

## **METRO PERFORMANCE GLASS LIMITED: FY24 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 29 May 2024 and has been approved by the Board. Metroglass considers that, during the year to 31 March 2024 (reporting period), the company materially complied with the Code other than to the extent set out in the Annual Report for the financial year ended 31 March 2024.

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.

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 2023.

## **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. As at 29 May 2024, the Board comprised three Independent Directors – Shawn Beck, Julia Mayne and Pramod Khatri, and one non-independent Executive Director, Simon Bennett. Director profiles are included in the Company’s Annual 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.

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. 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 Charter states that 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. The Board does not have a separate nominations committee. 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. Shawn Beck is an independent non-executive 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). Shawn Beck, Simon Bennett and Pramod Khatri, will stand for election at the Company’s 2024 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 set out in the NZX Corporate Governance Code.

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 29 May 2024, Shawn Beck, Julia Mayne and Pramod Khatri are considered by the Board to be independent directors, and Simon Bennett is considered by the Board to be a non-independent director. Information in respect of each director's ownership interests are detailed in the Company's Annual 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 Audit and Risk Committee was last reviewed in March 2023 and the People and Culture Committee was last reviewed in May 2022.

The makeup of the Board has changed substantially in the last twelve months, with five Directors leaving the Board and four new directors being appointed. The Board has not undertaken yet any formal review of its operations as it considers it is too early to do so, and that its focus needs to be on the immediate improvement in financial performance. It is for this reason that the Board has not yet undertaken a formal skills matrix analysis and review.

## **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 in on the Company's website.

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

- Reviewing recruitment practices, removing any bias in vacancy wording or imagery and telling the Metroglass story by developing videos showcasing employee diversity.
- Applying gender neutrality to recruiting materials and consistently promoting the diversity of the Metroglass employee group.
- Continuing to build on the progress made to date with each hiring manager receiving unconscious bias training.
- The coaching and development of hiring managers.

### **PRINCIPLE 3: BOARD COMMITTEES**

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

#### **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. Employees attend meetings of the Audit and Risk Committee at the invitation of the Committee.

#### **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 the 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 May 2023.

The People and Culture Committee is comprised of at least two, and not more than four, independent directors. Employees attend Committee meetings only at the invitation of the Committee.

#### **TAKEOVER PROTOCOLS**

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.

#### **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 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 September 2023.

## **NON-FINANCIAL REPORTING**

Metroglass is committed to improving its 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 undertaken work to understand its carbon emissions profile and begun to develop an understanding of climate risk. The Environmental Sustainability Policy can be found on the company's website.

The group continues integrate ESG principles into 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 aims to ensure that: (a) the remuneration of Directors and all staff properly reflects each person's accountabilities, duties, responsibilities and their level of performance and (b) remuneration is competitive in attracting, motivating and retaining staff of the highest calibre.

### **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. Each year a comprehensive and systematic risk assessment of all operations across the business is completed providing a considered view of the most critical safety risks to the business. We have also introduced a 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 focuses 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 takes place to ensure staff are working in safe environments. The company also offers staff health and wellbeing checks with occupational health experts.

### **CLIMATE-RELATED FINANCIAL RISK**

Metro Performance Glass 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 reducing the

operating carbon within New Zealand's buildings.

The group has continued a programme of work to ensure that the process and systems to incorporate climate change are appropriate for the business and align to the External Reporting Board standards. In the coming 12 months Metroglass will continue to 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 continue:

- Incorporating climate-related risks into Metroglass' Enterprise Risk Management framework.
- Collecting the company's Greenhouse gas emissions profile.
- Developing Metroglass' Climate-related risks and opportunities that can impact business operations and strategy.
- Establishing, if appropriate, any relevant metrics and targets.

#### **PRINCIPLE 7: AUDITORS**

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

The Metroglass Audit and Risk Management Committee is charged with overseeing all aspects of the external and internal audit of the Company. The Audit and Risk Management 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 standalone 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.

#### **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 Report 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 1 August 2023. The notice of the meeting was released to the market on 4 July 2023. Minutes of the meeting are available on the Company's website at: <https://www.metroglass.co.nz/investor-centre/annual-shareholders-meeting/>. The 2024 Annual Shareholders' Meeting is expected to be held in August 2024 in Auckland. The time and place will be provided by notice to all shareholders nearer to that date.

