



NZPM
co-operative

PRODUCT DISCLOSURE STATEMENT

**FOR AN OFFER OF REDEEMABLE PREFERENCE SHARES BY NZPM CO-OPERATIVE
LIMITED TO NON-TRANSACTIONING SHAREHOLDERS**

This is a replacement Product Disclosure Statement (PDS),
which replaces the PDS dated 21 November 2024.

This document gives you important information about this investment to help you decide whether you want to invest. There is useful information about this offer on www.disclose-register.companiesoffice.govt.nz. NZPM Co-operative Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you make an investment decision.

DATED 26 FEBRUARY 2025

Statement of Purpose

Delivering Sustainable Shareholder Value.

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1. KEY INFORMATION SUMMARY

What is this?

This is an offer (Offer) of redeemable preference shares (Redeemable Preference Shares)*. The Redeemable Preference Shares are debt securities issued by NZPM Co-operative Limited (NZPM). This Offer is made only to shareholders in NZPM who are not transacting shareholders, as defined in the Co-operative Companies Act 1996, in NZPM (Non-Transacting Shareholders). You give NZPM money, and in return NZPM promises to pay you dividends and repay the money at the end of the term. ** If NZPM runs into financial trouble, you might lose some or all of the money you invested.

* Redeemable Preference Shares are preference shares because dividends on them and rebate shares issued to holders of ordinary shares in NZPM rank in priority to dividends on all other shares in NZPM (Shares). On a liquidation, they rank equally with all Shares but only to the extent of their paid up capital.

Redeemable Preference Shares are offered as debt securities to Non-Transacting Shareholders under this Product Disclosure Statement (PDS). They are also offered as equity securities to transacting shareholders, as defined in the Co-operative Companies Act 1996, in NZPM (Transacting Shareholders) under a separate PDS for Transacting Shareholders (Separate PDS for Transacting Shareholders). However, all Redeemable Preference Shares rank equally in every respect, including as to payment of dividends before and after liquidation.

**** Warning:** NZPM may delay repayment indefinitely and for any reason, and authorisation and payment of dividends is subject to NZPM being satisfied that payment would not make NZPM insolvent or cause it to breach its banking covenants (see *Key terms of the offer* below).

About NZPM Co-operative

NZPM is a co-operative established in 1964 by a group of master plumbers.

NZPM is the holding company for a group of companies, referred to as NZPM Co-operative throughout this Product Disclosure Statement. The business operates across New Zealand to supply NZPM's Transacting Shareholders and others with plumbing, drainlaying, gas fitting and related products. NZPM Co-operative is an importer, wholesaler and retailer of its products. On 18 August 2023, the shareholders approved, through Special Resolution, to change the company name from NZPM Group Limited to NZPM Co-operative Limited.

NZPM is solely responsible for repayment of the Redeemable Preference Shares. None of NZPM's Subsidiaries guarantees the Redeemable Preference Shares.

Purpose of this offer

NZPM will use the proceeds of the Offer for general corporate purposes of NZPM Co-operative.

Key terms of the offer

Description of Shares	Redeemable Preference Shares in NZPM
Nominal Value and Price	\$1.00 per Share.
Opening and Closing Dates	The Offer opened on 1 July 2016. This is a continuous Offer. There is no closing date.
Term	You choose a term from those available. Available terms are displayed on our website: www.nzpm.co.nz . See Section 2 of this PDS (<i>Terms of the Offer</i>) for more information.
Repayment	At the end of any agreed term; however Redeemable Preference Shares may be redeemed at our option or (if no term is agreed with you) at your option, in multiples of \$250, on any quarterly date (being the last days of February, May, August and November in each year). However, if your investment is for more than \$750,000, NZPM may repay \$750,000 on the scheduled repayment date, and the balance on the following quarterly date. NZPM may also delay repayment indefinitely and for any reason. For the policy of the Board on delayed repayment see the heading <i>Delayed Repayment</i> in Section 2 (<i>Terms of the Offer</i>).
Dividends	Dividends on Redeemable Preference Shares are authorised and payable quarterly in arrears. Dividends are payable at annual rates for each investment term shown on a rate card issued by NZPM and available by contacting NZPM's Share Registrar by telephone on 09 379 1832 or by email (shares@nzpm.co.nz) or the rates can be viewed at www.nzpm.co.nz . We alter these rates from time to time. Alterations take effect from the first day of the next quarterly period. Once you have made your investment, the dividend rate on that investment will be fixed for the period of your investment.
Dividends are subject to Solvency and Banking Covenants	The board of directors of NZPM (Board) will not authorise a dividend if it is not satisfied on reasonable grounds that NZPM will satisfy the solvency test in the Companies Act 1993 immediately after the payment, or considers the payment would or may cause NZPM to breach its banking covenants (see the heading <i>Funding and Liquidity</i> in Section 3 (<i>NZPM Co-operative and what it does</i>) for more information on banking covenants). It is therefore possible that dividends will not be paid.

No guarantee

NZPM is solely responsible for paying dividends on the Redeemable Preference Shares and for the repayment of the Redeemable Preference Shares. None of NZPM's subsidiaries (Subsidiaries) guarantees the Redeemable Preference Shares. The supervisor for the Redeemable Preference Shares (Supervisor) does not guarantee the Redeemable Preference Shares.

No early withdrawal or transfer

Neither you nor NZPM is able to redeem the Redeemable Preference Shares before any date for repayment provided for in their terms of issue.

NZPM does not intend to quote these Redeemable Preference Shares on a market licenced in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Redeemable Preference Shares before the end of their term. For further restrictions on the transfer of Redeemable Preference Shares see the heading *Right to Transfer* in the table describing these Shares in Section 2 of this PDS.

How the Redeemable Preference Shares rank for payment

The Redeemable Preference Shares issued under this Offer will rank equally with all other Redeemable Preference Shares issued by NZPM. This means on a liquidation of NZPM, your rights and claims as a Redeemable Preference Shareholder will rank:

- a) After all other indebtedness of NZPM ;
- b) Equally with all other Shares in proportion to the capital paid but only to the extent of the capital paid on those Shares.

Redeemable Preference Shares have no further right to participate in the residual assets of NZPM on a liquidation.

See section 5 of this PDS (*Key Features of the Redeemable Preference Shares*) for more information.

No security

The Redeemable Preference Shares are not secured against any asset of NZPM or any of its Subsidiaries. Nor do any of NZPM's Subsidiaries guarantee the Redeemable Preference Shares. The Supervisor does not guarantee the Redeemable Preference Shares.

Where you can find NZPM Co-operative's financial information

The financial position and performance of the NZPM Co-operative are essential to an assessment of NZPM's ability to meet its obligations under the Redeemable Preference Shares. You should also read section 6 of this PDS (*NZPM Co-operative's Financial Information*).

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that NZPM does not meet its commitments to repay you or pay you dividends (*credit risk*). Section 7 of this PDS (*Risks of Investing*) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The dividend rate for these Redeemable Preference Shares should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the Offer is fair. NZPM considers that the most significant risk factors are:

Market demand: We may be adversely affected by reduced market demand as it takes time to resize our operating base and staff levels to cater for a lower level of demand.

Customers: We may be adversely affected by changing customer preferences if we are unable to change or expand our product offerings, stores, distribution channels, or technology.

Funding and liquidity: Our funding may be adversely affected if we cannot comply with the terms of our bank facilities or they are not renewed on expiry, or if persons cease to be Transacting Shareholders and surrender their Shares, or if Redeemable Preference Shareholders (some of whom invest for relatively short periods) do not reinvest on maturity.

Competitive position: We may be adversely affected by competition, and we may need to respond by investing in new products, branches or technology to maintain our competitive position across New Zealand.

This summary does not cover all of the risks of investing in Redeemable Preference Shares. You should also read section 7 of this PDS (*Risks of Investing*).

No credit rating

NZPM's credit worthiness has not been assessed by an approved rating agency. This means that NZPM has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

2. TERMS OF THE OFFER

The table below sets out the terms of the Offer.

All Redeemable Preference Shares are issued on the terms set out in NZPM's constitution, a copy of which is available on the Disclose Register at www.disclose-register.companiesoffice.govt.nz, the Companies Act 1993 and the Co-operative Companies Act 1996. The terms of the Redeemable Preference Shares also include the Trust Deed, a copy of which is also available on the Disclose Register at www.disclose-register.companiesoffice.govt.nz. See Section 5 of this PDS (*Key Features of the Redeemable Preference Shares*) for more information about the Trust Deed.

Issuer	NZPM Co-operative Limited.
Description of Redeemable Preference Shares	<p>Redeemable Preference Shares are unsecured debt obligations of NZPM that are repayable in accordance with their terms, however NZPM may delay repayment indefinitely and for any reason (see the heading <i>Delayed Repayment</i> below).</p> <p>Redeemable Preference Shares do not have voting rights or any right to co-operative dividends, but NZPM will pay dividends on them at a floating or fixed rate shown on a rate card issued by NZPM, subject to the Board being satisfied as to solvency and compliance with banking covenants (see the heading <i>Dividends are subject to Solvency and Banking Covenants</i> below).</p> <p>Redeemable Preference Shares are preference shares because dividends on them rank in priority to dividends on all other Shares. On a liquidation they rank equally with all Shares but only to the extent of their paid up capital.</p>
Nominal Value and Price	\$1.00 per Share.
Opening and Closing Dates	The Offer opened on 1 July 2016. This is a continuous Offer. There is no closing date.
Who can apply?	Any permanent resident based in New Zealand may apply for Redeemable Preference Shares. However, we may refuse to accept an application. In that case we will refund any money received with the application without payment of interest. Redeemable Preference Shares are issued on the first day of each month.
No Limit on Offer	There is no limit on the number of Redeemable Preference Shares that may be issued pursuant to the Offer.
Minimum Application Amount	\$250 and multiples of \$250 thereafter.
Maximum Application Amount	The maximum investment across all classes of security that any one Shareholder can make (whether directly or through related parties) is \$2.0 million or 10% of the total paid up capital of NZPM, whichever is the lesser. The maximum new investment that a Shareholder can make in any one quarter is \$250,000 (the quarterly periods end on the last days of February, May, August and November in each year).
Payment	See the heading <i>Payment</i> below this table for how payment may be made.
No Fees and Charges	You are not required to pay brokerage or any other fees or charges to NZPM relating to the Redeemable Preference Shares.

Term	<p>You choose a term from those available. Available terms are displayed on our website: www.nzpm.co.nz. Prior to your investment maturing, NZPM will advise you of the maturity date of your investment and give you the option to either have your investment repaid or reinvested. If you do not advise NZPM prior to your investment's maturity whether you wish to be repaid or reinvest, your investment will be reinvested for a further term of three months at NZPM's dividend rate for that period.</p>
Repayment	<p>At the end of any agreed term; however Redeemable Preference Shares may be redeemed at our option or (if no term is agreed with you) at your option, in multiples of \$250, on any quarterly date (being the last days of February, May, August and November in each year). However, if your investment is for more than \$750,000, NZPM may repay \$750,000 on the scheduled repayment date, and the balance on the following quarterly date. NZPM may also delay repayment indefinitely and for any reason. (See the heading <i>Delayed Repayment</i> below).</p>
Delayed Repayment	<p>NZPM may delay any repayment indefinitely and for any reason. The policy of the Board at the date of this PDS is only to delay payment of all or part of the amount you invest to the extent necessary or desirable to ensure compliance with the solvency test in the Companies Act 1993 and NZPM's banking covenants or to the extent consistent with prudent management of NZPM. From the date for redemption you rank as an unsecured creditor of NZPM for the amount you have invested that remains unpaid (see the heading <i>Ranking</i> in section 5 of this PDS (<i>Key Features of the Redeemable Preference Shares</i>) for further information).</p>
Dividends	<p>Dividends on Redeemable Preference Shares are authorised and payable quarterly in arrears (the quarterly periods end on the last days of February, May, August and November in each year, and the dividends for each period are payable four business days after the end of the period).</p> <p>Dividends are payable at annual rates for each investment term shown on a rate card issued by NZPM. NZPM alters these rates from time to time. Alterations take effect from the first day of the next quarterly period. Current rates are shown on the latest rate card and are available by contacting NZPM's Share Registrar by telephone on 09 379 1832 or by email (shares@nzpm.co.nz) or the rates can be viewed at www.nzpm.co.nz.</p> <p>Once you have made your investment, the dividend rate on that investment will be fixed for the period of your investment.</p> <p>NZPM may satisfy any dividends authorised on Redeemable Preference Shares by the issue of further Redeemable Preference Shares with an aggregate issue price equal to the dividends. However, NZPM will not do this if, prior to authorising the dividend, it receives written notice from you not to satisfy the dividend in this way, and so long as the dividend exceeds \$100 (net of tax, if any). Any such instruction you give will apply to all dividends authorised after your instruction, unless you give NZPM a further instruction to satisfy future dividends by the issue of further Redeemable Preference Shares.</p> <p>Dividends authorised on Redeemable Preference Shares rank in priority to dividends payable on all other Shares but behind all other indebtedness of NZPM (apart from dividends payable on all other Shares).</p> <p>Dividends are non cumulative, meaning that if a dividend is not authorised NZPM has no liability to pay a dividend.</p>

Dividends are subject to Solvency and Banking Covenants	The Board will not authorise a dividend if it is not satisfied on reasonable grounds that NZPM will satisfy the solvency test in the Companies Act 1993 immediately after the payment, or considers the payment would or may cause NZPM to breach its banking covenants. It is therefore possible that dividends will not be paid.
No Voting	A Redeemable Preference Share does not confer any voting rights (except on resolutions to approve an alteration to Shareholder rights).
No Co-operative Dividends, or Rebate Shares	You are not entitled to co-operative dividends or rebate shares in respect of your Redeemable Preference Shares.
No Security	The Redeemable Preference Shares are not secured against any asset of NZPM or any of its Subsidiaries. Nor do any of NZPM's Subsidiaries guarantee the Redeemable Preference Shares.
No Early Repayment	You are not entitled to redeem your Redeemable Preference Shares other than as described under the heading <i>Repayment</i> above (except when NZPM is required to redeem the Redeemable Preference Shares if an Event of Default (as defined in the Trust Deed) occurs).
Financial Covenant	NZPM covenants under the Trust Deed that total debt of NZPM does not exceed 90% of total assets.
Right to Transfer	You may transfer your investment to someone else by using a properly completed security transfer form that complies with applicable law. NZPM does not intend to quote the Redeemable Preference Shares on any registered exchange and considers that there is no established market for trading Redeemable Preference Shares.
Surrender Rights	Since you are not a Transacting Shareholder, you do not have any surrender rights.
Ranking of the Redeemable Preference Shares	See section 5 of this PDS (<i>Key Features of the Shares</i>).

Payment

Payment for Redeemable Preference Shares must be made in one sum when you make your application.

Payment may be made by cheque, electronic transfer or cash deposit or in MaxPoints at the rate of 581 MaxPoints for each \$250 of subscription price by redeeming the requisite MaxPoints in accordance with the MaxPoints Programme.



3. NZPM CO-OPERATIVE AND WHAT IT DOES

Summary

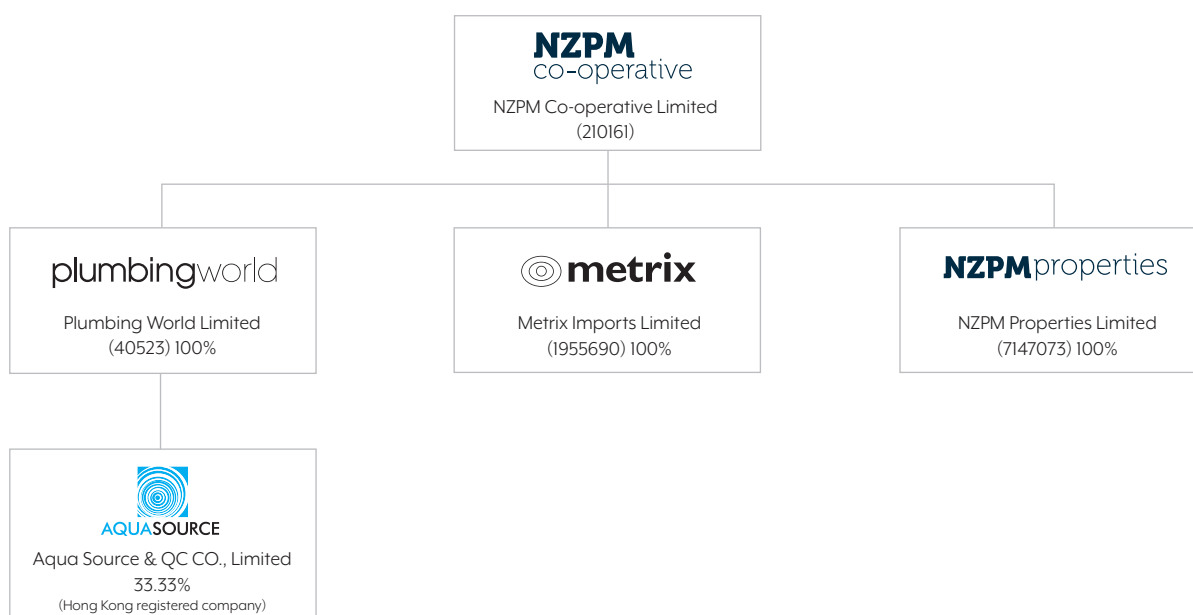
NZPM is a co-operative established in 1964 by a group of master plumbers.

NZPM is the holding company for a group of companies, the NZPM Co-operative, that operates across New Zealand to supply NZPM's Transacting Shareholders and others with plumbing, drainlaying, gasfitting and related products. NZPM Co-operative is an importer, wholesaler and retailer of its products. On 18 August 2023, the shareholders approved, through Special Resolution, to change the company name from NZPM Group Limited to NZPM Co-operative Limited.

NZPM Co-operative has approximately 1,084 Transacting Shareholders, operates 57 Plumbing World branch stores and one Metrix retail showroom and employs over 590 people.

NZPM Ownership Structure

The ownership structure of NZPM Co-operative is shown in the diagram below.



Plumbing World Limited (Plumbing World) is the major trading Subsidiary of NZPM Co-operative. Metrix Imports Limited (Metrix) is also a significant trading Subsidiary.

NZPM Properties Limited (NZPM Properties) holds NZPM Co-operative's investments in property. With the exception of development properties, each property is leased to Plumbing World on an arm's length basis with normal commercial terms for leases of these type.

Aqua Source & QC Co., Limited (AquaSource), is a Hong Kong based company that specializes in sourcing plumbing and associated products from China.

NZPM is solely responsible for repayment of the Redeemable Preference Shares. None of NZPM's Subsidiaries or associates guarantees the Redeemable Preference Shares.

Industries

NZPM Co-operative operates in the wholesale and retail markets for plumbing, drainlaying, gasfitting and related products. NZPM Co-operative has a wide range of competitors across its customer segments, reflecting the broad scope of its offering. Competitors include plumbing and drainage suppliers, importers, manufacturers and suppliers of building and construction products, trade suppliers, merchant store retailers, mail order catalogues and online retailers nationally and internationally.

NZPM Co-operative's Current and Future Business

NZPM Co-operative is a co-operative, whose Transacting Shareholders are also customers.

NZPM Co-operative's core business is providing plumbers, drainlayers, gasfitters, builders and other tradespeople with products for their work. NZPM Co-operative has over 30,000 product lines in stock and access to a large range of quality products from all over the world.

NZPM Co-operative's core business also includes being a specialist supplier of fittings for bathrooms, laundries, kitchens and heating.

Plumbing World and Metrix are NZPM Co-operative's trading subsidiaries. While Plumbing World is a major customer of Metrix, Metrix also has its own customers.

NZPM Co-operative's value proposition is to provide market leading products and customer service to customers at competitive prices, while producing returns to allow NZPM Co-operative to reinvest in its business and fund future shareholder returns.

NZPM Co-operative's Key Strategies and Plans

NZPM Co-operative's strategy is to continually review and improve its value proposition to sustain and grow its core business in the longer term.

NZPM's strategy involves initiatives to improve its offering to its customers which include improving customer service, reviewing and refining its product range, focusing on procurement and supply chain efficiency and managing its operating cost base.

NZPM Co-operative continues to invest in digital and technology development solutions to enhance business operations and efficiency and to make it easier for customers to interact with Plumbing World. NZPM has recently implemented Microsoft Dynamics 365 as its ERP system. The total cost of the implementation was \$17 million which was incurred over three financial years.

Other initiatives NZPM Co-operative has taken, and which it continually assesses are:

- a) Staff training to improve the technical knowledge of staff and make them more efficient at working with our customers;
- b) Improving the quality and maintaining the size of the sales team to make it more effective;
- c) Expanding, relocating and upgrading branch networks;
- d) Seeking to build on Plumbing World's exclusive brands as these provide NZPM Co-operative's sales team and its customers with a point of differentiation;
- e) Seeking to drive more revenue through its existing network including the use of new technologies to provide better service to customers and reduce costs across the supply chain.

NZPM Co-operative's strategy relating to returns, reinvestment and funding future shareholder returns, continues to be:

- a) Streamlining the business and improving business planning;
- b) Seeking to sustain margins but still price competitively by capturing import margins on exclusive import brands;
- c) Working to improve shareholder support by increasing their expenditure on NZPM Co-operative's products;
- d) Expanding NZPM Co-operative's network into high growth zones.

NZPM has made a strategic decision to purchase commercial property on which it conducts or intends to conduct business in locations where developments are threatening our ability to secure long-term lease tenure. NZPM owns a property in Papanui, Christchurch, and a property in Kingsland, Auckland. In the financial year ended 31 March 2024, NZPM completed

the development of two buildings on two property sites in Drury, Auckland, being a branch for Plumbing World and a separate warehouse. Following completion of the development, both properties were sold for combined proceeds of \$10.8 million. The Plumbing World branch was subsequently leased back.

Aqua Source & QC Co., Limited

Plumbing World owns a one-third share of the equity in Aqua Source & QC Co., Limited (AquaSource), a Hong Kong based company that specializes in sourcing plumbing and associated products from China.

The investment secures the long-term supply chain for Plumbing World's own brand LeVivi, TIVA and Sessanta products and further supports NZPM's ability to influence key ethical and sustainable purchasing behaviours.

Funding and Liquidity

A significant portion of NZPM's funding is provided by Transacting Shareholders through the issue of Shares to them.

Significant funding is also provided by Transacting Shareholders and others through the issue to them of Redeemable Preference Shares.

NZPM also has a bank facility which increased from \$18 million to \$21 million in February 2025. The bank facility matures on 31 December 2026. The facility was drawn to \$11.7 million at 30 September 2024. The facility agreement governing the facility (Facility Agreement) prohibits NZPM making distributions to Shareholders unless it complies with the terms of the Facility Agreement and would continue to do so notwithstanding the distribution. The Facility Agreement also prohibits NZPM Co-operative incurring any indebtedness (other than to the bank or with the approval of the bank), apart from indebtedness within NZPM Co-operative, and indebtedness which does not result in the total indebtedness of NZPM Co-operative exceeding a specified percentage of NZPM Co-operative's total assets. The Facility Agreement also includes other restrictive covenants (which are applicable to each member of NZPM Co-operative) typical of corporate finance arrangements, including without limitation a negative pledge, restrictions on disposals, restrictions on acquisitions, restrictions on provision of financial accommodation to third parties and financial reporting requirements.

NZPM Properties Limited has a separate bank loan facility of \$3 million which matures on 31 December 2026. This loan facility was fully drawn at 30 September 2024. During the financial year ended 31 March 2024, NZPM Properties Limited had access to total loan facilities of \$9.0 million for the purpose of developing the two buildings on the property sites in Drury, Auckland. The proceeds from the sales of both Drury properties in the year were used to part repay and reduce the NZPM Properties Limited borrowings to a single loan facility of \$3 million.

The loans are secured by a first registered and exclusive General Security Agreement over all of its present and after acquired property, first and exclusive mortgages over property and a cross guarantee with other fully owned members of the NZPM Co-operative.

NZPM also has a bank overdraft facility of \$3 million which is repayable on demand.

People

NZPM Co-operative's workforce is equipped with the specialist knowledge and technological skills their particular areas demand. NZPM Co-operative also has its own sales team.

Board of Directors



Katherine (Kathy) Meads (Chair) | Appointed 2018

Mrs Meads is a professional director with extensive experience in governance and management roles.

Mrs Meads is currently a director of Port Taranaki Limited, Shipowners Mutual Protection & Indemnity Association (Luxembourg), 2Degrees Group Limited, and Burgundy HoldCo Limited. Her previous directorships include Enable Services Limited, Enable Networks Limited, Transpower New Zealand Limited, Magic Memories Group Holdings Limited, Snap Limited, Waterfront Industry Superannuation Fund and various Ngai Tahu subsidiary companies.

Mrs Meads has a strong background in commercial and financial management across a broad range of business sectors including telecommunications, property, tourism, seafood, ports and insurance. She has held a number of executive leadership roles and has a global business perspective from her ongoing international directorship.

Mrs Meads holds a Bachelor of Commerce from the University of Canterbury. She is a Chartered Member of the Institute of Directors in New Zealand (Inc.) and a Fellow Chartered Accountant of Chartered Accountants Australia and New Zealand.

Mrs Meads is a member of the Remuneration Committee and the Health and Safety Committee.



Joseph (Joe) Calkin | Elected 2023

Mr Calkin is the Managing Director of F. B. Hall & Co. Limited, a company with over 40 employees and 100 years of operations providing plumbing, gas and drainage services in the Waikato region.

Mr Calkin is a Certifying Plumber, Drainlayer and Gasfitter with 35 years of experience in the industry.

Mr Calkin has undertaken a number of governance roles in cycling including local club president, regional coordinator positions, a board member of BMX New Zealand Incorporated and various committees and projects with Cycling NZ. Mr Calkin is also a member of the Waikato Chamber of Commerce.

Mr Calkin is a former member of the NZPM Future Governance Programme and is a member of the Institute of Directors in New Zealand (Inc.).

Mr Calkin is Chair of the Health and Safety Committee and is a member of the Audit and Risk Committee.



Dean Carroll | Appointed 2023

Mr Carroll is a professional director with governance and executive experience in New Zealand, Canada and Australia. His experience spans across international supply chain and logistics, energy and derivative trading, major infrastructure investment and operation and mass market retail activity.

Mr Carroll is a past CEO of a major Australian energy retailer, and has served on a number of boards, chairing and serving on a wide range of board sub-committees, including being Deputy Chair of Transpower NZ Limited. He is a member of the Institute of Directors in New Zealand (Inc.).

Mr Carroll is Chair of NZPM's Audit and Risk Committee and a member of the Remuneration Committee.

Board of Directors *cont.*



Reuben Cutts | Elected 2023

Mr Cutts is the Managing Director and owner of Fixed Price Limited, trading as Cutts Plumbing in the Auckland region.

Mr Cutts is a Certifying Plumber, Drainlayer and Gasfitter with over 30 years of experience in the industry. Mr Cutts is a former member of the NZPM Future Governance Programme and was an executive member of Auckland Master Plumbers. He is a member of the Institute of Directors in New Zealand (Inc.).

Mr Cutts is a member of the Membership and Compliance Committees.



Peter Faul | Elected 2019

Mr Faul is the former owner and Managing Director of Advantage 2010 Limited with branches in Christchurch and Queenstown. The business undertakes plumbing, drainage, gas fitting and mechanical services and operates in a broad cross section of the market from large commercial to domestic and maintenance work.

Mr Faul is a qualified Mechanical Engineer with over 30 years' experience as a business owner in the industry initially in a family business that was a foundation shareholder in NZPM and then in his own business.

Mr Faul has a range of governance experience with over 30 years as a company director of various businesses including his own Import and Wholesale and Retail. Mr Faul also led his Master Plumbers association and other community organisations as well as serving as a director, National President and Deputy Chair of Master Plumbers Gasfitters & Drainlayers NZ Inc and Masterlink Ltd. He was also appointed as a director and chair of Queenstown Events Ltd and Lakes Leisure Ltd, companies owned by Queenstown Lakes District Council. He also held a position on the advisory board to the 4 Seasons Retail Group, a nation-wide retail chain.

Mr Faul is a member of the Institute of Directors in New Zealand (Inc.).

Mr Faul is the Chair of NZPM's Remuneration Committee and is a member of the Audit and Risk and Health and Safety Committees.



John Leen | Elected 2019

Mr Leen is the Managing Director of JLP Limited and JLP Commercial Limited. The companies are Wellington based contracting businesses concentrating on major commercial projects.

Mr Leen is a Certifying Plumber and Drainlayer with over 30 years' experience as a business owner in the industry.

Mr Leen has undertaken a number of governance roles on commercial and advisory boards including across the plumbing industry including executive member and past President of the Wellington Master Plumbers Association, a director and chair of Master Plumbers Gasfitters & Drainlayers NZ Inc., Masterlink Ltd and NZ Plumbers Journal Ltd. He has also been a member of advisory boards for the Plumbers Gasfitters & Drainlayers Board, the Skills Organisation and local polytechnics.

Mr Leen is a member of the Institute of Directors in New Zealand (Inc.).

Mr Leen is Chair of NZPM's Compliance Committee and a member of the Remuneration and Membership Committees.

Board of Directors cont.



Craig McCord | Elected 2015

Mr McCord is a director and shareholder of Tauranga Hardware & Plumbing Ltd, a leading company in the Bay of Plenty region providing plumbing, gas and drainage services. He is a third generation plumber-drain layer and is proud of his career in the plumbing industry. The company has been a shareholder in NZPM since Plumbing World was established in Tauranga during the early 1970s.

Mr McCord is community focused and has supported and served on a number of community boards. He has strong governance experience from a range of previous and current roles including being a trustee of Waipuna hospice, two school boards, serving on the Board of Master Plumbers, Gasfitters & Drainlayers NZ Inc, as past president of the BOP Coromandel Master Plumbers.

Mr McCord is a member of the Institute of Directors in New Zealand (Inc.).

Mr McCord is Chair of NZPM's Membership Committee and a member of the Audit and Risk and Compliance Committees.

Senior Management



Rob Kidd (B Com)

Chief Executive Officer, NZPM Co-operative Limited

Mr Kidd was appointed the Chief Executive Officer of NZPM Co-operative in October 2020 having been the General Manager of Plumbing World since July 2011.

Mr Kidd has extensive general management experience in the building and construction industry covering the manufacturing, contracting, distribution, trade and retail business sectors.

Mr Kidd joined the building industry in 1990 at the Fletcher Building company Dimond Roofing before moving to James Hardie in 1996, where he held a number of senior positions over a fourteen year period both in New Zealand and internationally. His last role at James Hardie was as General Manager for New Zealand, a position he held for just under six years.

Immediately prior to joining Plumbing World Limited, Mr Kidd ran his own consulting business, undertaking management and advisory services to the building and construction industry in Australia and New Zealand.

Mr Kidd has sat on various industry boards and associations over the years including the Building Research Association of NZ (BRANZ) and Building Industry Federation, and is currently a Director of Argus Fire Protection Limited and several related companies within the group and a Board Advisor to Clevaco Limited.

Mr Kidd holds a Bachelor of Commerce from Lincoln University and is a member of the Institute of Directors in New Zealand (Inc.).



Brett Cruickshank (B Com, CA)

Chief Financial Officer, NZPM Co-operative Limited

Mr Cruickshank joined the NZPM Co-operative in August 2014 as its Chief Financial Officer. He has experience in executive finance and general management having previously been Chief Executive Officer of Viridian Glass and Euroglass Systems Limited and Chief Financial Officer of Tenon Limited (formerly Fletcher Challenge Forests Limited) and Landco Limited. Prior to his corporate roles, Brett worked for Deloitte in New Zealand, San Francisco and London.

Mr Cruickshank is a Chartered Accountant (CA) of Chartered Accountants Australia and New Zealand, a member of the Institute of Directors in New Zealand (Inc.) and holds a Bachelor of Commerce degree from the University of Canterbury.

4. PURPOSE OF THE OFFER

The proceeds of the Offer will be used for general corporate purposes of NZPM Co-operative. The use of the money raised under the Offer will not change depending on the total amount that is raised. The Offer is not underwritten.

5. KEY FEATURES OF THE REDEEMABLE PREFERENCE SHARES

General

A number of the key features of the Redeemable Preference Shares are described in section 2 of this PDS (*Terms of the Offer*). The other key features of the Redeemable Preference Share are described below. A copy of the Trust Deed is included in the Disclose Register at www.disclose-register.companiesoffice.govt.nz.

Subject to NZPM's Constitution, NZPM may issue any Shares which rank equally with or in priority to existing Shares, whether as to voting rights or distribution or both, and any such issue is deemed not to be an action which affects the rights attached to existing Shares.

NZPM may deduct from any money due by NZPM to you (whether in respect of a dividend, surrender, redemption or otherwise) the whole or any part of any amount due by you to NZPM, including in respect of arrears of calls on any Shares issued to you that are not fully paid.

NZPM has a first and continuing lien for all liabilities of any Shareholder owed to any member of NZPM Co-operative upon all Shares and all proceeds of sale of all Shares held by the Shareholder and upon all dividends, other distributions, bonuses, allowances and other payments which may be payable to the Shareholder by NZPM.




Ranking

The Redeemable Preference Shares constitute unsecured obligations of NZPM. On a liquidation of NZPM amounts owing to Redeemable Preference Shareholders rank:

- After all other indebtedness of NZPM;
- Equally with all other Shares in proportion to the capital paid but only to the extent of the capital paid on those Shares.

Redeemable Preference Shares have no further right to participate in the residual assets of NZPM on a liquidation.

The ranking of the Redeemable Preference Shares on a liquidation of NZPM is summarised in the diagram that follows:

	Ranking on a liquidation of NZPM	Liabilities*	Indicative amount of existing liabilities and equity of NZPM as at 30 September 2024 adjusted for expected Offer proceeds **
<div> Higher Ranking/Earlier Priority  Low ranking/Later Priority </div>	Liabilities that rank in priority to the Redeemable Preference Shares	All other indebtedness of NZPM including trade and other payables, employee benefits and borrowings ***.	\$109.7 million
	Liabilities that rank equally with the Redeemable Preference Shares	All other Shares, but the Redeemable Preference Shares participate only to the extent of the capital paid on these Shares and have no further right to participate in residual assets of NZPM on a liquidation. ****	\$38.5 million
	Liabilities that rank below the Redeemable Preference Shares		\$0
	Equity		\$22.8 million

* Liabilities are included in total debt which must not exceed 90% of total assets (see the heading *Creation of Further Liabilities* below). Liabilities include all Redeemable Preference Shares issued to Non-Transacting Shareholders (including those issued under this PDS) as well as all Redeemable Preference Shares issued to Transacting Shareholders (including those issued under the Separate PDS for Transacting Shareholders). Redeemable Preference Shares are issued to Non-Transacting Shareholders as debt securities. Redeemable Preference Shares are issued to Transacting Shareholders as equity securities. However, all Redeemable Preference Shares rank equally with all other Redeemable Preference Shares in every respect, including as to payment of dividends before and after liquidation.

** The above table is based on \$38.5 million equity and debt securities on issue at 30 September 2024. It assumes the amount raised under the Offer is matched by repayments of Shares. The effect of this assumption is that the indicative amount of existing liabilities as at 30 September 2024 does not change on account of expected Offer proceeds.

*** NZ IFRS requires NZPM to record the discounted future lease and license payments as a liability. At 30 September 2024, the total lease and license liabilities included within All Other Liabilities was \$55.5 million.

**** While ordinary Shares rank equally with (and therefore not below) Redeemable Preference Shares, any dividends payable on ordinary Shares rank below dividends payable on Redeemable Preference Shares, and Rebate Shares and Development Shares (both as defined in NZPM's Constitution).

After the Redeemable Preference Shares have been issued, NZPM may at any time (without having to obtain any special resolution or other approval from any existing Shareholders) issue other Shares that rank equally with or in priority to existing Shares, and further liabilities that rank equally with, or in priority to, the Redeemable Preference Shares on a liquidation of NZPM can arise. NZPM's ability to create any such further liabilities is restricted by the contractual provisions described below that NZPM has entered into.

Creation of Further Liabilities

Under the Trust Deed NZPM has agreed that, unless the Supervisor otherwise agrees, it will ensure that at all times total debt of NZPM does not exceed 90% of total assets (sometimes referred to as a restriction on leverage). Total debt includes all Redeemable Preference Shares issued to Non-Transacting Shareholders as well as all Redeemable Preference Shares issued to Transacting Shareholders.

The effect of the restriction on leverage covenant is to restrict the amount of debt NZPM can create that ranks equally with, or in priority to, the Redeemable Preference Shares as well as the amount of total debt that NZPM can incur at any particular time.

New Security Interests

The Trust Deed does not prevent NZPM Co-operative from granting security interests over its assets.

No Guarantees

NZPM is solely responsible for repayment of the Redeemable Preference Shares. None of NZPM's Subsidiaries guarantees the Redeemable Preference Shares.

Other Relevant Information about the Trust Deed

Standard Provisions

The Trust Deed also contains a number of standard provisions, including relating to:

- The role of the Supervisor and the powers and duties of the Supervisor;
- The procedure for replacement of the Supervisor;
- The right of the Supervisor to be indemnified; and
- The process for amending the Trust Deed.

For full details of these provisions see clauses 12 to 16 of the Trust Deed.

Events of Default

The Events of Default are contained in clause 8 of the Trust Deed. They include a failure by NZPM for a period of two business days to make payment of any redemption amount, or for a period of five business days to make payment of a dividend on, the Redeemable Preference Shares (other than payments of amounts payment of which is suspended in accordance with the relevant terms of issue), a failure for a period of five business days after demand to pay any other moneys payable pursuant to the Trust Deed, a breach by NZPM of any other provision in the Trust Deed that continues for more than 30 days after notice from the Supervisor requiring the default to be remedied and also insolvency type events that affect NZPM.

If an Event of Default occurs, the Supervisor may in its discretion, and must upon being directed to do so by a special resolution of Redeemable Preference Shareholders, declare the RPS Liabilities due and payable.

The above is a summary of the Events of Default. For full details of the Events of Default see clause 8.1 of the Trust Deed.

6. NZPM CO-OPERATIVE'S FINANCIAL INFORMATION

A table providing key financial information about NZPM Co-operative that is contained in a document called "Information incorporated by reference in Product Disclosure Statement for an offer of redeemable preference shares to non-Transacting Shareholders", and full financial statements, are available on the Disclose Register at www.disclose-register.companiesoffice.govt.nz. If you do not understand this financial information you can seek advice from a financial adviser or an accountant.

7. RISKS OF INVESTING

Introduction

This section describes potential risks associated with an investment in Redeemable Preference Shares, including:

- a) general risks associated with an investment in Redeemable Preference Shares; and
- b) significant specific risks relating to NZPM's credit worthiness.

The identification of risks has been based on an assessment of a combination of the probability of a risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the date of this PDS. There is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge over time.

NZPM's internal control environment is designed to identify and manage risk. Where practicable, NZPM seeks to implement risk mitigation strategies to minimise the exposure to some of the risks outlined below, although there can be no assurance that such arrangements will fully protect NZPM from such risks.

Investors should carefully consider these risks factors (together with the other information in this PDS) before deciding to invest in Redeemable Preference Shares. This summary does not cover all of the risks of investing in Redeemable Preference Shares.

The statements of risks in this section do not take account of the personal circumstances, financial position or investment requirements of any particular person. It is important, therefore, that before making any investment decision, investors give consideration to the suitability of an investment in Redeemable Preference Shares in light of their individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

General Risks

An investment in the Redeemable Preference Shares is subject to the general risks that:

- a) NZPM becomes insolvent and is unable to meet its obligations under the Redeemable Preference Shares, including the obligation to pay dividends on, and repay the principal amount of, the Redeemable Preference Shares; and
- b) If Redeemable Preference Shareholders wish to sell their Redeemable Preference Shares before maturity:
 - i) The price at which they are able to sell their Redeemable Preference Shares is less than the principal amount they paid for the Redeemable Preference Shares due to dividend rate movements or for other reasons; or
 - ii) They are unable to sell their Redeemable Preference Shares at all due to a lack of demand.

For restrictions on the transfer of Redeemable Preference Shares see the heading *Right of Transfer* in the table describing these Shares in Section 2 of this PDS (*Terms of Offer*).

Redeemable Preference Shares are not traded or approved for trading on any registered market operated by New Zealand Exchange Limited (or any other securities market or trading facility). Nor do we have any present intention to obtain a quotation. NZPM considers that there is no established market for the transfer of the Redeemable Preference Shares.

Specific Risks Relating to NZPM's Creditworthiness

NZPM considers that the most significant risk factors are risks that affect the ability of the NZPM Co-operative to generate future income and manage its cost base. If the NZPM Co-operative is unable to achieve either or both of these, NZPM may be unable to repay its creditors, including Redeemable Preference Shareholders, when obligations fall due.

The circumstances that NZPM is aware of that exist or are likely to arise that may, either individually or in combination, significantly affect the future financial performance of the NZPM Co-operative, and therefore significantly increase the risk that NZPM may default on its obligations to pay dividends on, or repay the principal amount of, the Redeemable Preference Shares are set out below.

Market Demand

NZPM Co-operative is exposed to changes in market demand from a downturn in general economic or market conditions. The anticipated level of market demand is matched to a future commitment to incur operating costs through the size and staffing levels in our business. We adapt to changes in market demand by resizing our operating base and staff levels, however, significant reductions to NZPM Co-operative's operating cost base may take several months to implement.

A material reduction to NZPM Co-operative's revenue from a change in market demand could have a material adverse impact on NZPM Co-operative's future financial performance and financial position as well as on its ability to deliver on its plans.

Customers

NZPM Co-operative supplies customers wanting plumbing, drainlaying, gasfitting and related products and special fittings for bathrooms, laundries, kitchens and heating. We depend for our earnings on demand for our products from these specialist customers whose needs and desires change from time to time.

These needs and desires are affected by product trends, technology, regulation, market competition and general conditions in the markets in which we operate including the impact of one-off events. Customer demand is also affected by changing customer preferences and demand for new, more modern products, and as a result of new and improved purchasing channels becoming available, such as the internet and mobile apps, all of which may impact on the number and type of our customers.

A failure by NZPM Co-operative to keep abreast of and respond to changing customer preferences and demand, including not changing or expanding our product offerings, stores, distribution channels, or technology, may mean we suffer a loss of customers and revenue.

NZPM Co-operative directly procures an amount of its product from offshore. This means there can be significant delays between ordering and delivery, which exposes us to the risk that customer preferences change in the meantime, and leave us with slow moving stock.

NZPM Co-operative closely monitors customer trends, but it is difficult to gauge them. It is also difficult to assess the likelihood of events occurring outside of our control. NZPM Co-operative may misjudge trends or fail to respond to them on a timely basis or sufficiently. This may result in reduced revenue and could have a material adverse impact on NZPM Co-operative's future financial performance and financial position and its ability to deliver on its plans.



Funding and Liquidity

A significant portion of NZPM's funding is provided by Transacting Shareholders through the issue to them of Ordinary Shares. There is a risk that persons cease to be Transacting Shareholders and offer to surrender their Shares. There is also a risk that Redeemable Preference Shareholders (some of whom invest for relatively short periods) might not reinvest on maturity. In any of these circumstances, there is a risk that NZPM might not have sufficient funds to meet its obligations. NZPM is able to manage this risk by not being required to surrender or redeem Shares unless it will be able to satisfy a solvency test and comply with banking covenants. NZPM is also able to defer surrender of Shares for five years or such other period determined by the Board from time to time. At the date of this PDS this period is 12 months and the Board's current policy is to accept surrenders of Shares no more frequently than three monthly and make surrender payments on these Shares at the end of February, May, August and November each year. While Redeemable Preference Shareholders become creditors of NZPM from the date for redemption of their Shares for the amounts payable on redemption, NZPM may delay making the redemption payment for any period and for any reason. Nevertheless, NZPM seeks to further manage the risk of delays in payment by seeking to attract investments in Redeemable Preference Shares for terms of three month to four years. NZPM also manages liquidity risk by producing regular forecast cash flow reports, and generally, in relation to Ordinary Shares, monitoring transaction activity by Transacting Shareholders and, in relation to Redeemable Preference Shares, monitoring maturity profiles. A material adverse change in NZPM's financial performance would significantly increase the risk that NZPM is not able to meet its obligations relating to surrender of Shares when persons cease to be Transacting Shareholders and the redemption of Redeemable Preference Shares on their maturity date.

Any decrease in available funding from NZPM's bankers (including as a result of any failure to comply with bank lending covenants) could have material adverse consequences on NZPM's ability to meet its payment obligations when they fall due.

Competitive Position

NZPM Co-operative is a co-operative. We pool resources to in order to compete effectively for the benefit of our Shareholders. The markets in which we operate are highly competitive.

NZPM Co-operative's competitors include other suppliers of plumbing, drainlaying and gasfitting products including suppliers of fittings for bathrooms, laundries, kitchens and gas heating. They include: trade suppliers, importers, manufacturers and suppliers of building and construction products, merchant store retailers, mail order catalogues and online retailers nationally and internationally. Competition impacts on product selection, pricing, site selection for branch networks, capital investment, store appearance, product branding and presentation, advertising, investment in sales team, customer interface technology, customer service and strategies to reduce cost and improve efficiency.

The markets NZPM Co-operative operates in are affected by both existing and new competitors. NZPM Co-operative's competitive position is also affected by how it responds to competitors and positions itself to deal with industry and technological change. NZPM Co-operative may need to maintain or increase prices to protect profitability, and run the risk of losing some customers. It may also need to invest in new products, branches or technology to maintain its competitive position. These measures can sometimes adversely impact on profitability.

A change in the competitive position of the core part of NZPM Co-operative's business as a supplier of plumbing, drainlaying and gasfitting products could have a major impact on the financial performance and financial position of NZPM Co-operative as well as on its ability to deliver on its plans. NZPM Co-operative relies on these businesses for a substantial portion of its revenue. This diversification broadens NZPM Co-operative's earnings base, mitigates competition and cyclical risks, and leverages its distribution channel. NZPM Co-operative's focus on a business that has a solid base and a diversified range of specialist products is a key strategy to mitigate against competitive risks in any one area of the business disproportionately impacting NZPM Co-operative.

It is difficult to anticipate actions competitors might take. Therefore it is difficult for NZPM to assess the likelihood that its competitive position may deteriorate. A significant competitive threat to which we are unable to respond may have a material adverse impact on our financial performance and financial position and our ability to deliver on our plans.

Brands and Reputation

NZPM Co-operative's brands, Plumbing World and Metrix are important assets of its business. The value of these brands could be adversely impacted by factors such as product quality and standards of service falling below customer expectations, disputes or litigation with third parties, or adverse media scrutiny.

Plumbing World has established the LeVivi, TIVA and Sessanta brands for products that are sourced from manufacturers and marketed as Plumbing World own brand products.

Should one of NZPM's Co-operative's brands suffer an erosion in value, this could have an adverse impact on NZPM Co-operative's future financial performance and financial position.

Suppliers

NZPM Co-operative has a large number of suppliers for the products we supply. Most of the supply agreements are on a non-exclusive basis. Our 10 largest suppliers provided approximately 48% of our supplies (by cost) in the financial year ended 31 March 2024. Should suppliers be unable or refuse to supply products or increase their prices and NZPM Co-operative is unable to make acceptable alternative arrangements, it may experience stock shortages, a fall in revenue and loss of customers, which may have a material adverse impact on NZPM's future financial performance and financial position and its ability to deliver on its plans.

NZPM Co-operative directly sources a modest amount of product from offshore. This means NZPM Co-operative is exposed to country specific risk, including exchange rate risk, social and ethical product sourcing risk, transport delays and export restrictions. In the financial year ended 31 March 2024, 7% of NZPM Co-operative's costs were paid for in foreign currencies. NZPM Co-operative manages currency and exchange rate risk through a combination of hedging, pass through pricing and cost absorption. NZPM has a board approved treasury policy which is monitored on an ongoing basis. These risks impact on NZPM Co-operative from time to time and in varying degrees. Depending on the magnitude of the change, adverse exchange rate fluctuations or volatility in the currencies in which NZPM incurs costs may have a material adverse impact on NZPM Co-operative's future financial performance and financial position and its ability to deliver on its plans

Credit risk

NZPM Co-operative has a credit policy that provides credit terms to its customers which gives rise to credit risk (relating to the risk of loss arising from non-payment of trading accounts by customers). NZPM has defined credit policies and frameworks for the management of credit risk. In assessing whether to extend credit or enter into other transactions with customers and counterparties, NZPM Co-operative relies on information furnished by or on behalf of customers and counterparties and could be negatively affected to the extent information relied on is inaccurate or misleading.



Information technology

NZPM Co-operative needs reliable, easily accessible, information technology systems if it is to maintain its competitive position. Those systems need to provide staff and customers with user friendly, real time, information on products to maintain and enhance customer service. NZPM Co-operative uses its systems to set sales pricing, monitor margins and maintain stock levels. Failure to operate efficient systems may result in NZPM Co-operative suffering a loss of customers or reduce operating margins. NZPM has recently implemented Microsoft Dynamics 365 as its ERP system.

NZPM uses a range of policies, tools and processes to manage operating risks relating to data management, data security and cyber security. Failure of the tools or processes could result in NZPM's systems not being available, loss of reputation or loss of profits.

Health, safety and wellbeing

NZPM Co-operative has a formal Health, Safety and Wellbeing Policy that outlines our commitment to health, safety and wellbeing. NZPM has a range of procedures and processes to support our health and safety policy including the reporting of lead indicators such as hazard reporting and near miss reporting so that corrective actions can be taken to reduce or mitigate the risk of future accidents.

NZPM strongly encourages all employees to take personal responsibility for their own health, safety and wellbeing as well as taking care of their colleagues, customers, contractors and visitors.

Failure to appropriately manage the health, safety and wellbeing risks of NZPM staff or visitors to our sites could result in personal injury to individuals and / or legal prosecution for failure to provide a safe workplace.

8. TAX

NZPM is required by law to deduct resident withholding tax from any returns payable under the Redeemable Preference Shares to any person resident in New Zealand, and to account for this deduction to the Inland Revenue Department.

There may be other tax consequences from acquiring or disposing of Redeemable Preference Shares.

If you have any queries relating to the tax consequences of investing in Redeemable Preference Shares you should obtain professional advice on those consequences.

9. WHO IS INVOLVED?

	Name	Role
Issuer	NZPM Co-operative Limited	Issuer of the Redeemable Preference Shares.
Supervisor	The New Zealand Guardian Trust Company Limited	Provides supervision of NZPM Co-operative Limited's performance of its obligations under the Trust Deed and the Financial Markets Conduct Act 2013.
Securities Registrar	NZPM Co-operative Limited	Maintains register of Redeemable Preference Share holders.
Solicitor to the Issuer	Lowndes	Provides legal advice to NZPM in respect of the Offer.
Solicitor to the Supervisor	Michael Dineen Law	Provides legal advice to the Supervisor in respect of the Offer.

10. HOW TO COMPLAIN

Complaints about the Redeemable Preference Shares can be made to any one or more of the following:

Internal Dispute Resolution

If you have any problems or concerns about the Redeemable Preference Shares, please contact NZPM's Chief Financial Officer at:

Metrix Building
Level 2, 65 Parnell Rise
Parnell
Auckland

P O Box 137151
Parnell
Auckland 1151

Ph: (09) 306 5548

Statutory Supervisor

You may also contact the Supervisor:

The New Zealand Guardian Trust Company Limited

Level 14,
191 Queen Street,
Auckland Central,
Auckland, 1010

Ph: (09) 090 5100

External Disputes Resolution

NZPM is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) and approved by the Ministry of Consumer Affairs. If NZPM has not been able to resolve your issue, you can refer the matter to FSCL by emailing info@fscl.org.nz or calling FSCL on 0800 347 257, or by contacting the Complaint Investigation Officer, Financial Services Complaints Limited, Level 12, 45 Johnston Street, Wellington 6145.

The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Financial Markets Authority

Complaints can also be made to the Financial Markets Authority through their website www.fma.govt.nz.



11. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to NZPM and the Redeemable Preference Shares (for example, NZPM's constitution and the financial statements and a copy of the Trust Deed) is available on the Disclose Register. The website for the Disclose Register is www.disclose-register.companiesoffice.govt.nz.

Further information relating to NZPM (for example, particulars of shareholders and directors and annual returns) is also available free of charge on the public register of the Companies Office of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at www.companies-register.companiesoffice.govt.nz under NZPM's company number 210161.

Further information relating to NZPM (for example, current dividend rates and the latest NZPM shareholder magazine) is also available free of charge on its website, www.nzpm.co.nz.

NZPM must keep certain company records available for inspection, free of charge, by any person who serves a written notice to inspect on NZPM (for example, NZPM's certificate of incorporation, constitution, and share register, the full names and residential addresses of its directors and its registered office and address for service).

NZPM must also keep available for inspection, free of charge, by shareholders who serve the requisite written notice to inspect on NZPM, certain company records (for example, minutes of meetings and resolutions of shareholders, copies of written communications to Shareholders, certificates given by directors under the Companies Act 1993 and NZPM's interests register).

Copies of the documents described in the preceding two paragraphs can be obtained from NZPM, upon payment of a reasonable copying and administration fee prescribed by NZPM at:

P O Box 137151
Parnell
Auckland 1151

Ph: (09) 379 1832

shares@nzpm.co.nz

Shareholders will receive, free of charge, NZPM's annual report.

Copies of the following can be obtained free of charge from NZPM at:

P O Box 137151
Parnell
Auckland 1151

Ph: (09) 379 1832

- a) A copy of this PDS;
- b) A copy of the most recent annual report of NZPM that is required to be prepared under the Companies Act 1993;
- c) A copy of the most recent financial statements of NZPM required to be registered under the Financial Reporting Act 1993, together with a copy of the auditor's report on those statements;
- d) A copy of NZPM's current dividend rate card.

12. HOW TO APPLY

To apply for Redeemable Preference Shares, you need to complete an application form and submit it to us. An application form that is current at the date of this PDS is available from the NZPM Share Registrar as listed online at www.nzpm.co.nz/investor-centre.

The latest online version of this PDS can be found at www.disclose-register.companiesoffice.govt.nz.

13. CONTACT INFORMATION

Issuer

The Company Secretary
NZPM Co-operative Limited
Level 2, 65 Parnell Rise
P O Box 137151
Parnell
Auckland 1151

Ph: (09) 379 7436

Share Registrar

NZPM Co-operative Limited
Level 2, 65 Parnell Rise
P O Box 137151
Parnell
Auckland 1151

Ph: (09) 379 1832

shares@nzpm.co.nz

14. GLOSSARY

Application Form is the application form for the Redeemable Preference Shares. You must fill out an application form before you can invest in Redeemable Preference Shares. Further information is in Section 12 (*How to Apply*).

Board means the Board of Directors of NZPM.

Disclose Register means the online offer register maintained by the Companies Office and the Registrar of Financial Service Providers known as “Disclose”.

FMA means the Financial Markets Authority.

FMC Act means the Financial Markets Conduct Act 2013.

FMC Regulations means the Financial Markets Conduct Regulations 2014.

MaxPoints Programme means the loyalty programme operated by NZPM's Subsidiary, Plumbing World, for customers of Plumbing World.

Nominal Value, in relation to a Redeemable Preference Share, means \$1.00.

Non-Transacting Shareholders mean Shareholders who are not Transacting Shareholders.

NZPM means NZPM Co-operative Limited.

NZPM Co-operative means NZPM and all of its Subsidiaries.

Offer means the invitation to apply for Redeemable Preference Shares made by NZPM under this PDS.

PDS means this Product Disclosure Statement.

Plumbing World means Plumbing World Limited.

Redeemable Preference Share means Redeemable Preference Shares offered pursuant to this PDS.

Redeemable Preference Shareholder means a holder of a Redeemable Preference Share.

Register means the register in respect of the Redeemable Preference Shares maintained by the Securities Registrar.

Registrar means the Registrar of Financial Service Providers appointed under Section 35 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

RPS Liabilities means:

- a) All moneys which may be or become payable by NZPM to the Supervisor and the Redeemable Preference Shareholders under or pursuant to the Trust Deed; and
- b) All other indebtedness of NZPM (whether actual or contingent) to the Supervisor or (at the Supervisor's discretion) to any other person under or pursuant to the Trust Deed.

Securities Registrar means NZPM.

Separate PDS for Transacting Shareholders means a separate product disclosure statement for an offer of ordinary Shares and Redeemable Preference Shares to Transacting Shareholders.

Share means a share in NZPM.

Shareholder means a holder of a Share.

Subsidiary has the meaning given to that term in the FMC Regulations.

Supervisor means The New Zealand Guardian Trust Company Limited for the period of their appointment and any replacement trustee company licensed by the FMA.

Transacting Shareholder in relation to NZPM, has the same meaning as in section 4 of the Co-operative Companies Act 1996.

Trust Deed means the Trust Deed dated 1 July 2016 between NZPM and the Supervisor, as amended from time to time.

We and **us** means, as the context requires, either NZPM Co-operative Limited or NZPM Co-operative.

You means the investor or prospective investor as the context requires.



