

Notice of Annual General Meeting and Explanatory Statement

Flat Glass Industries Limited

ACN 003 173 242

Date: Friday 30 November 2012

Time: 10 am

Place: Level 44, 1 Macquarie Place, Sydney, NSW

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FLAT GLASS INDUSTRIES

24 October 2012

Dear Shareholder,

I am pleased to invite you to the Annual General Meeting of Flat Glass Industries Limited to be held on Friday 30 November 2012. The Meeting will be held at the offices of Lazard, Level 44, 1 Macquarie Place, Sydney, NSW, 2000. The Meeting will begin at 10am.

I enclose your Notice of Meeting, Explanatory Statement and Proxy Form.

Items of business at the Meeting

The Notice of Meeting (including the Explanatory Statement) sets out the items of business for the Meeting. Please take time to carefully read the whole document.

Voting on items of business at the Meeting

If you would like to vote on items of business outlined in the Notice of Meeting, you may attend the Meeting or appoint a proxy to vote for you at the Meeting. If appointing a proxy, the enclosed Proxy Form should be completed and returned (see Proxy Form for details) as soon as possible and in any event no later than 10am (EST) on Wednesday 28 November 2012.

If you have any queries in relation to the Meeting, please contact Mr Brett Crowley on 0411 713 555.

Yours sincerely

Jamie Schwarz
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Flat Glass Industries Limited will be held at L44, 1 Macquarie Place, Sydney, NSW 2000, on Friday 30 November 2012 at 10am (EDST). The Explanatory Statement accompanying this Notice of Meeting forms part of this Notice of Meeting.

ORDINARY BUSINESS

The accompanying Explanatory Notes describe the proposed resolutions in detail.

1. Financial Statements and Reports for the year ended 30 June 2012

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2012.

2. Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That the Remuneration Report contained in the Flat Glass Industries Limited 2012 Annual Report be adopted.'

3. Resolution 2 - Re-election of Mr Nicholas O'Connor

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Nicholas O'Connor, who retires in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.'

4. Resolution 3 - Re-election of Mr Jamie Schwarz

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Jamie Schwarz having been appointed a director since the last Annual General Meeting, retires in accordance with the provisions of the Company's Constitution and offers himself for re-election, be re-elected as a Director.'

5. Resolution 4 - Re-election of Mr Richard Palonis

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Mr Richard Palonis having been appointed a director since the last Annual General Meeting, retires in accordance with the provisions of the Company's Constitution and offers himself for re-election, be re-elected as a Director.'

6. Resolution 5 – Removal of Auditor

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That PricewaterhouseCoopers, the current auditor of the Company, be removed as the auditor of the Company effective at the close of the Meeting'.

7. Resolution 6 – Appointment of Auditor

To consider and, if thought fit, to pass the following as an special resolution:

'That, subject to the passing of Resolution 5, Nexia Court & Co, being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company effective from the date of the meeting and the Directors be authorised to agree the remuneration.'

Brett Crowley - Company Secretary
24 October 2012

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in Flat Glass Industries Limited (the "Company") in connection with the business to be considered at the Annual General Meeting to be held on Friday 30 November 2012.

The Explanatory Statement forms part of the accompanying Notice of Annual General Meeting. Details of the business to be considered at this Meeting are set out below.

Financial Statements and Reports

The Corporations Act 2001 (Cth) ("**Corporations Act**") requires the Financial Report, the Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. There is no requirement in the Corporations Act or the Company's constitution for Shareholders to approve or adopt these reports.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on these Reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

Resolution 1 - Adoption of Remuneration Report

The Directors' Report for the year ended 30 June 2012 contains a Remuneration Report (pages 6 to 10) which sets out the policies of the Company for and applicable to the remuneration of its officers and senior employees and details the remuneration paid to its officers and senior employees in the financial year ended 30 June 2012.

While the *Corporations Act 2001 (Cth)* (section 250R(2)) requires a listed company to put a resolution to its members at its Annual General Meeting that its Remuneration Report be adopted, the *Corporations Act 2001 (Cth)* expressly provides that the vote on any such resolution is advisory only and does not bind the Directors or the Company. However, under recent changes to the *Corporations Act 2001 (Cth)*, if at least 25% of the votes cast on the resolution at the 2012 Annual General Meeting are against adoption of the Remuneration Report, then:

- If comments are made on the Remuneration Report at the 2012 Annual General Meeting, the Company's Remuneration Report for the financial year ending 30 June 2013 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- If subsequently, at the Company's 2013 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a General Meeting (Spill Meeting) be called to consider the election of Directors of the Company (Spill Resolution). The Spill Meeting must be held within 90 days of the date of the 2013 Annual General Meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any Managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2012 and is made in accordance with a unanimous resolution of the Directors. While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board unanimously recommends that the shareholders vote in favour of adopting the Remuneration Report.

Resolution 1 is put to the shareholders at the Annual General Meeting in fulfilment of the obligations of the Company under section 250R(2) of the *Corporations Act 2001 (Cth)*. Shareholders attending the

Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting Exclusion

In accordance with section 250R(4) of the *Corporations Act 2001 (Cth)*, the Company will disregard any votes cast in respect of Resolution 1 by:

- A member of KMP, details of whose remuneration are included in the Remuneration Report; and
- A Closely Related Party of such a member.

However, the Company will not disregard a vote cast in respect of Resolution 1 if it is cast by a person as proxy appointed in writing that directs the proxy how to vote on Resolution 1, and the vote is not cast on behalf of a member of KMP, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

If you are a member of the KMP or a Closely Related Party of a member of the KMP (or are acting on behalf of any such person) and purport to cast a vote on Resolution 1 that vote will be disregarded by the Company (as indicated above). Please read the information in the Proxy Form which deals with the Chairman's voting of proxies on Resolution 1 to adopt the Remuneration Report.

Resolution 2 - Re-election of Director – Nicholas O'Connor

The ASX Listing Rules and the constitution of the Company require each Director to be re-elected every three years and also that an election of Directors be held each year. Nicholas O'Connor is a current Director of the Company who is retiring and, being eligible, seeks re-election in accordance with the Company's Constitution.

Resolution 3 - Re-election of Director – Jamie Schwarz

Jamie Schwarz was appointed as a Director of the Company during the year. Pursuant to the Company's Constitution, Mr Schwarz retires and, being eligible, offers himself for re-election as a Director.

Resolution 4 - Re-election of Director – Richard Palonis

Richard Palonis was appointed as a Director of the Company during the year. Pursuant to the Company's Constitution, Mr Palonis retires and, being eligible, offers himself for re-election as a Director.

Resolutions 5 and 6 – Removal and Appointment of Auditor

Under Section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months notice of intention to move the resolution has been given. The notice of intention to remove PricewaterhouseCoopers is provided to Shareholders as Annexure A to this Notice of General Meeting.

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act. If PricewaterhouseCoopers is removed under Resolution 5, the Directors propose that Nexia Court & Co be appointed as the Company's auditor effective from the end of the Meeting. The notice of nomination of Nexia Court & Co as auditor of the Company is provided to Shareholders as Annexure B to this Notice of General Meeting. Nexia Court & Co has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If Resolutions 5 and 6 are passed, the appointment of Nexia Court & Co as the Company's auditor will take effect at the close of the Meeting.

Voting and Proxies

1. Determination of membership and Voting Entitlement

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the shares of the Company that are quoted on the Australian Securities Exchange Limited as at 7.00pm Sydney time on Wednesday 28 November 2012, will be taken for the purpose of the Meeting, to be held by the persons who held them at that time. Accordingly, those persons will be recognised as members of the Company and the holder of Shares and will be entitled to attend and vote at the Meeting.

2. Votes of Members

On a show of hands, each member present in person or by proxy or in the case of a body corporate by a representative at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy or in the case of a body corporate by a representative, shall have one vote for each Share held by him.

3. Proxies

Please note that:

- (a) A member who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on behalf of the member.
- (b) Where the member is entitled to cast two (2) or more votes, the member may appoint two (2) proxies and may specify the proportion or the number of votes each proxy is appointed to exercise.
- (c) If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
- (d) A proxy need not be a member of the Company.
- (e) Any instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in shall be deemed to be given in favour of the Chairman of the Meeting to which it relates.
- (f) Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.
- (g) A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
- (h) If a shareholder appoints the Chairman on of the Meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that shareholder, in favour of that item on a poll.
- (i) To be effective the instrument appointing a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of the power or authority) must be deposited not less than forty eight (48) hours prior to the Annual General Meeting, that is, by 10am Sydney time on Wednesday 28 November 2012 by mail or by delivery at the Company's Office, being 3 Moorebank Av, Moorebank 2170 or PO Box 656, Moorebank, 1875 or by facsimile on (02) 9824 2569.

A form of proxy accompanies this Notice of Annual General Meeting.



FLAT GLASS INDUSTRIES

FLAT GLASS PTY LIMITED
ABN 64 003 539 731

3 MOOREBANK AVE
MOOREBANK NSW 2170
TELEPHONE (02) 9824 0999
FACSIMILE (02) 9824 2111
WWW.FLATGLASS.COM.AU

28 September 2012

The Secretary
Flat Glass Industries Limited
3 Moorebank Avenue
Moorebank NSW 2170

I, Nicholas O'Connor, request the company to convene a general meeting on 30th November 2012 to consider and, if thought fit, pass the resolution that PricewaterhouseCoopers be removed as auditor of the company.

.....
Finance Director

MADI MANAGEMENT PTY LIMITED

ABN 16 002 042 560

PO Box 237
Moorebank 1875
Tel: +612 9824 0999
Fax: +612 9824 2569

2 October 2012

The Company Secretary
Flat Glass Industries Limited

Dear Sir,

Nomination of Auditor

At the Annual General Meeting of the Company to be held on 30 November 2012, we request the following special resolution be put to the meeting pursuant to section 328B of the Corporations Act:

“That Nexia Court & Co be appointed the auditor of the Company”.

Yours faithfully,



N J O'Connor
Director



FLAT GLASS INDUSTRIES

Flat Glass Industries Limited

ACN 003 173 242

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10.00 am (AEDST) WEDNESDAY 28th NOVEMBER 2012

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at time 10:00 am on Friday, 30th November 2012. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Flat Glass Industries Limited, PO Box 656,
Moorebank NSW 1875 Australia

BY FAX - + 61 2 9824 2569

IN PERSON - Flat Glass Industries Limited
3 Moorebank Avenue, Moorebank NSW 2170

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

STEP 1 - Appointment of Proxy

I/We being a member/s of Flat Glass Industries Limited and entitled to attend and vote hereby appoint

<input type="checkbox"/> the Chairman of the Meeting (mark with an 'X')	OR	
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If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Flat Glass Industries Limited to be held at Level 44, 1 Macquarie Place, Sydney, NSW 2000 on Friday the 30th of November 2012 at 10:00 am (AEDST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

No undirected proxies to the Chairman or Key Management Personnel will be voted on Resolution 1, Adoption of Remuneration Report. You are encouraged to direct your proxy by marking the box in relation to the resolution in the section below.

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

		For	Against	Abstain*
Ordinary Business				
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Nicholas O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Jamie Schwarz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr Richard Palonis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Business		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / / 2012