

Connector

News and views from the co-operative.



Chair's update

It is both an honour and a privilege to be writing my first Connector article as your new Chair.

I have served on the NZPM board for four and a half years, since being so warmly welcomed in November 2018 as an Appointed Director. I appreciate the full support of my fellow directors for my recent move into the Chair role.

The Board was very saddened by the passing of Chair John DeBernardo on 18 April 2023. John was very passionate about the industry and the NZPM Co-operative, and we will deeply miss his hard work and dedication.

Mark Whitehead has advised the Board that he will be retiring at the end of his term in August 2023, and is not offering himself for re-election. I want to sincerely thank Mark for the 11 years of loyal service he has provided to NZPM, including his time as Chair of the Remuneration Committee.

We will therefore have two board vacancies for new directors to fill at the next election. I wish to reiterate the very important governance viewpoints outlined by John DeBernardo in the two-part Connector articles in [October](#) and [December 2022](#) for shareholders and potential future directors to consider when electing new directors.

In summary, the articles suggest that potential directors should carefully consider their readiness for a director role on the NZPM board before standing for election. Some key matters to think about include governance training and education; governance experience through the NZPM Future Governance Programme and other organisations; level of financial literacy; and sufficient time/capacity to commit to fulfilling director duties.

We are also commencing the Future Governance appointment process. If you are interested in participating in this programme, please have a read of the Future Governance article in this edition of Connector. As outlined in the February 2023 Connector, this is now a two-year programme. The Future Governance Programme is a great starting point to learn how the Board of your co-operative works, together with developing the fundamentals of governance and the opportunity to undertake some funded external training. That external training includes the Institute of Directors' Governance Essentials series of courses, and we expect our programme appointees to commence with these as a pre-requisite to joining the programme.

I attended the NZ Plumbing Awards in early May and enjoyed meeting a number of our NZPM Shareholders, including those who won awards during the evening.

I also attended the annual NZPM Managers Conference and awards evening in May. What a dedicated, hardworking and great bunch of individuals they are! I gained a fresh appreciation for the tangible value our people place on service excellence. They are all focused on bringing their best self to work each day and thrive on both challenges and opportunities.

As Rob outlines in his CEO article, we are seeing the signs of challenging economic conditions ahead. You can be assured that along with the management team, the Board is closely monitoring our financial and cash position, costs are being well managed, and our property and technology investments are moving ahead at pace — all to ensure that the co-operative is protected from volatility as much as possible.

Thank you to everyone who has made contact to express support for me as your new Chair. I will work hard to provide the leadership and guidance that moves NZPM forward and continues to honour the co-operative ethos and principles important to all of us.

I am looking forward to meeting as many of you as possible at the Shareholder Roadshows in June/ July, and the Annual Meeting in August.

Kind Regards,
Kathy Meads
NZPM Chair



CEO update

Despite signs of the challenging economic year ahead, it is pleasing to let you know that the first two months of the new financial year have started well for NZPM with both revenues and profit being solid.

We are seeing the uptake of tradespeople using the pwGO App and pwGO Online platforms steadily increase, with approximately 8% of our revenues now transacted through these mediums.

Users of pwGO are enjoying several benefits that help them significantly improve the efficiency and productivity of running their businesses, which is more important than ever when operating in tighter economic conditions. For example, pwGO Express enabling you to scan QR codes on our product bins in the branch, the information is automatically uploaded to our computer system meaning you don't wait in line for the order to be rekeyed, saving users a huge amount of time and therefore money.

It was great being able to attend the Master Plumbers NZ Plumbing Conference in Christchurch in early May. Over 350 people attended the Plumbing World sponsored awards night on the Friday evening and it was great to see one of our NZPM Shareholders, Devine Plumbing in Napier, take out the Master Plumber of the Year award — well done to Cam and his team.

We also conducted our annual NZPM Managers Conference in May where we communicate the strategy and key initiatives for the forthcoming year, along with recognising great performance at our NZPM Co-operative Awards evening. Four of the notable award winners this year were:

- The Taurus branch of the year for overall best performance (measuring all key metrics) went to Pukekohe branch.

- The DeBernardo Contribution award recognising an individual or teams' outstanding contribution to the Co-operative over many years went to branch manager Brendan Bishop in Levin who has been with Plumbing World for over 25 years.
- Leader of the Year went to Jason Daniel, branch manager in Hamilton for his exceptional leadership over an extended period.
- The Social Responsibility award recognising significant support to our social, environmental and sustainability programme went to the Northern Region who along with our customers raised over \$10k for Big Buddy.

NZPM's 59th Annual Meeting will be taking place in Christchurch on Friday 18th of August.

Along with letting you know how the business performed for the March 2023 year we will also be communicating some of the exciting plans we have for the future and seeking your support to officially change the NZPM Group Limited name to NZPM Co-operative Limited.

NZPM Group tends to reflect a broad operating group of companies and has a very "corporate tone" to it, which we aren't, with only Plumbing World and Metrix actively trading externally. We believe this change of company name better aligns with our co-operative structure and ethos and reflects a simple change to a brand — NZPM Co-operative — that is already largely in daily use.

From our perspective the change will be implemented at modest cost, but it does require shareholders to support a special resolution at the Annual Meeting.

Our new Chair, Kathy Meads and I will be conducting a NZPM Shareholder Roadshow in five metropolitan centres during June and July which is a great opportunity for you to meet and catch up with Kathy and I while also hearing how your co-operative is performing. The schedule of the Roadshow is outlined in this edition of Connector and I look forward to seeing as many of you as possible.

Once again, thank you for your continued support of your NZPM Co-operative, Plumbing World and Metrix — it is much appreciated.

Regards,
Rob Kidd
Chief Executive Officer



Director's point of view

I must be getting older as the year seems to be passing by in a blur. Before we know it, the shortest day will be upon us, and we will be on our way to summer with warmer temperatures. Perhaps it's a sign of aging, but it also brings a sense of nostalgia and contemplation.

As some of you will be aware, I have been diagnosed with terminal cancer, a reality that I have come to accept. Currently, my health remains relatively stable, but this circumstance has prompted deep reflection on my role as a director of NZPM. After careful consideration, I have made the decision to not seek re-election and will retire at the upcoming NZPM Annual Meeting in August.

The past 11 years serving on the board have been a source of immense joy and fulfillment and it has been an honour and a privilege to have represented the shareholders. I will undoubtedly miss this role dearly.

Looking back on these remarkable years, I am astounded by the accomplishments we have achieved together. Allow me to highlight some key milestones:

- The renewal and growth of our ordinary shareholder base to over 1,000 members.
- The expansion of our branch network, to an impressive 57 locations.
- The remarkable revenue growth from \$190 million to over \$330 million.
- Upgrading or relocating a large number of branches and acquisition of crucial sites at Papanui, Kingsland, and Drury.

- The establishment of a bulk warehouse at Wiri to facilitate efficient nationwide distribution of our own brand and exclusive product.
- Our partnership with Aquasource to enhance our own brand and exclusive product sourcing capabilities.
- Sustainably growing our rebate dividends from operating profits.
- Investing in new technology to provide new services to customers and improve our efficiency.
- Developing and growing the Future Governance programme.

Throughout my extensive involvement in the plumbing industry, I have had the privilege of engaging in governance and other practical areas. Governance, in particular, has been a passion of mine, and the Future Governance programme is a great foundation to identify and nurture new governance talent from our shareholder pool. As our co-operative continues to grow and continues down a path of innovation, it is imperative that we have a capable pool of governors to guide its future.

On a somber note, I was deeply saddened by the passing of our beloved Chair and my dear friend, John DeBernardo. His unwavering dedication to the NZPM Co-operative, its shareholders, and the diligent employees who constitute its backbone will forever be remembered. His leadership has been the vital ingredient to invigorating the co-operative to its current stature.

I extend my heartfelt gratitude to all who have supported me throughout my tenure as a director. I am confident that Kathy will excel in her role as Chair, supported by her fellow directors and the management team.

It has been an incredible experience and I am filled with a profound sense of gratitude and satisfaction for the privilege of being part of the NZPM family. I will cherish the fond memories that have been created over the years.

May the future hold great success and prosperity for NZPM, its shareholders, and all those who contribute to its enduring legacy.

Best wishes,
Mark Whitehead

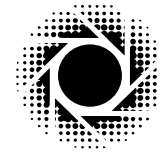
Election of directors for NZPM Co-operative

A notice calling for nominations for the Board of Directors of NZPM Group Limited will be issued to shareholders in mid-June and will close on 14 July 2023. The notice will be placed on our website and emailed to all shareholders.

This year, Mr Joe Calkin completes his appointment to the casual vacancy created by the passing of

Mr John DeBernardo, and Mr Mark Whitehead retires by rotation. We will call for nominations for these two vacancies. Mr Joe Calkin, being eligible will offer himself for election. Mr Mark Whitehead will not offer himself for re-election.

Brett Cruickshank
Chief Financial Officer



2023 Future Governance Programme

Applications are now open for our 2023 NZPM Future Governance Programme.

The NZPM Board welcomes applications for the programme from interested ordinary shareholder members, as we continue to help foster future elected director capability from within our membership. Applications close on 7 July 2023.

The Future Governance Programme runs for an initial period of 12 months from September 2023 to August 2024. The company will make an assessment at the end of this period and consider offering an extension of a further 12 months if the appointee is meeting their participation and development objectives. During their tenure, Future Governors will participate in NZPM Board meetings and receive some Institute of Directors structured governance training, and one-on-one mentoring from an independent professional director.

The objective of the programme is to identify potential future elected directors for the NZPM Board. 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 a potential future director.

The Future Governance Programme is not intended to make appointees 'NZPM board ready', as we don't expect to see that level of competence develop in the time available during the programme term. We strongly encourage our appointees to build their governance expertise and learning with other external appointments so that they can bring a variety of skills and experience to future governance opportunities.

The NZPM Future Governance Programme offers a great opportunity for shareholder members 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.

Applicants will be shortlisted and interviewed by a selection panel during July, and the successful candidates will be announced at this year's Annual Meeting in Christchurch in August.

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 CEO Rob Kidd (027 272 6732) or NZPM CFO Brett Cruickshank (021 571 072).

Shareholder loyalty

Years of Loyalty	Shareholder Name	Company
40 YEARS	Colin Russell Stott	(Not specified)
40 YEARS	Murray Davidson	(Not specified)
30 YEARS	(Not specified)	K & B Plumbing Ltd
20 YEARS	(Not specified)	Regency Plumbing Ltd
10 YEARS	(Not specified)	Hydroframe Plumbing Ltd
10 YEARS	(Not specified)	Plumbcrazy Plumbing Ltd
10 YEARS	Malcolm's Plumbing & Drainage Ltd & Lucky the dog	(Not specified)
20 YEARS	(Not specified)	Bay Gas Ltd

Social

Responsibility

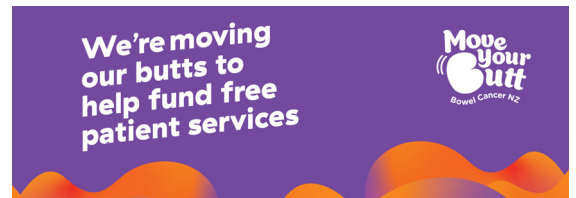
Pink Shirt Day

We wore pink to unite against all forms of bullying, to support diversity and friends, whānau and workmates who are impacted by bullying and/or exclusion in any part of their lives. Teams all around the country unified with a pink shirt to support diversity, to speak up, stand together and stop bullying! In addition to staff donations, the company supported the Mental Health Foundation by donating \$3,000 to help end bullying, celebrate diversity and spread aroha.



Move Your Butt's June fundraiser

To make a donation to Bowel Cancer NZ and to support the Plumbing World staff participating, visit: plumbingworld.co.nz/move-your-butt



Young Plumber of the Year

The Young Plumber of the Year competition recognises excellence in our trades, celebrates industry training and the support of the amazing employers and suppliers that keep the wheels of the industry turning.

As an employer, you will be recognised for investing in apprentices and giving back to the industry, gain exposure for your business and attract talent while networking with the industry in a dynamic way. If your apprentice wins their regional final, you will receive a free ticket to the national final and awards dinner in Hamilton, plus one night's accommodation including breakfast — not to mention a massive prize pool for the national

plumbingworld
young plumber
of the year 2023

winner's employer, valued at over \$4,600, including:

- Cobra Fly-XL Golf Club package valued at \$1,799 thanks to Puma Golf.
- Starrett 17pc Holesaw set and Coast USB headlamp valued at over \$600 thanks to Toolware.
- Packout Radio & Charger valued at \$764 thanks to Milwaukee.
- \$1,000 in NZPM Redeemable Preference Shares.
- \$500 Fuel Voucher towards the running of winner's van thanks to Plumbing World.

Free to enter with branch events starting from 4th July 2023. Visit ypc.co.nz for all the details.

NZPM Annual Meeting - Save the date!

18th – 19th August 2023, Rydges Latimer Hotel, Christchurch
Shareholders will once again be able to meet with the directors, executives and fellow shareholders to review the company's performance and strategy as well as enjoy the fellowship of being a member of the NZPM Co-operative. More information, and registration instructions will be emailed out in early June.



It's not too late to register

Join us and discover the Pearlers of Port Douglas at Plumbing World's 2024 overseas trip.

For more information and to register for this incredible trip, visit nzpm.co.nz/shareholder/benefits/overseas-trips-programme or email Michelle on michelle.bingham@plumbingworld.co.nz



Shareholder Roadshow 2023

NZPM Co-operative invite you and your partner to attend a presentation/discussion on what's happening in your co-operative — given by NZPM Chair Kathy Meads and CEO Rob Kidd. We encourage any prospective shareholders to attend too. *We look forward to seeing you there.*

JUNE 2023

Date	Time	Location
Wellington Thursday 8th June	9:00am – 10:30 am	Lower Hutt Branch 40 Bouverie St, Petone, Lower Hutt
	12:30pm – 2:00pm	Wellington Branch 15–21 Abel Smith Street, Te Aro
Christchurch Tuesday 13th June	12:30pm – 2:00pm	Rydges Latimer Square Hotel , 30 Latimer Square, Christchurch

JULY 2023

Date	Time	Location
Tauranga Wednesday 12th July	12:30pm – 2:00pm	Tauranga Branch 36 Birch Ave, Judea, Tauranga
Waikato Thursday 13th July	8:30am – 10:00am	Te Rapa Branch 5 Daniel Place, Te Rapa, Hamilton
Auckland Thursday 20th July	9:30am – 11:00am	Henderson Branch Cnr Central Park Dr and Collard Pl, Henderson
	12:30pm – 2:00pm	Kingsland Branch 383 New North Road, Kingsland
South Auckland Friday 21st July	9:30am – 11:00am	Drury Branch 4 Bill Stevenson Drive, Drury

If you have any questions or would like more information, please talk to your local Branch Manager.

