

THE CONNECTOR

NEWS 'N VIEWS FROM THE GROUP | JUNE 2018

CHAIRMAN'S UPDATE

Welcome back to all our members and their families who attended our fantastic Plumbing World Funtimes in Fiji convention in May, and I trust that everyone is now adjusting to the challenges of the early onset of our New Zealand winter. Conditions across the country are already treacherous, so I ask everyone in our NZPM, Metrix and Plumbing World businesses, and all of our co-operative members to please take extra care—especially on the roads—this winter.

It was great to see over 230 people enjoying the events and camaraderie that our incredible Fiji shareholder trip offered, including around 100 members celebrating their first of what I'm sure will be many Plumbing World overseas conventions. With the next convention announced as Beijing in 2020, I expect that we'll again see a big turnout, as shareholders continue to experience those unique and special benefits that membership of our co-operative offers.

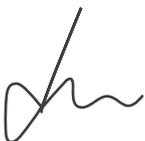
During the convention we delivered a business session where I outlined details of the NZPM Group's strategic and co-operative focus, together with updates around our financial performance, the forecast rebate dividend and our Future Governance programme. Following this Rob Kidd talked about three key aspects of running your business in this modern era, which is becoming increasingly digitally and technologically challenging for us all.

For those who didn't make it to Fiji, all of this information together with an opportunity for you to ask questions or offer feedback about your co-operative will be provided during our forthcoming annual roadshows. Member participation is one of the seven core principles of a co-operative, so Rob and I look forward to catching-up with as many of you as possible at your local branch roadshow over the next couple of months, and we're really keen to hear our members views.

Last month I was fortunate to have attended the annual Plumbing World Managers conference, and it was great to see the enthusiasm and motivation of all our people across the country. The co-operative has undoubtedly had a very successful financial year, and whilst we're operating in a buoyant market, a lot of that success has stemmed from the dedicated people in our NZPM, Plumbing World and Metrix businesses who have made that happen.

Finally, later in this edition of Connector is a reminder to shareholders to review your recently issued Graded Cash Notices by **27 June**. NZPM calculate your graded cash from cash payments received from you over the financial year, and this information is used to calculate the co-operative's rebate dividend for the year. We expect to declare the rebate dividend at our June Board meeting, and following that we are unable to make adjustments to individual graded cash amounts.

Kind regards,



John DeBernardo
Chairman



A MESSAGE FROM PLUMBING WORLD'S GENERAL MANAGER

While we are all enjoying a buoyant market, I thought it would be a good opportunity to think about customer succession to help secure business into the future.

Let me pose a few questions that may help you think about your customer succession planning;

- Who are your current customers—sometimes travelling around the country I've been surprised by people who don't know who their customers are or where they come to them from.
- How do you keep your customers and prevent your competitors snatching them from you?
- Who will your future customers be; how will you market to them and how will you secure them?
- How is your future customer going to be different from your current customers?
- What do you need to change in your business now or do differently to keep your current customers loyal or secure and gain future customers?

With those questions in mind, some of the things Plumbing World are doing to help improve service for our existing as well as future customers include;

- Improving our service through the Metro and Regional Service models.
- Introducing new technologies like the Purchasing App and Trade Portal purchasing tool to help make the purchasing experience better and more efficient.
- Additional delivery vehicles to improve your site productivity.
- New stores such as Hornby, Te Rapa and Richmond.
- We are very pleased to have Red Bull come on as a major sponsor which reinforces not only the importance of this program for helping to attract, train and retain people in our industry but the fact that the Young Plumbers Club and corresponding Young Plumber of the Year competition is gaining significant kudos.
- The extensive refurbishment of the Palmerston North branch is now complete, the Rotorua refurbishment almost complete and the large refurbishment of our Lunn Ave store in Mount Wellington, Auckland was completed in May.

Store renovations, coupled with the new under construction Metrix / Plumbing World Distribution Centre in South Auckland are all about improving the overall efficiency of our service to you as shareholders and trade customers, along with having more attractive and up-to-date showrooms to make the shopping experience for both the tradesperson and the consumer that much better.

Thank you for your ongoing support of Plumbing World—we really do appreciate it.

Regards,

Rob Kidd

General Manager, Plumbing World



Lunn Ave's renovated showroom

NZPM GROUP

2018 AGM

17 AUGUST

Trinity Wharf, Tauranga

Further information and registration details will be sent to shareholders in late June.

DIRECTOR'S POINT OF VIEW

I am writing this article on my first day back from the Plumbing World Funtimes in Fiji conference and would like to start by taking the opportunity to thank all those who were involved in making this truly enjoyable trip happen. As well as spending some time with the 230 odd attendees—almost half of who were first time conference goers and in many cases quite new members—there was an overwhelming buzz of optimism during the whole event.

This was not only about the economy going forward (except for a few blips), but for the shape of our NZPM co-operative, with the road ahead looking really positive with year on year growth in both revenue and earnings for the past three years. Additionally, the surge in new members hasn't happened by accident, and having spoken to quite a few of them, they all want to be a part of the whole co-operative philosophy and all it has to offer now and in the future.

While performance and profit are important in any business our co-operative has an equally important role of providing networking and professional development opportunities to its members. I listened to our shareholders over the past week sharing new and innovative ideas with each other, and seeing a few lightbulb moments occur when some of the more mature members walk someone through an issue they have faced themselves more than once.

Lastly, I would like to take the opportunity to thank everyone for your support during the past three years as one of your directors. I have enjoyed the challenge immensely, and I intend to put myself forward for election once again this year, as I wholeheartedly support the path the co-operative is now travelling on.

Cheers,

Craig McCord



REBATE DIVIDEND - GRADED CASH NOTICES

NZPM Group recently issued the Graded Cash notices for the year ended 31 March 2018.

It is important for you to review your graded cash notice as this is used to calculate your rebate dividend for the year. We calculate your graded cash from the cash payments we have received from you (excluding GST) over the financial year.

Please review the calculation and report any questions or proposed adjustments to Claudia Gleeson (National Credit Manager) either by email (claudia.gleeson@plumbingworld.co.nz) or by telephone to (06) 350-1624. Alternatively, you may contact your Branch Manager.

Any request to change the graded cash assessments must be lodged with NZPM by **no later than 27 June 2018**. Once the directors declare the rebate dividend percentage we are unable to make any adjustments to graded cash.

Brett Cruickshank
Chief Financial Officer

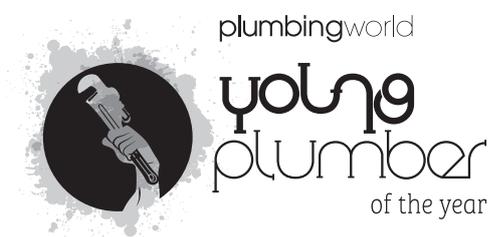
YOUNG PLUMBER OF THE YEAR

The Plumbing World 'Young Plumber Of The Year' Competition continues this month with the final of our 40+ branch events to be completed shortly. Designed to instil some pride and camaraderie in the trade, the competition provides a level of engagement beyond the normal 'day-to-day', bringing the industry together and highlighting the career opportunities on offer. Our suppliers have enjoyed the opportunity to meet and recognise new talent, promote high standards and engender some pride in the trade. And competitors have had a really fun time with the theory and practical tests, learning and networking during the process.

With over 450 registered competitors putting their hand up and showing the industry they are keen, the scene is set to see 80 competitors come together across 8 regional finals during July/August to find our 10 national finalists for the Young Plumber of the Year event in October 2018—exciting times ahead!

Plumbing World is proud as punch to lead the charge and recognise excellence among the Plumbing trades. A big thanks to you as employers for getting behind this initiative and recognising its importance for the industry and country as a whole. We need to nurture talent to ensure a better plumbed New Zealand and the 'Young Plumber Of The Year' is the place to solidify all of this into a strong foundation for the future. As a result we hope to see a good stock of tradesmen shopping with Plumbing World and contributing to a vibrant economy. We also hope the competition will help to establish a presence with school leavers so they see the plumbing trades as the desirable career vocation we all know it to be.

Visit the website www.youngplumbersclub.co.nz and follow us on Facebook to keep up-to-date with all the action.



Richmond/Nelson Winner:
Richard Naughton, Fusion Plumbing



Hamilton Winner:
Logan Dunsmuir, Hamilton Plumbing Company



Gisborne Winner:
Alex Hyland, Steve Wolter Plumbing Ltd

FUNTIMES IN FIJI - MAY 2018

Bula! During May, 232 delegates made the short trip to Fiji for our 19th overseas convention.

The islands turned on the weather and the delegates were treated to 5 fun filled days with family and friends. From the stunning outdoor welcome function on the beach, to the gala function on the Denarau Golf Course in a 'naked marquee' the delegates enjoyed lots of camaraderie and getting to know first time attendees. It was great to have 42% of the travelling group as first time attendees and by all accounts their expectations were exceeded and they have now experienced the magic of our overseas trips programme.

The private island beach day on MalaMala turned out to be a key highlight as everyone got to choose how relaxed or full on they wanted to be, with private cabanas, massages, an infinity pool, paddle boarding, snorkeling and beach volleyball some of the options on offer.

The cultural evening and show was another talking point and highlight, whereby our NZPM Chairman John DeBernardo acted as our 'Chief' for the evening and enjoyed the kava ceremony that came with the role. The conference session was very informative and delegates were then treated to a talk from the Captain of the Fijian Sevens Team, who also brought his gold medal along from the Rio Olympics. The conference session concluded with representatives from a village school being present, along with their principal to receive the generous donations brought over by our delegates. There was plenty of sports equipment, school supplies such as books, rulers and pencils and Plumbing World even donated 100 pairs of jandals as many of their students do not own any footwear.

We hope all those shareholders in attendance enjoyed all the additional "wow" moments that were created and we thank you for your support of our Overseas Trips Programme and look forward to as many as possible joining us for "Wonders of Beijing" in May 2020. Your local branch will be in contact soon with more information once registrations open in the next few weeks.



WONDERS OF BEIJING 2020

Details coming your way soon!



plumbingworld

METRIX APP

The team at Metrix are delighted to introduce the new Metrix App!

This app will give NZPM shareholders and their staff speedy access to key product information while they are on the job.

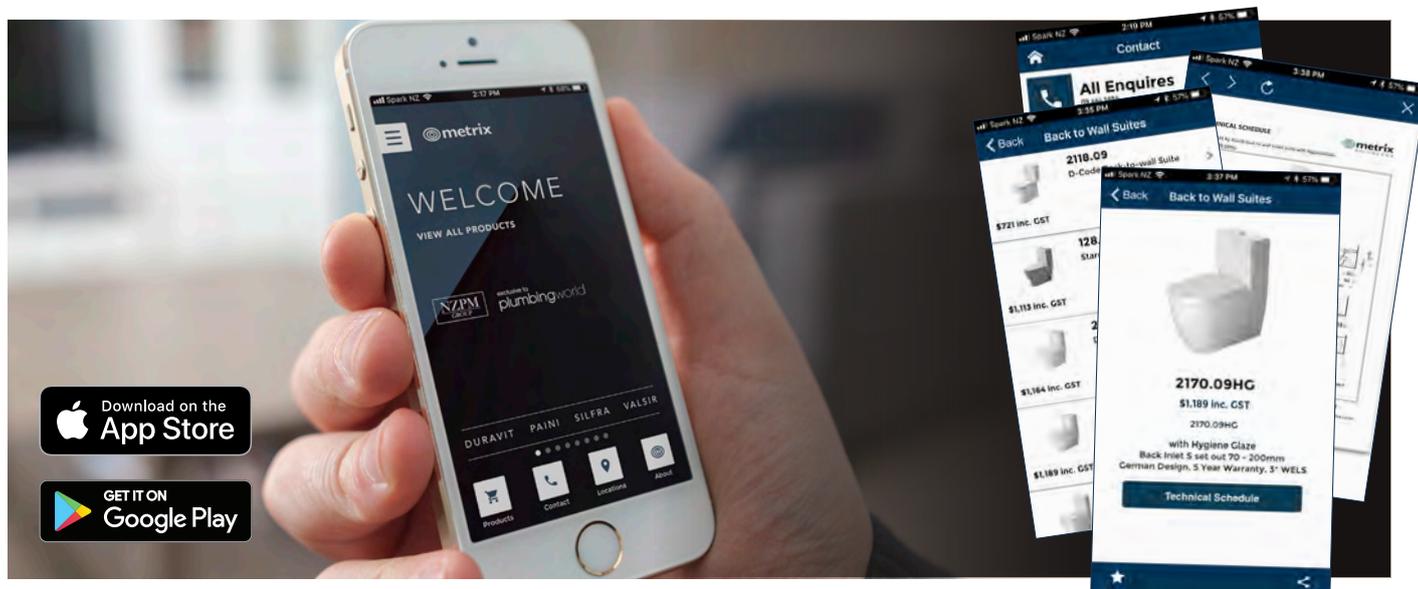
This information includes:

- Technical specifications
- Plumbing World's suggested retail pricing
- Contact numbers for Metrix sales people and our main office
- Plumbing World Branch locations, Metrix warehouse location
- A 'Saved' function that lets you keep your key products in one handy place
- Brochures you can download as PDF files
- Installation videos for Valsir inwall cisterns, Marblo baths and Duravit Sensowash toilet seats

You and your staff will need to register for the Metrix app by searching "Metrix New Zealand" on the App Store for iPhone or get it on Google Play—fill out the online form and you will be away laughing.

The Metrix app is exclusive to NZPM shareholders and their staff, and Plumbing World customers.

With our new app it will be even easier to take advantage of the additional 2% Go For Gold rebate that we offer to all NZPM shareholders when they buy Metrix brands and products.



A WORD FROM GARRY IVILL—METRIX GENERAL MANAGER

One of the Metrix company values is Team/Family:

We respect each other, care for each other, and enjoy working together. We know that sharing our knowledge, experience and time creates an awesome team.

Like any company we have people who have been with us for a short time, a long time and everywhere in between. The people who have been with us for a long time love helping new staff to increase their knowledge of our brands, products and customers so that they can contribute to our cause. I would like to acknowledge some of these people who were recently recognised by the NZPM Board for their long service loyalty.

Steve Price—Steve manages our project business and has been producing some outstanding results. Previously he has had a number of sales and sales management roles, and originally started in the warehouse. That was way back in 1992! Steve has been with Metrix for 26 years, and is our 'go to guy' for all sorts of product knowledge.

Andrea Barzotto—Andrea is responsible for marketing and our suppliers. He hails from Italy and has been with Metrix for 13 years. Like Steve, Andrea has a huge knowledge of our brands and products and is constantly helping his teammates and customers with all manner of questions.

Craig Wallace—Craig has also been with Metrix for 13 years. Craig is our territory manager for Auckland and Bay of Plenty, and does an outstanding job for his customers. On top of that Craig is always helping his customers and teammates to build displays, or taking them for training sessions.

Vernon Lamb—Vernon is our Logistics Manager. He leads our warehouse team and is responsible for the safekeeping and accuracy of our stock, at all times. Vernon has been with Metrix for 10 years, initially as a supervisor but quickly demonstrated his leadership skills and became the overall leader.

We are extremely fortunate to have these four gentlemen with their combined 62 years of Metrix experience, knowledge and loyalty in our business. They happily share their knowledge with their teammates and customers, and are an excellent example of people who are living our company values.



SHAREHOLDER LOYALTY



Congratulations to these—and all other shareholders that have recently hit milestones.

NZPM would like to thank you for your continued support over the years.



SHAREHOLDER ROADSHOW

The NZPM Shareholder Roadshow kicked off this week with many more events to come. John DeBernardo and Rob Kidd will be making their way around the country. See the below schedule and be sure to check out your local event—more information can be found on the NZPM website: www.nzpm.co.nz/events – *We look forward to seeing you there.*

JUNE

Date	Time	Branch/Event	Address
Monday 18th	9.30–11am	Manukau Branch	Cnr Ronwood Ave & Lambie Drive
	12.30–2pm	Pukekohe Branch	223b Manukau Road
	4–5.30pm	Mt Wellington Branch	50 Lunn Ave
Tuesday 19th	12–1.30pm	New Plymouth Branch	Cnr Gill & High Streets

JULY

Date	Time	Branch/Event	Address
Monday 2nd	12.30–2pm	Timaru Branch	16-18 Barnard Street
	3.30–5pm	Oamaru Branch	66 Humber Street
Tuesday 3rd	8–9.30am	Dunedin Branch	102 MacAndrew Road
	1.30–3pm	Invercargill Branch	27 Bill Richardson Drive
Wednesday 4th	8.30–10am	Queenstown Branch	156 Glenda Drive
	11.45am–1.15pm	Wanaka Branch	20 Reece Crescent
Thursday 5th	11am – 12.30pm	Greymouth Branch	30 Johnston Street
Friday 6th	8.30–10am	Nelson Branch	40 St. Vincent Street
	12.30–2pm	Blenheim Branch	Cnr Budge & Herbert Streets
Tuesday 10th	10–11.30am	Lower Hutt Branch	40 Bouverie Street, Petone
	4.30–6pm	Wellington Branch	15-21 Abel Smith Street
Wednesday 11th	8.30–10am	Porirua Branch	79 Kenepuru Drive
	12–1:30pm	Paraparaumu Branch	118 Kapiti Road
	3.30–5pm	Levin Branch	Main Road South
Thursday 12th	8–9.30am	Palmerston North Branch	309 Rangitikei Street
	12.30–2pm	Masterton Branch	421 Queen Street
Thursday 26th	5–7pm	Meet the Directors - All Christchurch, Hornby, Rangiora and Papanui Shareholders welcome	Rydges Hotel, Latimar Square, Christchurch
Friday 27th	10–11.30am	Ashburton Branch	Cnr Cass & Dobson Streets
Monday 30th	11.30am–1pm	Gisborne Branch	Cnr Bright & Kahutia Streets
Tuesday 31st	8.30–10am	Napier Branch	46 Wakefield Street
	12–1.30pm	Hastings Branch	Cnr Warren & Albert Streets

AUGUST

Date	Time	Branch/Event	Address
Wednesday 1st	9.30–11am	Rotorua Branch	Cnr Old Taupo Rd & Gilltrap St
	1–2:30pm	Whakatane Branch	7 Louvain Street
Thursday 2nd	8.30–10am	Tauranga Branch	36 Birch Avenue
	1–2.30pm	Thames	Boilerhouse Brewery, 300 Cochrane St
Friday 3rd	8.30–10am	Te Rapa Branch	5 Daniel Place

PURPOSE

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

PART OF THE NZPM COOPERATIVE
plumbingworld | 