

THE CONNECTOR

NEWS 'N VIEWS FROM THE GROUP | OCTOBER 2017

CHAIRMAN'S UPDATE

A big thank you to all our shareholder members who attended our AGM weekend in Blenheim in August. Whilst the numbers weren't as high as last year, both the annual meeting and the related member events including the Friday evening dinner and Saturday's falconry demonstration and happy hour were a great success.

As a co-operative business, these events are another great way for members to engage with both their fellow shareholders and with the company. We'll continue to look for ways to help our members easily join in—including the possibility to live-stream future annual meetings; also by holding the meetings more in the main centers should help simplify travel for everyone.

During the course of this year's annual meeting we covered off a number of topics including the financial reports for the previous year, announcement of the 2017 rebate dividend, the director election results and the announcement of our future governance candidate. Rob Kidd, Garry Ivill and Brett Cruickshank also provided comprehensive operating reports for Plumbing World, Metrix and NZPM Group respectively.

Undoubtedly the highlights of our co-operative's financial results were the 9% growth in revenue to \$200.5 million, together with the corresponding \$5.5 million lift in profit (before financing costs, dividends, rebates and income tax) to \$7.2 million. These results have enabled NZPM Group to declare a rebate dividend of 4% of A Grade Cash paid to ordinary shareholder members in September, and this is in addition to our Go for Gold quarterly rebate and other member benefits.

Operationally, both our Plumbing World and Metrix businesses performed strongly in the last financial year, and this trend has continued in the first 6 months of this year. Whilst the market has recently noticed some softening, and disruption from the parliamentary elections, we maintain a positive outlook for the remainder of the financial year, and will continue with our strategies to increase the footprint of the business and to add further value and service improvements for our members.

Prior to the annual meeting five candidates put their names forward for election as directors of the company, and the election process was independently conducted and scrutineered by an independent market services provider, Link Market Services Ltd. Link utilised the options of both electronic and postal voting, and it's been pleasing to see steady growth in voter numbers since the introduction of the electronic option in recent years. This year we achieved a new high at nearly 30% voter response, and Craig Coxhead and John DeBernardo were re-elected to the board.

Also in the lead up to the annual meeting, an independent selection panel carried out interviews for the candidates who applied to join our NZPM Future Governance Programme. As we've outlined in recent editions of the Connector and during this year's roadshows, the objective of the programme is to help identify and foster future elected director capability from our ordinary shareholder membership pool.



The panel interviewed seven candidates for this year's role, and were impressed by the high calibre of all the applicants, resulting in a very challenging evaluation process. Ultimately, the panel selected Ngaire Mansfield from Wellington shareholder Straight Flush Plumbing for this year's Future Governance position, and Ngaire will attend and participate in NZPM board meetings over the next 9 months, and receive some Institute of Directors structured governance training and one on one mentoring from independent governance expert Mr Richard Westlake of Westlake Governance.

We also expect the financial results for the first 6 months of this year to be available in November, so to help keep members apprised of our progress we'll be holding our annual reporting webinar later in that month. All shareholders are welcome and invited to join the webinar at 11:00am on Thursday 30 November for the update, and [details on how to dial-in](#) are provided in this edition of Connector.

Kind regards,



John DeBernardo
Chairman

DIRECTOR'S POINT OF VIEW

Last month we as Directors attended the NZPM AGM in Blenheim. It was a fantastic event and great to catch up with shareholders and friends. A good time was had by all, and I thought there was a positive vibe that pervaded the event. Brett Cruickshank and his team did an excellent job.

I've been asked on several occasions how much time do you spend as a Director of NZPM. Over a twelve-month period, we have a calendar of meeting and events that we attend. This comprises of 11 days Board Meetings, 1-day Strategic Plan, 1-day Budget Review, plus 5 days preparation around Board Meetings along with approximately 3 days for Committee Meetings and related preparation time.

On the days when we discuss Strategy and Budget, the senior executives from Plumbing World, Metrix and NZPM present to the Board.

At our Board Meetings during the year we have presentations from a range of various personal i.e. Human Resources, Commercial Pricing Division, Marketing, Plumbing World Regional Teams, Co-operative Business New Zealand, Construction Marketing Services (CMS) along with a number of others.

The 21 days outlined would be the bare minimum as a Director, as we attend many other activities. I know that over the last 12 months this has involved an additional 10 days with my commitments as Chair of the Remuneration Committee, and as a committee member of the Compliance Committee, Shareholder Functions, Road Show visits, Institute of Directors professional development, branch openings, attendance at the AGM plus a number of other events where we represent the co-operative.

Over the space of a year this equates to about 6 weeks of work for each member of the Board. This of course, excludes the Chairperson who would easily spend over 3 months of the year with his involvement.

It is a time commitment but something I truly enjoy.

Regards,
Mark Whitehead



WEBINAR INVITATION

The NZPM Group invite you to join the Annual Reporting Webinar where they will be discussing the six-monthly NZPM financial results.

Use the link below to register for the Webinar and follow the instructions given.

Date: Thursday 30 November 2017

Time: 11:00am–12:00pm

Registration Link:

<https://attendee.gotowebinar.com/register/6680016209952362243>

If you have any technical difficulty, or have any questions in regards to the Webinar, feel free to contact helen@magpiemedia.biz or Brett Cruickshank on brett.cruickshank@plumbingworld.co.nz



A MESSAGE FROM PLUMBING WORLD'S GENERAL MANAGER

The inaugural Plumbing World Young Plumber of the Year competition is going really well and we are all looking forward to the grand finale in Hamilton on 11th October.

If you receive the Connector electronically you may well be reading this before the finale big night occurs. We have ten finalists (including a wild card entry from both the North and South Islands) competing to be the first Young Plumber of the Year.

The full list of finalists can be found in the [Young Plumbers article](#) in this Connector.

The Young Plumbers Club is about attracting, retaining and helping develop people in our industry. I have been really impressed with the high level of support from our sponsors and wish to thank them for helping make this possible.

Next year we will bring gasfitting into the competition and drainlaying will be added the following year so that we have the three main disciplines covered for a very holistic event.

The LeVivi special 5% Go for Gold rebate finished at the end of September and it was great to see so many shareholders take the opportunity to support our own branded product. Purchases of LeVivi product by shareholders will continue to enjoy the standard 2% Go for Gold quarterly rebate from 1 October 2017.

I am really pleased to be able to confirm that Plumbing World will pay NZPM shareholders an increased Go for Gold rebate of 4% on all purchases of Toto product during the months of October, November and December 2017 to recognise Toto being in business for 100 years – a milestone well worth celebrating.

Thank you for your on-going and valuable support of Plumbing World – we do appreciate it.

Regards,

Rob Kidd

General Manager, Plumbing World

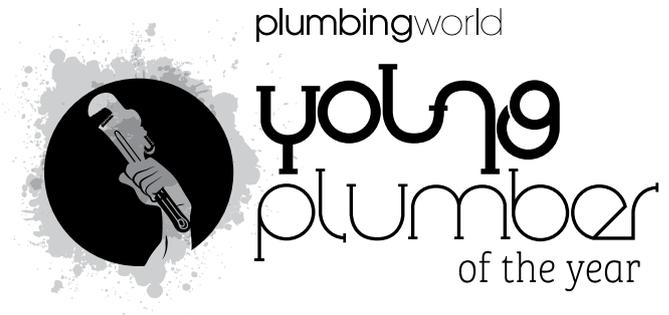


YOUNG PLUMBER OF THE YEAR

The Young Plumber of the Year competition grand final is getting geared up to kick-off on Wednesday 11 October. With successful regional events around the country, we have our finalists and 2 wildcards who will be battling it out for the title.

A huge congratulations and good luck to the finalists competing next week:

Northern Region - Hayden Findlay
Auckland Region - Dylan Plowright
Waikato Region - Alex Hyland
Central Region - Julian Parker
Lower North Island - Jason Gamble
Wellington Region - Andrew Nickson
Canterbury Region - Josh Ratten
Southern Region - Hamish van der Klei
Wildcard North Island - Aaron Partington
Wildcard South Island - Daniel Warren



The aim of Young Plumber of the Year is to showcase, recognise, and inspire excellence among the Plumbing trades and celebrate this with the suppliers and employers that contribute to this vital success in our industry. Plumbing World want to ensure a better plumbed New Zealand so we're putting the spotlight on our industry to find the best Young Plumbers in our country!

Thank you to all this year's sponsors



YOUNG PLUMBER OF THE YEAR 2018

This year is almost all wrapped up so if you have guys (or girls) that missed out on this year's competition, or would like to give it a go—registrations will be opening late November with the competition set to kick-off in the first half of 2018. Keep an eye out for an email closer to the time.

After the huge success of this year's event, next year will be bigger with more prizes up for grabs. It's an opportunity they won't want to miss.

If you have any queries regarding the Young Plumber of the Year competition including entry or sponsorship opportunities, contact Daniel Keenan on daniel.keenan@plumbingworld.co.nz

FUNTIMES IN FIJI 2018

It's just over 7 months until our Funtimes in Fiji Convention kicks off from the 19-24 May 2018.

We are delighted that we will have a group of over 200 travelling with us which includes around 40 children. Of this group we welcome over 50 first time attendees who will get to experience a unique, memorable and fun-filled Plumbing World overseas convention for themselves. And what better way to do so while staying at the superb tropical island retreat of the Sheraton Fiji Resort and Spa. The scene is set for a great week!

Plus on the last night of the Fiji programme at our Gala Function, there will be two special prize draws which will see two adult delegates each receive a free trip to the 2020 destination!

The first draw for 'One Adult 2020 Destination Package' will be for delegates who attended the Rome convention plus the Fiji convention. The second draw for 'One Adult 2020 Destination Package' is available for all the adult Fiji delegates who did not travel to Rome.

If you are still considering registering on the Fiji trip there are a few vacancies left so be in quick! Have a look at what's in store for those attending by going to our Fiji travel website: www.goci.co.nz/plumbingworld2018/ For further information please contact your local Plumbing World branch manager.



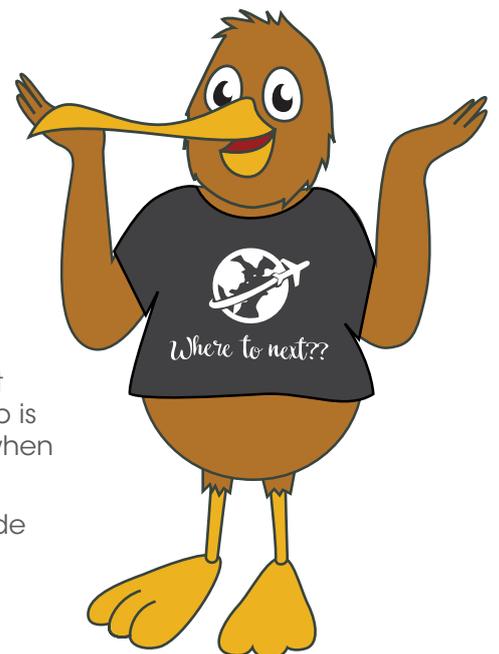
MAXPOINTS
plumbingworld

2020 OVERSEAS CONVENTION ???

While the 2020 destination will not be revealed until the final night at our Funtimes in Fiji Convention in May 2018, a few Shareholders have indicated an interest in making monthly contributions starting this year.

The monthly contribution will be \$250 per person/\$500 per couple. These funds will be held in the Plumbing World Conference Trust Fund bank account, and will be fully refundable should you decide not to register when the trip destination is announced. Please note, this cost is an estimate only and therefore when the actual cost of the 2020 trip is announced your monthly contribution will be adjusted accordingly when you officially register.

If this appeals to you please contact Dolores Gillies and she will provide the form for you to complete to set up this monthly transaction - dolores.gillies@plumbingworld.co.nz or phone 06 350 1626.





4%
 QUARTERLY TRADING
REBATE
 for a limited time only

TOTO ARE CELEBRATING THEIR 100TH YEAR IN BUSINESS.

To celebrate, we are offering all trading NZPM Shareholders a 4% Quarterly Trading Rebate* on all Toto purchases between **01 October and 31 December 2017.**

*Offer exclusive to NZPM Shareholders. Account must be current as at 31st January 2018 to receive this rebate payment.

SIZZLING SUMMER THANKS TO METHVEN

There will be lots of great BBQ's going on around the country this summer thanks to Nefa and Methven. Every Plumbing World branch received a Weber Baby Q BBQ to give away with Nefa purchases during August and September.

Congratulations to all those who won at their local branch. Here is Northland Plumbing & Gas receiving their prize.



RINNAI SINGAPORE FORMULA 1

Rinnai very generously hosted 8 lucky customers on an action packed long weekend at the Singapore Formula 1 racing in September. The first day in Singapore was spent exploring the city and taking in the sights the vibrant city has to offer. At the end of the day the group boarded the Champagne Capsule of the Singapore Flyer and headed skywards to enjoy bubbles and chocolates followed by dinner at the Gordon Ramsay restaurant - *Bread Street Kitchen*.

Friday was practice day at the racing afterwards they managed to fit in some more sightseeing including the well-known tourist spot, Sentosa Island. The next day was spent touring the magnificent *Gardens by the Bay* before heading off to the track for qualifying and entertainment by One Republic and Ariana Grande. Race Day came and the group managed to fit in a spot of shopping at Chinatown before relaxing at the track watching the evening race while Duran Duran played through the evening.

After a wonderful time spent in this very exciting city, it was time to head home. A huge thank you goes out to Rinnai for this promotion and opportunity.



SHAREHOLDER RECOGNITION



Wally and Anne Bowater | Wallace Plumbing



Dennis Wetton | Wetton Plumbing Ltd

PURPOSE

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

PART OF THE NZPM COOPERATIVE

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