



ANNUAL REPORT
and
ANNUAL GENERAL MEETING MATERIALS

NEW ZEALAND SHAREHOLDERS' ASSOCIATION INCORPORATED

FOR THE YEAR ENDED 31st MARCH 2023

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NZSA ANNUAL REPORT 2023

NZSA DIRECTORS

Andrew Reding MA (Oxon), MBA (Chair)

On NZSA Board since 2012. Member of Finance & Risk Committee.

Key Skills: Governance, Finance, Commercial, HR, NZ Business

Directorships: Avertana (Chair), Hydroxsys(Chair)



Andrew has been the Chair of NZSA since November 2020. Andrew held a succession of senior roles in Europe before relocating to New Zealand in 1995. Andrew held a range of positions at Fletcher Building culminating as CEO of the Building Products and Steel Group from 2001-2006. He subsequently held two senior CEO roles simultaneously at Rank Group. Andrew is now a professional director, does some consulting work as well as pursuing private interests. Andrew is Auckland based.

Martin Hawes

On NZSA Board since 2020

Key Skills: Capital Markets, Commercial, Investment, Media & Mktg, NZ Business

Directorships: Retirement Income Group



Martin Hawes is an Authorised Financial Advisor and lives in Christchurch. He has written over 20 books including *Family Trusts – A New Zealand Guide* and *Twenty Good Summers*.

Martin is a speaker at conferences and gatherings around the country and frequently makes comment in the media. He is long-term member of NZSA.

Martin Watson

On NZSA Board since 2012. Member of Investment & Policy Committee.

Key Skills: Capital Markets, Investment, Commercial, NZ Business

Directorships: MJW Funds Management



Martin has been investing in equities since the mid 1980's. He became a fulltime investor in 2000 and subsequently established MJW Funds Management Ltd, a company that manages individual investment accounts on behalf of wholesale clients.

Over the past 22 years, Martin has held a range of leadership roles with community sporting and resource planning organisations, including previously chairing Waikato Hunt Inc, Pukerimu Preservation Society Inc. and Waipa Biodiversity Council. Martin co-facilitated, and continues to be actively involved in, an equine access programme for The Waterboy, a charity that provides sporting opportunities and mentoring for disadvantaged children.

Martin has been on the committee of Waikato Branch NZSA since 2009. He was activities co-ordinator for five years and at various times has been acting Branch Chair. Martin has been a director of NZSA since 2012. Martin is resigning from the NZSA Board at the 2023 AGM, but will remain active within the Waikato Branch Committee.

Grayson Cobb

On NZSA Board since 2021

Key Skills: Commercial, Social Media, Media & Marketing, HR

Directorships: None



Born and raised in the United States, Grayson completed her undergraduate degree in marketing and communication management at Trinity University, Texas. She immigrated to New Zealand in 2012 and found her professional niche in health media. Grayson recently completed a post-graduate diploma in business from the University of Auckland and is thrilled to contribute to the business community through NZSA.

Grayson will resign as a Board member following the AGM.

Jerry He

On NZSA Board as Associate since 2022 and as Director since March 2023. Resigned July 2023.

Key Skills: Commercial, Investment, Technology, NZ Business

Directorships: Feel Good Corporation, Open Polytechnic NZ, MSME Trade Coalition (Chair)



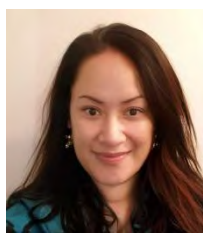
Jerry is Chair of the Asia Pacific MSME Trade Coalition (AMTC). The AMTC supports cross-border trade and trade policy development for small-medium businesses. Jerry also advises New Zealand Asia Initiative, Business School University of Auckland on Asian topics. Jerry is founder of Olivia Premium, Sales Director at New Zealand Green Wave Limited, the Chairman of the New Zealand Green Industry Association and a Director at Feel Good Corporation.

Ruth Tolise

On NZSA Board since September 2022. Chair of Finance & Risk Committee.

Key Skills: NZ Business, Accounting, Commercial, Legal

Directorships: AAPE Aoga, Central Pacific Collective, Niuvaka Trust



Ruth is a first-generation New Zealand Samoan. Ruth's mother was born in Taputimu, Tutuila but raised in her maternal grandmother's village of Nofoaalii, and her father is from Fai'a'ai, Savaii. In 2017 she was bestowed the chieftain title of "Fualau" from her father's village in Fai'a'ai.

Ruth has 28 years of commercial experience in financial services, predominantly in the private sector. She has worked in the banking and insurance sectors, managed and led

high-performing teams in various areas, including asset services (Corporate Actions, Settlements, Treasury), lending & operations, regulatory, risk and compliance, internal audit, and financial crime anti-money laundering. Ruth also worked as an Accountant for a global platform company that provided multi-channel wealth management services to clients with funds under management of over \$1.5TN+.

Ruth currently works as a Senior Manager – Risk Enablement for TSB Bank. She is currently undertaking a Master’s degree at the Faculty of Law, the University of Auckland, specialising in Corporate and Commercial Law.

Giving back to her Pacific community, Ruth is a Trustee and Chairperson for a Pasifika Social Services organisation that provides social services to pacific people in the regions (Manawatu and Horowhenua). Ruth is also a mentor at Victoria University for final year Finance and Accounting students offering guidance in their transition to the workforce.

Louise Nicholson

On NZSA Board since December 2022

Key Skills: NZ Business, Media, Marketing, Social Media, Commercial, Environmental & Social Directorships: None



Louise is a corporate communications specialist, with experience working for government, business, the media and agencies. She has held senior roles in New Zealand, Australia and Asia.

Most recently, she was part of the leadership team of New Zealand’s Financial Markets Authority and prior to that was a partner in one of the Asia Pacific’s most successful public affairs agencies.

Louise’s specialty is issues and reputation management, with a particular focus on financial communications and the rights of investors.

Joy Marslin

On NZSA Board since February 2023

Key Skills: Governance, Commercial, Environmental & Social, Investment, HR

Directorships: Simplicity, Simplicity Living, Metis Investment Committee, Impact Enterprise Fund, Financial Services Complaints Limited, Strategi Group



Joy has worked within the financial services sector for over 30 years in client services, wealth management, investment governance and leadership positions.

Joy holds a number of governance roles including Board Chair of Simplicity NZ Ltd, independent director of Strategi Group, industry representative director for Financial Services Complaints Ltd, director of Impact Enterprise Fund, and independent member of Metis Investment Committee.

Joy’s former corporate roles included Head of ANZ Wealth and Head of Westpac Private Wealth Management.

Chris Steptoe

On NZSA Board as a Board Associate since June 2023. Member of Investment & Policy Committee.

Key Skills: Investment, Capital Markets, Accounting, Technology

Directorships: None



Chris has been a member of NZSA since 2014, joining the Auckland Branch committee in 2016. With a background in technology and funds management, I bring a diverse range of skills and knowledge to the board. My involvement as a retail investor with NZX experience and as an analyst for an Australasian fund manager has given me a deep understanding of NZ capital markets. Additionally, having met with hundreds of CEOs throughout my career, I have gained valuable insights into the challenges and opportunities faced by businesses.

Joining the NZSA board presents a fantastic opportunity for personal and professional growth. I am excited to learn and collaborate with a talented and dedicated group of individuals. I intend to leverage my experience and skills to actively contribute to the board's discussions and decision-making processes. I take pride in joining a team that has already made tangible improvements in corporate governance and has been a strong advocate for retail shareholders. I look forward to collaborating with the NZSA board, our members, and stakeholders.

CHAIR'S OVERVIEW 2022-23

It is an honour and a privilege to again be able to comment on the activities of the NZSA for the 2023 AGM. As usual I will concentrate upon the challenges and issues facing the organisation, while our Chief Executive, Oliver Mander, will cover operational activities for the year ended 31st March, 2023.

During the year we have seen some rotation of Directors through the Board, with the recruitment of Joy Marslin, Louise Nicholson and Ruth Tolise. As the Board used its power under the Constitution to co-opt these new Board members, all are standing for election at this AGM, whilst Martin Hawes, whose first 3 year term is coming to a close, is standing for re-election. All of these are very talented individuals for whom I have no qualms in whole-heartedly supporting their election to the Board.

Unfortunately we have also had to say goodbye to some of our established talent during the year. Firstly Samantha Sharif, whose sharp intellect kept us all on our toes, had displayed too much capability and has gone on to broaden her Public company Directorship roles. Samantha will be sorely missed and I wish her all the very best in her future career.

Then Jerry He, who was originally an Associate Director joined the Board as a fully fledged Director during the year, only to be offered an outstanding role in Australia which he, unfortunately could not refuse. The time commitment to his new role unfortunately precluded remaining with the NZSA.

And last but not least, Martin Watson. Martin has been a mainstay of the NZSA Board for over 10 years and it is with a heavy heart that I bid him farewell. His detailed knowledge of the companies forming the NZX has been second to none, whilst his contribution to our policy positions has been outstanding. Any of the success we have had over the past ten years would not have been possible without Martin's unselfish devotion and commitment, not to mention his unwavering integrity. Again I wish Martin the very best for the future, and hope his horses benefit as much from his time as we have!

We have had a succession planning process in place for some time now, and knowing of Martin's desire to step back, we have been very fortunate to bring Chris Steptoe onto the Board, initially as an Associate Director, to help fill the capability gap left by Martin's retirement.

Quite a few changes then, and the Board is summarised in the preface to the Annual report.

During the year, despite there being no lockdowns and a semblance of a return to normality, Covid-19 has continued to cast a long shadow. Although we are now able to enjoy gathering in large groups and return to Branch meetings and other major events, there appears to be a change in whether many of our member are now comfortable in such gatherings. A good example of this was our Investor day in February. What everybody agreed was an outstanding programme for the day, could only garner support of around a hundred members – pre-Covid these events were attended by up to 350! We do not yet know if this is a permanent change, but need to de-risk our events in case it is.

And we have seen the continuing pressure on our traditional Branch membership base. As a result we have been continued exploring alternative offerings which recognize that our "constituents" in New Zealand are at least 3.3million strong, this being an approximation of the number of Kiwis who have an exposure to investing via, at the very least, Kiwisaver. This is not a new realisation, but we do have the systems and processes in place now to be able to better shape our response to new market segments. However it is a rapidly evolving space, as we have all seen with the extraordinarily rapid uptake of AI tools, and it has proven difficult to be able to nail down any major success to date.

However the support that the NZSA receives from NZX listed companies has never been stronger, despite our steadfastness in maintaining an independent and objective criticism of those we see acting in less than satisfactory ways.

I would also like to take this opportunity to wholeheartedly thank all of those volunteers who alongside our very small staff have enabled us to continuously improve the services we offer and without whom we would, quite simply, not exist.

Lastly to all our supporters, whether traditional Members, Corporate Members or Institutional Members, my sincerest thanks for allowing us to do what we do. I am continually humbled by you.

Kindest Regards

Andrew Reding
NZSA, Chair

August 25th 2023

CEO'S REPORT 2022 – 2023

Tēnā koutou kātoa. This is now my third CEO's report – I can no longer claim to be a 'newbie' when it comes to NZSA. Similar to previous years, this report comments on both outcomes for the twelve-month period to March 31st 2023 and a mid-year progress update against the objectives for the FY24 financial year.

NZSA continues to play a significant and influential role. We are unrepentant in pursuing our role of advocacy for retail investors – it is our **independence** that provides the greatest value in the development of New Zealand's capital markets and those who choose to partner or engage with us.

At last year's AGM, I highlighted a 'reset' of the foundations that underpin NZSA and the development of a new platform that allowed NZSA to progress on the next phase of its journey.

This year, it's worth noting the key priorities we have adopted as we focus on growth and development.

1. Content development and management

This aims to improve the frequency of our written work and extend our reach to different investor demographics. Starting in July 2023, we have posted three times weekly across NZ Shareholders pages on Linked In, Facebook and Instagram, with content driven from the *Briefing* and Scrip Blog content.

Blog pieces have sometimes reinforced other NZSA work (including submissions or policy development) while also highlighting key NZSA advocacy positions in specific companies (eg, Pushpay, EROAD and Metro Performance Glass).

As part of this initiative, I'd like to remind you that we welcome any investment-related articles or pieces written by members to support this.

2. Developing a Financial Institutions offer

There's some significant changes that have occurred in New Zealand's markets over the last few years – including a change in how retail investors choose to invest. The proportion of 'DIY' investors active in the market has steadily declined, at the same time as the provision of KiwiSaver and DIMS (discretionary investment managed services) platforms has increased.

Many remaining DIY investors choose to invest via custodial platforms provided via various brokers – including Craigs, Forsyth Barr, Jardens and Sharesies.

NZSA will always be about the retail investor. Part of our work on a financial institutions offer is to ensure that NZSA can advocate for retail investors and retail investors have access to our work, regardless of how they choose to invest or the platform they use.

3. Knowledge Hub Development

At last year's AGM, we signalled that we had completed work that outlined a "Knowledge Strategy" for NZSA. This has outlined a series of topics – around 200 – that will form the basis of an NZSA-accredited investor course.

This requires resources, and therefore funding, to develop. While upgrading our knowledge offer to investors remains a priority, our key priority must remain focused on securing further funding (see above) prior to further expenditure on our planned Knowledge Hub.

Recent developments in artificial intelligence (AI) technology are also likely to impact positively on this development.

Our Strategy

While the short-term focus of NZSA changes to reflect our priorities, this remains consistent with the strategy we have articulated for the last three years, that supports our vision as **a trusted and respected voice for all retail investors**.

NZSA'S VISION IS TO BE A TRUSTED AND RESPECTED VOICE FOR ALL RETAIL INVESTORS

OUR AIMS:

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

...supported by our **Values**



...delivered through our **strategic workstreams**



Our Outcomes

1: Sustaining NZSA as the voice of retail investors

Last year, I noted the changing investment market, highlighting the need for NZSA to adapt to maintain the quality of its offering and improve awareness of NZSA amongst different investor demographics. As noted above, much of the work required to broaden NZSA's appeal and communications reach has begun in FY24 – this follows a loss of individual members in FY23.

NZSA offers plenty to individual investors and New Zealand's capital markets.

Just like any other organisation operating around investment markets, NZSA is adapting and changing. As that adaptation continues, however, we can call on past and recent successes and the underlying value we provide to form the basis for any narrative surrounding NZSA.

Heading into FY24, we'll be able to provide further details on the development and reach of our social media platforms.

2: Corporate Engagement

Our aim is to effectively represent the interests of retail shareholders through developing and maintaining effective relationships with listed issuers and other capital market stakeholders.

Our corporate and supporter membership base remains at 29, with a focus on maintaining and deepening existing relationships, whilst growing this membership category further.

3: Services that support all investors

The basis of what we do remained relatively stable during FY23 – with a subtle change of emphasis to focus on supporting all investors. That allows us to preserve value for you as members, while setting the conditions to extend our reach to investors who invest via custodial or DIMS services. Ultimately, that increases NZSA’s awareness amongst all retail investors and our influence across capital markets and stakeholders.

Our proxy service demonstrates this relationship. Despite a loss in membership, the proxy service continues to maintain its voting share, with some financial institutions now nominating NZSA as their proxy.

Each year, I stand in awe of the volunteers who support us. As always, a huge ‘thank you’ to those who have offered their time and experience to support us. We covered a total of 154 company meetings during the financial year, none of which is possible without their support.

In early February 2023, we held the NZSA Investor Conference (supported by NZX). This was the first physical event that we had been able to hold in the “post Covid” era. The quality of the event was high, including a range of panellists and speakers from students to politicians to corporate leaders. Unfortunately, however, attendance at the event was low – a source of personal disappointment for me. We will consider feedback received and determine the viability of holding a future event in 2024.

Our congratulations to the winners of the 2022 NZSA Business Journalism Awards (supported by Simplicity) – especially to Tim Hunter, who was named as the Overall Winner.

4: Sustainably govern and manage NZSA

At the last AGM, you voted through a revised constitution that simplified existing structures and created more explicit internal policies related to meetings and membership. This offers NZSA greater flexibility in its development.

We also welcomed BDO’s audit & review team as our new Reviewer. Their professional capability has resulted in a thorough check of our financial and operational reporting processes.

We also welcomed three new Board members during the year – Ruth Tolise, Louise Nicholson and Joy Marslin. You’ll get a chance to hear from them later in the meeting – but suffice to say that I am humbled by the expertise they offer and the advice and support they provide.

5: Policy leadership for investors and capital markets

When it comes to the policies we use to fulfil our assessments of listed companies, I am pleased to report that the long period of review we have undertaken to refresh all existing policies (and create

some new ones) will conclude sometime prior to our next AGM. The re-baselined policies will allow us to maintain a regular 3-year cycle of review.

During FY23, we released three new policies – including our new *Environmental Sustainability* policy that is now included within every company assessment report. This is aligned with the same frameworks that underpin the new Climate-related disclosure (CRD) regime, but expects a much broader consideration of all environmental risks facing an issuer. After all, not all companies are built the same way – and investors should be fully aware of relevant risks and opportunities (whether environmentally-related or not).

NZSA offered significant input to the CRD regime, with many of our submission recommendations finding their way into the reporting framework and guidance. We continue to advocate for the CRD scope to be amended to a “total assets” threshold (rather than a market capitalisation) to include non-listed, significant companies in scope.

We continue to engage politicians and advocate for a review of the Companies Act to allow for better provisions for shareholder protection in widely-held, unlisted companies and to provide for more stringent rules relating to shareholder meetings and audit. A key objective is to provide for a better ‘pathway to listing’ rather than the current discouragement implied by the wall of compliance requirements should a company consider listing.

A highlight was NZSA’s inclusion in the new Corporate Governance Institute (CGI) established by NZX. This is still in a trial phase, with a current focus on Director Independence and CEO Remuneration. Where possible, NZSA is looking to promote a common, cross-industry approach to CEO remuneration disclosures to ensure buy-in.

In summary, it is always a privilege to be the CEO of NZSA. My thanks to the NZSA team, the Board, our members and our corporate supporters – all of whom play their part to ensure that the interests of retail investors are to the fore in our capital market.

Ngā mihi, and I thank you for your continued support.

Oliver Mander

NZSA, Chief Executive

August 2023

PERFORMANCE REPORTS – FOR YEAR TO MARCH 31st 2023

Statutory Information

Legal Name of Association:	The New Zealand Shareholders' Association Incorporated
Type of Association and Legal Basis:	New Zealand Incorporated Society
Registration Number:	1138448
Directors:	Andrew Reding (Chair) Grayson Cobb Martin Hawes Jerry He Joy Marslin Louise Nicholson Ruth Tolise Martin Watson Chris Steptoe (Associate)
Annual Accounts Reviewer:	BDO (appointed FY22) represented by Henry McClintock (appointed FY22)
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.

Some of the activities the Association undertakes in furtherance of its Objects include:

- 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 investors, often with keynote speakers from finance, industry, journalism, politics and other relevant sectors.
- h) Undertaking educational activities.
- i) Establishing and maintaining branches throughout New Zealand.
- j) Representing shareholders at Annual General Meetings

Association Structure:

The New Zealand Shareholders' Association Incorporated is structured as a central National office with six Branches across New Zealand.

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

Primary Sources of the Association's Cash and Resources:

The NZ Shareholders' Association receives funding for its activities from Subscription Fees from individual, corporate and supporter members. There are a number of investments in Shares which provides a minor income flow. The NZSA Board has a policy of increasing this investment over time.

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. Both the Investor Conference and Journalism Awards receive funds from third parties. NZSA also acknowledges the support of speakers at its Branch and National events across New Zealand.

Branches receive funds from their functions and activities, with funds allocated to them each year by NZSA in line with an agreed budget.

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

There is a large amount of work undertaken at all levels of the Association on a voluntary basis. This is supplemented by a small group of staff within the National Office comprising two Employees filling the roles of Chief Executive and Administrator. We also are supported by two further contract Resesarchers on an as-needs basis.

Contact details

Physical and Postal Address:

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Auckland 1010

Phone/Fax: 0800-697-27478

Website: www.nzshareholders.co.nz

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Members of New Zealand Shareholders' Association

Report on the Performance Report

We have reviewed the accompanying performance report of the New Zealand Shareholders' Association (the "Association") on pages 13 to 32 which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the period ended 31 March 2023, the statement of financial position as at 31 March 2023, and the statement of accounting policies and other explanatory information.

The Responsibility of the Board for the Performance Report

The Board are responsible on behalf of the Association 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 on behalf of the Association which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and

- c) for such internal control as the Board Member 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

Our responsibility is to express a conclusion on the performance report. We conducted our review of the statement of financial performance, statement of financial position, statement of movements in trust funds, 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, Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity, 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 us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). Those standards also require that we comply with ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400 and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. We 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 our 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 in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on the performance report.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, the Association.

Conclusion

Based on our review, nothing has come to our attention that causes us 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 13 to 32 does not present fairly, in all material respects,
 - o the financial position of New Zealand Shareholders' Association as at 31 March 2023, and (of) its financial performance and cash flows for the period then ended; and
 - o the entity information and its service performance for the period then ended in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For Profit).

BDO Wellington Audit Limited

BDO WELLINGTON AUDIT LIMITED
Wellington
New Zealand
30 August 2023

Statement of Service Performance

Over the Financial Year ended 2023 the NZ Shareholders' Association (NZSA) has;

- Encouraged investors to vote at meetings or provide the NZSA with their proxy vote.
- Promoted the Standing Proxy system availability to all investors.
- Provided members with a greater insight into how the NZSA will vote undirected Proxies at Company Meetings.
- Held branch meetings to support the interests of members.
- Maintained relationships and dialogue with the New Zealand Stock Exchange (NZX), Financial Markets Authority (FMA), Takeovers Panel, and various stakeholders within the New Zealand investment community.
- Provided submissions to various government agencies that represent the interests of investors.
- Provided commentary to members and the public on the Association's views in regard to specific corporate issues, regulatory matters and investment.
- Worked with Listed Companies to enhance governance.
- Continued to manage the Associations' outputs to investors and members within the constraints of available resources.
- Provided the framework enabling a range of events and services to be provided

Description of the Associations' Outcomes

- Achieve a dynamic and more vibrant equities market in New Zealand by increasing investors' confidence in the Market
- Encourage active involvement in the market by Investors
- Improve understanding of the risks and rewards available to Investors
- Encourage investors to act as the business owner and to look at the companies they have invested in to better appreciate the complex activities of the company's and their opportunities
- Encourage good governance within companies and to ensure the monitoring and regulatory activities function well to grow the market and instil confidence.

Description and Quantification of the Association outputs:

	Actual	
	FY23	FY22
Branch Meetings held	36	38
Speakers and presentations to members	42	34
Visits to companies by members	5	2
Proxy Voting Intentions issued (to March 31st)	154	145
Standing proxies as at March 31st 2023 ¹	1,124	1,109
Proxy shareholdings	16,364	17,281
Branch Committee members	37	31

¹ FY22 figure restated from Sep 22 in last year's report. Based on figures supplied by Computershare.

The Board herewith approve the Financial Report for the year ended 31 March 2023 as presented on pages 19-32 inclusive.

For and on behalf of the Board;



Chair
Andrew Reding
August 30th 2023



CEO
Oliver Mander
August 30th 2023

Statement of Financial Position

NZ Shareholders' Association

as at March 31st 2023

FY2022	Details	Note	FY2023
\$			\$
	ASSETS		
	Current Assets		
243,719	Bank accounts and cash*		171,047
134,690	Short Term Investments	3	108,987
378,409	Total Cash Equivalent		280,034
16,286	Debtors and prepayments*		27,846
-	Provision for tax	11	-
394,695	Total Current Assets		307,880
	Non-Current Assets		
17,726	Tax-related Assets	11, 12, 4	22,443
62,922	Equity Investments*	3, 4	141,363
1,571	Property, plant and equipment*	5	1,541
139	Other Non-Current Assets		139
82,358	Total Non-Current Assets		165,486
477,053	Total Assets*		473,366
	LIABILITIES		
	Current Liabilities		
65,156	Creditors and accrued expenses*		65,131
14,576	GST Payable		12,404
15,406	Employee costs payable*		22,911
95,138	Total Current Liabilities		100,447
95,138	Total Liabilities*		100,447
381,915	Total Assets less Total Liabilities (Net Assets)*		372,919
381,915	Accumulated Members Funds	2.5, 4	372,919

NOTE: These Statements should be read in conjunction with all Financial Statements, the Policies 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.

Statement of Financial Performance

NZ Shareholders' Association

For year ended March 31st 2023

FY2022	Details	Note	FY2023
\$			\$
	Revenue		
7,641	Donations, fundraising and other similar revenue*	1.1	5,550
476,740	Fees, subscriptions and other revenue from members*	1.2	406,842
33,234	Revenue from providing goods or services*	1.3	41,620
2,029	Interest, dividends and other investment revenue*	1.4, 1.5	6,009
(5)	Other revenue		7
519,638	Total Revenue*	1.5	460,028
	Expenses		
274,246	Volunteer and employee related costs*	2.1	268,139
58,907	Direct Costs related to providing Goods or Services*	2.2	86,046
13,962	Support Costs related to providing Goods or Services	2.3	9,115
-	Grants and donations made*	13	870
117,566	Administration Costs	2.4	108,531
464,682	Total Expenses*		472,700
	Non-cash expenses		
673	Depreciation	2.5, 5	549
465,355	Total Expenses		473,249
54,284	Net Operating Surplus / (Deficit) for the year	1.5	(13,222)
	Non-Operating Items		
(25,181)	Write-offs or Gains on Disposal	2.6	-
6,368	Unrealised Gains on Investments	1.4, 3	297
11,594	Realised Profit (Loss) on Shares	1.4, 1.5	1,807
(454)	Taxation (Costs) / Benefit	11	4,194
46,612	Surplus/(Deficit) for the Year*		(6,924)

NOTE: These Statements should be read in conjunction with all Financial Statements, the Policies 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.

Statement of Cashflows
 NZ Shareholders' Association
 For year ended March 31st 2023

FY2022	Details	Note	FY2023
\$			\$
	Cash Flows from Operating Activities*		
	Cash was received from:		
6,141	Donations, fundraising and other similar receipts*		7,050
476,741	Fees, subscriptions and other receipts from members*		406,841
33,278	Receipts from providing goods or services*		29,576
2,023	Interest, dividends and other investment receipts*		6,016
95,030	Net Changes in Working Capital		4,128
5,949	Movement in GST		-
619,161	Total Cash Inflows from Operating Activities		453,611
	Cash was applied to:		
461,943	Payments to suppliers and employees*		468,182
-	Donations or grants paid*	13	870
-	Movement in GST		4,007
157,219	Net Cash Flows from Operating Activities*		(19,447)
	Cash flows from Investing Activities*		
	Cash was received from:		
-	Receipts from the sale of property, plant and equipment*		-
47,109	Receipts from the sale of investments*	3	4,463
	Cash was applied to:		
1	Payments to acquire property, plant and equipment*	5	519
61,150	Payments to purchase investments*	3	82,872
(14,042)	Net Cash Flows from Investing Activities*		(78,928)
	Cash flows from Financing Activities*		
-	Net Cash Flows from Financing Activities*		-
143,176	Net Increase / (Decrease) in Cash*		(98,375)
235,233	Opening Cash*		378,409
378,409	Closing Cash*		280,034
143,176			(98,375)
	This is represented by:		
378,409	Bank Accounts and Cash*		280,034

NOTE: These Statements should be read in conjunction with all Financial Statements, the Policies 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.

Statement of Accounting Policies

NZ Shareholders' Association

For year ended March 31st 2023

NOTE: These policies 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.

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

Income Tax expense charged to the Profit and Loss Statement recognises the current obligations for the period, calculated using the Taxes Payable method, with Tax Losses and Imputation Credit Tax Assets shown on the Statement of Financial Position and detailed further in Notes 11 and 12.

The New Zealand Shareholders' Association use an external firm of Chartered Accountants to calculate the tax each year."

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.

Members Subscriptions Paid In Advance

A provision has been made for Members Subscriptions (other than Corporate Members) which have been paid in advance.

Investment Valuations

Shares in listed companies held by the New Zealand Shareholders' Association Incorporated may not be able to be realised for the amount stated in the accounts. Total Investments are shown at market values at balance date. Any Unrealised Gain or Loss is shown within the Statement of Financial

Performance, being the annual change recorded in the realisable value of investments. NZSA continues to set aside the total unrealised gain on its investments as a separate equity reserve (see Note 4) in the Statement of Financial Position.

Property, Plant and Equipment

Assets comprise computer hardware and are measured at Historic Cost less accumulated Depreciation. Depreciation is charged at a rate of 30% DV.

Foreign Currency

NZSA conducts its business mainly in New Zealand Dollars (NZ\$). Any transactions denominated in foreign currencies are converted at the exchange rate current at the transaction date. Foreign currency receivables and payables are converted at exchange rates current at balance date.

NZSA Financial Accounts Annual Review costs

This role has been undertaken by BDO (Lead Audit Partner: Henry McClintock) who were appointed as reviewers at the 2022 Annual General Meeting. Members should note this is a Review and not an Audit. The Independent Review Report, concerning the Financial Performance for the 2022/23 year, is attached as part of the 2022/23 Annual Report.

Branch Accounting

NZSA's branch accounts are included within the presented accounts, with branches treated as cost centres subject to internal cost management processes. Internal management reports provide visibility of underlying branch costs and revenues, with cash transferred as required to Branch bank accounts. All branches are required to prepare and submit a budget prior to the start of the financial year and remain in control of their own expenditure. Branches are not required to operate a separate bank account, although most do so.

Statement of Accounting Policies (Changes)

NZ Shareholders' Association

For year ended March 31st 2023

NOTE: These policies 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.

Membership Fees Revenue Recognition

Membership fee revenue is recognised when invoiced to the member.

From April 1st 2022, NZSA changed when invoices are raised to when the payment has been received for renewal. This represents a change from the prior treatment whereby invoices were raised on the renewal date of membership, with any non-renewals being reversed within three months. The key reason for the change was a recognition that as renewal invoices were sent for a future service, NZSA had no means of enforcing this booked revenue. Additionally, the scope for error in this approach was high due to the manual intervention required. The NZSA Board believes that a revenue approach based on payment better represents the underlying revenue associated with NZSA membership.

For FY23, this has resulted in a 'one-off' negative impact of \$40,000 as a result of corporate membership renewals issued in March not generally being paid until April. This will correct to a more comparable basis in FY24.

Member Subscriptions paid in advance

Note that in September 2022, changes to the NZSA Constitution and associated membership policies were made that mean that members are no longer entitled to partial refunds if they resign during their membership term. For FY23, however, this has not resulted in any change to accounts preparation - NZSA continues to recognise the future liability associated with the provision of member services.

Realised Gain / (Loss) on shares

While there has been no change in policy, we have elected to move the disclosure of this item to "Non-Operating" revenue. This also provides greater transparency for members.

Statement of Cashflows

Presentation: A presentational change has been made to include movements in working capital and GST within Operating Cashflow. These were previously reported as a Financing movement.

Restatement: The FY22 figures in the Cashflow Statement differ from what was reported in last year's Annual Report due to an error relating to the treatment of GST. The FY22 figures presented in this Statement of Cashflows shows treatment in line with our Accounting Policies.

Note this has no impact on the opening or closing cash position reported in FY22.

Notes to the Performance Report

NZ Shareholders' Association

For year ended March 31st 2023

NOTE: These Notes should be read in conjunction with all the Statements of Financial Performance and the Policies 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.

Note 1: Analysis of Revenue

1.1 Donations and other similar revenue

FY2022	NOTE	Analysis	FY2023
\$	1.1		\$
7,641	1.1	Donations	5,550
7,641		Total	5,550

1.2 Fees, subscriptions and other revenue from members

FY2022	NOTE	Analysis	FY2023
\$	1.2		\$
154,957	1.2.1	Subscriptions	139,342
297,783	1.2.2	Corporate Membership	259,000
24,000	1.2.3	Supporter Membership	8,500
476,740		Total	406,842

1.3 Revenue from providing Goods or Services (excl. Donations)

FY2022	NOTE	Analysis	FY2023
\$	1.3		\$
7,909	1.3.1	Branch Events	7,438
12,605	1.3.2	Investor Conference	19,330
-	1.3.3	Beacon Awards	1,391
10,000	1.3.4	Journalism Awards	11,487
1,135	1.3.5	Scrip	1,135
1,586	1.3.6	Other	839
33,234		Total	41,620

1.4 Interest, dividends and other investment revenue

FY2022	NOTE	Analysis	FY2023
\$	1.4		\$
		Operating Items	
526	1.4.1	Interest	3,890
1,503	1.4.2	Dividend	2,119
2,029			6,009
		Non Operating Items	
11,594	1.4.3	Realised Gain/(Loss) on sale of Shares	1,807
6,368	1.4.4	Unrealised Gain on Investments	297
17,963			2,104
19,991		Total	8,113

1.5 Re-classification of Realised Gains

As noted in the Statement of Accounting Policies, NZSA has chosen to state "Realised Gain/(Loss) on sale of Shares" as a non-operating item. The impact of this restatement on FY22 Statement of Financial Performance is as follows:

	FY22 Reported \$	FY22 Restated \$	Variance \$
Interest, dividends and other investment revenue	13,623	2,029	(11,594)
Total Revenue	531,232	519,638	(11,594)
Net Operating Surplus / (Deficit) for the year	65,878	54,284	(11,594)
Non-operating Items			
Realised Gain/(Loss) on sale of Shares	-	11,594	11,594
Surplus/(Deficit) for the Year	46,612	46,612	(0)

Note 2: Analysis of Expenses

2.1 Volunteer and employee related costs

FY2022 \$	NOTE 2.1	Analysis	FY2023 \$
206,167	2.1.1	Wages and Salaries	192,158
32,080	2.1.2	Contractors	39,981
36,000	2.1.3	Governance Honararia	36,000
274,246		Total	268,139

2.2 Direct Costs related to providing Goods or Services

FY2022 \$	NOTE 2.2	Analysis	FY2023 \$
24,564	2.2.1	Branch Events	20,728
2,789	2.2.2	Investor Conference	14,926
219	2.2.3	Beacon Awards	9,018
12,560	2.2.4	Journalism Awards	20,215
-	2.2.5	Scrip	-
12,300	2.2.6	ShareClarity	12,000
1,546	2.2.7	AGM	2,895
4,929	2.2.8	Other	6,264
58,907		Total	86,046

2.3 Support Costs related to providing Goods or Services

FY2022	NOTE	Analysis	FY2023
\$	2.3		\$
602	2.3.1	Branch Events	570
643	2.3.2	Investor Conference	4,207
952	2.3.3	Beacon Awards	267
423	2.3.4	Journalism Awards	780
7,030	2.3.5	Scrip	1,695
-	2.3.6	ShareClarity	-
580	2.3.7	AGM	1,122
3,732	2.3.8	Other	474
13,962		Total	9,115

2.4 Administration Costs

FY2022	NOTE	Analysis	FY2023
\$	2.4		\$
8,927	2.4.1	Professional Fees	5,860
28,569	2.4.2	Insurance	24,304
34,457	2.4.3	IT Costs	22,978
16,489	2.4.4	Office Rent	17,650
8,564	2.4.5	Printing and Post	2,800
10,014	2.4.6	Travel & Accommodation	25,606
757	2.4.7	Advertising	225
7,422	2.4.8	Governance-related Costs (incl. travel)	8,881
2,368	2.4.9	Other	227
117,566		Total	108,531

2.5 Depreciation Schedule

FY2022	NOTE	Analysis	FY2023
\$	2.5		\$
673	2.5.1	Depreciation	549

2.6 Write-offs

FY2022	NOTE	Analysis	FY2023
\$	2.6		\$
23,312	2.6.1	Fixed Asset writedowns	-
1,767	2.6.2	Intra-Group Consolidation Debtors writedown	-
102	2.6.3	Non-recoverable debtor	-

During the previous financial year (FY2022), the Association elected to write-down the remaining value of its software assets, following the retirement of the underlying assets. Other write-downs in FY22 related to non-recoverable intra-NZSA balances associated with the transition from branch accounting to integrated accounts and an erroneous IRD Resident Withholding Tax Balance dating from 2019.

Note3: Investments

The Association is invested in a number of NZX-listed shares and exchange traded funds (ETF's) as a part of a diversified approach to managing the Associations Investments.

These Investments assist the Association to manage any contingencies that may arise, such as a campaign requiring significant funds or a downturn in the Association income. Over-time, the Association intends to continue to grow its investments to further underpin its longer-term income.

The companies the Association holds in its investment portfolio are as scheduled below. Note that the Association is not recommending these companies nor providing an endorsement of them. The details below are provided simply for transparency.

		FY2023	FY2022
		# of shares	
Shares held for Investment			
Infratil Limited	NZX	2,446	2,446
Scott Technology Limited	NZX	2,000	3,520
Exchange-traded Funds (ETF's)			
iShares Global Healthcare	ASX	67	
Vaneck Morningstar Wide Moat	ASX	79	
Betashares NASDAQ 100	ASX	150	
Vaneck MSCI International Quality	ASX	215	
Smartshares Automation & Robotics ETF	NZX	1,860	
Smartshares Europe ETF	NZX	5,518	
Smartshares NZ Top 50 ETF	NZX	8,226	8,066
Smartshares NZ MidCap ETF	NZX	1,406	806
Smartshares US500 ETF	NZX	1,222	
Smartshares US Large Growth ETF	NZX	1,079	
Smartshares US Large Value ETF	NZX	1,753	
Short-term Investments			
Term Deposits		\$6,111	\$105,041
Investment Cash Mgmt Accounts		\$102,876	\$29,649

The shares and ETF's shown above have been recorded at Market Value of **\$141,363** as at 31 March 2023 in the Statement of Financial Position (last year \$62,922). The difference between the opening and closing market value of shares after allowing for purchases and sales ('unrealised gain or loss') is included in the Statement of Financial Performance. The Association continues to maintain an equity Investment Revaluation Reserve (see Note 4) to reflect the total difference between the historic cost of the investment and the subsequent unrealised gain.

There is a fundamental uncertainty in respect of the Realisable Value of these Investments due to the uncertain nature of the equity markets. Mark-to-market calculations are undertaken monthly and included in monthly financial reporting. Both Equity and Short-term investments are governed by an Investment Committee (a sub-committee of the Board including the CEO) and are subject to a defined portfolio allocation that is subject to regular review.

Note 4: Accumulated Members Funds

FY2022	Details	FY2023
\$		\$
	Capital contributed by members*	-
347,084	Accumulated surpluses or (deficits)*	381,915
46,612	Operating Surplus/Deficit	(6,924)
(6,258)	Transfers from Years Surplus/Deficit	(5,014)
(5,412)	Movement in Investment Revaluation Reserve	(1,775)
(110)	Movement in Taxation Reserve	4,717
381,915	Total Accumulated Members Funds*	372,919

Comprising:

344,978	Retained Earnings	326,245
19,212	Investment Revaluation Reserve	17,436
17,726	Taxation Reserve	22,443
-	Branch Funds Reserve	6,795
381,915	Total Accumulated Members Funds*	372,919

Note 5: Property, Plant and Equipment

Depreciation Schedule for y/e March 31st 2023:

Asset Type	Cost	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Computers	4,467	775	519	0	310	984
Sound and AV	3,462	384	0	0	115	269
Trademark	4,856	411	0	0	123	288
Total	12,785	1,571	519	0	549	1,540

Depreciation Schedule for y/e March 31st 2022:

Asset Type	Cost	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Computers	3,948	1,108	0	0	332	775
Sound and AV	3,462	548	0	0	165	384
Trademark	4,856	588	0	0	176	411
Total	12,267	2,244	0	0	673	1,571

Significant Donated Assets Recorded - Source and Date of Valuation: None

Significant Donated Assets - Not Recorded: None

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.

Legal services are provided by Chapman Tripp who are also a Supporter Member. A maximum value of services is specified, but the actual value is not quantified.

Note 7: Related Party Transactions

On occasion members of the NZSA may undertake work for the NZSA. This tends to be on an "as required" basis and tends to be project based. It is only reported if it exceeds \$10,000 per person per annum.

	FY2023		FY2022	
	Value of Transactions*	Amount Outstanding*	Value of Transactions*	Amount Outstanding*
Chair - Andrew Reding Chair's Honorarium Relationship = NZSA member	\$24,000		\$24,000	
Deputy Chair - Samantha Sharif Deputy Chair's Honorarium Resigned from Board March 2023 Relationship = NZSA member	\$12,000		\$12,000	
Secretary / Treasurer Secretarial, Treasurer, Web Management and miscellaneous Dis-established March 2022 Relationship = NZSA member			\$27,500	
Chief Executive Officer - Oliver Mander Under employment contract commenced October 2020 Relationship = NZSA member	\$113,300	\$17,600	\$103,000	\$12,400
Grant Diggie Under contract to provide Research and Support Relationship = NZSA member	\$21,390		\$23,245	
Warren Frost Contract to deliver investor knowledge strategy and plan Relationship = NZSA member	\$10,000			

Note that amounts outstanding above for Employees relate to Holiday Pay owed to employee and a provision for Sick Pay only.

Note 8: Events after Balance Date

None of significance

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.

Note 10: Capital Commitments and Contingent Liabilities

There are no capital commitments at balance date.

There is a \$3,000 payment due to a contractor on delivery of work associated with future content development. A lease is in place for the Auckland office occupied by NZSA, under contract to February 2025.

Note 11: Taxation

Tax Calculation

FY2022		FY2023
\$		\$
54,284	Net Pre-tax Operating Surplus/(Deficit)	(13,222)
11,594	<i>add back Realised Gain (FY22)</i>	
65,878	(enables comparability with 2022)	
(25,181)	<i>less Write-offs</i>	-
(523,830)	<i>Less - Non Taxable Income</i>	(442,328)
485,753	<i>Add - Non Deductible Expenditure</i>	440,572
(1,000)	<i>less - Tax Bracket (if applicable)</i>	-
1,620	Net Taxable Profit/(Loss)	(14,978)
454	Tax Payable	-

Imputation Credits

345	Imputation Credits	523
-	RWT	-
345	Sub Total	523
2,559	<i>Add - Imputation Credits brought forward</i>	2,450
(454)	<i>Less - Imputation Credits Used to offset tax payable</i>	-
2,450	Imputation Credits to carry forward	2,973

included in Tax-Related Assets on the Statement of Financial Position

Note 12: Tax Losses Carry Forward

FY2022		FY2023
\$		\$
54,560	Opening Losses	52,940
-	<i>Add - Current year loss</i>	14,978
(1,620)	<i>Less - Current year profit</i>	-
52,940	Loss to Carry forward	67,918
2,559	Imputation Credits brought forward	2,904
345	<i>Add - Excess Imputation Credits</i>	523
2,904	Total Imputation Credits	3,427
10,371	<i>Converted at 28% tax rate</i>	12,239
63,311	Total Future Tax Asset	80,157
17,727	@28%	22,444

The NZSA maintains a Taxation Reserve within its Retained Earnings, to more explicitly reflect the future benefit to members arising from its tax losses.

Note 13: Donations

During this financial year, the NZSA made a donation of \$870 + GST to the University of Canterbury Investment Society (FY22: nil)

GOVERNANCE REPORT

Given the role of NZSA in promoting effective governance, we offer the following disclosures in support of our policy positions applied to listed entities.

Remuneration Report

Directors Fees paid to each current Director are outlined in the table below. Currently, the NZSA Chair is paid \$24,000 per annum and the Deputy Chair is paid \$12,000 per annum, comprising a total fee pool of \$36,000 per annum. Note that since the resignation of Samantha Sharif on March 31st 2023, the NZSA Board has not appointed a Deputy Chair.

There were no other payments made to Directors, other than reimbursement of reasonable travel and accommodation expenses. There are no retirement or other non-cash benefits provided to Directors.

Name	Role	FY23 Payment
Andrew Reding	Chair	\$24,000
Samantha Sharif	Deputy Chair	\$12,000
Martin Hawes	Board Member	nil
Martin Watson	Board Member	nil
Grayson Cobb	Board Member	nil
Jerry He ²	Board Member (app Mar 2023)	nil
Ruth Tolise	Board Member (app Sep 2022)	nil
Louise Nicholson	Board Member (app Dec 2022)	nil
Joy Marslin	Board Member (app Feb 2023)	

The current CEO of the NZSA, Oliver Mander, was appointed in October 2020. Mr. Mander is paid \$110,000 per annum with an additional KiwiSaver benefit of \$3,300, and reimbursement of reasonable expenses to support travel and accommodation requirements.

Mr. Mander was paid a \$5,000 Board Appreciation bonus during the FY23 year. There are no formal short or long-term incentive programmes in place, with any award made at the Board's discretion.

While there is no formal remuneration report to assess whether the base salary reflects 'adequate' performance, NZSA believes that the nature of the role and the tasks performed by the CEO represent good value for NZSA members, as compared with comparable roles.

There are no termination payments payable to Mr. Mander beyond any statutory requirements. There was no payment made to Mr. Mander for any loss of benefit at previous employers, and no retention payments have been paid. There is no pension that will be paid to Mr. Mander upon retirement, resignation or termination.

Either party is able to terminate the employment contract with two months notice.

Name	Role	Base Remuneration	Other Benefits	Incentive Payments	Total paid to 31/3/22
Oliver Mander	CEO	\$110,000	\$3,300	\$5,000	\$113,300

Mr. Mander has clear targets set for each calendar year, with a regular assessment of progress against those targets carried out by the Board at quarterly intervals. A summary of the measures and targets associated with the 12 months to December 2022 is set out below.

Strategic Objective	Key Measurement Focus	Outcome
Increase corporate engagement with NZSA	- Corporate and Supporter Membership - Stakeholder engagement	Achieved
Grow our membership base & its diversity	- Membership growth - Membership engagement	Partly Achieved
Products and Services to support members	- Proxy Services - Education Strategy Development - Events (Branch and National)	Achieved
Enhancing NZSA capability	- Planning and internal management	Achieved
Policy Leadership	- Regulatory engagement and submissions - Policy development	Partly Achieved
Advocacy	- Stakeholder engagement	Achieved

As the period to December 31st 2023 is not yet completed, no assessment can yet be made as to the level of achievement. Key targets are related to the delivery of key strategic milestones.

Board Composition and Independence

The Board met 11 times during the 2022/23 financial year.

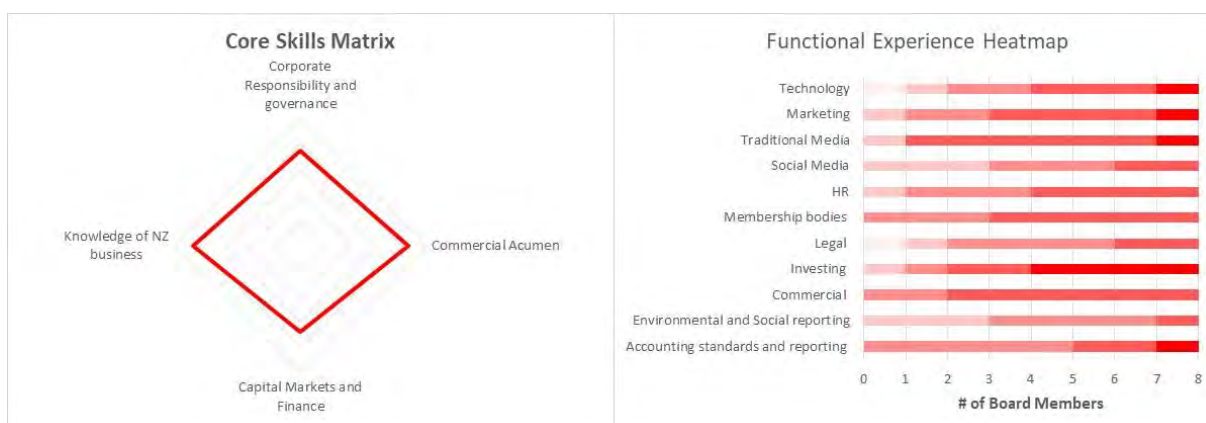
All Directors are regarded as Independent Directors, with an interests register maintained that shows no apparent conflict of interest or relationship that could prejudice independence. All directors are members of the NZSA. No Director has been a former employee of the NZSA.

Post balance-date, the Board has created a number of ‘working groups’ to support aspects of NZSA’s strategic and operational delivery requirements. A Finance and Risk Committee (FRC) has also been established, in addition to the existing Investment and Policy Committee (IPC).

Jerry He is no longer on the Board, as he has moved to Australia. Grayson Cobb has elected to leave the NZSA Board, given her change in location to the United States. Martin Watson leaves the Board at the 2023 AGM, after many years of dedicated service and undeniable expertise. We welcomed three new directors during the year in Ruth Tolise, Louise Nicholson and Joy Marlin.

The Board maintains a skills matrix that identifies the core skills required to support the NZSA, with management of Director succession and knowledge transfer to ensure that the Board is able to offer effective capability to the NZSA.

The skills matrix of the current Board, the CEO and Associates is shown in the following charts.



These charts should be read in conjunction with the Director Profiles provided in this Annual Report. The Board currently supports a Board Associate (Chris Steptoe). Recent Board Associate Jerry He was appointed as a member of the Board in March 2023, following successful completion of his induction programme. Unfortunately, a move to Australia meant he resigned from the NZSA Board in July 2023.

Risk and Assurance

The Board operates a risk management framework with the support of its Finance and Risk Committee (FRC). Identified key risks and mitigations are shown below:

Risk Type	Risk	Mitigation
Reputation	Membership Loss	Content development, increasing awareness of NZSA amongst potential new membership types, advertising & events
	Growth in non-DIY investing	Development of new value propositions to support indirect investors
Digital Security	Data Breach	NZSA does not store financial information. Use of 3 rd party for personal data storage.
Legal	Insider knowledge	Sensitive Information policy in place
Operational	General quality and satisfaction	Communication mechanisms and member feedback. Effective relationships to validate content development.

Board members are able to access limited external advice to support decision-making as required, through NZSA's legal services provider (Chapman Tripp) and are able to access internal staff at any time. Staff and key contractors are also able to access Board members as required.

Ethical and Social

NZSA has a Whistleblowing Policy applicable to its staff, with the policy disclosed on our website. NZSA does not make any donations to political parties.

Review

This is the first year that BDO (Lead Partner: Henry McClintock) has been NZSA's reviewer, as approved by members at the 2022 AGM. The reviewer is appointed subject to NZSA's Finance Review Policy, which is available on our website. This specifies a term no longer than 5 years for the Lead Partner and a review to be carried out every 10 years. Note that Brooke Rodriguez will become the Lead Audit partner for FY24.

As our Reviewers, NZSA does not contract BDO to perform any other services for NZSA.

CORPORATE MEMBERS

SUPPORTER MEMBERS

2023 ANNUAL GENERAL MEETING

Agenda

1. Apologies
2. Chair's Report
3. CEO's Report
4. Resolutions:
 - A. Adoption of the Minutes of the 2022 Annual General Meeting
 - B. Adoption of the Annual Report incorporating
 - Performance Reports
 - Accounts Review and Notes
 - C. Re-election of Martin Hawes as a Director of NZSA
 - D. Election of Joy Marslin as a Director of NZSA
 - E. Election of Louise Nicholson as a Director of NZSA
 - F. Election of Ruth Tolise as a Director of NZSA
 - G. Appointment of BDO (Lead Partner: Brooke Rodriguez) as Performance Report Reviewer for the upcoming financial year (March 31st 2024).
5. General Business

Meeting Procedures

- Voting papers will be provided at the meeting for those present.
- If you are unable to attend, please complete the Proxy Form and ensure it is received by NZSA 48 hours prior to the meeting. Alternatively, you will be able to attend online at [this link](#).
- For those attending online, you will be able to vote and ask questions. Simply respond to the online poll when prompted. To ask a question, please enter this using the chat facility provided, this will be monitored by NZSA staff.

Proxy Form

Proxies should be completed, scanned and submitted via email to teresa@nzshareholders.co.nz. If this is not possible, please mail to the Association's postal address:

NZ Shareholders Association
Level 5, 48-52 Wyndham St
Auckland 1010

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

I/We _____ of _____
(Please print your name and address)

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

_____ of _____
(Please print the Proxy Holder name and city of address)

or in their absence _____ of _____
(Please print the alternative Proxy Holder name and city of address)

as my Proxy to vote for me on my behalf at the Annual General Meeting of NZSA to be held on September 12th 2023 and at any adjournment thereof. My Proxy Holder is instructed to vote as follows:

	Resolution	For	Against	Proxy Holder discretion	Abstain
A	Adoption of the Minutes of the 2022 Annual General Meeting				
B	Adoption of the Annual Report incorporating - Performance Reports - Accounts Review and Notes				
C	Re-election of Martin Hawes as a Director of NZSA				
D	Election of Joy Marslin as a Director of NZSA				
E	Election of Louise Nicholson as a Director of NZSA				
F	Election of Ruth Tolise as a Director of NZSA				
G	Appointment of BDO (Lead Partner: Brooke Rodriguez) as Performance Report Reviewer for the upcoming financial year (March 31 st 2024).				

Signed by the member of the Association _____

Please **PRINT** your name here _____

Please provide the email address used to login to NZSA (if applicable). This will assist NZSA in validating your proxy.

Notes to Support Resolutions

Minutes of 2022 AGM

Minutes of the Annual General Meeting of the New Zealand Shareholders' Association September 14th 2022, Ellerslie Racecourse, Auckland

Andrew Reding, Chair declared the AGM open at 19:30pm, with appropriate quorum and outlined that it will be a hybrid meeting/live streamed.

Attendance:

Board & Executive in physical attendance: Andrew Reding (Chair), Martin Watson, and Jerry He.

Board & Executive in virtual attendance: Oliver Mander (CEO), Grayson Cobb and Samantha Shariff.

Members: 40 physically present, along with 18 online

Apologies:

Martin Hawes

Voting Procedure:

The voting procedure and system by way of a show of hands for members who are present and online members voting online was explained by Andrew Reding. The meeting adopted this.

Previous Minutes and Matters arising:

The Minutes of the AGM held on September 14th 2022, Auckland as contained in the Annual Report, were taken as read. Proposed these be ratified;

Proposed Andrew Reding

Abstentions: 5

Sufficient votes in favour for the adoption of the 2022 minutes

Chair's Report

Andrew stated that the Chair's Report included in the Annual Report would be taken as read but outlined a few points.

Despite Covid-19, our finances have stood up well but it has impacted on our membership offering, especially branch meetings. This and other factors has resulted in a small decline in our membership numbers, though not Corporate Membership numbers. 231 members have left this year, 90 or more of these have had ten years with the association. We do regular surveys of people who leave so know that people are not dissatisfied with what we are offering, it is more a function of our demographic base. In

that, it carries a warning for us. We therefore think the most important thing we can do for this coming year is to find a way to extend our offer to the 3 million kiwis who represent as investors without disrupting what we do for our current members. This offer will focus around proxy services and an educational package, work is being done on that now.

I sincerely and whole heartedly thank all our volunteers for their huge efforts during the year. Without them and our small team of staff, lead by Oliver Mander, we would not be what we are. And a thank you to you as members, as without you, we simply would not exist.

Chief Executive's Address – Oliver Mander

Oliver reiterated his thanks to the volunteers and branch members stating that it is a key element of the organisation's work, and the time and effort spent making sure that NZSA can continue to operate effectively is not to be underestimated.

Oliver took the CEO report presented in the papers as read and outlined a few observations:

- The year to end March 22 focused on a 'reset' of the foundations of NZSA. Many will have seen and observed that. Changes to our website, our financial system and our core capability allow us to operate in a way we couldn't do before and for us to operate sustainably for the longer term. As a result we have a more efficient NZSA.
- We have spent a lot of time on relationships with companies across the NZX listed companies, with corporate members and other corporates that are not members. We have also engaged with other stakeholders such as the FMA, NZX, External Reporting Board and others to make sure we continue to play a central and critical role in the investment ecosystem.
- We also looked at the external face of the organisation, how we access companies and what we think is in the interest of retail investors. We spent a lot of time looking at some of our policies to access companies on particular governance, audit or finance factors.
- We have put focus into streamlining the content that we produce. The education package is looking to support new investors. We have a strategy and new education curriculum in development.
- As the NZSA evolves, we are making sure we continue to be focused on retail investors - both members and non-members too.
- Also, we continue to improve the quality and scope of our proxy service.

Oliver spoke about the strategic workstreams outlined in the papers:

1. Increase corporate engagement with NZSA.
2. Grow our membership
3. Products and services that support diverse members
4. A unified NZSA (improve systems, processes and capability)
5. Policy leadership for retail investors
6. Advocacy to support corporate best practice.

Financial Report - year end March 22

Oliver took the report as read.

Highlights:

- Changes in the accounting policies to reflect the upcoming requirements of the XRB
- Consolidation of the NZSA accounts to form a single NZSA entity.

Oliver provided a summary of the Financial report.

- We did make some changes to the 2021 accounts and that reflected a couple of errors from prior years. Specifically, these related to subscription income and valuation of the tax asset.
- We also adopted a change in accounting policy.
- The changes we have made throughout the year has resulted in cost savings. We expect further (limited) cost savings for FY2023.
- We did make one major write-off, related to the old website (around \$25,000).
- The new website costs are not going to be capitalised, with the (minor) development costs absorbed within the operating costs.
- Covid did have an impact on our financials, with some cost-savings driven from a reduced number of events.

Questions

Can we have a bit of information on the financial forecast for this year?

Andrew: We are now recognising income from corporates when cash is received, not when a renewal notice is issued. So at the moment, we have \$45,000 outstanding from corporates, which would have been in the accounts last year. If that is included, our result would have been positive, on an underlying basis.

Oliver: Our budget for the year, is around \$48,000. We should be well enough on track to achieve that on an underlying basis. The budget does not reflect the relatively small amount we have invested in education.

Regarding the education, is there a scope to broaden the format to being online as well as seminar form?

Andrew: The intent is to make it online and scalable; it is not likely that it will be in seminar form. That does not mean we will not, but it is not the intent initially.

I have been an investor in the NZ share market for many years and it is nice to hear you are talking about education and supporting NZ business (eg, the switch to Xero). In NZ, when you read some of the company reports, some of them have high family ownership but a lot of others have fund managers investing in them, ACC, Milford, Fisher etc... we also have the big Australian banks who are investing in

NZ. If we really are supporting NZ I am asking that NZSA switch their accounts to Kiwi Bank. I asked them to do it 5 years ago and they didn't accept it. But why would you not?

Andrew: We have been with the ANZ for a long time, they provide us with a good service. I cannot promise we will move but we will have a look at it and consider it.

Adoption of the Annual Report incorporating - Performance Reports - Accounts Review and Notes

It was proposed and seconded the Annual Report incorporating - Performance Reports - Accounts Review and Notes be accepted.

Proposed	Andrew Reding
Abstentions	5

Sufficient votes in favour for the adoption of the Annual report

Adoption of a revised NZSA Constitution

The adoption of a revised NZSA Constitution was proposed and seconded.

Proposed	Andrew Reding
Abstentions	2

Sufficient votes in favour for the adoption of a revised NZSA Constitution

Re-election of Andrew Reding as a Director of NZSA

It was proposed and seconded the re-election of Andrew Reding as a Director of NZSA. Andrew addressed the meeting.

Proposed	Andrew Reding
Abstentions	5

Sufficient votes in favour for the adoption of the re-election of Andrew Reding as a Director of NZSA

Re-election of Martin Watson as a Director of NZSA

It was proposed and seconded the re-election of Martin Watson as a Director of NZSA. Martin addressed the meeting.

Proposed	Andrew Reding
Abstentions	2

Sufficient votes in favour for the re-election of Martin Watson as a Director of NZSA

Election of Grayson Cobb as a Director of NZSA

It was proposed and seconded the election of Grayson Cobb as a Director of NZSA. Grayson addressed the meeting.

Proposed	Andrew Reding
Abstentions	2

Sufficient votes in favour for the election of Grayson Cobb as a Director of NZSA

Appointment of Henry McClintock of BDO as Performance Report Reviewer for the upcoming financial year (March 31st 2023).

It was proposed Henry McClintock of BDO be appointed to undertake a Financial Review of the YE 2023 accounts on behalf of Members.

Proposed	Andrew Reding
Abstentions	Nil
Passed Unanimously	

General Business (and Questions)

My suggestion is to publish, not only the names of corporate and support members but more information on who they are and who works there and what departments.

Andrew: We believe there may be some privacy issues related to publishing a member register, but we will consider this in future.

There is no reference to NZ law has evidence over the constitution so that if it ever arises that that is a change in law and that takes priority. You cannot contract out of law.

Samantha: As NZSA is incorporated in New Zealand, our constitution is considered to be within the jurisdiction of New Zealand. There is no requirement to refer to NZ jurisdiction.

Are we concerned about the absolute number of people on a Board? I would go with an odd number always. Then you never has a deadlock.

Andrew: We are making Board changes in the short-term. However, we are not concerned as to whether this results in an even or odd number.

Andrew Reding presented a gift to Chris Curlett for his huge contribution to the NZSA.

Andrew Reding declared the meeting closed at 8:13pm

Voting Results – 2022 AGM

Resolution	In Favour	Against	Abstentions
A. Adoption of the Minutes of the 2021 Annual General Meeting	38		5
B. Adoption of the Annual Report incorporating - Performance Reports - Accounts Review and Notes	45	1	5
C. Adoption of a revised NZSA Constitution	54		1
D. Re-election of Andrew Reding as a Director of NZSA	57		2
E. Re-election of Martin Watson as a Director of NZSA	58		2
F. Election of Grayson Cobb as a Director of NZSA	58	1	2
G. Appointment of Henry McClintock of BDO as Performance Report Reviewer for the upcoming financial year (March 31st 2023)	58		

Signed as a true and correct record on _____ 2023

(Chair)

Director Election

Ruth Tolise, Louise Nicholson, Joy Marslin and Martin Hawes are standing for election to the NZSA Board.

Martin Hawes

On NZSA Board since 2020

Key Skills: Capital Markets, Commercial, Investment, Media & Mktg, NZ Business

Directorships: Retirement Income Group



Martin Hawes is an Authorised Financial Advisor and lives in Christchurch. He has written over 20 books including *Family Trusts – A New Zealand Guide* and *Twenty Good Summers*.

Martin is a speaker at conferences and gatherings around the country and frequently makes comment in the media. He is long-term member of NZSA.

Ruth Tolise

On NZSA Board since September 2022

Key Skills: NZ Business, Accounting, Commercial, Legal

Directorships: AAPE Aoga, Central Pacific Collective, Niuvaka Trust



Ruth is a first-generation New Zealand Samoan. Ruth's mother was born in Taputimu, Tutuila but raised in her maternal grandmother's village of Nofoalii, and her father is from Fai'a'ai, Savaii. In 2017 she was bestowed the chieftain title of "Fualau" from her father's village in Fai'a'ai.

Ruth has 28 years of commercial experience in financial services, predominantly in the private sector. She has worked in the banking and insurance sectors, managed and led high-performing teams in various areas, including asset services (Corporate Actions, Settlements, Treasury), lending & operations, regulatory, risk and compliance, internal audit, and financial crime anti-money laundering. Ruth also worked as an Accountant for a global platform company that provided multi-channel wealth management services to clients with funds under management of over \$1.5TN+.

Ruth currently works as a Senior Manager – Risk Enablement for TSB Bank. She is currently undertaking a Master's degree at the Faculty of Law, the University of Auckland, specialising in Corporate and Commercial Law.

Giving back to her Pacific community, Ruth is a Trustee and Chairperson for a Pasifika Social Services organisation that provides social services to pacific people in the regions (Manawatu and Horowhenua). Ruth is also a mentor at Victoria University for final year Finance and Accounting students offering guidance in their transition to the workforce.

Louise Nicholson

On NZSA Board since December 2022

Key Skills: NZ Business, Media, Marketing, Social Media, Commercial, Environmental & Social

Directorships: None



Louise is a corporate communications specialist, with experience working for government, business, the media and agencies. She has held senior roles in New Zealand, Australia and Asia.

Most recently, she was part of the leadership team of New Zealand's Financial Markets Authority and prior to that was a partner in one of the Asia Pacific's most successful public affairs agencies.

Louise's specialty is issues and reputation management, with a particular focus on financial communications and the rights of investors.

Joy Marslin

On NZSA Board since February 2023

Key Skills: Governance, Commercial, Environmental & Social, Investment, HR

Directorships: Simplicity, Simplicity Living, Metis Investment Committee, Impact Enterprise Fund, Financial Services Complaints Limited, Strategi Group



Joy has worked within the financial services sector for over 30 years in client services, wealth management, investment governance and leadership positions.

Joy holds a number of governance roles including Board Chair of Simplicity NZ Ltd, independent director of Strategi Group, industry representative director for Financial Services Complaints Ltd, director of Impact Enterprise Fund, and independent member of Metis Investment Committee.

Joy's former corporate roles included Head of ANZ Wealth and Head of Westpac Private Wealth Management.