



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 2017

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

1. Apologies
2. Approval of the previous Annual General Meeting minutes.
3. Chairman's Report.
4. Presentation and adoption of the Annual Report incorporating the Chairman's Report, Performance Reports, Accounts Review and Notes.
5. Re-appointment of M.A. O'Meara (Chartered Accountant) as Performance Report Reviewer for the year ended 2018
6. General Business.

PREVIOUS MEETING MINUTES

Minutes of the Annual General meeting of the New Zealand Shareholders' Association held on 3rd September 2016, North Stand, Reimers Ave, Eden Park, Auckland.

Attendance: John Hawkins, Chairman, Chris Curlett, Max Smith, Des Hunt, Daniel Wong, Grant Diggle, Martin Watson, Andrew Reding, Gayatri Jaduram and 115 Members, partners/spouses and guests

John Hawkins declares AGM open at 11:48 am

John Hawkins declares AGM Open and welcomed attendees. The meeting was asked if non-members could stay. There was no objection raised.

Apologies: Twelve apologies were received. Proposed and seconded apologies be adopted. **Passed unanimously.**

Voting Procedure: Hawkins explained the voting procedure and system to be used. A show of hands was fair as only one proxy had been received and this was in the Chairs favour. Proposed and seconded that this process be adopted for the meeting. **Passed unanimously.**

Previous Minutes: Proposed and seconded these be adopted. **Passed unanimously.**

Chairman's Report

Hawkins started by saying that this is his 6th Time as Chairman of the New Zealand Shareholders Association (NZSA). There has been growth in both membership numbers and attendance at events. Today's Investor Conference/AGM is the biggest attended event in its history with 320 registered. He thanked the NZX for their continuing support of this event.

Hawkins referred the meeting to the previously circulated Annual Report and specifically the Chairman's Overview and the Annual Accounts, Accounts Review and notes contained therein that Chris Curlett would speak on in more detail.

He then detailed progress on several major issues.

BHP Demerger Taxation Issue

Rakon

NZX Price Sensitive Marking

Wynyard/Veritas

NZSA announces an award for 'Best Business or Financial Story of the Year'

Hawkins covered some priorities for the coming year, and thanked the National Board of Directors, all NZSA Branches, in particular Branch Committees, Bruce Parkes for photography and to all members of NZSA for their continued support and positive feedback.

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

Passed unanimously.

Election of Board Members

Hawkins introduced the five Directors who offered themselves for the Election of Board Members. Each spoke of what they brought to the role and their vision going forward

It was proposed and seconded Daniel Wong be elected to the Board of the Association.

Passed by acclimation.

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

Passed by acclimation.

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

Passed by acclimation.

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

Passed by acclimation.

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

Passed by acclimation.

Annual Review of Accounts

It was proposed O'Meara be appointed to undertake a Financial Review of the YE 2017 accounts on behalf of Members with this able to be upgraded to a full audit if the NZSA Board decided this was appropriate.

Passed unanimously.

Lifetime Membership Awarded to Oliver Saint

NZSA awarded a 'Lifetime Membership' to Oliver Saint in recognition and appreciation of his service and commitment to the NZSA. Oliver then spoke to the meeting.

Questions from Members:

The question was asked "Is Corporate Membership the bulk of revenue?".

Curlett answered the question by reply of "as of today the Corporate Membership is 161K of Revenue generated against Member income of \$93K".

John Hawkins declared the meeting closed at 12:25pm

Signed as a true and correct record on _____ 2017

Chairman

Secretary/Treasurer

PERFORMANCE REPORTS, REVIEW AND NOTES.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Information

For the Financial Year Ended

31 March 2017

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
- Andrew Reding
- Max Smith
- Martin Watson
- Daniel Wong

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.

Branches may also receive Membership Fees and a Branch Subsidy to assist them during the early stages of their development. Additionally Branches receive funds from their own Functions and Activities.

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 a small and hard working staff within the National Office made up of the Secretary / Treasurer and two Employees filling the roles of Chief Executive and Executive Assistant.

Contact details

| | |
|-------------------|--|
| Physical Address: | West Plaza Building Customs Street. Auckland City. |
| Postal Address: | c/- PO Box 2494 Shortland Street Auckland 1010 |
| Phone/Fax: | 0800-697-27478 |
| Website: | www.nzshareholders.co.nz |

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Review Report

For the Financial Year Ended

31 March 2017



INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Members of New Zealand Shareholders' Association Inc.

Chartered Accountants

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 Shareholders' Association Inc. on pages 6 to 20, 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 2017, the statement of financial position as at 31 March 2017, 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:

- a) 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;
- b) 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
- c) 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 Shareholders' Association Inc.

Conclusion

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

- a) The reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- b) the performance report on pages 6 to 20, 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 Shareholders' Association Inc. as at 31 March 2017, 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 that reads "M A O'Meara".

7 August 2017
M A O'Meara
Chartered Accountant

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Service Performance

For the Financial Year Ended

31 March 2017

Over the Financial Year ended 2017 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
- Establish a National office and staff it with the constraint of the Associations cash flow

Description of the Associations Outcomes

- To achieve a stronger and more vibrant Equities Market in New Zealand by increasing investors confidence in the market.
- Increased active involvement in the Market by the Investor's
- Understanding the risks and rewards available to Investors.
- For the Investor to act as the Business Owner and to look at the Companies they have invested in to better appreciate the complex activities of the Companies.
- To encourage good governance within the Companies and to ensure the Monitoring and Regulatory activities function well to grow the Market and instil confidence in it.

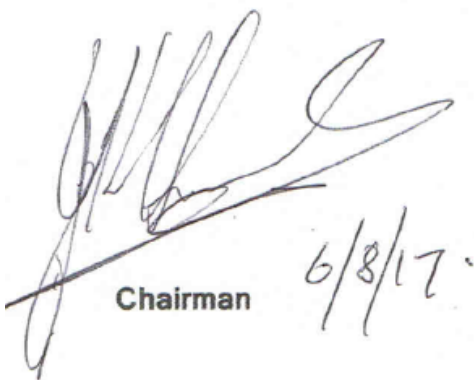
Description and Quantification (to the extent practicable) of the Associations

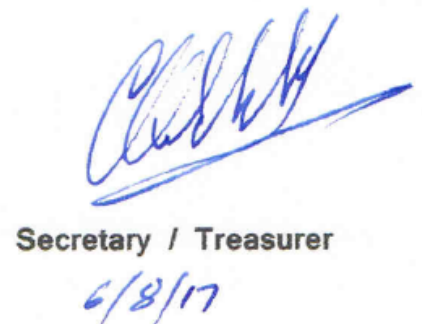
Outputs:

| | Actual | |
|---|-----------|-----------|
| | This Year | Last Year |
| Branch Meetings Held | 46 | 40 |
| Speakers and Presentations to Members | 59 | 46 |
| Visits to Companies | 6 | 6 |
| Other Activities | 6 | 5 |
| New Branches established | - | 1 |
| Meeting Groups supported by the National office | 1 | - |

The Board herewith approve the Financial Report for the year ended 31 March 2017 as presented on Pages 6 to 20 inclusive.

For and on behalf of the Board;


Chairman
6/8/17


Secretary / Treasurer
6/8/17

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Financial Performance

For the Financial Year Ended
31 March 2017

| Actual Last Year* | | | Details | Note | Actual this year* | | |
|--|----------------|----------------|---|------|-------------------|----------------|---------------|
| Branch | National | Group | | | Group | National | Branch |
| \$ | \$ | \$ | | | \$ | \$ | \$ |
| Revenue | | | | | | | |
| - | 6,284 | 6,284 | Donations, fundraising and other similar revenue* | 1.1 | 6,737 | 5,737 | 1,000 |
| 22,343 | 247,021 | 269,364 | Fees, subscriptions and other revenue from member | 1.2 | 325,964 | 300,261 | 25,703 |
| 24,304 | 14,191 | 38,495 | Revenue from providing goods or services* | 1.3 | 41,614 | 17,020 | 24,594 |
| 1,372 | 6,958 | 8,330 | Interest, dividends and other investment revenue* | 1.4 | 8,020 | 7,054 | 966 |
| - | - | - | Other revenue | | 66 | 24 | 42 |
| 48,019 | 274,454 | 322,473 | Total Revenue* | | 382,402 | 330,096 | 52,306 |
| Expenses | | | | | | | |
| - | 2,823 | 2,823 | Expenses related to public fundraising* | | 6,567 | 6,567 | - |
| - | 92,411 | 92,411 | Volunteer and employee related costs* | 2.1 | 121,264 | 121,264 | - |
| 43,004 | 29,918 | 72,921 | Costs related to providing Goods or Services* | 2.2 | 81,426 | 35,608 | 45,818 |
| - | - | - | Grants and donations made* | | - | - | - |
| 1,172 | 99,700 | 100,872 | Other expenses | 2.3 | 106,861 | 105,650 | 1,211 |
| 44,176 | 224,852 | 269,027 | Total Expenses* | | 316,118 | 269,089 | 47,029 |
| Non-cash expenses and extraordinary Items | | | | | | | |
| 581 | 11,722 | 12,303 | Depreciation | | 8,155 | 7,558 | 597 |
| - | 1,145 | 1,145 | Provision for Taxation | | 10 | 10 | - |
| 44,757 | 237,719 | 282,475 | Total Expenses | | 324,283 | 276,657 | 47,626 |
| 3,262 | 36,735 | 39,998 | Surplus/(Deficit) for the Year* | | 58,118 | 53,439 | 4,679 |

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Financial Position

For the Financial Year Ended
31 March 2017

| Actual Last Year* | | | Details | Note | Actual this year* | | |
|----------------------------|----------------|----------------|--|------|-------------------|----------------|---------------|
| Branch | National | Group | | | Group | National | Branch |
| \$ | \$ | \$ | | | \$ | \$ | \$ |
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| 71,124 | 76,987 | 148,111 | Bank accounts and cash* | | 235,836 | 156,980 | 78,856 |
| 382 | 39,935 | 40,317 | Debtors and prepayments* | | 38,018 | 38,018 | - |
| 3,256 | - | - | GST Recoverable | | 3,405 | - | 3,405 |
| - | 672 | 672 | Other current assets | | 1,648 | 1,648 | - |
| 74,762 | 117,594 | 189,100 | Total Current Assets | | 278,907 | 196,646 | 82,261 |
| Non-Current Assets | | | | | | | |
| - | 66,572 | 66,572 | Investments* | 3 | 65,095 | 65,095 | - |
| 1,354 | 19,298 | 20,652 | Property, plant and equipment* | 4 | 28,792 | 26,508 | 2,284 |
| - | - | - | Other non-current assets | | - | - | - |
| 1,354 | 85,870 | 87,224 | Total Non-Current Assets | | 93,887 | 91,603 | 2,284 |
| 76,116 | 203,464 | 276,324 | Total Assets* | | 372,794 | 288,249 | 84,545 |
| LIABILITIES | | | | | | | |
| Current Liabilities | | | | | | | |
| 3,084 | 28,122 | 31,205 | Creditors and accrued expenses* | | 53,893 | 47,059 | 6,834 |
| - | 3,840 | 585 | GST to be paid | | 6,547 | 6,547 | - |
| - | - | - | Employee costs payable* | | 1,384 | 1,384 | - |
| 3,084 | 31,962 | 31,790 | Total Current Liabilities | | 61,824 | 54,990 | 6,834 |
| 3,084 | 31,962 | 31,790 | Total Liabilities* | | 61,824 | 54,990 | 6,834 |
| 73,032 | 171,501 | 244,534 | Total Assets less Total Liabilities (Net Assets)* | | 310,970 | 233,259 | 77,711 |
| 73,032 | 171,501 | 244,534 | Accumulated Members Funds | 4 | 310,970 | 233,259 | 77,711 |

NOTE; This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Cash Flows

For the Year Ended
31 March 2017

| Actual Last Year* | | | Details | Note | Actual this year* | | |
|-------------------|-----------------|-----------------|--|----------------|-------------------|----------------|--------|
| Branch | National | Group | | | Group | National | Branch |
| \$ | \$ | \$ | | | \$ | \$ | \$ |
| | | | Cash Flows from Operating Activities* | | | | |
| | | | Cash was received from: | | | | |
| - | 6,284 | 6,284 | Donations, fundraising and other similar receipts* | 6,737 | 5,737 | 1,000 | |
| 19,168 | 223,399 | 242,567 | Fees, subscriptions and other receipts from members* | 333,604 | 310,916 | 22,688 | |
| 6,306 | - 6,306 | - | NZSA Subsidy paid to Branches | - | - 6,568 | 6,568 | |
| 24,303 | 14,191 | 38,494 | Receipts from providing goods or services* | 42,546 | 15,327 | 27,219 | |
| 1,374 | 6,091 | 7,465 | Interest, dividends and other investment receipts* | 8,294 | 7,328 | 966 | |
| - | - | - | Other Revenue | 238 | 238 | - | |
| 51,151 | 243,659 | 294,810 | Cash Income | 391,419 | 332,978 | 58,441 | |
| - 619 | - 3,688 | - 4,307 | Net GST | - 11,908 | - 10,374 | - 1,534 | |
| 50,532 | 239,971 | 290,503 | | 379,511 | 322,604 | 56,907 | |
| | | | Cash was applied to: | | | | |
| 44,294 | 218,998 | 263,292 | Payments to suppliers and employees* | 286,589 | 238,941 | 47,648 | |
| - | - | - | Donations or grants paid* | - | - | - | |
| 6,238 | 20,973 | 27,211 | Net Cash Flows from Operating Activities* | 92,922 | 83,663 | 9,259 | |
| | | | Cash flows from Investing and Financing Activities* | | | | |
| | | | Cash was received from: | | | | |
| - | - | - | Receipts from the sale of property, plant and equipment* | - | - | - | |
| - | 4,190 | 4,190 | Receipts from the sale of investments* | 11,096 | 11,096 | - | |
| - | - | - | Proceeds from loans borrowed from other parties* | - | - | - | |
| - | - | - | Capital contributed from owners or members* | - | - | - | |
| | | | Cash was applied to: | | | | |
| 1,051 | 15,842 | 16,893 | Payments to acquire property, plant and equipment* | 16,293 | 14,766 | 1,527 | |
| - | 20,853 | 20,853 | Payments to purchase investments* | - | - | - | |
| - | - | - | Repayments of loans borrowed from other parties* | - | - | - | |
| - | - | - | Capital repaid to owners or members* | - | - | - | |
| - 1,051 | - 32,505 | - 33,556 | Net Cash Flows from Investing and Financing Activities* | - 5,197 | - 3,670 | - 1,527 | |
| 5,187 | - 11,532 | - 6,345 | Net Increase / (Decrease) in Cash* | 87,725 | 79,993 | 7,732 | |
| 65,937 | 88,519 | 154,456 | Opening Cash* | 148,111 | 76,987 | 71,124 | |
| 71,124 | 76,987 | 148,111 | Closing Cash* | 235,836 | 156,980 | 78,856 | |
| 5,187 | - 11,532 | - 6,345 | | 87,725 | 79,993 | 7,732 | |
| | | | This is represented by: | | | | |
| 71,124 | 76,987 | 148,111 | Bank Accounts and Cash* | 235,836 | 156,980 | 78,856 | |

NOTE; This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Statement of Accounting Policies

For the Financial Year Ended

31 March 2017

Basis of Preparation*

The New Zealand Shareholders' Association Incorporated (NZSA) has elected to apply PBR 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.

Goods and Services Tax (GST)*

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

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.

Bank Accounts and Cash

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.

Investment (Share) Realisation

Shares in listed companies held by the New Zealand Shareholders' Association Incorporated are only for representation purposes and may not be realisable for the amounts stated in the accounts.

Property, Plant and Equipment

The Property, Plant and Equipment (PPE) mainly consist of software and there is a fundamental uncertainty over its realisable value.

The PPE is measured at Cost less accumulated Depreciation. Depreciation is charged at a rate of 30% DV.

Changes in Accounting Policies*

Solely for comparative purposes some of the year end 2016 figures have been consolidated or re-categorised to improve the readability of the Financial Statements.

NZSA Financial Accounts Annual Review costs

This role has been undertaken by M.A. O'Meara who was re-appointed at the 2016 Annual General Meeting. Members should note this is a Review and **not** an Audit. The Independent Review Report, concerning the Financial Performance for the 2016/17 year, are attached as part of the 2016/17 Annual Report.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2017

Note 1 : Analysis of Revenue

| Actual Last Year* | | | NOTE | Revenue Item | Analysis | Actual this year* | | |
|-------------------|----------|-------|------|-------------------------------------|------------------------------|-------------------|----------|--------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| - | 2000 | 2,000 | 1.1 | Donations and other similar revenue | PhD Scholarship Donations | 2,000 | 2,000 | - |
| - | 4284 | 4,284 | | | | 4,737 | 3,737 | 1,000 |
| - | 6,284 | 6,284 | | Total | | 6,737 | 5,737 | 1,000 |

| Actual Last Year* | | | NOTE | Revenue Item | Analysis | Actual this year* | | |
|-------------------|----------|---------|------|--|---|-------------------|----------|--------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| 15,713 | 92,651 | 108,364 | 1.2 | Fees, subscriptions and other revenue from members | Subscriptions Corporate Membership Branch Subsidy | 114,964 | 95,829 | 19,135 |
| - | 161,000 | 161,000 | | | | 211,000 | 211,000 | - |
| 6,630 | 6,630 | - | | | | - | 6,568 | 6,568 |
| 22,343 | 247,021 | 269,364 | | Total | | 325,964 | 300,261 | 25,703 |

| Actual Last Year* | | | NOTE | Revenue Item | Analysis | Actual this year* | | |
|-------------------|----------|--------|------|--|---|-------------------|----------|--------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| - | 1,158 | 1,158 | 1.3 | Revenue from providing Goods or Services | Awards AGM/Conference Revenue Education Revenue Functions held by Branches | 1,619 | 1,619 | - |
| - | 11,007 | 11,007 | | | | 13,401 | 13,401 | - |
| 5,878 | 2,026 | 7,904 | | | | 2,000 | 2,000 | - |
| 18,426 | - | 18,426 | | | | 24,594 | - | 24,594 |
| 24,304 | 14,191 | 38,495 | | Total | | 41,614 | 17,020 | 24,594 |

| Actual Last Year* | | | NOTE | Revenue Item | Analysis | Actual this year* | | |
|-------------------|----------|-------|------|--|--|-------------------|----------|--------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| 1,372 | 3,209 | 4,581 | 1.4 | Interest, dividends and other investment revenue | Bank Interest Dividend IRD Interest Profit/(Loss) on sale of Shares | 3,565 | 2,599 | 966 |
| - | 3,840 | 3,840 | | | | 3,889 | 3,889 | - |
| - | 3 | 3 | | | | - | - | - |
| - | 95 | 95 | | | | 566 | 566 | - |
| 1,372 | 6,958 | 8,330 | | Total | | 8,020 | 7,054 | 966 |

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2017

Note 2 : Analysis of Expenses

| Actual Last Year* | | | NOTE | Expense Item | Analysis | Actual this year* | | |
|-------------------|----------|--------|------|--------------------------------------|-------------------------|-------------------|----------------|----------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| - | 5,093 | 5,093 | 2.1 | Volunteer and employee related costs | Board Meeting | 4,925 | 4,925 | - |
| - | 21,795 | 21,795 | | | Consulting staff | 41,284 | 41,284 | - |
| - | 37,500 | 37,500 | 7 | | Executive Chairman | 37,500 | 37,500 | - |
| - | 27,500 | 27,500 | 7 | | Secretary / Treasurer | 27,500 | 27,500 | - |
| - | - | - | 7 | | Chief Executive Officer | 9,250 | 9,250 | - |
| - | 523 | 523 | | | Other Costs | 805 | 805 | - |
| - | 92,411 | 92,411 | | | Total | 121,264 | 121,264 | - |

| Actual Last Year* | | | NOTE | Expense Item | Analysis | Actual this year* | | |
|-------------------|----------|-----------|------|--|----------------|-------------------|---------------|---------------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| 496 | 24815 | \$ 25,311 | 2.2 | Costs related to providing Goods or Services | AGM/Conference | 30,745 | 30,745 | - |
| 9,118 | 4285 | \$ 13,403 | | | Education | 4,863 | 4,863 | - |
| 33,390 | 818 | \$ 34,208 | | | Functions | 45,818 | - | 45,818 |
| 43,004 | 29,918 | 72,922 | | | Total | 81,426 | 35,608 | 45,818 |

| Actual Last Year* | | | NOTE | Expense Item | Analysis | Actual this year* | | |
|-------------------|----------|---------|------|----------------|--------------------------------------|-------------------|----------------|--------------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| 1,172 | 16,191 | 17,363 | 2.3 | Other expenses | Administration (See details below) | 18,490 | 17,279 | 1,211 |
| - | 8,740 | 8,740 | | | Advocacy | 11,740 | 11,740 | - |
| - | 7,140 | 7,140 | | | Awards and Presentations | 8,283 | 8,283 | - |
| - | 13,960 | 13,960 | | | Branch expenses | 16,190 | 16,190 | - |
| - | 14,408 | 14,408 | | | Insurance | 17,768 | 17,768 | - |
| - | 2,731 | 2,731 | | | Inter-Branch Conference | 2,635 | 2,635 | - |
| - | 2,527 | 2,527 | | | Credit Card fees | 3,320 | 3,320 | - |
| - | 8,807 | 8,807 | | | Newsletter and Member Communications | 9,355 | 9,355 | - |
| - | 7,571 | 7,571 | | | Review Costs | 8,026 | 8,026 | - |
| - | 3,454 | 3,454 | | | Repairs and Maintenance | 3,262 | 3,262 | - |
| - | 14,171 | 14,171 | | | Web | 7,915 | 7,915 | - |
| | | | | | Other | - | 123 | - |
| 1,172 | 99,700 | 100,872 | | | Total | 106,861 | 105,650 | 1,211 |

| Actual Last Year* | | | NOTE | Expense Item | Analysis | Actual this year* | | |
|-------------------|----------|--------|------|---|--|-------------------|---------------|--------------|
| Branch | National | Group | | | | Group | National | Branch |
| \$ | \$ | \$ | | | | \$ | \$ | \$ |
| - | 2,400 | 2,400 | 7 | Administration (see "Other Expenses" above) | Accommodation | 3,547 | 3,547 | - |
| 1,172 | - | 1,172 | | | Branch Administration | 1,211 | - | 1,211 |
| - | 7,911 | 7,911 | | | Stationery, Printing, Parking and Office Costs | 9,840 | 9,840 | - |
| - | 395 | 395 | | | Subscriptions | 445 | 445 | - |
| - | 5,463 | 5,463 | | | Telephone | 3,465 | 3,465 | - |
| - | 22 | 22 | | | Other | (18) | (18) | - |
| 1,172 | 16,191 | 17,363 | | | Total | 18,490 | 17,279 | 1,211 |

NOTE: This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2017

Note 3 : Investments in 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 Association representative is able to attend Shareholder Meetings as of right;
- Investment. The Association has invested in a number of NZX listed companies as a part of a diversified approach to managing the Associations 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 the Association income. The companies 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 below are provided simply for transparency.

| | This Year | Last Year |
|--|------------------|------------------|
| | # of shares | |
| Shares held for Advocacy | 2,255 | 6,977 |
| Shares held for Investment | | |
| Auckland International Airport Limited | 99 | - |
| Arvida Group Limited | 6,880 | 6,020 |
| Contact Energy Limited | 79 | - |
| Evolve Education Limited | - | 5,000 |
| EBOS Group Limited | 510 | 510 |
| Green Cross Health Limited | 4,228 | 4,228 |
| Hellaby | - | 1,698 |
| Infratil Limited | 2,157 | 2,157 |
| Mercury NZ Limited | 2,180 | 2,180 |
| Michael Hill Limited | 4,050 | 4,050 |
| NZX Limited | 982 | - |
| PGG Wrightson Limited | 11,900 | 11,900 |
| Scott Technology Limited | 3,520 | 3,520 |
| Tourism Holdings Limited | 150 | - |
| | <u>\$ 65,095</u> | <u>\$ 66,572</u> |

The Potential Realisable Value of these shares at Year End is

There is a fundamental uncertainty in respect of the Potential Realisable Value of these Investments due to the uncertain nature of the share market.

In YE2017 there were four Companies shareholdings transferred from "Advocacy" to "Investment" (YE2016 Nil)

Note 4 : Accumulated Members Funds

| Actual Last Year* | | | Details | Actual this year* | | |
|-------------------|----------------|----------------|--|-------------------|----------------|---------------|
| Branch | National | Group | | Group | National | Branch |
| \$ | \$ | \$ | | \$ | \$ | \$ |
| - | - | - | Capital contributed by members* | - | - | - |
| 69,769 | 130,511 | 200,281 | Accumulated surpluses or (deficits)* | 244,533 | 171,501 | 73,032 |
| 3,263 | 36,735 | 39,998 | Years Operating Surplus/Deficit | 58,118 | 53,439 | 4,679 |
| - | 8,342 | 8,342 | Less previous years Unrealised Share Investments | 12,597 | 12,597 | - |
| - | 12,597 | 12,597 | Plus Unrealised Potential Share Investments | 20,916 | 20,916 | - |
| - | - | - | Reserves* | - | - | - |
| 73,032 | 171,501 | 244,534 | Total Accumulated Members Funds* | 310,970 | 233,259 | 77,711 |

NOTE; This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board Standards.

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended

31 March 2017

Note 5 : Property, Plant and Equipment

| This Year | | | | | |
|---------------------------------------|--------------------------|---------------|-----------------|---|--------------------------|
| Asset Class* | Opening Carrying Amount* | Purchases | Sales/Disposals | Current Year Depreciation and Impairment* | Closing Carrying Amount* |
| Land* | - | - | - | - | - |
| Buildings* | - | - | - | - | - |
| Motor Vehicles* | - | - | - | - | - |
| Furniture and fixtures* | - | - | - | - | - |
| Office equipment* | 318 | - | - | 95 | 223 |
| Computers (including software)* | 1,173 | 1,388 | - | 387 | 2,174 |
| Web software | 14,312 | 13,379 | - | 6,026 | 21,665 |
| Branch Equipment (Including software) | 1,353 | 1,528 | - | 597 | 2,284 |
| Trade Mark (NZSA Logo) | 3,496 | - | - | 1,050 | 2,446 |
| Machinery* | - | - | - | - | - |
| Heritage Assets* | - | - | - | - | - |
| Total | 20,652 | 16,295 | - | 8,155 | 28,792 |

| Last Year | | | | | |
|---------------------------------------|--------------------------|---------------|-----------------|--|--------------------------|
| Asset Class* | Opening Carrying Amount* | Purchases | Sales/Disposals | Previous Year Depreciation and Impairment* | Closing Carrying Amount* |
| Land* | - | - | - | - | - |
| Buildings* | - | - | - | - | - |
| Motor Vehicles* | - | - | - | - | - |
| Furniture and fixtures* | - | - | - | - | - |
| Office equipment* | 611 | - | - | 293 | 318 |
| Computers (including software)* | - | 1,630 | - | 457 | 1,173 |
| Web Software | 14,568 | 9,356 | - | 9,612 | 14,312 |
| Trade Mark (NZSA) | - | 4,856 | - | 1,360 | 3,496 |
| Branch Equipment (Including software) | 884 | 1,050 | - | 581 | 1,353 |
| Machinery* | - | - | - | - | - |
| Heritage Assets* | - | - | - | - | - |
| Total | 16,063 | 16,892 | - | 12,303 | 20,652 |

Significant Donated Assets Recorded - Source and Date of Valuation*

There are no Significant Donated Assets which are not recorded

Significant Donated Assets - Not Recorded*

There are no Significant Donated Assets which are not recorded

NOTE; This page should be read in conjunction with all the Statements of Financial Performance and the Notes forming a part of them. These Statements have not been Audited however have been Reviewed in accordance with the requirements of the External Reporting Board

THE NEW ZEALAND SHAREHOLDERS' ASSN. INC.

Notes to the Performance Report

For the Financial Year Ended
31 March 2017

Note 6 : Other

Goods and Services provided to the Association "In Kind"

0800 phone line provided by "Spark" who are also a Corporate Member. Value not quantified.

Note 7 : Related Party Transactions

| | This year \$ | | Last Year \$ | |
|---|---------------------------|------------------------|---------------------------|------------------------|
| | Value of Transactions* | Amount Outstanding* | Value of Transactions* | Amount Outstanding* |
| Executive Chairman Chairman and CEO acting under contract CEO contract lapsed 31st March 2017 Relationship = NZSA member | 37,500 | - | 37,500 | - |
| Secretary / Treasurer Secretarial, Treasurer, Web Management and miscellaneous other duties Relationship = NZSA member | 27,500 | - | 27,500 | - |
| Chief Executive Officer Under contract commencing 1st March 2017 Amount taken up in these Accounts represents One months expense Relationship = NZSA member | 9,250 | - | - | - |
| Office Premises and Services Rental Rental of an office and meeting Rooms for twelve months. Since 31 March 2017 this arrangement has stopped Relationship = NZSA member | 2,500 | - | 2,400 | - |

Note 8 : Events after Balance Date

There have been no material changes to activities since Balance Date

Note 9 : Ability to continue trading

There are no events known to the National Board of the NZSA which would prevent the NZSA trading after the Balance Date.

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CHAIRMAN'S OVERVIEW 2016–2017

Introduction.

Last year I commented that NZSA's resources were stretched to the limit and that we would be looking to employ additional staff. In March, shortly before the end of our financial year, our new CEO, Michael Midgley commenced. This is a very important appointment and greatly eases concerns about succession planning, with the Chair position no longer a full executive role. At the same time, my EA, Jacquie Spillane transferred to work primarily for Michael. The Association also had to vacate its long term offices and move to the West Plaza Building in downtown Auckland. These changes have been possible because of the additional income generated from corporate members. As such it is the culmination of the plan the board had in mind when we commenced this membership class at the end of 2014. As tends to happen, with extra resources comes extra demand, and my intent to step back to straight governance role remains elusive.

To date, no corporate has failed to renew the annual membership. Although we lost Hellaby Holdings when it was sold, we have since filled the gap. We have Corporate Council meetings twice a year with these members and the exchange is proving mutually beneficial.

Undoubtedly a highlight of the year was the successful action to remove a director from Rakon. Given the large shareholding held by the incumbent's family, no-one gave us a chance, but we succeeded easily in the end. Our hope was that this would act as a circuit breaker and force the company to bring new talent to the board and re-examine how it operates. There are now three new directors, but the placement of a 16% shareholding to Siward has muddied the waters in terms of additional shareholder influence. Time will tell if Rakon can sort out its problems and begin to produce a result for its many retail shareholders.

Something of a "low light" was the failure of Wynyard. Investigations are ongoing, but it is clear that major governance failures or suppression of information reaching the board or both were involved. This is very disappointing when clear protocols are in place to reduce the chances of this happening. Unfortunately, it is simply not possible to eliminate every error or risk and the superior returns a diversified portfolio returns over time is a reflection of the additional risk compared to simply putting your money in the bank.

The move to virtual only meetings by Spark and Z Energy was strongly opposed by the Association. A combination of private and public approaches resulted in both companies reversing their decision. There is no doubt that technology has its place, but we remain of a view that the current best outcome is for hybrid meetings - both physical and virtual. Sharp eyed members will note that Spark is a Corporate member – which goes to show that we will not be influenced by that when shareholder interests are affected.

I have said in the past that NZSA is nothing if not persistent. This is well illustrated by the BHP demerger tax issue which we have continued to pursue. At year end, the introduction of corrective legislation was imminent. The slow pace of action on such a basic legislative nonsense is very disappointing and reflects very poorly on the Minister and the Government. The Review of NZX Governance rules has now been finalised with a number of investor friendly additions such as greater transparency around board composition and assessment, more comprehensive remuneration reporting and a longer notice for AGMs.

The Financial Advisors Act Review has ground on and at financial year end was getting close to its final form. NZSA has lobbied hard to ensure that only those properly trained and skilled can call themselves Financial Advisors, and to ensure that all advice must be fit for purpose with the customers interests put first. It is disappointing that some groups think such basic requirements are not required, but NZSA is confident that we will prevail.

NZSA has again instituted formal complaints to both FMA and NZX. However, the process remains slower than we would like and the current split of responsibility between FMA and NZX does create some practical difficulties at times. We would like to see more cases brought where the outcome would create case law or a precedent. The use of the Market Disciplinary Tribunal should definitely be increased.

The Commerce Commission has affected some shareholders this year with the Sky TV/Vodafone and the NZME/Fairfax mergers being refused. It is to be hoped that these moves do not result in corporate failures over time. While it is entirely reasonable to protect against monopolies developing, with changing technology it is difficult for companies working in sunset industries to remain viable. This is certainly something for shareholders to consider when evaluating any investment whether it be buy, hold or sell.

We are pleased to report that the message about treating shareholders more fairly in equity raising has been getting through and we are now seeing fewer large placements, fairer SPP's and more rights issues. We will continue to be vigilant in this area.

One of our most popular member benefits is in the provision of proxy voting intentions for many company meetings. We still intend to involve willing members in this process although we acknowledge this has been slower off the mark than we would like.

As indicated last year, to stimulate business journalism, we instituted a "Business story of the Year Award" which was presented at the annual Beacon Award Dinner. The inaugural winner was Tim Hunter from NBR for a series about the problems at Intueri. This award was well received and we intend to grow recognition of this award and the event in general.

The NZSA board.

This year Gayatri Jaduram will step down from the board after 7 years. Your Association is extremely fortunate to have people of this calibre working on your behalf and we are indebted to her for her contribution. As a result, no board members are required to stand for re-election.

Branches

Branches 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. I think the committee chairs will acknowledge that the respect for, and interest in, the NZSA has meant it is becoming easier to obtain top flight presenters. Auckland has continued to allow us to access many presentations and professionally produced videos are available on the members area of our website along with a host of other valuable information.

I am sure that I speak for all members when I say we are indebted to the work the six local committees put in to make these activities a reality.

Membership

Membership increased by 10% over the year but remains well below where it should be. It is a great frustration 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 in almost all cases, those who do not renew do so for reasons unrelated to the Associations performance.

Existing members are our best sales people. You need to encourage people to join. You can be rightly proud and enthusiastic about what your Association offers. We have introduced a gift membership facility. Give an NZSA subscription as a gift that will keep giving back for a whole year.

Finance and Administration

Our financial situation is very sound. We have been able to build a reserve of funds and can plan with a degree of certainty. The board has put in place clear protocols around the amount targeted for reserves and the way these may be invested as well as clear and conservative spending authorities.

The Association voluntarily undertakes an annual review in line with XRB requirements, even though we remain below the threshold for these. 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, but it gives a fairer view of the position of the whole organisation. As indicated last year, the board did consider whether we should opt for a full audit rather than a review, but has decided that the additional cost is not warranted. As usual, we need to thank our Secretary/Treasurer Chris Curlett for his sterling work in this complex area.

Health and safety

I am pleased to report that we had no health and safety incidents reported during the year. While it adds to the workload of the branches and national office, we have no choice when it comes to compliance.

Investor Conference

For the seventh 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. We were able to put together a tremendous line up of speakers for the 2016 Conference and the attendance was well north of 300 delegates making it one of the largest independent financial events in the country. We expect another great event in Wellington.

Other Selected Activity this year

1. We have continued with proxy voting intention email pulses during the year. These are a highly valued member service and while time intensive, we want to do more rather than less. Despite our warnings in the press, it appears that some people still fell foul of the tax implications when their Diligent shares were compulsorily acquired after the company was sold to US interests. Of course, members were forewarned and hopefully none suffered the same fate.
2. Another real loss was the disappearance of Nuplex. Most retail investors appeared to be opposed, but the weight of institutional votes carried the day. Certainly a short term profit ensued, but it is a pity given the promising longer term opportunities the company was positioned to capitalise on. The huge payouts to management as a result of the change of control were equally frustrating and you have to wonder what incentive this gave them to look forward to what could be achieved over time, something that may have encouraged the board to be more resistant to the approach. We were also concerned at the paid proxy solicitation pressure that was brought to bear on some shareholders. It is interesting to contrast this with the active defence put up by Abano. Shareholders are now reaping the rewards.
3. Company advocacy continues. The trend toward companies' pro-actively seeking feedback has again increased. We are of course concerned that a number of companies have disappeared for various reasons and there are few replacement listings. This is not peculiar to NZ and with the weight of superannuation money around the world looking for a home; we think this could be a continuing trend.
4. We ran a discounted offer to purchase Sharesight. The board continues to try and identify offers that are specific to member's interests, but we will not provide a conduit for unrelated offers.
5. Martin Watson has ably represented us on the XRB Advisory board. This helps with setting audit standards. NZSA ran a survey during the year and members excelled themselves in what is a rather technical area. XRB has never had this level of investor feedback anywhere in the world – well done members!
6. Once again we held a very helpful full-day inter branch meeting. We also have attendance by one branch at each board meeting. It is important that your board remains grounded and responsive to your concerns. Your letters and comments are always welcome.
7. 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 in some cases a range of possible questions. Thank you to everyone who gives their time, and to Jacquie Hagberg who coordinates your attendance.

Future Directors and Board Diversity

Associate director Des Hunt has worked hard to make 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 the NZX guidelines which concentrate on gender diversity. It remains very disappointing that quite apart from women, younger people, different ethnicities and those with backgrounds that are not biased to law, accounting or finance remain under represented.

Awards For 2016, we gave the Beacon Award Michael Daniell, former CEO of Fisher and Paykel Healthcare. Having recently handed over the role, this was the appropriate time to celebrate Michael's success in taking a single room with a handful of staff to a world leading six billion dollar company. As noted above, Tim Hunter took out the business story of the year award.

Research Scholarships.

Our PhD scholar, Jeremy Beckham has now concluded his time with us. The CEO remuneration report he developed is now in use, most notably by Mercury Energy. We are actively pushing its greater acceptance. This has received a boost from the requirements of the NZX governance guideline changes and we hope to see widespread adoption of this concise two page document.

Website

We are well aware that the public facing part of our website is showing its age and the board has commenced work to have this completely modernised. We expect this to be complete before the end of the year.

Education.

In Auckland our face to face "Investing" and "Sharemarket basics" courses remained popular with waiting lists for most classes. However, just after the end of the financial year, the person organising the community education program at Western Springs College decided to close down. This has left us scrambling to find an alternative.

We are now prioritising an internet based educational course as demand is spread all over the country, with only Auckland having sufficient numbers for regular physical classes. As an interim we have placed a range of topic based educational videos on our website.

We have also delivered a one-off series of educational classes to a group of young professionals which was well received, and may do more of this also.

Thanks

I am extremely grateful to have such a strong board to support me. 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. Associate directors Des Hunt and Jacquie Hagberg have continued to give us the benefit of their experience.

Associate director Alan Best is editor of our tremendous Scrip magazine. With the skilled assistance of Bruce Parkes who does the layout, this is a publication that continues to go from strength to strength. Regrettably, both would like to hand over the reins and unless we can find suitably skilled volunteers from our membership, we will have to pay to have the work done. They will be a hard act to follow.

Summary

Many investors, one voice. Concise and accurate! For a small organisation, we really do punch above our weight and offer shareholders 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.

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
OR scan and email to chris@curllett.co.nz

**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 19th of August 2017 and at any adjournment thereof. My Proxy Holder is instructed to vote as follows

| | | For. | Against. | Proxy Holder discretion. | Abstain. |
|---|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| A | Adoption of the Annual Report Including Chairman's Report and Annual Accounts. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| B | 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)

