

Metro Performance Glass Limited (ARBN 600 486 646)

Corporate Governance Statement

| ASX Corporate Governance Council Principle / Recommendation | Compliance by Metro Performance Glass Limited (Metro) |
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| <p>Principle 1 – Lay solid foundations for management and oversight</p> <p><i>A listed entity should establish and disclose the respective roles and responsibilities of board and management and how their performance is monitored and evaluated</i></p> | |
| <p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>The board of directors (Board) has adopted a Board Charter which sets out the responsibilities, composition and structure of the board. The ultimate responsibility of the Board is the strategic direction of Metro and supervision of management for the benefit of shareholders. Accordingly, the responsibilities reserved for the Board include:</p> <ul style="list-style-type: none"> • setting and overseeing the execution of Metro's business strategies; • supervising and monitoring management's control of Metro's operations; • identifying and monitoring principal risks of Metro; • reviewing and ratifying Metro's systems of risk management, legal compliance and internal compliance and control; • ensuring effective and timely reporting to shareholders, the NZX, the ASX and other stakeholders; • acting in a manner designed to create and continue to build sustainable value for shareholders; and • complying with the duties and obligations imposed by Metro's constitution and by law. <p>The formulation and implementation of policies and reporting procedures for management has been delegated to the Chief Executive Officer (CEO). With the CEO in control of the day-to-day affairs of Metro, a Delegation of Authority Policy will be implemented in order to limit certain decision making and achieve individual accountability.</p> <p>The Board is to establish an Audit and Risk Management Committee which shall adopt a charter setting out the membership, authority, duties, responsibilities and reporting obligations of the Audit</p> |

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| | <p>and Risk Management Committee.</p> <p>Given the size of Metro, the Board has elected not to establish a separate Nomination and Remuneration sub-committee. Accordingly the Board will attend to matters relating to nominations and remuneration.</p> |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | <p>Metro has undertaken criminal and bankruptcy checks on all current directors.</p> |
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Metro has entered into written agreements with each of its independent directors setting out the terms of their appointment.</p> <p>Senior executives are employees of one of Metro's subsidiaries. There are written agreements between the relevant senior executive and that subsidiary.</p> <p>There is no written agreement between Metro and Neville Buch, who is neither an independent director or a senior executive.</p> |
| <p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | <p>There is no company secretary – none is required under NZ law. David Carr, the CFO, will perform these duties.</p> |
| <p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender | <p>At this stage, Metro has not adopted a diversity policy. The Board has considered it appropriate that it review Metro's diversity practice and statistics to form a view on and adopt any diversity policy.</p> |

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| <p>diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>[1] the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>[2] if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | |
| <p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>As stated in the Board Charter, the chairperson meets regularly with directors to discuss and assess the individual performance of each director. Additionally, the Board reviews and assesses its performance as a whole on an annual basis.</p> |
| <p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Given the size of the company there is no Nomination and Remuneration Committee. However, the Board Charter states that the chairperson meets regularly with directors to discuss and assess individual performance, which includes the senior executives of Metro.</p> <p>If Metro proposes to depart from Recommendations 1.1-1.7 in the future, it will disclose any departures in the relevant annual report.</p> |
| <p>Principle 2 – Structure the board to add value</p> <p><i>A listed entity should have a board of an appropriate size, composition, skills and commitment to discharge its duties effectively</i></p> | |
| <p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> | <p>Given the size of the company, Metro has not established a Nomination and Remuneration Committee. The entire Board will attend to matters</p> |

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| <p>(a) have a nomination committee which:</p> <p>[1] has at least three members, a majority of whom are independent directors; and</p> <p>[2] is chaired by an independent director, and disclose:</p> <p>[3] the charter of the committee;</p> <p>[4] the members of the committee; and</p> <p>[5] as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>relating to nominations and remuneration.</p> |
| <p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>The directors appointed by Metro will add value to the Board as they all have the appropriate skills and expertise relevant to the building industry.</p> |
| <p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship relevant to assessing independence, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>The Prospectus outlines whether or not a director is considered to be independent, and the nature of any interest that they may have.</p> <p>All Directors were appointed to the Board on 5 July 2014.</p> |
| <p>Recommendation 2.4</p> | <p>The Board is comprised of five Directors, the majority</p> |

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| A majority of the Board of a listed entity should be independent directors. | of which are considered by Metro to be independent. The Independent Directors are comprised of: Sir John Goulter, Russell Chenu and Bill Roest. |
| Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | The Chairman of the Board, Sir John Goulter, is an independent Director. The role of Chair and CEO are exercised by different individuals, being Sir John Goulter and Nigel Rigby respectively. |
| Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | <p>The Board Charter requires that the Board to ensure any new directors are: appropriately introduced to management and the business; acquainted with relevant industry knowledge; and receive copies of appropriate company documents to enable them to perform their role. The Board will seek to ensure that there is appropriate training for all directors enabling them to remain up-to-date and abreast of changes and trends in economic, political, social, financial and legal climates, including governance practices.</p> <p>Furthermore the Code of Ethics requires directors to: undertake appropriate training to remain current on how to best perform their duties; be familiar with current business management techniques and related ethics; consider and have awareness of special wider cultural issues that may impact Metro's business; and have an understanding of the regulatory, legal, fiduciary and ethical requirements affecting directors.</p> <p>If Metro proposes to depart from Recommendations 2.1-1.6 in the future, it will disclose any departures in the relevant annual report.</p> |
| Principle 3 – Act ethically and responsibly <i>A listed entity should act ethically and responsibly</i> | |
| Recommendation 3.1 A listed entity should have a code of conduct and disclose the code or a summary of the code. | <p>Metro has established a Code of Ethics which provides an ethical and legal framework for all directors, officers, employees, contractors and certain other individuals in the conduct of Metro's business to safeguard the confidence of Metro's stakeholders.</p> <p>The Code of Ethics outlines the necessary practices in relation to: conflicts of interest, gifts, corporate opportunities, confidentiality, behaviours and responsibilities, proper use of Metro's assets and information and reporting concerns.</p> <p>Metro employees are obliged to familiarise themselves with, and comply with, Metro's policies, frameworks and processes.</p> <p>Any employee who becomes aware of a possible breach of this code should report the breach to their manager or the Board as appropriate. Non-compliance with this code may result in disciplinary action including termination of employment.</p> |

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| | If Metro proposes to depart from Recommendation 3.1 in the future, it will disclose any departures in the relevant annual report. |
| Principle 4 – Safeguard integrity in financial reporting <i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</i> | |
| Recommendation 4.1 The board of a listed entity should: <p>(a) have an audit committee which:</p> <p>[1] has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>[2] is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>[3] the charter of the committee;</p> <p>[4] the relevant qualifications and experience of the members of the committee; and</p> <p>[5] in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</p> | <p>The Board has established an Audit and Risk Management Committee, which has its own charter that will be available on www.metroglasstech.co.nz once Metro is listed on the NZX Main Board and ASX.</p> <p>The Committee is currently comprised of three independent, non-executive directors being Sir John Goulter, Russell Chenu and Bill Roest. Russell Chenu will act as Chair.</p> <p>Metro currently intends to disclose the members of the Audit and Risk Committee each year in its annual report. The relevant qualifications and experience of the members of the committee are disclosed in the Prospectus.</p> |
| Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Metro intends to comply with this recommendation. |
| Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to | The Prospectus states that the auditors will attend general meetings to assist in answering questions from shareholders. |

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| answer questions from security holders relevant to the audit. | If Metro proposes to depart from Recommendations 4.1, 4.2 and 4.3 in the future, it will disclose any departures in the relevant annual report. |
| Principle 5 – Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities</i> | |
| Recommendation 5.1 A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | Metro has adopted a Market Disclosure Policy and Share Trading Policy in which Metro must immediately notify the ASX of materially price sensitive information (unless an exception applies). The Market Disclosure Policy supports Metro's commitment to the continuous disclosure obligation imposed by law and effective communication to the market. This is achieved as it sets out Metro's practices with respect to the prevention of a "false market"; identifying material information; exceptions to disclosure obligations; approval of disclosure; release of information the ASX, the NZX, shareholders, analysts and media; and the publication of releases and disclosures. If Metro proposes to depart from Recommendation 5.1 in the future, it will disclose any departures in the relevant annual report. |
| Principle 6 – Respect the rights of shareholders <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively</i> | |
| Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website. | Metro's governance policies will be available on the Investor Relations tab of www.metroglasstech.co.nz once Metro is listed on the NZX and ASX. |
| Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Metro has adopted a Market Disclosure Policy which is designed to promote effective communication with the NZX, ASX, shareholders and other stakeholders. Metro recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all major developments affecting Metro. At each general meeting of Metro, shareholders will have the opportunity to ask questions of directors. Senior management and Metro's auditors will also attend general meetings to assist in answering questions from shareholders. |
| Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage | Metro does not have a formal policy in place in addition to the Market Disclosure Policy. |

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| participation at meetings of security holders. | |
| <p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | <p>Metro gives shareholders the option to receive communications from it and its share registry electronically. The Application Form attached to the Investment Statement provided investors with the option to elect to receive correspondence via email.</p> <p>Metro does not, at this stage, provide shareholders the option to send communications to it electronically.</p> <p>If Metro proposes to depart from Recommendations 6.1 – 6.4 in the future, it will disclose any departures in the relevant annual report.</p> |
| <p>Principle 7 - Recognise and manage risk</p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p> | |
| <p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p style="padding-left: 40px;">[1] has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 40px;">[2] is chaired by an independent Chair,</p> <p>and disclose:</p> <p style="padding-left: 40px;">[3] the charter of the committee;</p> <p style="padding-left: 40px;">[4] the members of the committee; and</p> <p style="padding-left: 40px;">[5] as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>Metro has adopted an Audit and Risk Committee Charter which seeks to assist the Board in:</p> <p>(a) fulfilling its responsibilities for Metro's financial statements and external financial reporting;</p> <p>(b) ensuring that the ability and independence of the external auditors to carry out their statutory audit role is not impaired, or reasonably perceived to be impaired; and</p> <p>(c) ensuring appropriate accounting policies and internal controls are established and maintained and ensure effective and efficient management of all business risks.</p> <p>Currently, Sir John Goulter, Russell Chenu and Bill Roest, all independent Non-Executive Directors, are members of the Audit and Risk Committee. Russell Chenu will act as Chair.</p> <p>Despite the Audit and Risk Committee Charter outlining the minimum number of times that the Committee intends to meet, Metro is silent on their intention to report the number of meetings convened throughout the reporting period.</p> |
| <p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(d) review the entity's risk management framework at least annually to satisfy itself that it continues</p> | <p>The Audit and Risk Management Committee intends to meet once in the lead up to completion of the half year and each full year results, and at least once per year on matters relating to risk management.</p> <p>The Audit and Risk Management Committee Charter does not explicitly state the Board's intention to</p> |

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| <p>to be sound; and</p> <p>(e) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>disclose each reporting period whether or not such a review has occurred.</p> |
| <p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(f) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(g) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>The Audit and Risk Management Committee is responsible for:</p> <ul style="list-style-type: none"> • monitoring all aspects of the external audit of Metro's affairs; • monitoring all aspects of the internal audit of Metro's affairs which include, but are not limited to: establishing and regularly reviewing a procedure to identify any internal material risks; ensuring auditor independence; and meeting regularly to review the internal auditing practices; • reviewing the half year and annual financial statements, and any other financial statements to be released by Metro, before submission to the Board; • monitoring Metro's compliance with its constitution, applicable laws and regulations and stock exchange requirements; and • providing sufficient information to the Board to allow them to report annually to shareholders and stakeholders on risk identification and management procedures. <p>The Audit and Risk Management Committee is comprised of Sir John Goulter, Russell Chenu and Bill Roest, all independent Non-Executive Directors, are members of the Audit and Risk Committee. The Audit and Risk Management Charter requires at least one director with an accounting or financial background, and additionally all members must be financially literate and have an understanding of the building products industry.</p> |
| <p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>The Prospectus discusses Metro's exposure to risks that have the potential to directly impact Metro's stakeholders. The discussion highlights the potential economic, regulatory and social sustainability risks relating to the business operations of Metro.</p> |

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| <p>Principle 8 – Remunerate fairly and responsibly</p> <p><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motive high quality senior executives and to align their interests with the creation of value for security holders</i></p> | |
| <p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="padding-left: 40px;">[1] has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 40px;">[2] is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 40px;">[3] the charter of the committee;</p> <p style="padding-left: 40px;">[4] the members of the committee; and</p> <p style="padding-left: 40px;">[5] as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>Given the size of Metro, the company has decided to not establish a separate nomination and remuneration committee. The entire Board will attend to matters relating to nominations and remuneration.</p> |
| <p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>The Prospectus (section 7.6) provides the remuneration paid to current directors, and discloses the distinction between remuneration for service on the Audit and Risk committee. The Executive Director does not receive additional remuneration in his capacity as Director.</p> |
| <p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>As discussed in the Board Charter, Metro does not currently have in place any schemes for retirement benefits, other than superannuation, for directors.</p> <p>If Metro proposes to depart from Recommendations 8.1 – 8.3 in the future, it will disclose any departures in the relevant annual report.</p> |

