Metro Performance Glass Limited
(the Company, Metroglass)

Minutes of the 2023 Annual Shareholders' Meeting ("ASM")

Date and time:	Tuesday 1 August 2023 at 10.00am
Venue:	Virtual meeting portal (via Link Market Services) at: www.virtualmeeting.co.nz/mpg23.
Present:	Peter Griffiths, Chair Jenn Bestwick, Director Julia Mayne, Director Graham Stuart, Director and approximately 50 other Company shareholders *(either in person on virtually)*
Apologies	Mark Eglinton, Director
In attendance:	13 Metroglass staff, including: Simon Mander, CEO Brent Mealings, CFO Liam Hunt, Company Secretary Troy Florence, PwC Toby Sharpe, Bell Gully Silvana Schenone, Jarden Andrew Parsonage, Jarden Amy Van Bunnik, Jarden Brendan Jarvis (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 meeting in person and online and reminded shareholders that they can vote and ask questions (whether attending in person or online)
- Introduced the Company's directors and senior management present at the meeting, and noted that detailed director biographies were provided in the Company's 2023 annual report, as well as in the Notice of Meeting for retiring directors
- Outlined the meeting agenda
- Advised that representatives of the Company's auditors (PwC), legal counsel (Bell Gully), advisors (Jarden) 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.

Chair's address

The Chair, Mr Peter Griffiths began by acknowledging that FY23 was another challenging year for the business.

The Chair noted that international supply chains continued to be disrupted and raw material costs remained high. The business had increased its levels of stock to ensure service to customers and as a result working capital increased, leading to higher debt. He noted a series of initiatives were introduced through the year to free up cash, improve price and reduce cost. Consequently, gross profit improved in latter months of FY23 as prices increases were embedded and high costs for international freight eased. He reiterated that the business' cost out programme had resulted in annualised savings of $8.0 to $9.0 million, and that ongoing cost reductions as demand softens will continue.

The Chair explained that through the second half of FY23 the New Zealand construction market started to soften, and this had continued through into the current year. He outlined that the m^2 of glass processed in first quarter of FY24 was 24% lower than the first quarter of FY23. The continued to state that it was clear that we in a period of reduced activity, and that the board and management team continue to consider a range of scenarios and had further initiatives to reduce costs should demand soften further.

The noted that the business' capital programme remained focussed on increasing capacity and capability for processing higher performing LowE glass in New Zealand and increasing double-glazing processing capacity in AGG and had enabled the company to service changing product demand from the new building code changes in each country.

The chair next acknowledged that Australian Glass Group had achieved significant improvements in profitability this year, supported by high levels of operational stability and customer satisfaction.

The Chair reiterated that it remained the board's intention once debt is significantly reduced to resume dividends inline with the Metroglass capital management framework. He noted that the board remains focussed on achieving the best value for all shareholders and ensuring that the company is a successful and enduring glass processor and is open minded to all options. He noted that the board will continue to be focused on reducing the Groups debt leverage to below 1.5 times net debt to EBITDA and outlined that the business had previously made good progress, however the impact of the pandemic had negatively affected earnings and margins. A period of softer market activity creates a further challenge.

The chair explained that it is the boards' view that cash flows from operations alone particularly in a downturn cannot reduce debt rapidly enough and other alternatives need to be considered. The chair outlined the timeline of events relating to the Australian Glass Group operation:

- In February, the chair noted, that the business announced the start of an asset sale process for the Australian Glass Group operation.
- A range of offers were received, and several parties entered due diligence which is expected to conclude shortly.
- The board will carefully consider final offers, and if thought the best option in achieving the goal of significantly reducing debt, will bring the offer to shareholders for consideration at an extraordinary meeting.

In conclusion, the Chair, on behalf of the board, thanked Metroglass employees for their determination and resilience during this period and, customers, suppliers and shareholders for their continued commitment and support through another incredibly challenging year.

2. Chief Executive Officer's (CEO) address

The CEO, Simon Mander, welcomed shareholders attending in person and online, and thanked the Chair. He began by recognising people right across the Metroglass group and noted that their resilience had ensured that the Company had continued to deliver market leading products and services to customers.

Reflecting on FY23 the CEO noted that, teams had managed ongoing supply chain disruption well and as shipping became more reliable and predictable, it had allowed the business to begin to reduce safety stock levels and in turn, working capital. He noted that there had been marked improvements in gross margin as price increases embed, the sales mix had shifted to higher value Low E, and freight costs had eased.

The CEO outlined that during the year, all of segments were impacted by disruptions to supply chains and corresponding project delays that impacted efficiency. In spite of this, all segments remained resilient and performed well. He explained that Metroglass remained the leading glass processor and installer in New Zealand and that Australian Glass Group had delivered on their turnaround plan, with stable operational performance and delivered a significantly improved EBIT result. He noted that Australian Glass Group was well positioned for continued growth alongside the increasing adoption of double glazing as changes to National Construction Code further accelerate its uptake.

The CEO noted that he was proud of the progress made in the group's environmental, social and governance commitments. He continued to reiterate that safety performance continued to improve, and remained a key focus for the leadership team. The Total Recordable Injury Rate (TRIFR) more than halved to 2.5 in FY23 from 5.5 in the prior year.

The CEO explained that the business sought to understand its carbon emissions profile and had recently achieved external assurance from Toitu Envirocare for its FY22 base year, he stated this was a good starting point for the company to develop its longer-term carbon reduction programme.

In summarising the Company's FY23 results, the CEO noted the following points:

- Group EBIT of $11.8 million was an increase of 100% on the prior comparable period, driven by a full trading period without a lockdown and significant price increases in both New Zealand and Australia.
- Net debt increased to $60.1m, driven primarily by higher volume of inventory which was also at higher unit cost. The Group's leverage ratio reduced to 3.2x on 31 March 2023, from 3.8x on 31 March 2022.
- Australian Glass Group had a much-improved result after a number of very difficult years. Revenue lifted 32% primarily through improved pricing and stable operations and we delivered an EBIT result of $6.4m.

In providing an update on the first four months of trading in the FY22 year (being April to July 2022), the CEO noted that:

- For Q1 Group revenue is similar to the prior year despite the amount of glass processed in m2 being materially lower than the same period last year.
- Revenue in NZ was 9% lower but improved pricing and mix had helped to offset the volume reductions from a softer New Zealand market.
- Gross Profit Percentage had improved 7% on prior comparable period in NZ
- Australian Glass Group continued its momentum seen through FY23 into Q1 FY24, with glass processed, revenue, gross profit and EBIT all above the same period last year.
- Net debt had reduced from $60m at 31 March 2023, to approximately $55m at 30 June 2023, primarily driven by reductions to working capital. CAPEX was currently at same level as the same period last year and expected full year capex to be similar to last year at approximately $7m.

The CEO explained the supportive regulatory changes occurring in New Zealand where Ministry for Business, Innovation and Employment had introduced changes to the minimum thermal performance requirements for compliance with the building code H1 Energy Efficiency. The first major change since the introduction of Double Glazing in 2007/08. The CEO continued to summarise the changes:

- New Zealand had moved from 3 climate zones to 6, reflecting the differing local climates across the country, with each zone being set new thermal performance requirements for insulation – glass being one of them.
- The new building code requirements see an increase in thermal efficiency across all zones, in three phases:
    - From November 2022: All zones to move to an R0.37 from R0.26,
    - then from May 2023, this splits into 3 increased R value requirements, with the coldest areas requiring R0.50
    - and a final step in November 2023. which brings zone 1 & 2 in line with 3 & 4, at a thermal performance of R0.46
- The use of standard aluminium frames in most applications will not be compliant once the full extent of changes were introduced, and almost universally will require all glass to be a high-performing Low E.

The CEO noted that the business had been talking about these changes for some time and the positive impact they will have on our business. In the last few months, as these new code requirements comer into force the sales mix of Low E in residential doubler glazing had moved from around 24% Q1 last year to 40% in Q1 this year. Over the next 12 months it is expected that this is to reach 90% plus. Importantly, not only are we seeing a shift from non-LowE glass to LowE glass, but customers are also seeking to move from within the LowE range, towards the high-performing LowE's.

The CEO described Metroglass' product suite and its long history of supplying high performing soft coat LowE products and its leading LowE product offering. He explained that glass performance, excluding mechanical/structural attributes can be summarised across three performance attributes.

1. The changes in H1 Energy Efficiency requirements means that thermal performance is somewhat of a product hygiene factor in that all glass suppliers must now meet this minimum thermal efficiency requirement.
2. Visual Light Transmission – how much natural light comes in,
3. Solar Heat Gain – how much heat from the sun comes into the house. This is of particular interest in warmer climate zones.

The CEO highlighted that earlier this year the business brought to market the SunX Grey offering which provided strong performance across all the attributes outlined.

The CEO next discussed the results of the Company's latest customer survey, conducted in May 2023, noting that these surveys provided vital feedback on Metroglass and AGG's offering, and importantly guided the initiatives to address specific issues, general services levels, and ways to generate value for customers.

He noted that overall the ratings in New Zealand while they remain strong, declined in the May survey. He was encouraged by the high survey response rate which climbed to 72%. He noted that often these surveys are reflective of the current situation when the survey is conducted. In and around May the business did have some supply disruptions in our plants which impacted some of our customers. He confirmed that many of those challenges already had been addressed. He noted that the business continued to work with its customers to understand their feedback and work with them to develop solutions to improve our service levels.

In Australia, AGG achieved their highest ever rating as customers continued to complement our people, our communication and customer service, and overall responsiveness to their needs.

In discussing the group's outlook, the CEO noted:

In New Zealand

- The 12-month rolling residential consents has continued to decline, and while above estimated industry capacity, uncertainty remained on the number of dwellings ultimately constructed in FY24 and beyond.
- Activity levels in key markets were expected to remain stable at the softer levels for atleast the next 4 months. Economic headwinds may accelerate a further activity decline at the end of 2023 and into 2024.
- Metroglass continued to refine plans to continue the improvement of NZ business' profitability.
- The cost out programme will deliver operational and financial benefits through FY24.
- With reduced disruption to the international supply chain combined with the increasing demand for Low E products, the level of financial performance in the first half of FY24 is expected to better than the pcp.

In Australia:

- The number of detached dwelling commencements continues to decline in all states; However the increasing use of double-glazing in residential buildings is likely to partially offset the declines in overall residential construction activity.
- As previously announced, For the 12 months to 31 March 2024, management forecasts are for AGG to achieve revenue, EBITDA and EBIT of approximately AUD 79.0 million, AUD 11.5 million, AUD 7.5 million1 respectively.

At a group level:

- Net Debt is expected to be in the range of $53.0 to $55.0 million
- Earnings before interest and tax (EBIT) is expected to be better than the prior comparable period of FY23.

The CEO concluded with his thanks to all shareholders, customers, suppliers, staff and the Board for their support over what has been a challenging year for all.

3. 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.

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

- The Australian Glass Group sale process and the board's criteria for assessing value
- The expected value of the residual New Zealand business should a sale of Australian Glass Group proceed
- The board's confidence in arresting the New Zealand business' earnings degradation
- The disparity in the New Zealand business revenue, gross profit margin and operating costs in FY23
- Metroglass' goodwill on the balance sheet and the impairment in FY23
- An explanation of the balance sheet items that relate to intangible assets and right of use assets
- Metroglass' position in the retirement village market
- Director shareholding in Metroglass
- The capability and contribution of Directors to the Metroglass board

4. Proxy votes

The Chairman advised that voting proxies had been appointed for the purposes of this meeting in respect of approximately 83.9 million shares, representing approximately 45% 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.

5. 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"*. There was one shareholder comment made related to the fact there was clearly Auditor independence.

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	59,951,644	670,730	3,978,778	19,507,513

6. Formal business: Resolution two - election of Graham Stuart

Peter Griffiths advised shareholders that as proxy voting received prior to the meeting indicated that this resolution would not be voted in favour, Graham Stuart would not be addressing the meeting.

Peter Griffiths proposed as a formal resolution *"That Graham Stuart 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 Graham Stuart	11,813,121	68,922,009	3,158,795	214,740

7. Formal business: Resolution three – election of Mark Eglinton

Peter Griffiths advised shareholders that Mark Eglinton was unable to attend the meeting in person due to illness and had provided the following statement. Peter read the Mark's statement as follows: "

The Chair proposed as a formal resolution *"That Mark Eglinton 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 Mark Eglinton	79,460,834	1,362,686	3,158,795	126,350

8. **Voting**

The Chair 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.

9. **Meeting closure**

The Chair then thanked shareholders for their attendance, for the various shareholder questions, and declared the meeting closed at 11.25am.

10. **Post meeting note – final Annual Shareholder' Meeting results**

The final voting results for the meeting were released to the NZX and ASX on 1 August 2023 following the conclusion of the meeting. Resolutions one and three put to the meeting were passed. Resolution 2 did not pass. 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.	68,874,715 98.69%	916,466 1.31%	19,566,013
2. That Graham Stuart be elected as a Director of the Company.	18,894,371 21.48%	69,052,793 78.52%	1,401,530
3. That Mark Eglinton be elected as a Director of the Company.	87,054,168 98.23%	1,571,676 1.77%	731,350

Signed as a correct record

Chair: ______________________

Date: 27 September 2023