

# CORPORATE GOVERNANCE

## METRO PERFORMANCE GLASS LIMITED: FY23 CORPORATE GOVERNANCE STATEMENT

**Metro Performance Glass' (Metroglass, the company) board and Senior Leadership Team (SLT) recognise the importance of sound corporate governance and consider it core to ensuring the creation, protection and enhancement of shareholder value.**

Together, the board and SLT are committed to making sure that the company applies and adheres to practices and principles that ensure good governance and maintain the highest ethical standards to protect the interests of all stakeholders.

This corporate governance statement reflects a summary of the company's corporate governance framework, policies and procedures and how they comply with the NZX Corporate Governance Code (the Code). The full corporate governance framework has been approved by the board and key policies and charters are available in the Investor Centre section of the company's website at <http://www.metroglass.co.nz/investorcentre/governance/>

The information in this section is current as at 14 June 2023 and has been approved by the board. Metroglass considers that, during the year to 31 March 2023 (reporting period), the company materially complied with the Code.

Metroglass' shares are also listed on the Australian Securities Exchange (ASX) with ASX Foreign Exempt Listing status. Given this status, the ASX requires the company to comply with the NZX Main Board Listing Rules and confirm its adherence to these rules annually, and to comply with a specific subset of the ASX Listing Rules.

### PRINCIPLE 1: CODE OF ETHICAL BEHAVIOUR

"Directors should set high standards of ethical behaviour, model this behaviour, and hold management accountable for these standards being followed throughout the organisation."

#### Code of Ethics

Metroglass has a Code of Ethics that establishes a framework of standards by which the directors, employees, contractors and advisors of Metroglass are expected to carry out their responsibilities. It is not an exhaustive list of acceptable behaviour; rather it facilitates decision-making that is consistent with Metroglass' values, business goals and legal and policy obligations.

The Code of Ethics also imposes a number of obligations on directors, including requirements that they give proper attention to the matters before them; be up to date on their regulatory, legal, fiduciary and ethical obligations; undertake training; manage breaches of the Code of Ethics; and act honestly and in the best interests of the issuer, shareholders and stakeholders and as required by law.

Metroglass monitors compliance with the Code of Ethics through its management processes as well as through the whistleblowing procedures set out in the Code of Ethics and separate Whistleblower Protection Policy. The Code of Ethics and Whistleblower Protection Policy were both reviewed and updated in November 2021.

#### Securities Trading Policy

The company's Securities Trading Policy governs trading in the company's shares and any associated financial products (during the reporting period these were Metroglass' NZX- and ASX-listed shares).

The policy applies to all directors, employees and contractors of Metroglass and its subsidiaries ("Metroglass Personnel"). The policy is a critical part of ensuring all Metroglass Personnel are aware of their obligations and legal requirements and takes into account the insider trading prohibitions in the Financial Markets Conduct Act 2013 (NZ) and the Corporations Act 2001 (Australia), and the company's obligations under the NZX Code.

The policy also sets out a set of more stringent rules which apply to directors and certain employees of Metroglass when dealing in Metroglass Securities ("Restricted Persons"). These additional rules include trading being prohibited during the "blackout" periods set out in the policy and consent being obtained prior to trading with the Restricted Person required to confirm they hold no material information.

The policy is reviewed at least every two years and was last reviewed in September 2021.

## PRINCIPLE 2: BOARD COMPOSITION AND PERFORMANCE

**“To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.”**

The board has ultimate responsibility for the strategic direction of Metroglass and for overseeing Metroglass’ management for the benefit of its shareholders.

Metroglass’ constitution provides for a minimum of four directors and, subject to this limitation, the number of directors to hold office shall be fixed from time to time by the board. At least two directors must be ordinarily residents of New Zealand and at least two must be independent directors. The Chair of the board cannot be the CEO or the Chair of the Audit and Risk Committee.

The directors bring a wide range of skills to the board including expertise in corporate strategy, national and international business and financial management, sales, marketing, mergers and acquisitions, legal, capital markets, industry experience and corporate governance. As at 29 May 2023, the board comprised six independent directors. Director profiles and length of service are detailed on pages 10 and 11 of this report.

### Board Charter

The board operates under a written Charter, which describes the board’s authority, duties, responsibilities, composition and framework for operation. This Charter also affirms that the board, in performing its responsibilities, should act at all times in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed on the board by Metroglass’ constitution and by law. The Charter is reviewed at least every two years and was last reviewed in April 2021.

Management of Metroglass on a day-to-day basis is undertaken by the CEO and senior managers through a set of delegated authorities that clearly define the CEO and senior managers’ responsibilities and those retained by the board.

Metroglass’ board-and CEO-delegated-authority policies are reviewed at least annually and were last reviewed in December 2022. The board meets its responsibilities by receiving reports and plans from management and through its annual work programme. The board uses committees to address issues that require detailed consideration. Committee work is undertaken by directors; however, the board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

### Nomination and appointment of directors

The provisions regarding the election and retirement of directors are contained in the Metroglass constitution.

Metroglass strives to ensure that the company has the right mix of skills and experience it requires to enable it to achieve its strategic aims in a prudent and responsible manner. The board will review its composition from time to time and will identify and evaluate suitable individuals for appointment as a director as and when an appointment is to be made. In evaluating a candidate for appointment as a director, the board will consider criteria including the skill sets required at the time as well as the individual’s experience and professional qualifications. To support the board in its deliberations, the directors consider a skills matrix that sets out the mix of skills and diversity of the directors and evaluates whether the collective skills and experience of the directors meet Metroglass’ requirements both now and into the future.

New directors provide the company with a written consent to act as a director and receive a formal Letter of Appointment that sets out the Terms and Conditions of Appointment and Remuneration Schedule. It also sets out the expectations of the company, the director’s duties, responsibilities and powers, insurance and indemnity arrangements, and rights of access to information. All new board members are also provided with an extensive briefing on the company and industry-related matters within a thorough induction process.

### Selection of Chair

The Metroglass constitution provides that the directors may elect a chairperson of the company and also determine the period for which the chairperson is to hold office. Peter Griffiths is an independent director and is currently the appointed chairperson.

### Retirement and re-election

The company’s constitution and NZX Main Board Listing Rules require a newly appointed director to stand for election at the next Annual Shareholders’ Meeting (ASM). Julia Mayne and Jenn Bestwick were elected as directors of Metro Performance Glass at the company’s ASM on 9 August 2022. Graham Stuart and Mark Eglinton will each retire by rotation and stand for re-election at the company’s 2023 ASM.

### Director independence

Directors are considered to be independent if they are non-executive and do not have an interest or relationship that could be perceived to unreasonably influence their decisions relating to the company or interfere with their ability to act in the company’s best interests. An individual being appointed as an independent director must be independent according to NZX definitions and not have any disqualifying relationships as defined in the Board Charter.

Directors are required to ensure that they immediately advise the board of any relevant new or changed relationships to enable the board to consider and determine any impact on the director’s independence.

As at 14 June 2023, all six directors are considered by the board to be independent directors in accordance with the NZX Main Board Listing Rules. Information in respect of each director’s ownership interests are detailed on page 71 of this report. Metroglass’ directors are not formally required to own Metroglass shares but are encouraged to do so.

### Director training











The company encourages directors to continue to develop their knowledge and skills as a director. With the prior approval from the Chair, directors may attend appropriate courses or seminars for continuing education at the company’s cost.

## Board, director and committee evaluation

In accordance with the Board and Committee Charters, the board annually reviews its performance, policies and practices. It also reviews annually the performance of each director and board committee. These reviews are carried out both formally and informally.

The last full board performance review was completed in May 2021 with the assistance of governance services firm Propero Consulting. The next review will take place during the current financial year. The Audit and Risk Committee was last reviewed in March 2023 and the People and Culture Committee was last reviewed in May 2023.

### Directors' skills matrix as at 31 March 2023

Strategic board skills	Number of directors with high and moderate capabilities	Area of future learning or potential appointment
 Building products and manufacturing	●●●●○	★
 Australian market knowledge	●●●○	★
 Safety	●●●●○○○	
 Commercial/risk – former CEO	●●●●○	
 Financial expert	●●●●○○	
 Strategic investment banking	○○○○○	★
 B2B marketing and customer insight	●○○○○○	★
 People and culture	●●●●○○	
 Governance	●●●●○○○	
 Diversity (gender, age, ethnicity etc.)	●●	★

**Key** ● High capability ○ Moderate capability

As at 31 March 2023 (and 31 March 2022 for the prior comparative period), the mix of gender among the company's board and SLT was:

31 March 2023	Female	Male	Total	% Female
Board	2	4	6	33%
Senior Leadership Team	3	5	8	38%

31 March 2022	Female	Male	Total	% Female
Board	2	4	6	33%
Senior Leadership Team	3	6	9	33%

## Diversity and inclusion

Metroglass and its board believe that an equal opportunity workplace in which differences in gender, age, ethnicity, nationality, religion, sexual orientation, physical ability, marital status, experience and perspective are well represented results in a competitive advantage and helps the company to better connect with its diverse set of customers and other stakeholders.

The company believes that an ability to attract and retain a diverse and inclusive workforce broadens the recruitment pool of high-calibre candidates, enhances innovation and improves business performance. A copy of the company's Diversity and Inclusion Policy is available on the company's website.

Metroglass has an ethnically diverse workforce, reflective of the communities in which it operates, represented by employees from over 20 countries.

Metroglass is committed to providing an inclusive and diverse environment throughout the company. The company's focus in FY24 is on making deliberate and conscious steps towards building a greater awareness of the importance of diversity and inclusion in the workplace.

In the 2023 financial year the diversity and inclusion objectives were:

- To review current recruitment practices, remove any bias in vacancy wording or imagery and tell the Metroglass story by developing videos showcasing employee diversity.

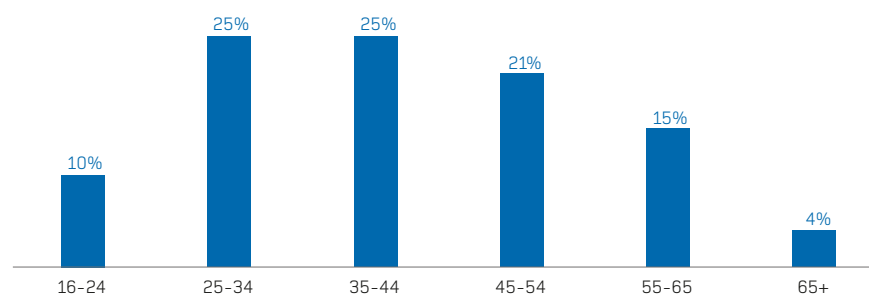
- Continuing to build on the progress made to date with each hiring manager receiving unconscious bias training.
- Introducing and rolling out a flexible workplace policy – implemented in May 2022.

## How is our workforce made up?

Gender (March 2023)



Age (March 2023)



Note: Workforce diversity data sourced from staff surveys

### PRINCIPLE 3: BOARD COMMITTEES

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

In the year to 31 March 2023, the board had two standing committees, being the Audit and Risk Committee and the People and Culture Committee.

#### Board and Committee Composition and Attendance 12 Months to 31 March 2023

Director	Board meetings attended	Audit and Risk Committee meetings attended	People and Culture Committee meetings attended	Appointed/Resigned
<b>Meetings held</b>	<b>15</b>	<b>6</b>	<b>4</b>	
<b>Standing directors</b>				
Peter Griffiths	15/15 <sup>(c)</sup>	5/6		Appointed: 02/09/16
Mark Eglington	14/15		4/4 <sup>(c)</sup>	Appointed: 01/04/20
Rhys Jones	15/15		4/4	Appointed: 01/04/18
Graham Stuart	14/15	6/6 <sup>(c)</sup>		Appointed: 01/12/19
Julia Mayne	9/9	4/4		Appointed: 01/09/21
Jenn Bestwick				Appointed 01/05/22
<b>Past directors</b>				
Angela Bull	15/15		4/4	Appointed: 05/05/17 Resigned: 04/04/22

(c) indicates Chair

The board periodically reviews the need for additional committees. Each committee operates under charters approved by the board, and any recommendation committee members make are directed to the board. Management attendance at committee meetings is by invite only.

The board's committees and their members as at 13 June 2023 were:

- Audit and Risk Committee:  
Graham Stuart (Chair), Jenn Bestwick and Julia Mayne
- People and Culture Committee:  
Mark Eglington (Chair), Peter Griffiths and Rhys Jones.

#### Audit and Risk Committee

The Audit and Risk Committee is responsible for overseeing the risk management framework, treasury, insurance, accounting and audit activities of Metroglass. It reviews the adequacy and effectiveness of internal controls, reviews the performance of external auditors, oversees internal audit matters, and makes recommendations on financial and accounting policies.

The Audit and Risk Committee Charter is reviewed at least every two years and was last reviewed in November 2022.

Members of the Audit and Risk Committee are appointed by the board and comprise a minimum of three members who are each non-executive directors of Metroglass. A majority of members must be independent directors and at least one director must have an accounting or financial background.

#### People and Culture Committee

The People and Culture Committee's mandate is to assist the board in ensuring the elements of people, organisation and culture support the company's strategy and business plan. The committee achieves its goals by considering capability of the organisation at the senior levels, the remuneration strategy required to secure the desired level of organisational capability, company values and policies related to people, and the nominations process for the appointment and succession planning of the CEO. The People and Culture Committee Charter is reviewed at least every two years and was last reviewed in April 2023.

The People and Culture Committee is comprised of at least two, and not more than four, independent directors.

#### Takeover protocol

Metroglass has adopted a Takeover Response Policy to assist in guiding the board and management in the event that the company receives an offer or an approach by a potential acquirer for a controlling stake in Metroglass. This policy is reviewed at least every three years and was last approved by the board in December 2020.

## PRINCIPLE 4: REPORTING AND DISCLOSURE

**“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”**

Metroglass is committed to providing financial reporting that is balanced, clear and objective and informs shareholders (both current and prospective) and market participants of all information that might have a material effect on the price of its traded financial products.

The quality, integrity and timeliness of external reporting and the company's compliance with the disclosure and reporting obligations imposed under the Listing Rules of NZX, ASX, the Companies Act and other relevant legislation are overseen by the Audit and Risk Committee.

The company's full-year statements, which have been prepared in accordance with the relevant financial standards, are set out from pages 14 to 49 of this Annual Report.

### Market Disclosure Policy

The board has adopted a Market Disclosure Policy, available on the company's website, which sets out how the company will comply with its disclosure and reporting obligations.

Metroglass is committed to ensuring the timely disclosure of material information about the Metroglass Group and to making sure that the company complies with NZX Main Board Listing Rules. The Board of Directors is ultimately responsible for ensuring Metroglass complies with the Market Disclosure Policy and continuous disclosure obligations. The board has established a Disclosure Committee to achieve this. The board also considers at each board meeting whether any information discussed at the meeting requires disclosure.

The policy is reviewed at least every two years and was last reviewed in May 2021.

### Non-financial reporting

Metroglass is committed to providing non-financial disclosures on matters including strategic and operational priorities for the year, risk management, safety and wellbeing, and diversity and inclusion. In the last year the company has undertaken work to understand its

carbon emissions profile and has begun to develop an understanding of climate risk. The Environmental Sustainability Policy can be found on the company's website.

The Group continues to integrate Environmental, social, and governance (ESG) principles into its business operations and will continue to develop these in future reporting.

## PRINCIPLE 5: REMUNERATION

**“The remuneration of directors and executives should be transparent, fair and reasonable.”**

The Metroglass board believes its practices ensure fair and reasonable remuneration. The company's remuneration policies are aimed at ensuring that the remuneration of directors and all staff properly reflects each person's accountabilities, duties, responsibilities and their level of performance. They are also aimed at making sure that remuneration is competitive in attracting, motivating and retaining staff of the highest calibre.

The company's remuneration policies and disclosures are covered in the Remuneration section on pages 64 to 67 of this Annual Report.

## PRINCIPLE 6: RISK MANAGEMENT

**“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”**

The identification and effective management of the company's risks is a priority of the board. It is responsible for identifying the principal risks of Metroglass' business, ensuring an appropriate system of internal compliance and control in managing and mitigating risks is in place and monitoring internal and external reporting, including reporting to stakeholders.

The board has made the CEO accountable for all operational and compliance risks across the Group including safety and wellbeing (see below). The Chief Financial Officer (CFO) has management accountability for the implementation of the risk framework across all the company's businesses.

As part of its risk management framework, Metroglass continually

assesses risks against all relevant areas of material business risk. Metroglass' main risks and mitigation plans are reviewed every six months. Metroglass holds insurance policies to meet its insurable risks.

The company engages external expertise where relevant to ensure risks are adequately understood and managed.

### Safety and wellbeing

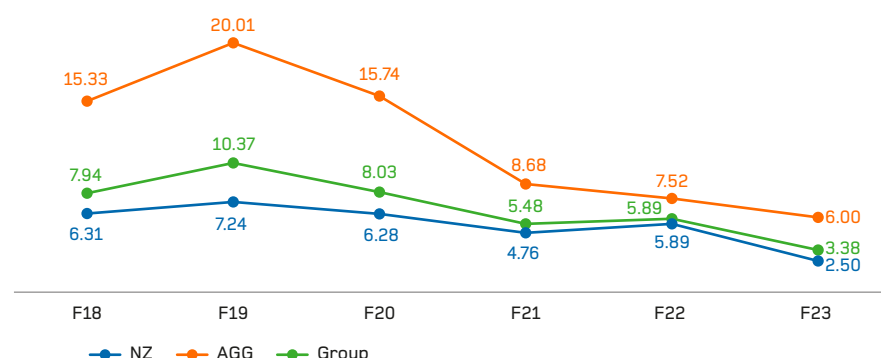
The safety and wellbeing of the company's people is fundamental to the business. Accordingly, all regular board meetings and risk reviews specifically look at safety and wellbeing matters. Metroglass has a clearly articulated safety and wellbeing vision and strategy which is understood and recognised throughout the business. This vision is underpinned by a clear set of principles and a workplan to embed a strong safety and wellbeing management system.

The company maintains a safety and wellbeing risk register for both New Zealand and Australia, which is reviewed at least annually. During the year a comprehensive and systematic risk assessment of all operations across the business was completed providing a considered view of the most critical safety risks to the business. Also introduced was a very comprehensive and structured internal assessment of all processes and practices that are important to delivery of safe outcomes. This ensures focus in the right areas.

Metroglass believes that all injuries are preventable and that its people should get home safe every day. The company has placed focus on mitigating risks by automating activities and providing mechanical assistance where possible to reduce the manual handling required across the business. The use of appropriate personal protective equipment and training in correct manual handling practices also contributes to reducing injuries.

Metroglass continues to focus on other factors affecting the safety and wellbeing of staff in their working environment, such as noise and air quality. A series of environmental monitoring exercises took place during the year ensuring staff are working in safe environments. The company also offers staff health and wellbeing checks with occupational health experts.

## Group Safety Performance



Total Reportable Incident Frequency Rate (TRIFR) is measured by calculating the number of medical treatment cases and lost-time injuries per 200,000 hours worked.

## Climate-related financial risk

Metroglass recognises the importance of building resilience in its business strategy and operations, while overlaying the potential long-term implications of climate change and the important role its products play in reducing the operating carbon within New Zealand's buildings.

The Group has commenced a programme of work to ensure that the process and systems to incorporate climate change are appropriate for the business and align with the External Reporting Board's standards. In the coming 12 months Metroglass will focus on developing an understanding of the potential risks and opportunities of climate change and reporting thereof.

The key focus areas in the next year are to:

- incorporate climate-related risks into Metroglass' Enterprise Risk Management framework
- collection of the Metroglass FY23 greenhouse gas emissions profile
- develop Metroglass' climate-related risks and opportunities that can impact business operations and strategy
- consider potential and appropriate metrics and targets

## PRINCIPLE 7: AUDITORS

**"The board should ensure the quality and independence of the external audit process."**

The Metroglass Audit and Risk Committee is charged with overseeing all aspects of the external and internal audit of the company. The Audit and Risk Committee monitors the independence, quality and performance of the external auditors and recommends any change in auditor appointment or audit fees.

The company does not have a stand-alone internal audit function. External advisors are employed to evaluate and improve the effectiveness of the company's risk management and internal processes. Progress and results on these projects are reported regularly to the Audit and Risk Committee or the board.

The Audit and Risk Committee is authorised by the board, at Metroglass' expense, to obtain such outside legal or other independent information and advice including market surveys and reports, and to consult with such management consultants and other outside advisors as it views necessary to carry out its responsibilities.

On at least one occasion each year, the Audit and Risk Committee meets with the external auditors without management present.

## Annual Shareholders' Meeting

Shareholders have the opportunity to ask questions of the board and of the external auditors, who attend the Annual Shareholders' Meeting. The external auditors are available to answer questions from shareholders in relation to the conduct of the audit, the independent audit report and the accounting policies adopted by Metroglass.

## PRINCIPLE 8: SHAREHOLDER RIGHTS AND RELATIONS

**"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."**

Metroglass endeavours to keep its shareholders informed of important developments concerning the company and encourages them to follow its announcements. Metroglass believes that effective engagement with investors will benefit both the company and investors. The Investor Centre section of the company website provides easy access to information.

Metroglass also communicates with its shareholders through periodic market announcements, periodic investor briefings or site tours and annual and interim reports. These are released in accordance with NZX and ASX disclosure requirements. The board welcomes questions at the Annual Shareholders' Meeting.

The company's Chair, CEO, CFO and Investor Relations Officer currently lead engagement with shareholders and, in line with Metroglass' Market Disclosure Policy, aim to be responsive, to provide clear, accurate and timely disclosures, and to provide meaningful insight into the company and the industry.

## Electronic communications

Shareholders are encouraged to receive communications from, and send communications to, the company and its security registry electronically. The shareholder contact point at the company is: [glass@metroglass.co.nz](mailto:glass@metroglass.co.nz).



### Annual Report

Metroglass' Annual Reports and Interim Reports are all available on the company's website at: <http://www.metroglass.co.nz/investor-centre/annual-interim-reports>. Shareholders can elect to receive a printed copy of these reports by contacting the company's share registrar, Link Market Services. Any shareholder who does request a hard copy of the Metroglass Annual Report will be sent one in the regular post.

### Shareholder voting rights

In accordance with the Companies Act 1993, Metroglass' Constitution and the NZX Main Board Listing Rules, the company refers major decisions which may change the nature of the company to shareholders for approval.

Metroglass conducts voting at its shareholder meetings by way of a poll and on the basis of one share, one vote. Further information on shareholder voting rights is set out in Metroglass' Constitution.

### Notice of Annual Meeting

Metroglass' previous annual meeting was held on 9 August 2022. The notice of the meeting was released to the market on 12 July 2022. Minutes of the meeting are available on the company's website at: <https://www.metroglass.co.nz/investor-centre/annual-shareholders-meeting/>.

The 2023 Annual Shareholders' Meeting is expected to be held on 1 August 2023 in Auckland. The time and place will be provided by notice to all shareholders nearer to that date.



# REMUNERATION REPORT

## DIRECTOR REMUNERATION

The company distinguishes the structure of non-executive directors' remuneration from that of executive directors. Non-executive directors are paid a fixed fee in accordance with the determination of the board. The total amount of remuneration and other benefits received by each director during the year ended 31 March 2023 is set out below.

Director	Responsibilities	2023 Directors' Fees
<b>Standing Directors</b>		
Peter Griffiths	Chair of the Board, Member of the Audit and Risk Committee	\$160,000
Mark Eglinton	Director, Chair of the People and Culture Committee	\$85,000
Rhys Jones	Director, Member of the People and Culture Committee	\$85,000
Graham Stuart	Director, Chair of the Audit and Risk Committee	\$100,000
Julia Mayne	Director, Member of the Audit and Risk Committee	\$90,000
Jenn Bestwick	Director, Member of the Audit and Risk Committee	\$82,500*
<b>Total</b>		<b>\$602,500</b>

\* Jenn Bestwick was appointed to the board on 1 May 2022, and as a member of the Audit and Risk Committee with effect from 1 May 2022.

The Chair of the board receives \$160,000 per annum (with no additional committee fees paid) and the non-executive directors receive \$80,000 per annum. The Chair of the Audit and Risk Committee receives an additional \$20,000 per annum and other members of the Audit and Risk Committee receive an additional \$10,000 per annum. The Chair and members of the People and Culture Committee receive an additional \$5,000 per annum. Directors may also seek the board's approval for special remuneration should the specific circumstances justify this (2023: Nil). The company currently has no executive directors on the board.

The board reviews its fees on a periodic basis. The maximum aggregate amount of remuneration payable by Metroglass to the non-executive directors (in their capacity as directors) is set at \$614,000. This fee pool was last changed in May 2017.

Directors' fees exclude GST, where appropriate. No retirement or termination benefits are paid to non-executive directors. Directors are entitled to be refunded for reasonable travel and other expenses incurred by them in connection with their attendance at board or shareholder meetings, or otherwise in connection with the Metroglass business. The company does not offer an equity-based remuneration scheme for directors. The board considers that director and executive remuneration is appropriate and is not excessive.

Directors and officers also have the benefit of Directors and Officers' Liability insurance. This covers risks normally included in such policies arising out of acts or omissions of directors and employees in their capacity as such. The insurance cover is supplemented by the provision of director and officer indemnities from the company but this does not extend to criminal acts.

### Executive remuneration

The remuneration of members of senior management (CEO, SLT and certain direct reports) is designed to promote a higher-performance culture, to secure the participant's retention in Metroglass and to reward performance that underpins the achievement of Metroglass' business strategy and long-term shareholder wealth creation. The board is assisted in delivering its responsibilities and objectives for executive remuneration by the People and Culture Committee.

The CEO's performance is reviewed annually by the board. The CEO reviews the performance of the SLT and makes recommendations to the board for approval in relation to the team's remuneration and achievement of key performance indicators (KPIs).

The compensation structures of the CEO and senior management are made up of three elements:

- a fixed base salary
- a discretionary short-term incentive (STI)
- a long-term incentive (LTI).

### Short-term incentives

Short-term incentives (STI) are at-risk payments designed to motivate and reward for performance, typically within that particular financial year. The target value of an STI payment is set annually, usually as a percentage of the participant's base salary. For the 2023 financial year, the relevant percentages varied from 10% to 50%.

The STI plans relate to achievement of annual performance metrics which aim to align executives to a shared set of KPIs based on business priorities for the next 12 months.

In the 2023 financial year, the sole metric driving the STI plans for both New Zealand and Australia was:

Target	Weighting	FY23 result: NZ	FY23 result: Australia
Earnings before interest and tax (EBIT) performance	75%	Not Achieved	Achieved
Net Debt	25%	Not Achieved	Not Achieved

The payable rewards for each STI KPI target are determined by the level of performance achieved and are calculated on a linear scale increasing from the 'Minimum performance target' and receiving 25% of the specified reward, up to the 'Maximum performance target' and receiving 100% of the specified reward.

For the FY23 plan, a multiplier was available dependent on overall TRIFR (Total Recordable Injury Frequency Rate) improvement measured against the FY22 result with a target being a minimum 10% improvement. The safety performance multiplier was set between 90% and 110% dependent on performance against the 10% improvement target.

The board retains discretion on the payment of STI awards and will consider additional factors. For example, STI payments may be withheld if there was a death or permanent material disability of any worker (exceptions may be made for a motor accident and acts of God beyond management control).

### Long-term incentives (LTI)

The company's LTI plan for the 2023 financial year was announced on 4 July 2022. The LTI plan is made up of both performance share rights and share options. The LTI is designed to secure those employees' retention in Metroglass and to reward performance that underpins the achievement of Metroglass' business strategy and long-term shareholder wealth creation. The key features of the 2023 LTI plan are as follows:

- Participants will be offered an annual award of a specified number of both performance rights and share options in Metroglass (in accordance with the LTI rules).
- The performance rights will enable participants to acquire shares in Metroglass with no consideration payable, subject to Metroglass achieving set performance hurdles and meeting certain vesting conditions.
- The share options enable participants to acquire shares in Metroglass at a specified exercise price, subject to Metroglass achieving set performance hurdles and meeting certain vesting conditions.

A total of 13,409,083 share options and 6,235,998 performance share rights remain outstanding pursuant to the 2020, 2021, 2022 and 2023 LTI plans as at 13 June 2023.

### Chief Executive Officer's remuneration

Metroglass' CEO Simon Mander joined the company on 19 November 2018.

Fixed CEO remuneration for the past five financial years (12 months to 31 March):

Financial year	CEO	Fixed remuneration		
		Salary	Other benefits**	Total fixed remuneration
FY23	Current	\$650,000	\$28,194	\$678,194
FY22	Current	\$650,000	\$29,203	\$679,203
FY21	Current	\$650,000	\$26,132	\$676,132
FY20	Current	\$650,000	\$25,682	\$675,682
FY19	Current	\$214,166*	\$8,173	\$222,339

\* Pro-rated for a partial year.

\*\* Other benefits include medical insurance and KiwiSaver.

Description of CEO's remuneration for performance for the year ended 31 March 2022:

Plan	Description	Performance measures	Percentage of maximum awarded
STI	Set at 50% of fixed remuneration for FY23 the STI targets were not achieved	75%: EBIT performance 25%: Net Debt performance	Nil
LTI	Issued 27 May 2022. The first vesting date is 10 June 2025 and no instruments have yet had the chance to vest	50% share options require Metroglass' Total Shareholder Return (TSR) to exceed a compound annual pre-tax rate that is 1% above the company's cost of equity 50% performance share rights measured against NZX 50 Group TSR hurdle	n/a n/a

#### Pay for performance – short-term incentives

Financial year of STI payment	CEO	Relevant performance period	% STI awarded against maximum	STI paid
FY24	Current	FY23	0%	\$0
FY23	Current	FY22	0%	\$0
FY22	Current	FY21	99.5%	\$323,276
FY21	Current	FY20	0%	\$0
FY20	Current	FY19	59%	\$96,364*
FY19	Former	FY18	0%	\$0**
FY18	Former	FY17	10%	\$28,563

\* Pro-rated for 4 months out of 12 following the CEO joining in November 2018.

\*\* A separate one-off incentive payment was awarded to the departing CEO in the 2019 financial year as described in detail in the 2018 Annual Report.

#### Pay for performance – long-term incentives

	CEO	LTI (initial grant values)*	% LTI vested against maximum	Span of LTI performance periods
FY23	Current	162,500	n/a	11/06/22 – 10/06/25
FY22	Current	162,500	n/a	05/06/21 – 04/06/24
FY21	Current	162,500	n/a	04/07/20 – 03/07/23
FY20	Current	162,500	n/a	07/06/19 – 06/06/22
FY19	Current	Nil	n/a	n/a
FY18	Former	125,000	Nil**	08/06/17 – 08/06/20
FY17	Former	125,000	Nil**	10/06/16 – 10/06/19

\* These are LTI grant values (not payments), which require relevant hurdles to be met over specific performance periods. Performance with regard to the FY20 LTI scheme will be tested in the FY24 year.

\*\* These holdings were cancelled when the former CEO left the company (the three-year holding hurdle was not met).

### Employees' -remuneration

The number of employees or former employees (including employees holding office as directors of subsidiaries) who received remuneration and other benefits in their capacity as employees, the value of which was at or in excess of \$100,000 and was paid to those employees during the financial year ended 31 March 2023, is specified in the table below.

The remuneration figures shown in the "Remuneration" column include all monetary payments actually paid during the course of the 2023 financial year. This includes salary, STI payments that were paid during the year, and the value of performance share rights and share options (LTI) expensed during the financial year. Remuneration shown below includes settlement payments and payments in lieu of notice with respect to certain employees on their departure from the company but does not include any amounts paid post 31 March 2023 that relate to the year ended 31 March 2023.

Remuneration	Number of employees	Remuneration	Number of employees
\$100,000-110,000	41	\$210,000-220,000	5
\$110,000-120,000	37	\$220,000-230,000	2
\$120,000-130,000	29	\$230,000-240,000	1
\$130,000-140,000	18	\$240,000-250,000	4
\$140,000-150,000	21	\$250,000-260,000	1
\$150,000-160,000	16	\$260,000-270,000	1
\$160,000-170,000	12	\$300,000-310,000	1
\$170,000-180,000	2	\$330,000-340,000	1
\$180,000-190,000	6	\$340,000-350,000	1
\$190,000-200,000	4	\$470,000-480,000	1
\$200,000-210,000	1	\$810,000-820,000	1

# STATUTORY INFORMATION

## SECURITIES EXCHANGE LISTING

Metroglass' shares are listed on the New Zealand Securities Exchange (NZX) and Australian Securities Exchange (ASX).

Shares on issue as at 31 March 2023:

Register	Security	Holders	Units
New Zealand	MPG (NZX)	2,619	183,255,501
Australia	MPP (ASX)	110	2,122,585
<b>Total</b>	<b>MPG (Dual)</b>	<b>2,729</b>	<b>185,378,086</b>

Securities issued, and still outstanding, under the 2017 – 2022 long-term incentive plans as at 31 March 2023:

Long-Term Incentive Scheme	Security	Holders	Units
2019 Performance Share Rights	MPG (NZX)	24	374,275
2019 Share Options	MPG (NZX)	24	1,193,009
2020 Performance Share Rights	MPG (NZX)	27	1,287,961
2020 Share Options	MPG (NZX)	27	3,434,556
2021 Performance Share Rights	MPG (NZX)	9	1,442,516
2021 Share Options	MPG (NZX)	9	2,704,717
2022 Performance Share Rights	MPG (NZX)	11	808,464
2022 Share Options	MPG (NZX)	11	1,563,033
2023 Performance Share Rights	MPG (NZX)	11	1,536,997
2023 Share Options	MPG (NZX)	11	3,073,991

## Top 20 Shareholders

Metroglass' top 20 registered shareholders as at 31 March 2023 were as follows:

Rank	Investor name	Shares at 31 March 2023	% Shares
1	Masfen Securities Limited	25,401,929	13.70
2	HSBC Nominees (New Zealand) Limited <sup>1</sup>	21,799,080	11.76
3	Takutai Limited	20,289,230	10.94
4	Accident Compensation Corporation <sup>1</sup>	9,576,778	5.17
5	New Zealand Depository Nominee	4,440,738	2.40
6	Custodial Services Limited	2,399,239	1.29
7	Hui Wen Yang	1,768,999	0.95
8	Da Wei Chu Su	1,720,000	0.93
9	FNZ Custodians Limited	1,659,793	0.90
10	ASB Nominees Limited	1,522,267	0.82
11	William Orr & Amy Amelia Orr	1,500,000	0.81
12	Leveraged Equities Finance Limited	1,411,324	0.76
13	Trevor John Logan	1,400,000	0.76
13	Daniel Charles Skinner	1,248,788	0.67
13	Eric Francis Barratt & Hyun Ju Barratt	1,200,000	0.65
14	Kevin John Summersby	1,101,500	0.59
15	Quant Advisory Limited	1,100,000	0.59
16	Jonathan Mapp	1,001,000	0.54
16	Gmh 38 Investments Limited	1,000,000	0.54
16	Bowenvale Investments Limited	1,000,000	0.54
<b>Totals: Top 20 registered holders of ordinary shares</b>		<b>102,540,665</b>	<b>55.31%</b>
<b>Totals: Remaining holders' balance</b>		<b>82,837,421</b>	<b>44.69%</b>

<sup>1</sup> Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial depository service which allows electronic trading of securities by its members and does not have a beneficial interest in these shares. As at 31 March 2023, a total of 33,750,854 Metroglass shares (or 18.21% of the ordinary shares on issue) were held through NZCSD.

## Substantial shareholders

According to the records kept by the company under the Financial Markets Conduct Act 2013 the following were substantial holders in the company as at 31 March 2023. Shareholders are required to disclose their holdings to Metroglass and to its share registrar by giving a 'Substantial Shareholder Notice' when:

- they begin to have a substantial shareholding (5% or more of Metroglass' shares)
- there is a subsequent movement of 1% or more in a substantial holding, or if they cease to have a substantial holding
- there is any change in the nature or interest in a substantial holding.

Investor name	Number of shares as at 31 March 2022	%	Date of most recent notice
Masfen Securities Limited	25,401,929	13.70	17/02/20
Takutai Limited	20,289,230	10.94	16/12/22
Bain Capital Credit, LP	21,162,862	11.42	30/11/18
Accident Compensation Corporation	9,576,778	5.17	19/08/22

## Distribution of shareholders

As at 31 March 2023:

Range	Number of holders	%	Number of shares	%
1 – 1,000	231	8.46	149,979	0.08
1,001 – 5,000	864	31.66	2,483,842	1.34
5,001 – 10,000	476	17.44	3,901,518	2.10
10,001 – 50,000	822	30.12	20,233,762	10.91
50,001 – 100,000	156	5.72	11,623,337	6.27
Greater than 100,000	180	6.6	146,985,648	79.29
<b>Total</b>	<b>2729</b>	<b>100.00%</b>	<b>185,378,086</b>	<b>100.00%</b>

## Voting rights

Section 15 of the company's constitution states that a shareholder may vote at any meeting of shareholders in person or through a representative. Metroglass conducts voting by way of a polls; using this method every shareholder present (or through their representative) has one vote per fully-paid-up share they hold. Unless the board determines otherwise, shareholders may not exercise the right to vote at a meeting by casting postal votes. More detail on voting can be found in Metroglass' constitution available on the company's website at: [www.metroglass.co.nz/investor-centre/governance/](http://www.metroglass.co.nz/investor-centre/governance/).

## Trading statistics

Metroglass is listed on both the NZX and ASX. The trading ranges for the period 1 April 2022 to 31 March 2023 are as follows:

	NZX (NZD)	ASX (AUD)
Minimum:	\$0.163 (28/03/23)	\$0.17 (14/11/22)
Maximum:	\$0.305 (6/04/22)	\$0.295 (1/04/22)
Range:	\$0.163 – \$0.305	\$0.12 – \$0.295
<b>Total shares traded</b>	<b>196,389,446</b>	<b>366,222</b>

<sup>1</sup> Trading in Metroglass shares on the ASX is less liquid than it is on the NZX. The final date on which shares were traded on the ASX during the 12 months to 31 March 2023 was 02 March 2023.

## Dividend Policy

Dividends and other distributions with respect to the shares are only made at the discretion of the board of Metroglass.

Any dividend can only be declared by the board if the requirements of the Companies Act 1993 are also satisfied. The board's decision to declare a dividend (and to determine the quantum of the dividend) for shareholders in any financial year will depend on, among other things:

- all statutory or regulatory requirements
- the financial performance of Metro Performance Glass
- one-off or non-recurring events
- metroglass' capital expenditure requirements
- the availability of imputation credits
- prevailing business and economic conditions
- the outlook for all of the above
- any other factors deemed relevant by the board.

Over the past 5 financial years, the company has prioritised debt reduction. As the economic and construction cycle is expected to decline, the company is working towards a leverage ratio for the group (as measured by net debt to rolling 12-month EBITDA) at the lower end of its 1-2x range. At 31 March 2023, this ratio was 3.2x (on a pre-IFRS 16 basis).

No dividends have been declared in respect of the 2023 financial year.



## NZX and ASX waivers

Metroglass does not have any waivers from the requirements of the NZX Main Board Listing Rules and has waivers in place with the ASX that are standard for a New Zealand company listed on the ASX.

Metroglass has an ASX Foreign Exempt Listing on the ASX. This category is based on a principle of substituted compliance, recognising that for secondary listings, the primary regulatory role and oversight rest with the home exchange. Metroglass continues to have a full listing on the NZX Main Board.

## Disclosure of directors' interests

Directors disclosed, under section 140(2) of the New Zealand Companies Act 1993, the following interests as at 31 March 2023:

Director and company	Position
<b>Mark Kenneth Eglinton</b>	
NDA Group Limited	Director / Shareholder / Officer
Sail City No. 36 Limited	Director / Shareholder
Snapper Rock International Limited	Chair
Young Enterprise Trust	Trustee
<b>Peter Ward Griffiths</b>	
Another New Plane Co Limited	Director / Shareholder
Great Barrier Airlines Limited	Director / Shareholder
New Zealand Business and Parliament Trust	Chair / Trustee
NZDS Properties (No. 2) Limited	Director / Shareholder
Resin & Wax Holdings Limited	Director
<b>Rhys Jones</b>	
Resin & Wax Holdings Limited	Director / Shareholder
Ridley Corporation Limited	Director
Vulcan Steel Limited	Director / Shareholder
Vulcan Steel Pty Limited	Director / Shareholder
<b>Lisa Julia Mayne</b>	
5R Solutions Pty Limited	Director
<b>Graham Robert Stuart</b>	
EROAD Limited	Chair
Leroy Holdings Limited	Director / Shareholder
Northwest Healthcare Properties Management Limited	Chair
Tower Limited	Director
Vinpro Limited	Director
H4G Limited	Chair
<b>Jenn Elizabeth Bestwick</b>	
Tonkin & Taylor Group Limited	Director
Jenn Bestwick Limited	Director / Shareholder
Arrow Irrigation Company Limited	Director
Ministry of Housing and Urban Development	Chair of Risk and Assurance Committee

### Subsidiaries and subsidiary directors

Section 211(2) of the Companies Act 1993 requires the company to disclose, in relation to its subsidiaries, the total remuneration and value of other benefits received by the directors and former directors, together with particulars of entries in the interests registers made, during the year ended 31 March 2023.

No Group employee appointed as a director of Metro Performance Glass Limited or its subsidiaries receives or retains any remuneration or other benefits in their capacity as a director, and each is a full-time Group employee. The remuneration and other benefits of such employees and former employees (received as employees) totalling NZD 100,000 or more during the year ended 31 March 2023 is included in the remuneration bandings disclosed on page 67 of this Annual Report.

As at 31 March 2023, Metroglass' subsidiary companies and subsidiary directors were:

Company	Directors
Australian Glass Group (Holdings) Pty Limited	Simon Mander, Brent Mealings
Australian Glass Group Finance Company Pty Limited	Simon Mander, Brent Mealings
Australian Glass Group Investment Company Pty Limited	Simon Mander, Brent Mealings
Canterbury Glass & Glazing Limited	Simon Mander, Brent Mealings
Christchurch Glass & Glazing Limited	Simon Mander, Brent Mealings
Hawkes Bay Glass & Glazing Limited	Simon Mander, Brent Mealings
I G M Software Limited	Simon Mander, Brent Mealings
Metroglass Finance Limited	Simon Mander, Brent Mealings
Metroglass Holdings Limited	Simon Mander, Brent Mealings
Metropolitan Glass & Glazing Limited	Simon Mander, Brent Mealings
Taranaki Glass & Glazing Limited	Simon Mander, Brent Mealings

### Directors' shareholding in Metroglass

The directors' respective interests in Metroglass shares as at 31 March 2023 are as follows::

	Number of shares in which a relevant interest is held	Acquisition dates	Disposal dates
Mark Eglington	40,000	28/05/21	n/a
Peter Griffiths	321,164	Twelve dates between 16/05/16 and 01/07/22	n/a
Rhys Jones	58,000	31/08/18	n/a
Graham Stuart	100,000	28/02/20	n/a
Julia Mayne	25,000	23/02/22	n/a

### Donations

For the year ended 31 March 2023, Metroglass, including its subsidiaries, made donations of \$7,223 (2022: \$6,965).

### Net tangible assets per security

Net tangible assets per security at 31 March 2023: 16.79 cents (31 March 2022: 16.62 cents).

### Currency

Within this Annual Report, all amounts are in NZD unless otherwise specified.

### Credit rating

Metroglass has not requested a credit rating.

# COMPANY DIRECTORY

## Registered Office

5 Lady Fisher Place  
East Tamaki  
Auckland 2013  
New Zealand  
Email: [glass@metroglass.co.nz](mailto:glass@metroglass.co.nz)  
Phone: +64 927 3000

## Board of Directors

**Peter Griffiths** – Chair and Member of the People and Culture Committee

**Rhys Jones** – Non-Executive Director and Member of the People and Culture Committee

**Graham Stuart** – Non-Executive Director and Chair of the Audit and Risk Committee

**Mark Eglinton** – Non-Executive Director and Chair of the People and Culture Committee

**Julia Mayne** – Non-Executive Director and Member of the Audit and Risk Committee

**Jenn Bestwick** – Non-Executive Director and Member of the Audit and Risk Committee

## Senior Leadership Team

**Simon Mander** – Chief Executive Officer

**Brent Mealings** – Chief Financial Officer

**Ruben Fergusson** – GM Market Strategy

**Robyn Gibbard** – GM Upper North Island

**Nick Hardy-Jones** – GM South Island

**Amandeep Kaur** – Group Safety and Wellbeing Manager

**Andreas Paxie** – GM Lower North Island

**Dayna Roberts** – Human Resources Director

## Auditor

PricewaterhouseCoopers  
15 Customs Street West  
Auckland 1010  
New Zealand

## Lawyers

Bell Gully  
Vero Centre  
48 Shortland Street  
Auckland 1140  
New Zealand

## Bankers

ASB Bank Limited  
Westpac New Zealand Limited  
Westpac Banking Corporation

## Share registrar

Link Market Services  
Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010  
PO Box 91976, Auckland 1142  
New Zealand

## Further information online

This Annual Report, all our core governance documents (our constitution, some of our key policies and charters), our Investor relations policies and all our announcements can be viewed on our website:

[www.metroglass.co.nz/investor-centre/](http://www.metroglass.co.nz/investor-centre/)

## Investor calendar

2023 Annual Shareholders' Meeting	1 August 2023
2024 Half Year balance date	30 September 2023
2024 Half Year results announcement	November 2023
2024 Full Year balance date	31 March 2024
2024 Full Year results announcement	May 2024

