



AWF MADISON

**AWF MADISON GROUP
ANNUAL MEETING OF SHAREHOLDERS – CHAIRMAN’S ADDRESS**

31 July 2019

Good morning shareholders – guests – AWF Madison team members plus key advisors, and welcome to this Annual Shareholders meeting for the AWF Madison Group. My name is Ross Keenan, and as I am Chairman of the AWF Madison Board, it is my pleasure to Chair this meeting.

We have been able to offer a steady dividend which, notwithstanding a disappointing operating performance, we were pleased to be able to retain at 16.2 cents for the year. Each year we take particular advice on dividend policy and again, based on our very strong cash flow, we have been able to maintain dividend levels. And of course, with the Dividend Reinvestment Plan in place, we have made steady progress in reducing net debt, and enjoy a very positive relationship with our Bank.

ASB is our banker and as a Board and Management, we have been delighted with this relationship over the last couple of years and this remains very positive.

With respect to the DRP itself, we are pleased to report a steady lift in shareholder interest in this, which, based on the Final Dividend paid in July, saw a take up of nearly 65% by shares and by nearly 21% of shareholders by number – a lift of over 90% on the first introduction of the DRP last year to now 147 shareholders representing that 21%.

As one who regularly looks through our shareholder register so I can see who might be creeping up (or down) I have been pleased to note a steady increase in number of shareholders to 723 as at 31 March – an increase in over 14% for the year. And I don’t know what this means, but we have new shareholders from locations such as Malta, New Mexico and Isle of Man.

Later we will hear from Simon Bennett and he will introduce his key management team; this year including David Hollander, Chief Executive of JacksonStone & Partners.

At the time of releasing our Annual Report we were delighted to be able to announce the purchase of JacksonStone & Partners, effective 1 June, and I think you will find it interesting to hear from both Simon and David how this purchase fits the bigger picture for our Group - and David, welcome to the world of a Public Company.

Last year, I talked about the commitment we make to Health & Safety and, particularly in the AWF business; and the role Simon Hull plays in that process. Compliance is very expensive but necessary, and our incident rate is, by any measure, very good. It is appropriate that I reiterate that commitment again this year. In my commentary in the Annual Report I stated that “As a Board we wonder if vigilance across the sector is where it should be to ensure Health & Safety compliance.” What I meant by that is that it is staggering to us that very large NZ organisations continue to deal with labour providers who skip from one job to another without evidence being provided around stringent compliance that NZ legislation requires. As one who comes out of an industry where regulation and controls are mandatory and measured – not just taken as guidelines – this attitude by some of corporate NZ, is astonishing.

Which leads me to my other subject of relevance in recent times: A few years ago I used to stand up at these meetings and sing the praises of our wonderful Filipino workforce, and that part continues, but bureaucracy has, over the last two years, turned this into a nightmare of inflexibility and uncertainty – wasted opportunity at a time when NZ business is crying out for skilled workers. We have a backlog of workers waiting in countries of origin to be approved for travel by NZ Immigration; and as a Board, we struggle to understand the reasoning behind the process.

So that’s enough from me, and of course we will allow plenty of time in General Business to cover off any questions you may have.

For the Board,

Ross Keenan, Chairman
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