

Shareholder Disclosure Document

Dear Shareholder,

PROVISION OF FINANCIAL ASSISTANCE IN CONNECTION WITH THE METRO PERFORMANCE GLASS 2017 NZ EMPLOYEE SHARE PURCHASE SCHEME

Metro Performance Glass Limited (the **Company**) is required to provide the following disclosure to all shareholders pursuant to sections 78(5) and 79 of the Companies Act 1993 (the **Act**) in respect of financial assistance to be provided by the Company in relation to the Metro Performance Glass 2017 New Zealand Employee Share Purchase Scheme (the **Scheme**).

No action is required by shareholders with respect to this document as it is provided for disclosure purposes only.

The Company established the Scheme, which has been approved by the Commissioner of Inland Revenue as a section DC 12 share scheme under the Income Tax Act 2007.

Employees have been issued an offer letter inviting them to invest in the Company's shares through participation in the Scheme.

The Scheme recognises the important contribution that the Company's employees make to its future. By implementing the Scheme, the Board considers that the interests of the employees will be aligned with those of the Company's and with yours, as shareholders. The intention is that the Scheme will assist the Company in retaining and motivating employees.

Details of Financial Assistance

Under the Scheme:

- (a) Participating employees will each be able to acquire \$1,000 or \$2,000 worth of shares in the Company. Employees will become the legal owner of those shares following a three year holding period (**Holding Period**). The shares can only be purchased in parcels of \$1,000 or \$2,000.
- (b) The number of shares that each participating employee will receive will be calculated by dividing the total of their nominated share purchase amount (\$1,000 or \$2,000) by the allocation price per share. The allocation price is the volume weighted average price of shares on the Main Board of NZX during the 10 trading days prior to the allocation date of the shares.
- (c) Each participating employee will be required to contribute 50% of the cost of the shares (i.e. \$500 or \$1,000).
- (d) The Company will give each participating employee an interest free loan for their portion of the cost of the shares (i.e. \$500 or \$1,000) and the participating employees will pay off this loan via deductions from their after tax pay.
- (e) The acquired shares will be held by an independent trustee (Pacific Custodians (New Zealand) Limited (the **Trustee**)) on the participating employees' behalf during the Holding

Period and until the interest-free loan has been repaid in full. The Holding Period begins when the participating employees are allocated their shares and ends on the earlier of three years from the relevant allocation date or the cessation (end) of the participating employees' employment. The participating employees cannot sell or deal with their shares during the Holding Period, but any dividends paid on the shares will be paid to them.

- (f) The Company will pay the establishment and operating costs of the Scheme. The establishment costs are estimated to be \$35,000 and the operating costs are estimated to be \$30,000 per annum. The aggregate amount of the interest free loans to be made for the initial allocation of shares will be dependent upon the dollar value of acceptances received from employees and the allocation price per share. Assuming all eligible employees applied for the maximum \$2,000 worth of shares, the aggregate amount of the interest free loans would be \$649,000. It is however more likely that the interest free loans will be below this amount because some employees will not apply for any shares or they may only apply for \$1,000 of shares. The actual aggregate amount of the loans will be announced to NZX shortly after the shares are issued.

The loan made by the Company to assist with the purchase of each participant's shares, and the payment of the establishment and operating costs of the Scheme constitutes the provision of financial assistance to a person for the purpose of, or in connection with, the purchase of shares issued or to be issued by the Company pursuant to section 76(1) of the Act.

Board Resolutions

The text of the Company's board resolutions passed on 31 January 2017 approving the provision of the financial assistance is set out below:

1. *The provision of the Financial Assistance is approved and it is also resolved that:*
 - (a) *the provision of the Financial Assistance is in the best interests of the Company;*
 - (b) *the terms and conditions under which the Financial Assistance is given are fair and reasonable to the Company and those shareholders not receiving the Financial Assistance;*
 - (c) *the provision of the Financial Assistance is of benefit to those shareholders not receiving the Financial Assistance,*

on the grounds that:

- (a) *the Financial Assistance will be provided for purposes of the Scheme and to enable employees to acquire a small shareholding in the Company at a discount;*
- (b) *share purchase schemes of the nature of the Scheme have been adopted by many listed issuers and those schemes often include the provision of financial assistance in the form of an interest free loan; and*
- (c) *the Scheme will help link and drive individual and collective performance towards the achievement of the Company's goals and will also assist the Company to attract and retain high quality employees.*

2. *The board is satisfied on reasonable grounds that the Company will, immediately after the provision of Financial Assistance, satisfy the solvency test set out in section 4 of the Companies Act (as modified by section 77(6) of the Companies Act).*
3. *The Company will send a disclosure document (which complies with section 79 of the Companies Act) to each shareholder of the Company prior to the provision of the Financial Assistance and any director may approve the final form of the disclosure document.*

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'JG', is written over a faint, illegible printed name.

Sir John Goulter KNZM, JP
Chairman