

Connector

News and views from the co-operative.

Chair update.

It's been pleasing to see a continuation of the solid revenue trend that we saw in May and early June with many of our members and customers taking advantage of a surge in activity post-lockdown, and whilst I'm sure there's some tough times ahead, it's really encouraging that the plumbing industry has re-activated strongly.

Both Plumbing World and Metrix are currently operating at near full capacity, and it's been heartening to see the enthusiasm and support we've received from the people in our business who want to be part of the ongoing success of the co-operative. Likewise, many of our customers are increasing their share of wallet spend as our service levels continue to be a strong focus, and also as our technology solutions add greater value to their own businesses.

June also saw the opening of our new Kingsland branch in Auckland, and many of you will recall that this is the strategically located site that NZPM purchased last year in planning for the 2020 expiry of our lease in nearby Grey Lynn. For those members that've had the opportunity to visit both sites, I'm sure you're pleased with the vastly improved layout, presentation and parking that Kingsland offers, and we expect this more modern and efficient style of branch will be progressively rolled out during future branch upgrades.

Our NZPM Board will meet in the first half of July to approve the annual accounts for the previous financial year, and we expect the co-operative's annual report will be published and distributed following that meeting. At that same July meeting we'll also look to establish this year's rebate dividend, and I believe that our expectations in terms of a potential dividend have improved slightly since the initial economic shock in March and April.

As announced in our June 'Special Edition' Connector, this year's NZPM/Plumbing World Roadshow will be held by Zoom videoconference on Thursday 16th July 2020. Members are encouraged to join us from a desktop or mobile device for their preferred session in either of the morning, or early or late afternoon, and details on how to register for the Roadshow can be found later in this edition of Connector

Whilst Rob Kidd and I are obviously disappointed we can't physically meet with more of our members around the country this year, we recognise firstly how important it is as a co-operative to connect with our shareholders, and secondly that everyone's focusing closely on their own businesses at this point in time. So, using a digital interactive platform this year means that you can attend remotely and still have the opportunity to ask any questions or to provide any feedback as you would

normally do, and we're really looking forward to engaging with members in our first fully digital event. ►



Chair update cont.

This year's AGM will also be a bit different, as we're planning for a hybrid physical/digital meeting that will be held at 4:00pm on Friday 21st August 2020. This will entail three video-linked venues around the country—Auckland, Wellington and Christchurch—where you'll be able to both attend and participate in the meeting as you would at a normal AGM. Following each meeting, members are invited to remain and join in refreshments with our staff and your local directors who'll be present at each venue.

With our annual Elected Director nominations closing shortly and voting due to commence in late

July, I urge you all to consider the best candidates to support the future strategic direction and governance of your co-operative. As announced in our May edition of Connector, the Board has agreed its composition should continue with our current number of five Elected Directors, however with only one Appointed Director (Kathy Meads) immediately following this year's AGM when fellow incumbent Appointed Director Ngaire Mansfield's term concludes, so it's important that we maintain a high level of competence and experience around the co-operative Board table.

Lastly, applications are still open for our 2020 Future Governance programme, so if you're interested in contributing to the future board leadership of NZPM co-operative we'd be delighted to receive your application.

Kind Regards,



John DeBernardo
NZPM Chair

A word from Rob Kidd.

It's exciting to let you all know that our new store in Kingsland, Auckland was opened to the trade at the beginning of June. Kingsland replaces the branch we have operated from in Grey Lynn for over 50 years, providing our customers a more convenient location, extra parking and a soon to be opened showroom.

We now have 54 strategically located branches across the country to ensure you can easily and conveniently purchase your plumbing requirements.

The uptake of customers utilising and benefiting from the efficiency and extra productivity of using the pwGO App and pwGO Online digital ordering and business management tools continues to grow with over 2,000 trade customers now using one or both of the platforms.

We are currently in discussions with SimPro, Fergus, Xero and hopefully, soon, Nimbus about having their software systems integrated with pwGO Online to help streamline your office processes and we will keep you updated as progress is made.

We will be rolling Frameworks into the business during July and August. In many ways you can think of Frameworks as an evolution of our current ProStix technology platform; ProStix is an old, soon to be unsupported DOS based system whereas Frameworks by the same vendor is a Windows based system.

Frameworks will among other things enable Plumbing World to process transactions faster (after an initial bedding in period of course). Frameworks will enable Plumbing World to introduce better inventory management and delivery service software platforms over the next few months. Frameworks will also enhance our management of customer orders from the pwGO App and pwGO Online, and help with faster quoting—all of which is designed to ensure more efficient and accurate service for our customers, along with improved efficiencies and cost savings for Plumbing World.

During the three months of July to September we are running a promotion on three of our key Gold Products; LeVivi, TIVA and

Pipe King where shareholders will receive an extra 2% (on top of the existing 2%) special rebate for purchasing these products.

Thank you for your ongoing support of Plumbing World and we look forward to continuing to work with you 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.

YPOTY - Good news story.

Since 2014 Plumbing World's 'Young Plumbers Club' has focused on upskilling, engaging and supporting the next generation of plumbers, gas fitters and drainlayers as their careers develop.

It's therefore very exciting to see one of the very best, our inaugural Young Plumber of the Year Julian Parker, joining our shareholder ranks in 2020. The economy may be in a state but Julian's career is certainly not, and taking the next step in what is sure to be a long, successful and rewarding career in our industry can be a little daunting but Andrew and the team in Plumbing World Rotorua will ensure service and support is second to none as his business gains momentum.

The Plumbing World team is super chuffed to see our Young Plumbers' careers progress with our shareholder family. Their valued contribution in maintaining the already high standards set by previous generations is more important than ever, and we're excited to see the direction Julian and all our young plumbers steer our industry into the future

For more information on Young Plumbers Club, see your local branch manager and we look forward to reporting in on other Young Plumbers and where they are in their careers.

Pictured across is Julian Parker with Central Region Manager Steve Langton.



Director's point of view - Mark Whitehead.

The last time I wrote for the Connector was December last year. How the world has changed in six months! The influence that Covid-19 has had over our personal and work lives has been something that no one before us has had to experience.

Your NZPM Board has been working hard with the executive team over the last few years to develop and implement strategies that will enable your co-operative to be more resilient, improve its sustainability, and increase its capability.

I would like to outline what this means to you as a co-operative member....

- We have a strong balance sheet with reasonable reserves and maintain bank covenants that ensure a high level of financial compliance. This allows the business to manage our cashflow well throughout the year.
- We have consistently delivered a rebate dividend to our shareholders – even in difficult times. The Board recognises the importance of the rebate dividend, and seeks to pay a percentage of our earnings to members, whilst balancing the financial needs of the co-operative.

- We have increased the branch network and we now have 54 outlets spread throughout the country. We maintain good stock levels and ready access to product through the branch network or direct from suppliers. This is to give you the best service and experience.
- Technology improvements have been a huge focus over the last few years. A major upgrade to our ProStix operating platform, called Frameworks, has been through an exhaustive testing will be released over the next couple of months to all branches. The pwGO App is becoming very popular with ordering product and researching specifications for tradespeople on site. Our recently launched online portal pwGO.co.nz has been well received for both order placement and improved account access.
- We have grown our front of wall own brand range of product LeVivi, and introduced a range of back of wall product called TIVA, giving shareholders better margins. The significant growth in our own brand and exclusive product ranges has been assisted by our business relationship with Aquasource who have been working with Plumbing World for over 10 years.

These are but a few of the initiatives that your Board has implemented.

Businesses in New Zealand or for that matter the world could not have envisaged a pandemic causing the disruption that it has. The strategies your Board has implemented and the fantastic people within our business will continue to see us thrive beyond these difficult times.

I wish you, your staff and families well.

Regards,
Mark Whitehead
NZPM Director



Eat Up NZ.

At the end of May, Plumbing World's Palmerston North Support Office made 1,600 sandwiches for children across 8 different schools in the Manawatū area. These Marmite or cheese sandwiches get frozen and kept in the staff room for teachers to toast up for those unfortunate kids that come to school with no lunch.

Plumbing World is proud to support this initiative and we look forward to it rolling out in other areas of NZ so more of our sites can be involved in this fantastic community project.



Upcoming NZPM events.

National Shareholder Roadshow 2020.

NZPM would like to invite you and your partner to attend a digital presentation on what's happening in your Co-operative.

Thursday 16th July — 10am, 1pm or 4pm

This year we will be holding our Annual Roadshow via Zoom.

There are three time slots to choose from, and the presentation will reflect a similar format to previous years. Hosted by NZPM Chair, John DeBernardo and Plumbing World's General Manager, Rob Kidd, they look forward to speaking to you all about your co-operative.

What you need to know:

Access to the presentation is via online registration only.

A registration link will be sent via email to all shareholders in the coming weeks — so keep an eye on your inbox.

If you **do not receive** a registration email by Friday 10th July, please email michelle.bingham@plumbingworld.co.nz

NZPM Annual General Meeting — Save the date!

This year's AGM will follow a slightly different format to previous years. We will be holding it at three locations across New Zealand: Auckland, Wellington and Christchurch — with the presentations and announcements presented live via webcast to all locations. More information will be sent out soon, however — save the date!

Friday 21st August, 4pm — Auckland, Wellington or Christchurch.



4%
Gold
Rebate

Exclusive offer for our trading shareholders.

Grab a 4% Gold Rebate on all LeVivi, Pipe King and TIVA purchases during July, August and September!

.....
1st July – 30th September 2020
.....

4% Gold Rebate is across all LeVivi, Pipe King and TIVA branded products only. Usual 2% Gold Rebate applies to Metrix and Toto products. Offer is exclusive to NZPM Shareholders. Account must be current as at 31st October 2020 to receive this rebate payment.

LE·VIVI

Pipe King

TIVA

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.



Craig Coxhead, Plumbing Works Ltd
20 years



Bernard Laracy
20 years



Darren Carter, Team Aqua Ltd
20 years



Stu McIvor, McIvor Plumbing
& Gasfitting Wanaka Ltd
20 years



Stuart Butcher Plumbing Ltd
20 years



Lance Davies,
Star Plumbing & Gas Ltd
10 years



Christine & Kim Tilyard, Tilyard Plumbing
10 years



Andy Thompson, Thompson Plumbing & Gasfitting Ltd
10 years



NZPM's Mission

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

Part of our NZPM Co-operative
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