



*Many Investors, One Voice*

**ANNUAL REPORT AND SUPPORTING DOCUMENTS FOR THE ANNUAL GENERAL  
MEETING**

**OF THE**

**NEW ZEALAND SHAREHOLDERS' ASSOCIATION INCORPORATED**

**FOR THE YEAR ENDED 31st MARCH 2016**

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**AGENDA FOR THE ANNUAL GENERAL MEETING  
of the  
New Zealand Shareholders' Association Inc.**

The Annual General Meeting will be held on the 3rd of September 2016 in Auckland

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1. Apologies
2. Approval of the previous Annual General Meeting minutes.
3. Chairman's Report.
4. Election of Board Members.
5. Presentation and adoption of the Annual Report incorporating the Chairman's Report and Annual Accounts.
6. Re-appointment of M.A. O'Meara (Chartered Accountant) as Accounts Reviewer for the year ended 2017
7. General Business.

## **PREVIOUS MEETING MINUTES**

### **Minutes of the Annual General Meeting of the New Zealand Shareholders' Association held on 12<sup>th</sup> September 2015, Wintec Atrium, Hamilton.**

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**John Hawkins declared the AGM open at 12:22pm**

**Attendance:**

John Hawkins - Chairman  
Chris Curlett, Grant Diggle, Gayatri Jaduram, Lyn Lim, Martin Watson. Max Smith.  
NZSA Members, Partners/Spouses and Guests.

**Apologies:**

Andrew Redding and seven other members.  
**Passed unanimously.**

**Previous Minutes:**

Proposed and seconded these be adopted.  
**Passed unanimously.**

**Chairman's Report**

Hawkins referred the meeting to the Chairman's Report which had been circulated and then addressed the meeting.

NZSA now has 13 Corporate Members (3 in the last month) it proves the NZSA adds value to institutions and corporates alike and is viewed with high credibility. It is also apparent the ongoing meetings with NZX, FMA and other regulatory bodies are proving invaluable, resulting in improvements to market surveillance and regulation.

The introduction of Crowd Funding will further challenge the market and appears to be viewed by the young as less risky than the share market which is a concerning trend warranting ongoing observation.

**Election of Board Members**

Hawkins handed the Chair to Grant Diggle for the Election of Board Members.

It was proposed and seconded Hawkins be re-elected to the Board of the

Association.

**Passed by acclamation.**

It was proposed and seconded Curlett be re-elected to the Board of the Association.

**Passed by acclamation.**

Hawkins resumed Chair.

### **Chairman's Report and Annual Accounts contained in the Annual Report**

Additionally the Chairman advised that a representation had been made by the NZSA to the Minister regarding Taxation on some company Demerger transactions. This was being undertaken in conjunction with PwC as a paid consultant. The Minister has accepted that the NZSA position has merit. The matter is ongoing and more information will be available in due course. NZSA membership is growing in numbers with having increased by 30% since Hawkins took the chair. A new branch in Taranaki has opened with 35 foundation members. Grant Diggle explained the Boards Succession Plan.

### **Grant Diggle spoke on NZSA Board Succession Plan**

With the workload of the NZSA having increased considerably in these past years he discussed the 'Board Succession Plan' and the decision to establish a role of Executive Chairman, which will be partially remunerated. Extensive research was done around the role with the intention over the next two years to find a suitable CEO to full this role.

Asked if anyone had any questions regarding this – there were no comments from the floor at this point (see below *Questions from Members*).

### **Curlett addressed the meeting**

The NZSA has voluntarily adopted the XRB regulations in their level of reporting and outlined the process:

Stage 1 – Convert National Branch to Format and Stage 2 – Convert all Branches to format

Curlett spoke to the accounts as tabled and asked the floor if there were any questions.

None were asked.

John Hawkins said feedback on accounts is very positive and congratulated Chris on work done.

It was proposed and seconded the Annual Report incorporating the Chairman's Overview and Annual Accounts, Accounts Review and Notes be accepted.

**Passed unanimously.**

### **Reappointment of O'Meara and Co as Reviewer of the accounts.**

The Chairman advised the meeting the Board had elected to both adopt the XRB format of the Accounts and also to continue to have these Reviewed as distinct to Audited. The Board supported the re-appointment of M.A.O'Meara (Chartered Accountant) to undertake this role.

It was proposed O'Meara be appointed to undertake a Financial Review of the YE 2016 accounts on behalf of Members.

**Passed unanimously.**

**Questions from Members:**

How many members do NZSA have at the moment?

The total number of members is 1149" and steadily increasing.

Financing of the CEO to come, "where was the money coming from?"

Hawkins advised that the CEO would be paid for using membership fees (mainly Corporates) and there was sufficient income and reserves to fund this going forward. It was observed that this had been tried in the past and was not successful and NZSA needs to be careful of paying someone to do the job. This was acknowledged and the Board was conscious of the need to ensure the correct structure was in place along with the correct person. The financial viability of the NZSA also had to be considered to ensure the role could be sustained.

Has the Board considered increasing the Membership Fee?

The meeting was advised there was no immediate plan to increase the membership fee at this time.

Were "Chinese Walls" considered when the Corporate Membership class was established?

They had been considered as had a blind trust structure, however with the size and nature of New Zealand markets it was not practical to go down this path.

Why the NZSA hadn't charged for this event.

It has always been considered part of the NZSA membership fee and it is only recently that we have asked for a donation towards the lunch. We want to keep the event accessible to all.

Several comments were made as to the great work being done by the NZSA.

**John Hawkins declared the meeting closed at 1:03pm.**

Signed as a true and correct record on \_\_\_\_\_ 2016

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Chairman

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Secretary/Treasurer

## **ANNUAL ACCOUNTS, ACCOUNTS REVIEW AND NOTES**

# The New Zealand Shareholders' Association Incorporated

## Information

"Who are we?" , "Why do we exist"

For the year ended  
31st March 2016

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Legal Name of Association:	The New Zealand Shareholders' Association Incorporated
Type of Association and Legal Basis:	New Zealand Incorporated Society
Registration Number:	1138448
Directors:	John Hawkins (Chairman) Chris Curlett (Secretary-Treasurer) Grant Diggle Gayatri Jaduram Lyn Lim (Resigned March 2016) Andrew Reding Max Smith Martin Watson
Members Annual Accounts Reviewer	M.A. O'Meara, Chartered Accountant
Association Tax Accountants	Gilligan Sheppard

### **Association's Purpose:**

The objects of the Association are to:

- a. Represent, protect and promote the interests of investors in shares and other Investment Products; and
- b. To promote and encourage an active, efficient, fair and transparent market for raising capital and trading in shares and other Investment Products.

For the avoidance of any doubt, the Association can do all such things as are incidental or conducive to the attainment of its Objects or any of them and to promote any other activity not repugnant to its Objects, including without limitation:

- a. Influencing through the policy of Government.
- b. Making submissions to Parliament and regulatory bodies on laws.
- c. Performing and encouraging research.
- d. Providing an advocacy role.
- e. Providing a proxy service.



- f. Encouraging good governance within Organisations.
- g. Organising meetings and functions for members, often with keynote speakers from finance, industry, journalism, politics and other relevant sectors.
- h. Undertaking educational activities and working with other organisations in relation to investor education.
- i. Establishing and maintaining branches throughout New Zealand.

#### **Association Structure:**

The New Zealand Shareholders' Association Incorporated is structured as a central National office with six partially self governing Branches in New Zealand.

The National Body is governed by a central Board made up of elected members. The Branches each have their own committee which manages the day to day activities of the branch, reporting to the National Board.

#### **Main Sources of the Association's Cash and Resources:\***

The NZ Shareholders Association receives a large majority of funding for its activities from Members subscriptions. There are a number of investments in Shares which provides a minor income flow and the National Board has a policy of increasing this investment and reserve funding.

This funding is spread over the entire membership of the Association and is divided between two principle groupings, the Individual Membership and the Corporate Membership.

#### **Main Methods Used by the Association to Raise Funds:\***

The Association generates its funding from Membership fees and to a minor degree from event based support, such as advertising and promotion of an event. The Annual Conference receives funds from the NZX and the support of speakers at the event.

#### **Association's Reliance on Volunteers and Donated Goods or Services: \***

There is a tremendous amount of work undertaken at all levels of the Association on a voluntary basis. This is supplemented by two part paid position within the National Office, that of Executive Chairman and Secretary / Treasurer. There is one part time consultant to assist the Executive Chairman .

#### **Contact details**

Physical Address: 4th Floor, Smith and Caughey Building, Wellesley Street, Auckland. 1010. New Zealand.

Postal Address: c/- PO Box 6310, Auckland 1010. New Zealand.

Phone/Fax: 0800-697-27478

Website: [www.nzshareholders.co.nz](http://www.nzshareholders.co.nz)

# The New Zealand Shareholders' Association Incorporated

## Independent Review Report

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O'Meara & Co

### INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

Chartered Accountants

To the Members of New Zealand Shareholder's Association Inc.

P O Box 56 565, Auckland 1446

Phone 09 631 7849

Fax 09 631 7859

### Report on the Performance Report

I have reviewed the performance report of New Zealand Shareholder's Association Inc. on pages 8 to 21, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2016, the statement of financial position as at 31 March 2016, and the statement of accounting policies and other explanatory information.

#### *The Responsibility of the Board Members for the Performance Report*

The Board Members are responsible on behalf of the entity for:

- Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- The preparation and fair presentation of the performance report which comprises the entity information, the statement of service performance, and the statement of financial performance, the statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report, in accordance with Public Benefit Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- For such internal control as the Board determine is necessary, to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

#### *Assurance Practitioner's Responsibility*

My responsibility is to express a conclusion on the performance report. I conducted my review of the statement of financial performance, the statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ)) 2400 (Revised), and the review of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised). Those standards require that I conclude whether anything has come to my attention that causes me to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Simple Format Reporting – Accrual (Not-For-Profit). Those standards require that I comply with ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400 (Revised) and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. I will perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate and applying analytical procedures, and evaluate the evidence obtained. The procedures selected depend on my judgement, including the areas identified where a material misstatement is likely to arise and includes performing procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, I do not express an audit opinion on the performance report.

Other than in my capacity as assurance practitioner, I have no relationship with, or interests in, New Zealand Shareholder's Association Inc.

#### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that:

- The reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- the performance report on pages 8 to 21, does not present fairly, in all material respects, the entity information and service performance for the year then ended, and the financial position of New Zealand Shareholder's Association Inc. as at 31 March 2016, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format reporting – Accrual (Not-For-Profit).

A handwritten signature in blue ink, appearing to read "M A O'Meara".

24 August 2016

M A O'Meara

Chartered Accountant

# The New Zealand Shareholders' Association Incorporated

## Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended  
31st March 2016

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Over the Financial Year ended 2016 the Association has;

- Encouraged Members to vote at meetings or provide the Association with their Proxy
- Provide members with a greater insight into how the NZSA will vote undirected Proxies at Company Meetings
- Continue the ongoing dialog with the New Zealand Stock Exchange (NZX)
- Further develop a stronger working relationship with the Financial Markets Authority (FMA)
- Provide a greater understanding of the Public in the risks in the new emerging investment platforms
- Increase member benefits such as the Australian Shareholders Association Magazine "Equity"
- Continue to run Education Courses for members
- Develop new branches
- Work with the New Zealand Government over Tax issues between Australia and New Zealand
- Work with Listed Companies to enhance Governance

Description of the Associations Outcomes\*:

Over the Financial Year ended 2016 the Association has aimed to;

A stronger and more vital Equity Investment market in New Zealand by increasing Investors confidence in the market. Increased participation in the Market by investors and understanding the risks and rewards in the Equities Market. For the Investor to act as a business owner and to look at the Companies they have invested in to better appreciate the complex abilities of the investment

To encourage good Governance within Companies and ensure the Monitoring and Regulatory activities function well to grow the market and instil confidence in it.

	Actual*	Actual*
Description and Quantification (to the extent practicable) of the Associations Outputs:*	This Year	Last Year

Branch Meetings held	40	38
Speakers to members	46	44
Visits to Companies	6	8
Other activities	5	4
New Branches established	1	-

**The Board herewith approve the Financial Report for the year ended 31 March 2016 as presented on Pages 7 to 21 inclusive.**

**For and on behalf of the Board**

Two handwritten signatures in blue ink. The signature on the left is more fluid and cursive, while the signature on the right is more structured and blocky.

**Chairman**

**Secretary / Treasurer**

# The New Zealand Shareholders' Association Incorporated

## Statement of Financial Performance

"How was it funded?", "What did it cost?"

For the year ended  
31st March 2016

XRB Compliant			Note	XRB Consolidated	
National Office Only				Group Totals	
Last Year	This Year			Group	Branch
\$	\$			\$	\$
<b>Revenue</b>					
36,660	6,284	Donations, fundraising and other similar revenue*	1.1	24,710	18,426
172,316	247,021	Fees, subscriptions and other revenue from members*	1.2	269,364	22,343
13,028	14,191	Revenue from providing goods or services*	1.3	20,069	5,878
3,521	6,958	Interest, dividends and other investment revenue*	1.4	8,330	1,373
-	-	Other revenue		-	-
<b>225,525</b>	<b>274,454</b>	<b>Total Revenue*</b>		<b>322,473</b>	<b>48,020</b>
<b>Expenses</b>					
3,319	2,823	Expenses related to public fundraising*		2,823	-
31,265	92,411	Volunteer and employee related costs*	2.1	92,411	-
23,216	29,918	Costs related to providing goods or services*	2.2	72,921	43,004
-	-	Grants and donations made*		-	-
75,761	99,700	Other expenses	2.3	100,872	1,172
<b>133,561</b>	<b>224,852</b>	<b>Total Cash Expenses*</b>		<b>269,027</b>	<b>44,176</b>
<b>Non-cash expenses and extraordinary Items</b>					
13,599	11,722	Depreciation		12,303	581
107	1,145	Provision for Taxation		1,145	-
<b>147,267</b>	<b>237,719</b>	<b>Total Expenses</b>		<b>282,475</b>	<b>44,757</b>
<b>78,258</b>	<b>36,735</b>	<b>Surplus/(Deficit) for the Year*</b>		<b>39,998</b>	<b>3,263</b>

# The New Zealand Shareholders' Association Incorporated

## Statement of Financial Position

"What we own?" and "What we owe?"

For the year ended

31st March 2016

XRB Compliant			Note	XRB Consolidated	
National Office Only				Group Totals	
Last Year	This Year			Group	Branch
\$	\$			\$	\$
ASSETS					
Current Assets					
88,519	76,987	Bank accounts and cash*		148,111	71,124
5,517	39,935	Debtors and prepayments*		40,317	382
-	-	GST Receivable		-	3,256
899	672	Other current assets		672	-
94,935	117,594	Total Current Assets		189,100	74,762
Non-Current Assets					
45,356	66,571	Investments*	3	66,572	-
15,179	19,298	Property, plant and equipment*	4	20,652	1,354
		Other non-current assets			
60,535	85,869	Total Non-Current Assets		87,224	1,354
155,470	203,463	Total Assets*		276,324	76,116
LIABILITIES					
Current Liabilities					
24,959	28,122	Creditors and accrued expenses*		31,205	3,084
-	3,840	GST to be Paid		585	-
-	-	Other current liabilities		-	-
24,959	31,962	Total Current Liabilities		31,790	3,084
Non-Current Liabilities					
-	-	Other non-current liabilities		-	-
-	-	Total Non-Current liabilities		-	-
24,959	31,962	Total Liabilities*		31,790	3,084
130,511	171,501	Total Assets less Total Liabilities (Net Assets) *		244,534	73,032
Accumulated Members Funds					
-	-	Capital contributed by owners or members*		-	-
43,911	130,511	Accumulated surpluses or (deficits)*		200,281	69,769
78,258	36,735	Years Operating Surplus/Deficit		39,998	3,263
-	(8,342)	Less previous years Unrealised Share Investments		(8,342)	-
8,342	12,597	Shares at potential realisable value		12,597	-
130,511	171,501	Total Accumulated Members Funds*	5	244,534	73,032

# The New Zealand Shareholders' Association Incorporated

## Statement of Cash Flows

"How we have received and used cash"

For the year ended  
31st March 2016

XRB Compliant					XRB Consolidated	
National Office Only					Group Totals	
Last Year	This Year				Group	Branch
\$	\$				\$	\$
		<b>Cash Flows from Operating Activities*</b>				
		<b>Cash was received from:</b>				
46,815	6,284	Donations, fundraising and other similar receipts*			6,284	-
170,651	217,093	Fees, subscriptions and other receipts from members*			242,567	25,474
13,028	14,191	Receipts from providing goods or services*			38,494	24,303
3,262	6,091	Interest, dividends and other investment receipts*			7,465	1,374
-	-	Other Revenue			-	-
233,756	243,659	Cash Income			294,810	51,151
3,136	- 3,688	Net GST			- 4,307	- 619
236,892	239,971				290,503	50,532
		<b>Cash was applied to:</b>				
155,165	218,998	Payments to suppliers and employees*			263,292	44,294
-	-	Donations or grants paid*			-	-
<b>81,727</b>	<b>20,973</b>	<b>Net Cash Flows from Operating Activities*</b>			<b>27,211</b>	<b>6,238</b>
		<b>Cash flows from Investing and Financing Activities*</b>				
		<b>Cash was received from:</b>				
		Receipts from the sale of property, plant and equipment*			-	-
75	4,190	Receipts from the sale of investments*			4,190	-
		Proceeds from loans borrowed from other parties*			-	-
		Capital contributed from owners or members*			-	-
					-	-
		<b>Cash was applied to:</b>				
270	15,842	Payments to acquire property, plant and equipment*			16,893	1,051
15,204	20,853	Payments to purchase investments*			20,853	
-	-	Repayments of loans borrowed from other parties*			-	-
-	-	Capital repaid to owners or members*			-	-
<b>- 15,399</b>	<b>- 32,505</b>	<b>Net Cash Flows from Investing and Financing Activities*</b>			<b>- 33,556</b>	<b>- 1,051</b>
<b>66,328</b>	<b>- 11,532</b>	<b>Net Increase / (Decrease) in Cash*</b>			<b>- 6,345</b>	<b>5,187</b>
22,191	88,519	<b>Opening Cash*</b>			154,456	65,937
88,519	76,987	<b>Closing Cash*</b>			148,111	71,124
<b>66,328</b>	<b>- 11,532</b>				<b>- 6,345</b>	<b>5,187</b>
		<b>This is represented by:</b>				
<b>88,519</b>	<b>76,987</b>	Bank Accounts and Cash*			<b>148,111</b>	<b>71,124</b>

# The New Zealand Shareholders' Association Incorporated

## Statement of Accounting Policies

"How did we do our accounting?"

For the year ended  
31st March 2016

<b>Basis of Preparation*</b>								
	The New Zealand Shareholders' Association Incorporated (NZSA) has elected to voluntarily apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption the NZSA will continue to operate in the foreseeable future.							
<b>Goods and Services Tax (GST)</b>								
	All amounts are recorded exclusive of GST, except Accounts Receivable and Accounts Payable which are stated inclusive of GST.							
<b>Income Tax</b>								
	The New Zealand Shareholders' Association Incorporated is exempt from New Zealand Income Tax having fully complied with all statutory conditions for these exemptions. Where an activity is outside the Exempt Status the Tax is calculated and a provision is made in the Accounts for it.							
<b>Bank Accounts and Cash</b>								
	Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.							
<b>Investment (Share) Realisation.</b>								
	Shares in companies held by the Association are only for representation purposes and may not be realisable for the amounts stated in the accounts							
<b>Fixed Asset Realisation</b>								
	The Fixed Assets mainly consist of software and there a fundamental uncertainty over it realisable value							
<b>Changes in Accounting Policies*</b>								
	The Association has adopted PBE SFR-A (NFP) accounting standards in respect of the National Accounts for 2015 and incorporated the Branch accounts for the first time in 2016. This has sometimes necessitated the restating some of the year end 2015 comparative figures to allow a comparison between YE 2015 and YE 2016. Where this has resulted in a significant change a note has been added to these Accounts.							
<b>NZSA Financial Accounts Annual Review</b>								
	This role has been undertaken by M.A. O'Meara who was re-appointed at the 2015 Annual General Meeting. Members should note this is a Review and <b>NOT</b> an Audit. The Review Report, concerning the Financial Statements for the 2015/16 year, is attached as a part of the 2015/16 Annual Report.							



# The New Zealand Shareholders' Association Incorporated

## Notes on the Performance Report

For the year ended  
31st March 2016

### Note 1 : Analysis of Revenue

Last Year \$	This Year \$				This Year \$	This Year \$
National	National		Revenue Item	Analysis	Group	Branches
2,000	2,000	1.1	Donations and other similar revenue	PhD Scholarship	2,000	-
-	-			Functions held by Branches	18,426	18,426
34,660	4,284			Donations	4,284	-
36,660	6,284			<b>Total</b>	<b>24,710</b>	<b>18,426</b>
Last Year \$	This Year \$				This Year \$	This Year \$
National	National		Revenue Item	Analysis	Group	Branches
90,316	92,651	1.2	Fees, subscriptions and other revenue from members	Subscriptions	108,364	15,713
82,000	161,000			Corporate Membership	161,000	-
	(6,630)			Branch Subsidy	-	6,630
172,316	247,021			<b>Total</b>	<b>269,364</b>	<b>22,343</b>
Last Year \$	This Year \$				This Year \$	This Year \$
National	National		Revenue Item	Analysis	Group	Branches
-	1,158	1.3	Revenue from providing goods or services	Awards (Beacon)	1,158	-
11,183	11,007			AGM/Conference Revenue	11,007	-
1,845	2,026			Education Revenue	7,904	5,878
13,028	14,191			<b>Total</b>	<b>20,069</b>	<b>5,878</b>
Last Year \$	This Year \$				This Year \$	This Year \$
National	National		Revenue Item	Analysis	Group	Branches
1,483	3,209	1.4	Interest, dividends and other investment revenue	Bank Interest	4,582	1,373
2,524	3,840			Dividend	3,840	-
4	3			IRD Interest	3	-
(490)	(95)			Profit/(Loss) on sale of Shares	(95)	-
3,521	6,958			<b>Total</b>	<b>8,330</b>	<b>1,373</b>
<b>Revenue Note</b>			The National and Branch accounts include a self reconciling item for the National Subsidy paid to the Branches by National. This is intended to assist the Branches whilst they are becoming self sufficient and in 2016 amounted to \$6,632 (2015 \$5,565). Auckland Branch does not receive this subsidy.			

## Note 2 : Analysis of Expenses

Last Year	This Year				This Year	This Year
\$	\$				\$	\$
National	National	Expense Item	Analysis	Group	Branches	
7,923	5,093	2.1 Volunteer and employee related costs	Board Meeting	5,093	-	
2,468	21,795		Consulting staff	21,795	-	
-	37,500		Executive Chairman	37,500	-	
18,000	27,500		Secretary / Treasurer	27,500	-	
2,874	523		Other Costs	523	-	
31,265	92,411		<b>Total</b>	92,411	-	
				This Year	This Year	
				\$	\$	
		Expense Item	Analysis	Group	Branches	
19,576	24,815	2.2 Costs related to providing goods or services	AGM/Conference	25,312	496	
3,640	4,285		Education	13,402	9,118	
-	817		Functions	34,207	33,390	
23,216	29,917		<b>Total</b>	72,921	43,004	
				This Year	This Year	
				\$	\$	
		Expense Item	Analysis	Group	Branches	
11,428	16,191	2.3 Other expenses	Administration	17,363	1,172	
7,180	8,740		Advocacy	8,740	-	
4,230	7,140		Awards and Presentations	7,140	-	
7,185	13,960		Branch expenses	13,960	-	
12,993	14,408		Insurance	14,408	-	
982	2,731		Inter-Branch Conference	2,731	-	
2,583	2,527		Credit Card fees	2,527	-	
11,038	8,807		Newsletter and Member Communications	8,807	-	
7,028	7,571		Review Costs	7,571	-	
4,522	3,454		Repairs and Maintenance	3,454	-	
6,591	14,170		Web	14,170	-	
75,760	99,700		<b>Total</b>	100,872	1,172	
				This Year	This Year	
				\$	\$	
		Expense Item	Analysis	Group	Branches	
2,000	2,400	Administration	Accommodation	2,400	-	
-	-		Branch Administration	1,172	1,172	
1,501	1,579		Parking	1,579	-	
1,784	2,878		Postage	2,878	-	
1,928	3,454		Stationery and Printing	3,454	-	
-	395		Subscriptions	395	-	
4,216	5,463		Telephone	5,463	-	
(1)	22		Other	22	-	
11,428	16,191		<b>Total</b>	17,363	1,172	

### Note 3 : Analysis of Assets and Liabilities

Asset Item			
Investments - Shares			
The Association has invested in a number of New Zealand Shares for two reasons;			
- Advocacy. In these cases the Association has found it prudent to establish a minimum parcel size holding in a Listed Company for advocacy purposes. Having a shareholding ensures that an NZSA representative is able to attend shareholder meetings.			
- Investment. The Association has invested in a number of NZX listed companies as part of a diversified approach to managing the Association's investments.			
These investments will assist the Association to manage any contingencies that may arise, such as a campaign requiring significant funds or a downturn in Association income. The companies that the Association holds in its investment portfolio are as scheduled below. The Association is not recommending these Companies nor providing an endorsement of them. The details are provided solely for transparency.			
		This Year	Last Year
<b>Analysis</b>		# of shares	
Shares held for Advocacy		6,977	6,977
Shares held for Investment			
- Fletcher Building		-	500
- Hellaby		1,659	1,659
- Mercury Energy (previously Mighty River Power)		2,180	2,180
- Infratil		2,157	2,157
- Green Cross Health		4,228	4,168
- Michael Hill		4,050	4,050
- EBOS		510	510
- Arvida		6,020	-
- PGG Wrightson		11,900	-
- Scott Technology		3,520	-
- Evolve Education		5,000	-
The potential realisable value of these investments as at 31 March 2016 is		\$ 66,572	\$ 45,356
There is a fundamental uncertainty in respect of the Potential Realisable Value of these investments due to the uncertain nature of the share market			

## Note 4 : Property, Plant and Equipment

This Year							
	Opening Carrying Amount - National and Branch*	Purchases	Sales/Disposals	This Year Depreciation and Impairment*	Closing Carrying Amount*	Current Valuation*	Source and Date of Valuation*
<b>Asset Class*</b>							
Land*	-	-	-	-	-		
Buildings*	-	-	-	-	-		
Motor Vehicles*	-	-	-	-	-		
Furniture and fixtures*	-	-	-	-	-		
Office equipment*	611	-	-	293	318	318	Historic calculation
Computers (including software)*	-	1,630	-	457	1,173	1,173	Historic calculation
Web software	14,568	9,356	-	9,612	14,312	14,312	Historic calculation
Trade Mark (NZSA)	-	4,856	-	1,360	3,496	3,496	Historic calculation
Branch Equipment	884	1,050	-	581	1,353	1,353	Historic calculation
Machinery*	-	-	-	-	-		
Heritage assets	-	-	-	-	-		
<b>Total</b>	<b>16,063</b>	<b>16,892</b>	<b>-</b>	<b>12,303</b>	<b>20,652</b>		
<b>Last Year</b>							
<b>Asset Class*</b>	<b>Opening Carrying Amount*</b>	<b>Purchases</b>	<b>Sales/Disposals</b>	<b>This Year Depreciation and Impairment*</b>	<b>Closing Carrying Amount NATIONAL ONLY*</b>		
Land*	-	-	-	-	-		
Buildings*	-	-	-	-	-		
Motor Vehicles*	-	-	-	-	-		
Furniture and fixtures*	-	-	-	-	-		
Office equipment*	455	270	-	114	611		
Web (including software)*	28,053	-	-	13,485	14,568		
Machinery*	-	-	-	-	-		
Heritage assets	-	-	-	-	-		
<b>Total</b>	<b>28,508</b>	<b>270</b>	<b>-</b>	<b>13,599</b>	<b>15,179</b>		
<b>Significant Donated Assets Recorded - Source and Date of Valuation*</b>							
There are no Significant Donated Assets which are not recorded							
<b>Significant Donated Assets - Not Recorded*</b>							
There are no Significant Donated Assets which are not recorded							

## Note 5: Accumulated Funds

Refer to "Statement of Financial Position"

## Note 6 : Commitments and Contingencies

### 6.1 Commitments

There are no commitments as at balance date (Last Year - nil )

### 6.2 Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil )

Note 7: Other						
Note 7.1: Goods or Services Provided to the Association in Kind						
0800 Phone Line provided by Spark , amount not quantified.						
Note 8: Related Party Transactions						
Description of the Related Party Relationship and of the Transaction (whether in cash or amount in kind) *		Last Year	Last Year	Last Year	Last Year	
		\$	\$	\$	\$	
		Value of Transactions*	Value of Transactions*	Amount Outstanding*	Amount Outstanding*	
					Last Year	
Executive Chairman						
Chairman and acting CEO on Contract		37,500	-	-	-	
Secretary / Treasurer						
Paid by twelve monthly payments for Secretarial / Treasurer / Web design and Web Management / and miscellaneous other duties		27,500	18,000	-	-	
Office Premises and services rental						
Rental of an office and meeting rooms from a member of the Association.		2,400	2,000	-	-	
Note 9: Events after Balance Date						
There were no events that have occurred subsequent to the balance date that would have a material impact on the Performance Report. (Last Year Nil)						
Note 10: Ability to continue Operating						
There are no events known to the National Board of the NZSA which would prevent the NZSA trading after Balance Date						

## CHAIRMAN'S OVERVIEW 2015 – 2016

### Introduction.

The last year has been a time of considerable growth in the activities being regularly undertaken by NZSA. As I mentioned in my report last year, we have become the "go to" organisation and indeed more and more companies are seeking our views on matters ranging from director fees, capital raising process, board composition, appropriate governance, proxy/voting forms, meeting procedure, incentive schemes - the list goes on. While it is tremendous to be able to have retail investors concerns heard and frequently acted on, the success does mean that our resources are very stretched. It is inevitable that we will need to build capacity as workload expands well beyond what can be handled by three part time staff. Members should be indebted to the efforts of our Secretary/Treasurer Chris Curlett and my EA, Jacquie Spillane, without whom we could not function. The growth of our corporate membership which now numbers 16, means that we will be able to grow to match the demand. This also gives us a great sounding board via the Corporate Council meetings we have twice a year with these members. I also said last year that we wanted to work WITH people, but not work FOR them. Some issues are structural, or too big for any one organisation to tackle effectively on their own, and over the last year we have actively cooperated with IOD and SIA among others to advance a number of important matters. We also have regular scheduled meetings at the highest level with FMA and NZX which give us a direct channel that is not available to individuals.

A real highlight for NZSA was our nomination as a finalist in the Deloitte Top 200 Awards. This is the premiere industry event and to be in the "Excellence in Governance" category was an outstanding achievement. We did not win (NZ Super Fund did), but being in the top three in NZ is something the Association will take any time.

One area that members are seeing much more activity is in the provision of proxy voting intentions for many company meetings. We hope to involve willing members in this process and will kick off a programme to select and train them once the current reporting season is over.

It has been a source of great frustration that we have not yet had a resolution to the demerger tax issue. Despite both IOD and Government acknowledging that there is an issue that requires change, the reality is that the process remains stalled. In the meantime, we have had similar outcomes from the Diligent acquisition (which involved two mergers) and the NAB demerger of Clydesdale Bank and APN. For a government that claims to be business friendly, the lack of action is inexcusable.

The Association has once again been busy protecting retail shareholders interests via the submissions process on a whole raft of issues - about 12 in total. The key ones are the Review of NZX Governance rules, the Financial Advisors Act Review and Price sensitive Marking. I am pleased to say that in most cases the majority of our opinions

have prevailed - often supported by other participants input. For example, some of you will remember the survey we did about price sensitive marking more than a year ago. This has been crucial in changing the position that NZX had originally taken, which was to stop the practice. The outcome for investors will be no apparent change, although the responsibility is likely to devolve from NZX to the issuers.

We are also working hard to have company notices retained on NZX pretty much indefinitely - as happens on the ASX. Stage one is that they all now stay for 6 months, but by late this year NZX should have a long term archive where you can easily find what you need in one place. Both this and the price marking are great examples of "Many investors, one voice" in action.

The process of dealing with formal complaints continues to improve. We note that NZX is now likely to introduce a more comprehensive enquiry regime where it is unsatisfied with answers to price change enquiries. While this will necessarily be a confidential arrangement, it actions something that NZSA has been concerned about for a long time. A standard statement that "The company remains in compliance with its continuous disclosure obligations" has often been met with a degree of scorn in the market. The new process will enable NZX to dig beneath this bland veneer.

NZSA has again instituted several formal complaints to both FMA and NZX. While some complaints are upheld, others are not. Trial by media is simply not appropriate and could unfairly affect an individual, a company or indeed our own reputation. Obviously where there are real problems, we expect these to be publicised once the investigation is completed.

Both the Commerce Commission and the Overseas Investment Office have been on our radar this year. Endless rounds of submissions, numerous extensions of deadlines, several years of argument and weird interpretations of the law that defy common sense are just not good enough. Regulatory uncertainty is a major disincentive to boards and investors but there seems little political will to address this situation.

Although dilutionary placements and SPP schemes are still being used, the larger companies are now heeding our call to treat shareholders more equitably. We will continue to pressure on this. Notably, we made a joint approach with the ASA to ANZ bank in Australia and were given a very fair hearing by the ANZ Chairman. This is a logical extension to the other member benefits that you can freely enjoy by subscribing to the ASA as an NZSA member. In particular, their excellent Equity magazine is always a great read.

During the year we had considerable success in highlighting a number of specific deficiencies within some companies. The absurdly generous incentive scheme at Kathmandu, the hopelessly inadequate disclosure around the proposed director fees increases at Sky TV and the disastrous consequences of decisions by Wynyard's board and management are three notable examples. Since year end, members will be aware that we have decided that problems at Rakon must be addressed. Investors own all these companies and when your voting power is able to be harnessed, you really can call the shots. There remain a few other companies that have yet to recognise that!

**The NZSA board.**

During the year, Lyn Lim stood down from the board. Lyn's deep knowledge of commercial law and her ability to cut through the layers and get to the heart of the matter were greatly valued. Fortunately we have been able to welcome Daniel Wong to the board. Daniel is an Auckland based commercial lawyer who has fitted in seamlessly. We will be asking members to ratify his appointment at the AGM.

This year a number of directors retire by rotation. Andrew Reding, Grant Diggle, Max Smith and Martin Watson are all offering themselves for re-election. Your Association is extremely fortunate to have people of this calibre working on your behalf.

### **Branches**

As I say every year, the branches of course are the backbone of this organisation. The wide range of activities they organise to suit individual branch preferences is a real strength for the organisation.

Of note is the growth of our newest branch - Taranaki We started this in late 2015 and membership there is now sitting at just on 50 members.

Every member and the board are indebted to the work the six local committees put in to make these activities a reality.

### **Membership**

Membership as always remains well below where it should be. While I take comfort that on a population basis we have passed our Australian sister organisation, the ASA, it remains frustrating that huge numbers of investors free load off the efforts of our dedicated team and membership.

The feedback we receive from members remains very positive and the survey we conducted earlier in the year shows that satisfaction remains at a level that most organisations can only dream about.

I have asked before but feel it needs repeating. Our existing members can be our best sales people. Engage with your friends and acquaintances who hold shares and encourage them to join. You can be rightly proud and enthusiastic about what your Association offers. Give a membership to a child or grandchild as a valued Christmas or birthday gift.

### **Finance and Administration**

Our financial situation is extremely sound. We now have sixteen corporate members and as a result have been able to build a reserve of funds. I mentioned last year that among other things, this would enable us to carry out mass communication to all shareholders in a company should the need arise and at the time of writing we are in the process of doing that in regard to Rakon. The board has put in place clear protocols around the amount targeted for reserves and the way these may be invested.

As noted last year, the Association has voluntarily undertaken our annual review in line with new audit requirements, even though we remain below the threshold for this. We have also been required to consolidate branch accounts into the national organisation and have appreciated the willing assistance each committee Treasurer has provided. This



move does not impact on the ability of branches to run their own affairs. We have decided to continue with the review process this year while the new requirements are bedded down. As previously signalled, we will consider whether we go to a full audit later in the current financial year.

New Health and Safety rules another imposition that has required some extra administration. While we want to be as light handed as we can, the fact is that we have no choice when it comes to compliance.

For the sixth year in a row, NZX has committed to partnering with us and provided significant assistance toward the staging of our annual investor conference. We are indebted to them for helping make the event the huge success it has become.

#### **Other Selected Activity this year**

1. As mentioned above, our notification to members via email has greatly increased this year and also extended to discussion papers around three IPO's. Members who do not have email do not get the full benefits available. In this day and age, every investor should get with the available technology.
2. Company advocacy continues. We have dozens of approaches including from many mid size companies who are concerned to do the right thing for their retail shareholders. This is an encouraging development, as just a few years ago, most companies were not pro-active in this area.
3. The member survey earlier in the year has provided us with very useful feedback. We appreciate members taking the time to do these and will continue to utilise them to gain broad feedback when necessary. We have also been well supported by members in providing focus groups to MBIE. This feedback is something they find very helpful.
4. This year, two branches (BoP and Canterbury) ran Money week programmes. A lot of work to organise. Well done by both.
5. The Annual Investor Conference in Hamilton was a brilliant success - thank you Waikato. This year in Auckland promises to be just as good with the Association able to attract another stellar line-up of speakers.
6. The Association has been involved in the introduction of virtual AGM technology. There is no doubt that this will increase, but we remain of a view that the most likely long term outcome will be hybrid meetings - both physical and virtual.
7. We have continued with an annual inter branch meeting as well as rotating attendance by branches at board meetings. It is important that your board remains grounded and responsive to your concerns.
8. On the proxy front, we attended around 80 AGM's last year and many of our representatives had the benefit of detailed voting instructions and a range of possible questions. Thank you to everyone who gives their time, and to Jacque Hagberg who coordinates your attendance.
9. We remain very concerned at the poor state of business reporting in New Zealand. To try and stimulate activity and lift standards we will be introducing a "Business

story of the Year Award" that will be presented at the annual Beacon Award Dinner.

### **Future Directors and Board Diversity**

Recently the NZ Government formally committed to supporting the initiative by undertaking to appoint "future directors" to a range of more commercially oriented government boards. This is a tremendous endorsement and earlier doubts and resistance to the concept are rapidly melting away. Associate director Des Hunt deserves considerable accolades for the vision and persistence that he has demonstrated in making this programme a success. The efforts of IOD who administer the programme, Michael Stiassny and Sir Stephen Tindall are also acknowledged.

We continue to encourage greater diversity in the boardroom. NZSA policy on this topic extends far beyond just gender diversity. It remains very disappointing that the number of women, younger people, different ethnicities and those with backgrounds that are not biased to law or finance remain badly under represented.

### **Awards**

For 2015, we gave the Beacon Award Tony Carter, Chair Fisher and Paykel Healthcare and Air New Zealand. Tony is widely considered to be at the very pinnacle of his career as a director and chairman. It is notable that both Tony and the previous Beacon holder Joan Withers have been recognised through also winning the Deloitte Top 200 Chairman of the Year award. So not only are they recognised as great leaders by investors, but also their peers.

### **Research Scholarships.**

Our PhD scholar, Jeremy worked very hard over many months to produce a simple and easy to understand two page remuneration report. This is currently with a range of organisations for beta testing. We note that regulators are becoming more interested in this area and hope that we can get traction on having reporting based on Jeremy's format adopted. The alternative could be long winded, difficult to understand Australian style reports being imposed. That will not help retail investors one iota - in fact, we think it will allow far more verbiage with which to hide the truth.

### **Education.**

Both Bay of Plenty and Canterbury ran Money Week programmes during the year. Problems remain a problem with poor coordination of efforts across the country. It is very expensive to advertise events widely and this are areas where the Commission for Financial Capability absolutely has to step up.

We have also had a committee of members looking at how we can deliver education via the internet. It is inevitable that we will need to go down this path, but the complexities of organising a reasonably comprehensive self learning experience and actually producing it cannot be over estimated. It is taking longer than we hoped, but when we do move, there will be considerable expense, and so we must be sure that we get it right.

In Auckland our face to face "Investing" and "Sharemarket basics" courses remain popular with waiting lists for most classes.

## **Thanks**

I am extremely grateful to have such a strong board to support me. As well as Lyn Lim for most of the last financial year, Andrew Reding, Chris Curlett, Gayatri Jaduram, Grant Diggle, Martin Watson, Max Smith and Daniel Wong have all been involved in a wide range of the activities noted and many more as well. Associate directors Des Hunt and Jacquie Hagberg have continued to give us the benefit of their experience.

I want to particularly single out associate director Alan Best who is best known as editor of our tremendous Scrip magazine. With the skilled assistance of Bruce Parkes who does all the layout this is a publication that continues to go from strength to strength.

NZSA is a team effort - and we have a great team!

## **Conference**

Once again we have been able to put together a tremendous line up of speakers for the 2016 Conference. When I started with Auckland branch it was often a question of who can we ask that might be prepared to speak. This year we have had presenters undertake major re-arrangements of their schedule so that they could take up the opportunity. What a difference.

## **Summary**

In summary, the Association's motto still says it all for me - Many investors, one voice. For a modest organisation run on a shoestring, we really do offer a great deal. Tell your friends what they are missing out on. Encourage them to come on the journey and enrich their investing experience.

John Hawkins  
National Chairman.

## ELECTION OF BOARD MEMBERS

**Four board members have retired by rotation and seek re-election. The following synopses have been supplied.**

---

### **Grant Diggle:**

Grant joined the NZSA board in 2009 bringing a strong background in governance, finance, sales and marketing and general management.



He has worked in the commercial sector in mineral mining and manufacturing and also in the motor industry having held senior executive roles at Honda New Zealand Ltd.

Gant was Chief Executive of Chartered Secretaries New Zealand, a Division of ICSA International for eight years and is a former President of the New Zealand Division.

His recent work has been in the voluntary sector with senior governance and management roles at The Blind Foundation and the Parkinsons Society.

He is currently National Manager of The Motor Neurone Disease Association.

Grant is a Fellow member of Governance New Zealand and a Fellow member of the Institute of Chartered Secretaries. He is also a Director of the British New Zealand Business Association.

### **Andrew Reding:**



Andrew Reding was born in the UK and held a succession of senior roles in Europe before relocating to New Zealand in 1994.

Andrew joined Fletcher Challenge in 1995, becoming Managing Director of Fletcher Wood Panels in 1997, then Chief Executive of the Building Products and Steel Group on the float of Fletcher Building in 2001. He joined the Rank Group in 2006, where he was involved in the acquisition and management of the Evergreen Packaging businesses in the USA, as well as managing the Carter Holt Harvey Pulp, Paper and Packaging assets in New Zealand.

Andrew now does a variety of activities, including being the Chair of the BIM Acceleration Committee; a Director of the New Zealand Shareholders' Association and

Chair of its Auckland Branch; and a member of the Advisory Boards of Dempsey Wood Civil Ltd as well as Avertana Ltd.

He holds an MA from Oxford and an MBA (cum Laude) from Cranfield School of Management.

### **Max Smith:**



A founder member of the Canterbury branch of the NZ Shareholders Association and an active committee member for all but one of the branches thirteen years.

His career started in the agricultural servicing area with Wright Stephenson & Co Ltd and in 1969 progressed into industrial chemicals and plastics with ICI NZ Ltd. Twelve years followed with BP Chemicals Ltd, the last three as South Island manager before the withdrawal of BP Chemicals from New Zealand in 1987. This withdrawal provided the opportunity to take over the South Island operation in the form of a private company and continue the business under the name of Wilsons Chemicals Ltd. The expansion of the company throughout New Zealand came as the result of acquiring and developing overseas agencies and sources.

His skills in marketing saw the manufacturing side of Wilsons Chemicals develop and establish the White Heron brand as a respected name in food, fish and meat processing industries.

As a major shareholder and director responsible for industrial chemicals and plastics at Wilsons Chemicals he contributed to the expansion of the company from a small local concern to a nationwide operation with bases in Auckland, Wellington and Christchurch. In 2003 the company was sold to a major British concern with substantial interests in Australia.

The nineteen years spent at Wilsons Chemicals Ltd provided valuable experience and first-hand knowledge of small to medium sized business management.

In his early years in marketing he was involved in Toastmasters International where he acquired public speaking skills and became an active committee member in the local chapter. In 1974 he was second in the national competitions for speech evaluation and third in the speech competition.

Since being elected to the board of the NZSA Max has been active in promoting the association in the South Island with the objective of increasing its profile and brand recognition. He is also an active proxy representative

**Martin Watson:**

Martin Watson was elected to the NZ Shareholders Association board in 2013.

Martin has a background in agricultural science and agribusiness. He was formerly employed with Dow AgroSciences, for 17 years, in a range of research, commercial and strategic management roles in New Zealand and Australia.



Martin started investing in equities in the 1980s and has been actively involved in company analysis and investment ever since. In 2000 Martin took the leap from corporate life to become a full time investor. Subsequent to this he established MJW Funds Management Ltd, a boutique financial service provider, building portfolios for separately managed accounts, focussed on listed investments in New Zealand and Australia.

Martin is actively involved in a range of community activities and is a past chair of a number of environmental planning and sporting groups.

The Watson family live on a small rural holding near Cambridge. Martin has been activities coordinator for Waikato Branch NZ Shareholders Association since 2010.

**One person has offered themselves as a New Board Member and supplied the following synopsises.**

---

**Daniel Wong:**

Daniel was co-opted onto the NZSA board in December 2015 and is seeking election to the NZSA board in 2016.



Daniel has practised as a private practice corporate lawyer for many years – the bulk of which has been spent in one of the world's leading international law firms (Freshfields Bruckhaus Deringer LLP) and one of New Zealand's leading law firms (Bell Gully). He has recently co-founded Flacks & Wong, a specialist corporate law firm – which is independently

recommended for “Corporate and M&A” in The Legal 500 Asia Pacific (a respected global legal directory).

As a corporate lawyer, Daniel regularly advises listed companies, shareholders, directors and investment banks on corporate governance matters and transactions involving listed companies (including initial public offerings, other capital raisings and public takeovers). Daniel also advises on financial markets and corporate law and regulation.

Daniel’s governance experience in the not-for-profit sector includes being a:

- director of the New Zealand Symphony Orchestra;
- trustee of the board of the New Zealand Symphony Orchestra Foundation; and
- trustee of the board of Kohia Terrace School (a decile 9, full-primary in Epsom, Auckland).

Daniel is a member of the Institute of Directors in New Zealand and has a First Class Honours degree in law and a Bachelor of Commerce and Administration (with double majors in Finance and Management), each from the Victoria University of Wellington.

## PROXY FORM

The Secretary  
New Zealand Shareholders' Association Inc.  
C/- 40 Tidey Road  
Mt Wellington  
Auckland. 1072  
**NEW ZEALAND**

**OR FAX TO +64-9-3095260**

**NOTE TO BE A VALID PROXY IT MUST BE RECEIVED BY THE ASSOCIATION AT  
THE ABOVE ADDRESS NO LATER THAN 48 HOURS PRIOR TO THE MEETING  
(R20.11)**

I/We \_\_\_\_\_ of \_\_\_\_\_  
(Please print your name)

being a member of the New Zealand Shareholders' Association Incorporated hereby

appoint \_\_\_\_\_ of \_\_\_\_\_  
(Please print the Proxy Holder name)

or failing them \_\_\_\_\_ of \_\_\_\_\_  
(Please print the alternative Proxy Holder name)

as my proxy to vote for me on my behalf at the Annual General Meeting of the  
Association to be held on the 3rd of September 2016 and at any adjournment thereof.  
My Proxy Holder is instructed to vote as follows

**For.    Against.    Proxy Holder    Abstain.  
                         discretion.**

A	Appointment of Board members				
	Grant Diggle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Andrew Reding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Max Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Martin Watson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Daniel Wong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B	Adoption of the Annual Report Including Chairman's Report and Annual Accounts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C	Re-appointment of M.A. O'Meara as Accounts Reviewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed by the member of the Association \_\_\_\_\_

Please **PRINT** your name here \_\_\_\_\_

Member Number \_\_\_\_\_ (Failure to supply your  
member number may not render this Proxy invalid provided your membership can be  
validated at the time of counting Proxies)