

Connector

News and views from the co-operative.

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Chair update.

What an incredibly crazy and saddening couple of months we've seen, particularly during March, with the spread of COVID-19 creating a deadly worldwide pandemic, and as I write this, New Zealand with an increasing number of confirmed cases and now in the early stages of a Level 4 Alert. Whilst a number of our customers are still operating as 'essential services', many of our members businesses will undoubtedly be significantly impacted by the trading restrictions imposed, and as a co-operative we'll continue to work with our shareholders during these turbulent times.

Obviously both Plumbing World and Metrix are also severely affected by this sudden reduction in customer demand, which has resulted in our business virtually shutting down for at least the next four weeks. This will create a significant drop in both our revenue and profit, and whilst we don't expect this to impact on the level of dividend we pay on our redeemable preference shares, it is likely to mean that a lower than previously anticipated rebate dividend will be declared on our ordinary shares for the current financial year. A more detailed announcement in relation to this change is available on our NZPM website: www.nzpm.co.nz

Fortunately, the work we've done over the last 18 to 24 months sees the co-operative in good financial health, with a strong balance

sheet, and with the resilience and flexibility to weather this event. The investment we've made in digital and technology solutions will also stand us in good stead, and due to the foresight of our management team we have a good level of stock in both Metrix and Plumbing World to support our customer's needs over the forthcoming months.

So, as we navigate these new and unprecedented times in New Zealand, we'll continue to operate the business in the most effective and efficient manner, with the best interests of the co-operative paramount in our thinking. To underpin this, we've engaged Richard Westlake the founder of Westlake Governance to carry out a review of both the Board and Executive team over the next few weeks. Many of you will have heard Richard speak at our AGM last August about governance in the co-operative sector, and how sound board leadership and direction for the business will become increasingly important as we grow and develop our vision of being a 100-year co-operative.

To continue that process of developing our governance capability, we'll again be running our NZPM Future Governance Programme in 2020, and applications are now open through until 17th July for up to two shareholder members to participate. We're seeking applicants who have a strong

interest in the future governance of the co-operative, and who also demonstrate the core attributes for development and mentoring as potential future directors. ►



This is a fantastic opportunity to learn more about your board and how they operate, and at the same time receive some professional training as a company director.

Finally, whilst we're all obviously hopeful of a return to at least some level of normality after the next few weeks, I urge all of our members to look at their own business restart plans carefully,

and to consider a scenario where we may be in lockdown (or a restricted state) for longer, and where commerce may take significantly longer than expected to return to sustainable levels. For those working in the construction market, the risks associated with working for companies and developers with the thin balance sheets frequently seen in this sector are huge. Managing your creditors, debtors and cashflow

carefully over the forthcoming period will be critical to your resilience.

Kind Regards,



John DeBernardo
NZPM Chair

A word from Rob Kidd.

As John has already said, we are now operating in unprecedented times.

During the course of the Governments Level 4 COVID-19 national lockdown, Plumbing World are able to continue providing product for essential / emergency service work.

While our branches remain shut, you are able to utilise our call-out service to access product you need for undertaking emergency work — please refer to the communication we sent you on Tuesday 24th March and again on Friday 27th March where we outline what constitutes emergency work and then access the call-out service by ringing your branch manager directly on their mobile phone.

If you don't have their mobile number already loaded on your phone, or for some reason can't get hold of the branch manager, please go to www.plumbingworld.co.nz and click on the "on-call request" tab which will take you through to your branch and either the manager's mobile number or another person from the branch.

Please also follow us on our Facebook page 'Plumbing World NZ' for up-to-date COVID-19 information as well.

We are also anticipating that beyond April 22nd, there may be

further restrictions such as;

- A possible extension of Level 4
- A drop to Level 3 which may still incur a number of travel and other restrictions imposed by the government
- A drop to Level 2 where people may still choose to travel less

The pwGO App which was launched late last year is already up and operating for use on mobile devices, and will enable you to continue ordering product under Level 2, 3 and Level 4 scenarios.

If you don't have the pwGO App loaded and want to know more please contact your Plumbing World sales representative or local branch manager — both groups are available by mobile phone or email — to enable the service you require.

We are also on track for pwGO Online (the online programme to replace the existing trade pass trade portal) to go live in April.

Developed utilising the same technology as the App, pwGO Online is super user friendly, will enable you to easily search for product including photographs and product specification information, order product from Plumbing World online from your computer, as well as provide your invoice statements and product catalogue information.

With both of these technologies you are able to order product for delivery direct to your workshop or construction / plumbing site — no travel by you or your tradespeople required.

If you wish, you can also order the product and have it ready for pick up from your local branch without having to come in and pick the items yourself.

Thank you for your support of Plumbing World and let's continue to work together through these challenging times to ensure your co-operative continues to be strong and resilient through the months and years to come.

Regards,

Rob Kidd
Plumbing World GM



2020 Future Governance Programme.



NZPM Future Governance Programme

Applications are now open for our 2020 NZPM Future Governance Programme.

Following the success of this initiative over the last three years, the NZPM Board is pleased to announce the opening of our 2020 Future Governance Programme, as we continue to help foster future elected director capability from within our ordinary shareholder membership pool.

The objective of the 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 this year.

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 July, and the successful candidates will be announced at this year's AGM in Rotorua in August.

This year we've lengthened the programme, and the selected candidates will be expected to attend and participate in NZPM Board meetings between September 2020 and August 2021. 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 2020 programme from interested ordinary shareholder members until 17 July 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.

Access everything!

One login ID, linked with a Plumbing World trade account is all you need to access both the pwGO website, and the pwGO app.

If you are already registered on the pwGO app, you can login to the new website platform using the same login details. Any new or existing TradePass users will need to register on the website.

pwGO
plumbingworld

pwGO website AVAILABLE APRIL



Order Products.

Thousands of products to shop from our trusted suppliers.



Spec & Safety Data Sheets.

View and download specification and safety sheets.



Custom Lists.

Create and manage products with custom lists.



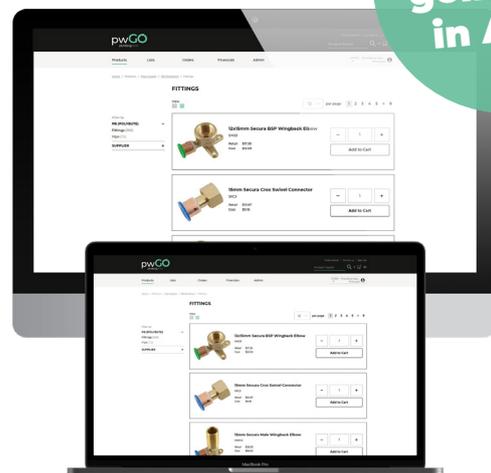
Invoices & Statements.

Account owners can view and download account financials.



Manage Users.

Account owners can manage their staff user profiles.



**Website
going live
in April!**

<https://www.pwgo.co.nz/>

Eat Up NZ.

Plumbing World has recently signed up to a new community initiative called Eat Up NZ. Eat Up New Zealand is a registered charity that engages corporate groups to make free lunches which are given to schools to help support students who arrive to school without adequate food.

They are currently supporting 20 schools in the Manawatu, Rangitikei and Horowhenua areas, with ambition to grow as they bring on more corporate supporters to host sandwich making events. The Plumbing World Support Office will have their first sandwich making event later in May (all going well with Government restrictions). This will form part of a team bonding exercise and will take 60 mins for all Support Office staff to be involved in. This aligns well with our co-operative principles and we are proud to support this initiative to support our communities.



Director's point of view - Peter Faul.

Hello to all.

What a crazy time to be writing to you. I could never have envisaged only a few weeks ago we would all be in a national lockdown. Like you I am sure, I have fingers and toes crossed it will not have to go on too long.

As a new director to NZPM I still couldn't be more excited to have joined the board. I love big challenges and this certainly meets that criteria. Even more exciting is the strength of the company, its balance sheet and the commitment of its amazing people led by an extremely focused executive team. Their preparedness will have the company in the best possible shape to resume business as soon as the chance arises.

What happens when we get to restart our businesses will be top of mind for all. There is much we don't know at this time but determining where

our customers are placed will be vital to having our business's positioned to match their needs. In the jobbing market there is likely to be some pent up demand that will require our attention and could provide some bounce in the short term. Commercial projects already underway hopefully will continue to completion, however, there is no guarantee. I will be keeping in contact with larger clients to keep a close eye on developments during the lockdown to make sure we have the ability to adjust accordingly.

We are potentially in one of the luckier industries as demands for our services won't dry up as they did with the Hospitality industry. Based in Queenstown I can tell you the immediate effect on tourism has been devastating. Spare a thought for everyone affected at this time, we need to pull together as an industry and as a nation to get out the other

side in the best possible shape. We can and we will, it's what Kiwis do; Embrace the challenges head on.

Regards to all.

Peter Faul
Director NZPM and fellow
Businessman



Future Governance - Dave Morgan.

"I do what I do, not for thanks but only because it's the right thing to do" is a mantra I believe in not only in my business life but also my family life. Being part of the NZPM Future Governance Program has shown me that as a co-operative we have a very dedicated Board and Executive team who demonstrate this ethic in every action and decision that is made.

My journey through the last year as part of this programme has helped me develop both as a manager in the business I am currently managing, and it's also taught me to look above the business from a Governance level. This insight is what I would like to share with anyone considering joining the Future Governance programme, so here goes.

Firstly, understand the "Four Pillars of Governance" being Determining Purpose, An Effective Governance Culture,

Holding to Account and Effective Compliance, don't get overawed by them just understand them and learn that they are the guide to help you make good decisions at a board level. Sounds deep but it's actually not. As managers and business people we actually engage in most of these daily, it's just someone put a fancy name to them.

Secondly, get involved put your hand up and be prepared for a very insightful journey. The people on the Board and Executive team are there to help/guide and support the programme, and if you listen, you will not only enjoy the journey but you will take away insight that will assist you back in your own business.

Lastly, call me and at the cost of a beer I will tell you what this journey has meant to me personally. I'll tell you about the new network of friends I have met, the insight I have learnt and

most importantly, how I have grown professionally through this great initiative.

Thanks to NZPM for the opportunity.

Dave Morgan



Obituary - Pekka Orpana.

In mid-February we were saddened to hear of the loss of former NZPM Group CEO Pekka Orpana, who passed away suddenly. Pekka was appointed to the role in 1998 following the retirement of Paul Cowan, and after a lengthy recruitment process in both New Zealand and Australia.

Arriving with a sound knowledge of the plumbing industry through his time with Tradelink in Australia, Pekka very quickly picked up the nuances of a co-operative company by touring the country and visiting every Plumbing World branch. He then commenced implementing a

range of strategies to improve the efficiency and profitability of the business including the opening of showrooms, instigation of the new Cross-Dock Facility, and a review and restructure of the senior management team.

Pekka left NZPM in 2004 during which time he had seen a huge change in the co-operative, with sales increasing by over 50%, significantly improved customer service and a steady increase in shareholder membership.

The NZPM Co-operative extends our deepest condolences to the Orpana family on their loss.



Metrix Update.

To our Metrix customers, friends and families.

New Zealand, like the rest of the world, is experiencing an unprecedented and incredibly challenging time that will impact massively on all of our health, wellbeing, livelihoods and way of life.

Metrix will be adhering strictly to the Government's edict that will effectively lockdown New Zealand. Our showroom and warehouse will be closed from Thursday March 26 and will reopen on Wednesday April 22, or whenever the Government declares it safe and appropriate to do so.

All of our staff will be working from home as required as well as working on initiatives that will improve our business when we are able resume business operations. These include upgrading our website, updating

all of our training modules, reviewing pricing, working remotely with Metrix Parnell clients on their specifications, and updating our spare parts book.

In coming weeks we will also be assisting Plumbing World with some online product training for their team.

Though this time, our customer services team will still be able to take your calls on 09 444 5656. From time to time family duties may mean the phones will not be attended, but you have the option of leaving a voice message or emailing us at info@metrix.co.nz. We will respond to you as quickly as we can.

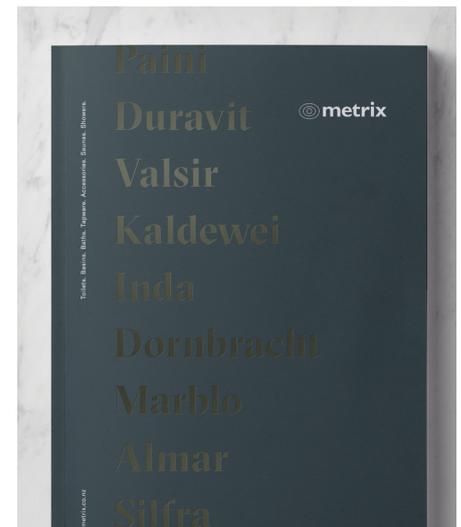
If you would like to access our new bathroom design collection brochure, you can view it online, or download it from our website: www.metrix.co.nz.

We hope that you, your family and friends all weather the coming

weeks well and safely. Wishing you all the very best until we see you again.

Kind regards,

Garry, Andrea, Lorelei, Steve, Sally, Fleur, Vernon, Nadeem, Devon, Arezou, Anca, Ronita, Rikki-Leigh, Jono, Craig, Sharleen and Paul.



Young Plumber of the Year 2020.

plumbingworld

youngplumber
of the year

2020 promised to be an exciting year for Plumbing World's Young Plumber of the Year – with incredible products to showcase from our gold and silver sponsors, and over \$50,000 worth of amazing prizes up for grabs.

However, following the Ministry of Health guidelines relating to COVID-19, we have to regretfully postpone the 2020 Young Plumber of the Year competition until 2021.

As the Young Plumber of the Year is a pinnacle series of events on the industry calendar, planning will now shift to the 2021 competition. We highly encourage young plumbers to enter over the duration of this year, as any entries received during 2020 will automatically be transferred to the 2021 competition.

For further information on the competition, including eligibility, prize pool, sponsors or to enter, visit <https://youngplumbersclub.co.nz/young-plumber-of-the-year>.

Take care,
The YPC team

Shareholder loyalty.

We love celebrating your loyalty to our co-operative and it's great to see shareholders being acknowledged. Congratulations to everyone who has recently received their loyalty awards.



NZPM's Mission

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

Part of our NZPM Co-operative
 plumbingworld | metrix