This strength helped to partially offset the Alert Level 4 lockdown and heightened competition in the residential segment.

Turning to the Australian business, the CEO noted that AGG's turnaround had progressed well with stable operational performance and significantly improved EBIT. The business delivered a revenue growth of 1% year on year, despite the impacts of COVID-19 and has offset the exiting of the non-DGU market in New South Wales. AGG had achieved positive results for the first three quarters of FY21, however Victoria's snap lockdown in February and significant flooding in New South Wales in March, negatively impacted momentum. He highlighted that while these issues were outside of management's control, both he and the Australian team were disappointed by how the year ended given the progress the business has made.

The CEO noted that as a group, Metroglass and AGG remain firmly focussed on its customers and its people, making good progress with both. He said that he has been particularly proud of the progress made on the Company's multi-year Safety and Wellbeing strategy, which has achieved steady progress through the year implementing standards for controlling hazards effectively and improving early intervention practices. Additionally, the Company's apprentice scheme has been another highlight, through which Metroglass now has more than 80 apprentices enrolled in addition to the 15 who qualified in FY21.

The CEO shared a selection of recognition and awards that Company has received over the past year:

- Metroglass was nominated and achieved a 'highly commended' as part of the skills Highway Champion Awards 2020, for its Brighter Minds programme that aimed to support emerging leaders to develop knowledge and skills while working towards a New Zealand Certificate in Business (introduction to team leadership). 55 employees graduated from the programme during the year
- Metroglass received the Best Financial Innovation Project award at the 2021 CFO awards for the implementation of its ERP system which went live in November 2020
- In the recent Windows and Glass Association of New Zealand awards, Metroglass won the Sustainability award for the Turanga Library in Christchurch that featured Metroglass' high-performance Low E double glazing which was structurally glazed by the Metroglass Christchurch team. Metroglass' products were also used by the winning entries in all three of residential project categories.

In summarising the Company's FY21 results, the CEO noted the following points:

- The group achieved a solid set of results for the year, despite operating in increasingly competitive market and facing regular externally driven disruptions which impacted on our ability to build sustained momentum
- New Zealand revenue of $179.8 million was down 11% versus the prior year given the COVID-19 shutdown period, with an EBIT before significant items, of $19.4 million down 27%
- Australian Glass Group's revenue grew by 1% to $52.5 million with strong performance from all states in rebuilding the revenue to offset the exit of non-double-glazing product sales in New South Wales
- At an EBIT level, AGG had been on track to achieve a modest profit for the year after a positive EBIT result for the first half, however, the COVID-19 lockdown in Victoria and flooding in New South Wales had negative impacts late in the year. As a result, AGG delivered an EBIT loss of $0.7m which while disappointing, was a significant improvement from a loss of $(3.6) million for the prior year
- Group EBIT of $17.9 million includes the New Zealand and Australian segmental results as well as Group costs of $0.3m. This result was at the top end of the guidance range provided in February of $16.5 - $18m
- The Company continued to strengthen its balance sheet, with net debt declining by $18.9 million year on year to $48.0 million. This was supported by strong operating cash generation, the sale and lease back of two thirds of our vehicle fleet, and a reduction in capital expenditure.

The CEO discussed the results of the Company's latest customer survey, conducted in May 2021, noting that these surveys provide vital feedback on Metroglass and AGG's offering, the strength of customer relationships, and importantly provide key areas for improvement. Overall, the feedback ratings in New Zealand and Australia were largely consistent with previous surveys and for every negative comment there were multiple positive comments. He noted that it has been great to see the New Zealand business achieve its highest results in the last two surveys, and to see continued strength in the Australian results despite prolonged COVID-19 related operating challenges throughout the year. The qualitative feedback provided shows that customers are complimentary of the Company's people, relationships, customer service, account management and project management. However, inconsistencies in service performance predominantly around lead times in some regions were also raised. The CEO confirmed that management were aware of these issues which were a result of some equipment reliability challenges around the time of the survey. He also noted that as with each of these surveys, the Company will continue to work with customers to address specific issues and general service levels, and to develop ways to improve and generate value for customers.

In providing an update on the first four months of trading in the FY22 year (being April to July 2021), the CEO noted that while Group revenue is significantly ahead of last year, any comparisons to Q1 FY21 has little relevance given the Alert-Level 4 shutdown period in NZ. The continued strength in residential consents in New Zealand and approvals in Australia have supported a robust and stable level of construction activity. In New Zealand, Metroglass' market share in the residential window manufacturer segment has now stabilised following the entry and subsequent growth of a new competitor over the course of FY21, however the annualised impact is expected to increase progressively through FY22. The CEO stated that despite the changing industry dynamics, Metroglass remains the clear NZ market leader and has started this year well. The business is continuing to reposition its sales mix to where it sees opportunities, winning new customers and executing on further strength in the Retrofit segment. In Australia, sales are running ahead of last year, buoyed by strong market activity across each of AGG's key regions. However, from the middle of July, AGG has been operating under escalating COVID-19 restrictions in New South Wales in particular where the Sydney plant is running on a restricted basis under a strict set of safety protocols.

The CEO noted that while year to date revenue is higher in New Zealand given the COVID-19 shutdown early in FY21, these revenue gains have been offset to an extent by the significant and widespread international shipping disruptions which have led to increased raw material and shipping costs. The non-recurring nature of last year's Government wage subsidy has also had an impact. Where appropriate, the Company has introduced price increases in both NZ and Australia which will partially offset these increased costs. The group remains firmly focused on limiting any supply impacts on customers, increasing safety stock levels, and working to best utilise its distributed processing and logistics network. He noted that the tight labour market is adding to supply and capacity pressures in both the NZ and Australian industries, and that recruitment is becoming a real challenge, while wage inflation is being managed.

The CEO confirmed his belief that AGG is now on a solid footing and that the business is demonstrating sustained operational and financial performance. To support the next stage of AGG's growth, the business is progressively introducing secondary production shifts in the New South Wales and Tasmania factories. While this change creates some inefficiencies and increased labour costs in the short term as the new staff are recruited and trained, ultimately this will enable AGG to grow with the market, which will increasingly benefit from the anticipated changes to the National Construction Code anticipated in 2022 and 2023.

In discussing the group's outlook, the CEO noted that the Company's outlook for FY22 is largely unchanged from the comments provided in May 2021. He said "we believe activity levels across both NZ and Australia will likely be sustained at current levels for the rest of the 2021 calendar year and well into 2022. The continued strength in residential building consents provides a positive signal of a strong pipeline of activity, though in NZ industry capacity constraints will continue to dampen any rapid growth in the near term. The residential segment in NZ will continue to be competitive and dynamic, but we expect the customer churn being seen across the market to settle over the remainder of FY22. In Australia, we are confident that AGG has embedded the improvements achieved in FY21. The level of residential approvals in Australia improved significantly through FY21 which will provide some support through the 2022 financial year. The group remains alert to COVID-19 risks and the significant disruptions in international shipping. Both are likely to continue for the foreseeable future. The group intends to invest more capital expenditure in FY22 v FY21 aimed at efficiency and unit capacity and we continue to take a prudent approach to managing operating costs."

The Company will update shareholders further on the group's financial performance alongside its interim results announcement in November 2021.

The CEO ended by reiterating that the Company's focus remains firmly on building a resilient organisation that provides excellent operational performance, maintains strong customer connections, and invests in and supports its people. He reaffirmed the key goals which are to:

- Defend Metroglass' leadership position and refine its sales mix to take advantage of opportunities in an increasingly competitive New Zealand market
- Grow and improve the profitability of the Australian business and benefit from increasing demand for double glazing
- Ensure the Company's balance sheet remains strong and sufficient to cope with future risks and opportunities.

Before handing back to the Chair, the CEO thanked Metroglass' shareholders, customers, suppliers, staff, and the Board for their support over what has been a challenging year for all.

4. **General business and shareholder questions**

The Chair invited general questions from shareholders, resulting in directors and shareholders holding discussions on a wide variety of general business matters.

The Chair began this session by responding to two shareholder questions which were received in advance of the meeting. These related to the merits of retaining the Company's ASX listing and the FY21 financial impact from February's COVID-19 lockdown in Victoria and the severe flooding experienced in New South Wales.

Either in person or through the online platform, shareholders then asked various questions in respect of:

- Year to date FY21 financial performance against the same period in FY20 and FY19
- Whether any comments could be provided on potential results for the FY22 year
- The drivers and timing of the financial benefits from recently announced price increases
- The level of glass wastage in production
- The different trades included in Metroglass' apprenticeship programme
- The scale of the Company's retrofit business and current installation lead times
- Growth potential of AGG in a fragmented market, despite supply chain and capacity pressures
- The change in Group net debt post FY21 year end
- The year-on-year movement in cash flow hedging balances
- The Board's decision not to pay a dividend at FY21 year end and confidence in declaring a dividend alongside the FY22 interim results
- The role of share repurchases in the Company's capital allocation process
- Short term incentive payments relating to FY21 being paid despite a decline in EBIT year on year.

5. **Proxy votes**

The Chairman advised that voting proxies had been appointed for the purposes of this meeting in respect of approximately 54 million shares, representing approximately 29% of the total issued capital. It was noted that the Directors would be voting any discretionary proxy votes in favour of each of the proposed resolutions.

6. **Formal business: Resolution one - auditor remuneration**

The Chair proposed as a formal resolution *"that the Board be authorised to fix the fees and expenses of PwC as Auditor for the ensuing year"*. No questions were received from shareholders with respect to this resolution.

Voting was conducted by way of poll, and proxy votes (at proxy close) received in respect of the resolution were recorded as follows:

Resolution	Votes ***for***	Votes ***against***	Votes ***open***	Votes ***abstain***
1: Auditor remuneration	50,769,608	386,411	3,311,329	3,000

7. **Formal business: Resolution two - election of Peter Griffiths**

Angela Bull took over as Chair of the meeting for this resolution only.

Peter Griffiths addressed the meeting and detailed his background and reasons for seeking to be elected as a Company director. He answered several questions from shareholders, including:

- The status of the recruitment process to appoint a sixth director, the attributes being sought, and whether an Australian based director would attract higher remuneration than NZ based directors
- What capital investments the Company is making in processing equipment this year
- What directors are doing to upskill in the areas in which the board considers itself in its published skills matrix to only have moderate skills

Angela Bull proposed as a formal resolution *"That Peter Griffiths be elected as a Director of the Company"*. Voting was conducted by way of poll, and proxy votes received in respect of the resolution were recorded as follows:

Resolution	Votes *for*	Votes *against*	Votes *open*	Votes *abstain*
2: Election of Peter Griffiths	42,537,143	8,584,776	3,308,564	39,865

8. Formal business: Resolution three – election of Rhys Jones

Rhys Jones addressed the meeting and detailed his background and reasons for seeking to be elected as a Company director. He answered several questions from shareholders, including:

- Whether the Company is looking to grow organically or via merger and acquisition activity
- The opportunity for a retrofit double-glazing business in Australia
- Capital requirements for the Company's growth plans in Australia

The Chair proposed as a formal resolution *"That Rhys Jones be elected as a Director of the Company"*. Voting was conducted by way of poll, and proxy votes received in respect of the resolution were recorded as follows:

Resolution	Votes *for*	Votes *against*	Votes *open*	Votes *abstain*
3: Election of Rhys Jones	50,852,049	274,970	3,308,564	34,765

9. Voting

The Chair displayed the results of proxy voting on each resolution for attendees before the end of the meeting, reminded shareholders to ensure they had submitted their votes on each resolution whether in person or online and advised that the results of the voting would be advised to the New Zealand and Australian stock exchanges following the meeting.

10. Meeting closure

The Chair then thanked shareholders for their attendance, for the various shareholder questions, and declared the meeting closed at 11:45am.

11. Post meeting note – final Annual Shareholder' Meeting results

The final voting results for the meeting were released to the NZX and ASX on 6 August 2021 following the conclusion of the meeting. Each of the three Resolutions put to the meeting were passed. The details of the total number of votes cast (either in person or by proxy) were as follows:

Resolution	Votes *for*	Votes *against*	Votes *abstain*
1. That the Board be authorised to fix the fees and expenses of PwC as Auditor for the ensuing year.	64,724,192 99.41%	386,411 0.59%	11,450
2. That Peter Griffiths be elected as a Director of the Company.	56,438,912 86.73%	8,632,276 13.27%	50,865
3. That Rhys Jones be elected as a Director of the Company.	64,763,818 99.52%	312,470 0.48%	45,765

Signed as a correct record

Chair: ______________________

Date: 20 September 2021