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Chairman's update.

In early March I was delighted to attend the official opening of our new Plumbing World branch in Papamoa in the Bay of Plenty, and we had an amazing turnout and show of support from our shareholder members in the region. It's been a few years since we've had an outlet in Papamoa, so the opportunity to now take advantage of the recent growth in this area, and to relieve some of the pressure on our Tauranga and Mt Maunganui branches will be a real plus for both our customers and our staff.

The co-operative had a strong March quarter, which together with three solid previous quarters in the financial year will translate into a positive year-end earnings result and rebate dividend for our ordinary shareholder members. Equally, we expect that momentum to continue in the near term as we continue to refine our customer service offering and grow our footprint throughout the country.

The new financial year will also see further crucial investment by both Plumbing World and Metrix as we look to build our resilience and capability through the introduction of new and improved technologies including our mobile app and commercial quoting system. The need to embrace our digital future is vital for both companies, however it's important to note that the cost of this future is not insignificant, and it will undoubtedly place

pressure on our earnings in the short to medium term.

In February we had some changes to our NZPM Board of Directors with the resignation of Mr Craig Coxhead for personal reasons, and the subsequent appointment of Ms Ngaire Mansfield. Craig has served on the NZPM Board since 2014 and we wish him well for the future. Ngaire as most of you will be aware, was our very first Future Governance Programme appointee back in 2017, and we now welcome her to the Board as an Appointed Director through to the 2020 AGM.

The next couple of months will also be busy as we open our NZPM Future Governance Programme applications, and based on the success of the last two years we'll again be looking to appoint two candidates to the programme in 2019. This is a great opportunity for shareholder members who want to be involved in the future governance of the co-operative to participate in our Board meetings, and also to receive some professional governance training and mentoring to help develop their skills.

June will also see the start of our annual roadshows for members at our now 50 branches across New Zealand, and Rob Kidd and my fellow Directors look forward to seeing as many of you as possible at your local event. As with last year we're looking to

keep the presentation segment succinct, so that we've got as much time as possible to answer any questions and to hear your views and feedback on the co-operative.

And finally, later in this edition of Connector is an article about some of the work NZPM is involved with in the wider community. Concern for the community is one of our seven core co-operative principles, and in addition to the national support we provide for our three key cancer charities, it's fantastic to see the huge number of community based organisations that both our members and our staff regularly assist at a local level.

Kind Regards,



John DeBernardo
Chairman



A word from Rob Kidd.

It is very exciting to let you know we have been racking out our new Metrix / Plumbing World Distribution Centre (DC) in Wiri, South Auckland, during April.

Plumbing World will begin moving product from our existing East Tamaki DC into the new facility during May, ready for operation in June. Metrix will relocate from their existing site during quarter two of this year.

The new DC will enable us to more rapidly grow our imported products program for the benefit of shareholders across the country.

Don't forget that the more LeVivi, MCD Copper, Metrix, Pipe King and Toto products you purchase, the greater your shareholder GOLD trading rebate will be.

We are making solid progress on the first two Digital and Technology projects currently planned to be launched during the middle of the year—the

Commercial Quoting System (CQS) and the Trade Purchasing App (TPA).

Both are designed to enable you to more easily and efficiently purchase product from Plumbing World and help provide significant operating benefits for your business.

The CQS will enable you to accept quotes from Plumbing World without your business or Plumbing World having to re-key the product information when you accept a quote and turn it into a purchase order —this will save time and help eliminate human error.

The Trade Purchasing App is currently being branch tested with customer orders in six branches across the country. The App will enable you or your staff to purchase product from any location utilising your mobile device. You will be able to select product, add an order number and provide a delivery address, saving you valuable time (unless

of course you want to come into the store to pick the order up).

Thank you for your ongoing support of Plumbing World, we look forward to delivering more exciting initiatives for you.

Regards,



Rob Kidd
Plumbing World GM



Come and join us for this year's

ANNUAL GENERAL MEETING

Friday 16th August 2019

Rydges Hotel, Pipitea, Wellington.

**Registrations for this year's AGM will be opening mid-June.
Please keep an eye out for more information.**

www.nzpm.co.nz

**NZPM
GROUP**

Director's point of view - Alister Lawrence.

Greetings fellow Shareholders. I value this opportunity to communicate with you again. The first thing I would want to say is that as I write this, the company is performing well with solid results coming through. I would also want to say that I believe both the Senior Executives and the Board are doing a really professional job and are providing the appropriate leadership for the company. I am delighted to be part of it and able to contribute to it.

Two things I would like to dwell on a little:

- Our renewed focus on Technology and Innovation is really exciting and has highlighted some real opportunities to be explored. Having said that, there will be challenges involved and it will need us to think about our business processes somewhat differently. Our focus is on being easy to deal with and operating as efficiently as possible.

The Young Plumbers Club is going from strength to strength and is a pivotal strategy not just for NZPM, but also for the industry. We read over and over about skilled labour shortages and difficulty attracting young people into the trades. The Young Plumbers Club is a powerful tool for us to be able to tell a really positive story about our trade, and the success that can flow to those who enter it.

There is no doubt that the construction industry at large is facing some serious challenges. I think I can confidently predict that there will be more developer / construction company failures and sadly that will have a direct impact on their subcontractors. I cannot stress strongly enough the need to actively manage your cashflow and debtors, particularly if the market starts to slow more than it has already. I would also encourage you all to work hard to keep your margins up, as the industry often appears to be a race to the bottom. You have

heard me banging on about this before, but it is absolutely critical that you don't buy into that.

I remain very positive about the future of our industry and our company. The strength of the Cooperative is a really solid foundation stone underpinning everything we do. It truly is a case of the strength of the whole is far greater than the sum of the strength of the parts. I see good times ahead and wish you all well for the coming months.

Regards,
Alister Lawrence
NZPM Director



Kathmandu Coast to Coast.

In February valued Shareholders Paul and Mark Summerfield took on the Kathmandu Coast to Coast, the iconic 243km multi-sport based in the south island.

The race starts on the West Coast, at Kumara Beach and traverses the width of the South Island, crossing the main divide and finishing on the East Coast at the Pier on Christchurch's New Brighton Beach. And we can proudly report in that they both did extremely well in their chosen categories.

Mark placed 12th in the Open Men's section of the Longest Day. The Longest Day competition is the World

Multisport Championship race, a gruelling day covering the same course as the two-day event but with the entire 243km course covered in one day!

As it was his first attempt this was an absolutely phenomenal result and he should be very pleased, there were only a couple of hundred in that section, most were elite athletes. Mark put in hours of training to step up to this level and it seems the sacrifice was worth it (though Mark may say otherwise!).

Paul and team mate Paddy Strange finished 6th in the Veteran Men's team section (over 40's, so they were still against

guys 20 years younger), they were pretty happy with that. Paul and Paddy actually finished 12th overall for men's teams, the hours of training and sacrifice more than paid off on all fronts.

Well done Paul and Mark, the Plumbing World team are very proud to be able to support you on the tools... and out on the trails!



Future Governance - Nathan Stewart.

I was a little excited (to say the least) at having the opportunity to be part of the Future Governance Programme.

I was expecting to be a passive participant, to be a passenger, and take the opportunity to listen and learn. Well, I got that completely wrong! The Board have been extremely inclusive, asking and encouraging me to give comments or to share my opinion in board discussions. Their inclusive nature was helpful in settling in and made it easy to take part in discussion and debates.

The Board has certainly been working hard at effective governance and having a defined vision for the company looking towards the future.

A few examples of this are the Young Plumbers Club, where the future of the NZPM Group lies, and how we are working on developing digital technology—something that will certainly change how our customers will interact with our local Plumbing World branches. There has

been considerable emphasis on Health and Safety, in particular, the mental health of our staff is something that all companies need to give consideration, as at times the pressures of daily life can certainly mount up upon us all.

You can be very proud of the Board for taking a hard look at how the group can become more environmentally friendly and sustainable. This is certainly something the group should be proud of and is certainly a point of difference.

Being part of the Board's discussions has helped me understand that it's not all about the rebate, but rather developing a co-operative that is ready for whatever lies ahead. We know that at some point in the future there will be a downturn and now is the time to act—by doing the basics well.

I would strongly recommend that anyone with the desire to give the Future Governance Programme a go, to do it. You will be greatly surprised at how

robust the discussions are, how great the ideas are and how well senior management work together with the Directors.

"Great minds discuss ideas, average minds discuss events, small minds discuss people" - Eleanor Roosevelt. There are certainly plenty of great minds in the NZPM Group. Definitely take the opportunity to be a part of the Future Governance Programme—you won't regret it!

I look forward to seeing you all at the AGM this year, in August.

Regards,
Nathan Stewart



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All Paini tapware and showers now come with a 10 year warranty!



Terms and conditions apply. Speak to your local Metrix rep for more information.

metrix

www.metrix.co.nz

2019 Future Governance Programme.



NZPM
Future
Governance
Programme

Applications are now open for our 2019 NZPM Future Governance Programme.

Following the success of this initiative over the last two years, the NZPM Board is pleased to announce the opening of our 2019 Future Governance Programme, as we continue to help foster future elected director capability from within our ordinary shareholder membership pool.

The objective of our Future Governance Programme is to identify potential future elected directors for the NZPM Board, by selecting up to two shareholder applicants to participate in the programme in 2019.

It is expected that the successful applicants will be shareholders who have indicated a strong desire to be involved in the future governance of the co-operative, and who also demonstrate the core attributes for development and mentoring as potential future directors.

Applicants will be shortlisted and interviewed by an independent selection panel during June and July, and it's anticipated that the successful candidates will be announced at this year's AGM in Wellington in August.

The selected candidates will be expected to attend and participate in NZPM Board meetings between September 2019 and May 2020, and during that time they'll also receive some Institute of Directors structured governance training, and one-on-one mentoring from an independent professional director.

The NZPM Future Governance Programme offers a great opportunity for up to two shareholder members each year to become involved in the governance aspect of the co-operative by learning more about your Board and how they operate, whilst at the same time receiving professional learning as a company director.

We are currently seeking applications to participate in the 2019 programme from interested ordinary shareholder members until 31 May this year.

If you have any questions or would like to apply to participate in the programme please contact us at:

governance@nzpm.co.nz,
or you can speak direct with NZPM Group Chairman John DeBernardo on 021 424 944.

Obituary - Paul Cowan.



In early April we were saddened to hear of the loss of one of our former NZPM staff stalwarts Paul Cowan, who passed away aged 81.

Paul started his plumbing career with Shand Brothers in Palmerston North in 1961, and he joined the co-operative management team with our acquisition of Shand Brothers in 1964. He was our first Secretary/

Accountant, then Finance Manager, General Manager, CEO and finally Managing Director up to his retirement in 1998. In his latter role Paul also served on the NZPM Board as an Executive Director from 1993-1998.

Paul also excelled on the rugby field, playing fullback for Manawatu, and he was well respected by his staff and colleagues throughout the industry and wider community. Upon his retirement in 1998 Paul commented "The formula adopted 30 years ago has quite naturally been subject to variation. However the health of the plumbing industry is still our prime concern. Within this general guideline the board has had to be flexible and changes have taken place within the original principles".

The NZPM Group co-operative extends our deepest condolences to the Cowan family on their loss.



Mid-1965 pictured outside the original offices in the ground floor of the Norfolk Chambers in Grey Street, Palmerston North are Bill Hoare (General Manager), Mrs Billie Warn, Michael Stubbs and Paul Cowan (Secretary).



Young Plumber of the Year.

Young Plumber of the Year 2019 has officially begun!

40 Plumbing World branches across the country are hosting events. The evening starts with contestants completing a theory examination followed by 10 skills tests submitted by our gold and silver supplier sponsors. The topics range from valve trains, water hammer, backflow to pipe knowledge.

Registrations will remain open until each local branch event. A copy of the event timeline can be found on the Young Plumbers Club website, under Young Plumber of the Year.

Results to date are:

Palmerston North:

Jason Gamble
Tricklebanks 2016 Ltd

Timaru:
Brad Hopkinson
Breen Plumbing Ltd

Oamaru:
Akida Shimmoto
HiFlo Plumbing Ltd

Levin:
Caleb Bean
G & M Warwick Plumbing

Dunedin:
Donovan Isted
Foleys

Paraparaumu:
Brett Trilford
Easyflow Plumbing & Drainage

All results will be recorded on our website: www.ypc.co.nz.

With so many great prizes and giveaways at every stage for all the competitors, including a goody bag on the night—just

for entering! Don't worry, we haven't forgotten about you—the employer.

If one of your team takes out the overall title, as the employer you will receive:

- One year supply of Red Bull courtesy of Red Bull
- \$1,000 in NZPM RPS Shares
- \$750 Voucher to spend on Puma Golf merchandise courtesy of Puma Golf
- \$500 Fuel Voucher towards the running of winners van courtesy of Plumbing World
- Employer Certificate

Congratulations to those who have already won their branch event and good luck to those entrants that will be competing over the coming weeks.



Palmerston North Winner



Timaru Winner



Paraparaumu Winner



Dunedin Winner

FOR MORE INFORMATION AND RESULTS - VISIT YP.CO.NZ

Shareholder loyalty.



Kevin Baker being presented his award by Papanui Branch Manager, Jeff Abbott.



AJ Thompson being presented his award by Papanui Branch Manager, Jeff Abbott.

Metrix update.

Durastyle Basic by Duravit, exclusive to Plumbing World.

Metrix are pleased to introduce a new toilet range from Duravit. The Durastyle Basic is competitively price-pointed for renovations, refurbishments, new builds and projects.

Durastyle Basic is offered in three formats: Back-to-Wall Suite, Wall-Hung Pan, and Compact Floor-Mounted Pan. Soft closing toilet seats are included in the code

and pricing. The Back-to-Wall Suite has a centre back inlet, and is supplied with a 90 degree pan connector.

A major feature offered as standard across the Durastyle Basic range is rimless flushing technology. This new technology features impressive performance, efficiency and hygiene. The open design of the toilet rim enables a dynamic and powerful flushing action that rinses the entire inner surface

of the toilet bowl. The end result is perfect and hygienic flushing, even with smaller volumes of water.

The Duravit Durastyle Basic toilet range is exclusive to Plumbing World. Ask your branch for a preview and pricing information. If you need immediate information full details are on the Metrix website: www.metrix.co.nz and on our Metrix app.



DuraStyle Basic



2562.09SC
Wall-Hung Pan
inwall cistern is additional



2184.09SC
Compact Floor-Mounted
inwall cistern is additional



2182.09SC
Back-to-Wall



Metrix - a 2019 Young Plumber of the Year Gold Sponsor.

Metrix is proud to be a gold sponsor of Plumbing World's Young Plumber of the Year competition for 2019.

For the nationwide branch events we are using the Valsir Tropea S inwall cistern to test the Young Plumbers. Contestants are finding out just how simple the Valsir Tropea S is to service, and most contestants have been able to complete the test in under 6 minutes.

The first few events have gone really well. The competition has

been to a very high standard with very close results.

The Metrix team are looking forward to meeting contestants and shareholders at the branch events, regional finals, and the grand final later in the year.

If you would like to learn about how easy it is to service Valsir inwall cisterns please contact your Plumbing World branch who will arrange for your Metrix Territory Manager to meet with you.



Shareholder Roadshow.

The schedule for this year's Shareholder Roadshow is now available on the NZPM website under 'Events'.

We invite you and your partner to attend your local presentation/discussion on what's happening in your co-operative. All

presentations are given by both NZPM Chairman John DeBernardo and Plumbing World's General Manager, Rob Kidd.

We also encourage any prospective shareholders to attend too.

For more information, please visit www.nzpm.co.nz/events, email info@nzpm.co.nz or you can speak to your local Plumbing World Branch Manager.

Corporate Responsibility and Concern for Community.

One of the seven principles of a co-operative is 'Concern for Community' and NZPM is proud to show significant support to a number of initiatives.

Based on the demographics of our shareholder base and the strong input from the women/partners involved in our shareholder businesses, we have chosen to support three cancer charities. These charities support different types of cancers which affect many New Zealanders.

We have committed to lending our support for a two year period to help raise awareness, educate and support the community, while also using funding to help with research for these life threatening illnesses.

The three charities from 2018 – 2020 are:

- Bowel Cancer New Zealand
- Gynaecological Cancer Foundation
- Prostate Cancer Foundation of New Zealand

NZPM, Plumbing World and Metrix are also proud to support a number of initiatives that enhance local communities and contribute to our society. Each year we support numerous

Relay for Life events around the country, various children's charities, foodbank appeals, hospice events and Christmas gift appeals—so we certainly feel like we are contributing well in this space. More recently we have been involved with supporting other initiatives by helping out with plumbing and bathroom products for the Papamoa Surf Lifesaving Club, Harbour Hospice, Big Buddy and the Night Shelter project.

We are becoming increasingly active in working with our suppliers to ensure they are playing their part in improving the sustainability of our industry. We endeavour to ensure their products are made ethically, their packaging is appropriate and that their environmental policies are being adhered to.

For our LeVivi product range, we invest time to ensure our factories follow best practice. We regularly audit our supplying factories to confirm they place a high emphasis on staff wellbeing, offer reasonable working hours, good health and safety practices are adhered

to and staff receive a fair and reasonable wage. We have begun to take new steps to review the raw material suppliers to our factories to ensure they also adhere to the same standards.

All Plumbing World sites have a recycling programme in place and our shopping bags are re-usable. We also have a range of small initiatives such as using biodegradable drinking cups for customers.

Alongside these initiatives Plumbing World is also a member of the Green Building Council and is supporting their HomeFit campaign, which is all about ensuring New Zealanders have homes to live in that are warm, safe and dry, so that the residents have the best possible chance to staying healthy.

Looking forward, we believe that sustainability and our fit to the community will continue to be a key measure of our success for all our stakeholders.



NZPM's Mission

To contribute to our members' and customers' business success by representing their interests and delivering performance excellence.

Part of our NZPM Co-operative

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