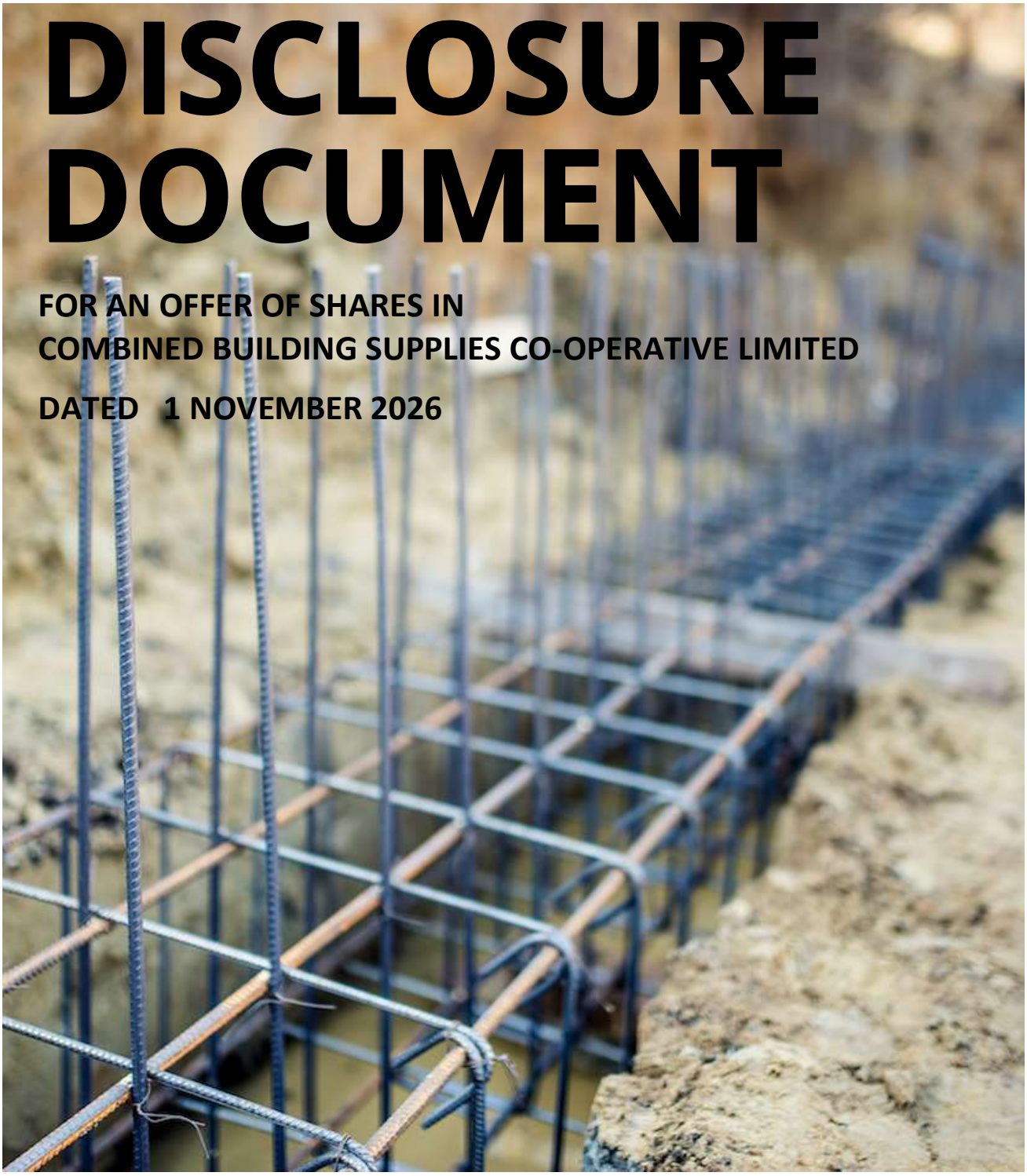
DISCLOSURE DOCUMENT

FOR AN OFFER OF SHARES IN COMBINED BUILDING SUPPLIES CO-OPERATIVE LIMITED

DATED 1 NOVEMBER 2026



Under the Financial Markets Conduct Act 2013, co-operative companies and industrial and provident societies making an offer of co-operative shares have to give information about themselves and the shares to investors. They also have to provide shareholders with ongoing financial information about the shares and the company or industrial and provident society. In most cases, this information must meet legal requirements under that Act for financial reporting and the auditing of financial statements. This is to help investors make informed decisions.

In this case, these rules do not apply because there is an exemption where the total amount to be invested by individual investors in co-operative shares of a co-operative company or an industrial and provident society is $10,000 or less (including any shares already held). This exemption recognises that, for the shareholders, these co-operative shares are more like a membership than an investment.

As a result, you may not be given all the information usually required.

DISCLOSURE DOCUMENT

1.0 What is this?

This is an offer of ordinary co-operative shares ("Shares") in Combined Building Supplies Co-operative Limited ("CBS Co-op"). Shares give you a stake in the ownership of CBS Co-op.

You could receive a return reflecting the performance of CBS Co-op through rebates or other distributions declared by the Board.

If CBS Co-op runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

2.0 About the CBS Group

CBS Co-op, together with its subsidiaries ("CBS Group"), is a building supplies and services co-operative within New Zealand. The CBS Group offers a wide range of benefits to its members through entering into preferential supply agreements with suppliers of building products and services.

CBS Co-op is the parent entity of the CBS Group. It is a co-operative company registered under the Companies Act 1993 on 3 August 2017 and the Co-operative Companies Act 1996 on 19 April 2018.

As at the date of this Document, CBS Co-op has one wholly-owned subsidiary company, CBS TM Limited. CBS TM Limited is a non-trading entity that holds the brands and other intellectual property assets of the CBS Group.

CBS Co-op is made up of its board of directors and employs a management team. Further details are set out in section 6 "Key drivers of returns" below.

3.0 Purpose of this offer

The purpose of this offer is to enable the issue of:

(a) initial Shares to enable persons to become Transacting Shareholders; and

(b) distributions or rebates to Shareholders in the form of additional Shares, up to the current maximum shareholding of 10% of the Shares on offer per Shareholder (or otherwise as determined by the Board from time to time in accordance with the Constitution and subject to any applicable laws).

The purpose of this offer of Shares is not, therefore, merely to raise capital for CBS Co-op, but as a mechanism for membership. CBS Co-op will use the proceeds of the offer for the general corporate purposes of the CBS Group rather than for a specific activity.

4.0 Key terms of the offer

Brief description of the Shares	This is an offer of ordinary co-operative shares in CBS Co-op. Each Share has a nominal value of $1.00. CBS Co-op only has one class of share on issue. Each Share confers on its holder the right to vote, receive rebates and distributions authorised by the Board and to share in the distribution of the surplus assets of CBS Co-op in accordance with the Constitution. The Shares may only be surrendered in certain circumstances. These circumstances are summarised in section 5 "How can you get your money out" below.
Price of the Shares	The nominal value of the Shares is $1.00 per Share ($1,000 in total). Any change to the nominal value of Shares must be made in accordance with the Constitution and any applicable laws.
Date offer of Shares opens	23 April 2018
Date offer of Shares closes	This is a continuous offer of Shares. The offer therefore has no closing date but the Board is not obliged to accept applications and can decide to cease or suspend offering Shares at any time.
Shareholding requirements	In order to become a Shareholder, you must make a minimum investment (being 1,000 Shares) of $1,000 ("Price"). You will only be issued Shares if, in the opinion of the Board, you will be a Transacting Shareholder. A Transacting Shareholder is a shareholder who carries out transactions with CBS Co-op or its suppliers. The Board of CBS Co-op is able to make rules relating to Transacting Shareholders and set a minimum purchase requirement. Currently, the Board has not made such rules. As this is a continuous offer of Shares, there is no minimum number of Shares that must be subscribed for by Shareholders collectively before the Shares are issued.
Maximum Shareholding	The maximum number of Shares that a Shareholder may hold is 10% of the Shares on issue from time to time. The maximum number or value of Shares that may be held by a Shareholder is as determined by the Board from time to time in accordance with the Constitution and subject to any applicable laws.
Liability of Shareholders to make further payments in relation to the Shares after issue	There are no additional financial commitments or ongoing fees required as it is intended that the Company will be self-funding from rebates received from suppliers. There is no requirement to subscribe for further Shares for levels of qualifying spend.

Rights attached to Shares	No votes attach to the Shares until they are paid up. The other terms of issue and powers attaching to the Shares are set out in the Constitution. The Constitution is available for download at the Companies Office at www.companies.govt.nz.
Rebates and other distributions	Under the Constitution, the Board has the power to declare rebates or other forms of distributions which may be made, in whole or part, in cash, Shares or any other form determined by the Board. In this section, a reference to a rebate includes other forms of distribution such as additional Shares. Your primary return shall be from discounts on purchases of goods and services from certain third-party suppliers with whom CBS Co-op has discount arrangements. In addition, you could receive a return from a proportion of the profits of CBS Co-op (which may be paid in cash, credit or additional Shares) which are generally paid annually but may be paid more or less frequently ("Annual Rebates"). Shareholders do not have the right to require payment in cash or credit if the Board determines to issue additional Shares. Annual Rebates may be calculated by reference to the number, value or volume of, or the profit derived by CBS Co-op from transactions by Shareholders or through CBS Co-op and/or the number of Shares you hold.
Surrender Value	The Surrender Value is determined in accordance with the Share Surrender and Termination Policy, adopted by the Board (and as amended from time to time). The Surrender Value is likely to be the net assets per share in the most recent audited financial statements. The Board can require the Surrender Value to be reviewed by an independent valuer. The Surrender Value will be assessed at the time of surrender and therefore is changeable depending on the time of surrender. The Board will notify you (or your representative) if the Surrender Value is to be determined by any other method.

5.0 How you can get your money out

CBS Co-op does not intend to quote these Shares on a market licensed in New Zealand, and there is no other established market for trading them. This means that you may not be able to sell your Shares.

In general, persons investing in shares in a co-operative company do so in order to transact with the co-operative and to be entitled to discounts and rebates based on their trading with the co-operative, rather than to obtain capital gains in the value of the shares. Holders of Shares are unlikely to be able to transfer or surrender their Shares for more than the nominal value of $1.00 per Share.

Subject to restrictions in the Constitution, you may sell or transfer your Shares to any person who is, or will become, a Transacting Shareholder of CBS Co-op.

SURRENDER

The general method of disposing of Shares is to surrender your Shares to CBS Co-op. The Board is not required to accept a request to surrender shares except in certain limited circumstances, including:

- if you have not been a Transacting Shareholder for the past five years; or

- on your death, when your personal representative may request a surrender of your Shares,

in which case the Board must accept such request unless it considers the surrender would result in CBS Co-op not being able to satisfy the solvency test.

In addition, CBS Co-op can require you to surrender your Shares in certain circumstances including if you:

- have ceased to be a Transacting Shareholder (as a result of ceasing to trade with CBS Co-op or its preferred suppliers);
- are in default of an obligation to CBS Co-op or one of its related companies or its suppliers (including an obligation to pay money by the due date); or
- if the surrender is otherwise considered to be in the best interests of CBS Co-op.

Unless determined otherwise by CBS Co-op, the consideration for the surrender of your Shares if required by CBS Co-op is the lesser of:

- the nominal value of the Shares on the date that the surrender takes effect;
- the amount paid up for the Shares;
- if the constitution includes a procedure for determining the consideration on surrender, the amount determined in accordance with that procedure;
- an amount agreed upon between you and the Board; or
- the Surrender Value (if the Board is required to accept the request of surrender due to the limited circumstances specified above),

less any amount you owe to CBS Co-op or any of its related companies on any account whatsoever.

Further information on the process for the surrender of Shares is set out in the Constitution. The Constitution is available for download at the Companies Office at www.companies.govt.nz.

6.0 Key drivers of returns

The goal of CBS Co-op is to obtain the best possible pricing on building materials and services to the building industry by combining the buying power of builders across the country.

Accordingly, the principal activity of the CBS Group is to enter into arrangements with suppliers of materials and services to the building industry to negotiate discounts and other benefits for its Transacting Shareholders. CBS Co-op may also in the future itself offer products and services to its Transacting Shareholders.

Because the principal activity of the CBS Group is to deliver discounts to its Transacting Shareholders, your returns from the investment in the Shares are likely to be received from discounts received from those suppliers, and will be dependent on your levels of trading with CBS Co-op's preferred suppliers in various product or service categories, rather than the number or value of Shares you hold.

The goal of the Board is therefore to ensure that the CBS Group is self-funding from rebates received from suppliers, but beyond this, the Board seeks to optimise discounts to Transacting Shareholders rather than optimising the financial performance of CBS Co-op itself.

The key driver of returns for CBS Co-op and its subsidiaries is entering into supplier arrangements and negotiating preferential pricing and rebates under those arrangements. As the arrangements are generally based on the volume of spending by Transacting Shareholders with those suppliers, the financial performance of CBS Co-op is strongly linked to the spending by Transacting Shareholders and the strength of the construction industry as a whole.

However, there is no representation that every Shareholder will be able to trade with all of CBS Co-op's suppliers. The Shareholder's ability to trade with any supplier is subject to the Shareholder complying with that supplier's terms and conditions, including credit terms. CBS Co-op requires, under its arrangements with its suppliers, that the suppliers will ensure that their treatment of Transacting Shareholders for credit terms are consistent with (or no less favourable to the Transacting Shareholder) its treatment of its other

customers. There is also no representation that all existing supplier agreements will continue in the future and not be replaced with new suppliers.

CBS BOARD OF DIRECTORS AND MANAGEMENT

The directors of CBS Co-op and the management team is critical to its success.

As at the date of this Document, the directors of CBS Co-op are:

- Peter de Gouw
- Richard Clark
- Robert Kilpatrick (Chair)
- Gregory Watts
- Carl Taylor (Managing Director)

More information on each of the directors of CBS Co-op can be found at www.combinedbuildingsupplies.com.

As at the date of this Document, the members of the management team are:

- Carl Taylor (Managing Director)
- Simon White (Chief Financial Officer)

All Shares held by CBS Co-op's directors or members of the management team have been acquired by the directors or members of the management team in their capacity as Transacting Shareholders of CBS Co-op. Such shareholding details are not material information.

The directors or members of the management team may also be directors / shareholders in suppliers that enter into preferred supplier agreements with CBS Co-op. All such agreements are entered into in the ordinary course of business of CBS Co-op and on market terms.

Other than as set out above, no directors or members of the management team (or their associated persons) have a direct or indirect material interest in CBS Co-op or any of its subsidiaries, or in any agreement entered into on behalf of, or in respect of, CBS Co-op or any of its subsidiaries that is material to that director and CBS Co-op.

OTHER GOVERNANCE INFORMATION

The minimum number of directors of CBS Co-op is three and the maximum number is seven.

The majority of directors must be Transacting Shareholders.

The Board may also appoint up to two independent directors from time to time (provided that the total number of directors does not exceed seven).

The Board will ensure that the accounts of CBS Co-op are audited each financial year, and that the auditor is entitled to attend annual general meetings of the company and be heard at those meetings.

7.0 Key risks affecting this investment

CBS Co-op considers that the most significant risk factors that could affect the returns received from holding these Shares are:

- **Building Industry Downturn**: CBS Co-op is focused on the building and construction industry. As a result, a national event (such as a pandemic) affecting building and construction could lead to a material reduction in trade. This will reduce the volumes Shareholders spend with suppliers, and

therefore reduce rebates available to CBS Co-op. This could significantly affect the financial performance of the CBS Group.

- **Levels of Trade**: CBS Co-op looks to give returns to its Shareholders in two ways: (i) Entitlements to discounts from CBS Suppliers when you purchase goods or materials from those suppliers; and (ii) Annual Rebates, payable out of rebates received by CBS Co-op from suppliers (after paying costs and any retention for the ongoing business of CBS Co-op). Both of these returns are impacted by the volume of trade Shareholders carry out with CBS suppliers. If Shareholders chose not to buy materials or services from suppliers, this will impact the financial performance of the CBS Group.
- **Compliance with supplier terms**: As stated in section 6 "Key drivers of returns", Shareholders are required to comply with the standard terms and conditions of suppliers' terms and conditions. The failure of Shareholders to pay their accounts by the due date could reduce the rebates received by CBS Co-op by the relevant supplier, and therefore impact the financial performance of the CBS Group.
- **A key supplier decides to terminate a supply agreement with CBS Co-op:** This will reduce the volumes Shareholders spend with suppliers until a replacement key supplier is added, and therefore reduce rebates available to CBS Co-op. This could significantly affect the financial performance and viability of the CBS Group.
- **Capital/Funding Constraints**: As a co-operative company, CBS Co-op has greater limitations on its ability to raise equity capital to invest in large projects or initiatives. As a result, CBS Co-op would likely need to rely on raising debt finance if it intended to make such an investment, and would therefore be more dependent on the availability of debt finance at the relevant time.

This summary does not cover all of the risks of investing in the Shares. Other more general risks which may affect CBS Group's financial performance include:

- a general downturn in economic and business conditions;
- decreases in consumer demand or changes in consumer habits;
- changes in tax rates or regimes;
- a new competitor entering the markets in which CBS Co-op operates, or a competitor substantially increasing their market share; or
- changes in the regulatory environment which could affect the market in which CBS Co-op operates.

In addition, tax law is complex and changes frequently. Taxation could have a significant consequence for investments, including returns payable in relation to the Shares. CBS Co-op recommends that shareholders seek professional tax advice regarding their individual circumstances prior to investing in the Shares.

8.0 CBS Group's financial information

Under the terms of the Financial Markets Conduct (Small Co-operatives) Exemption Notice 2022, on which this offer relies, no financial information regarding CBS Co-op or the CBS Group is required to be provided in this Document.

9.0 How to apply

Applications to subscribe for Shares should be made by completing the membership registration available online at www.combinedbuildingsupplies.com .

If you are not able to access the website, you may contact CBS Co-op on the contact details set out in section 10 "Contact Information" below, and a shareholder information pack can be sent to you.

Completed application forms can be returned to CBS Co-op by post or sent by email to applications@contactcbs.com. Please see the contact information below in section 10 “Contact information”.

10.0 Contact information

CBS Co-op can be contacted at:

In relation to applications: Applications Combined Building Supplies Co-operative Ltd P O Box 33022, Barrington, Christchurch Email: applications@contactcbs.com	**In relation to share registry queries:** Share Registry Combined Building Supplies Co-operative Ltd P O Box 33022, Barrington, Christchurch Email: registry@contactcbs.com
In relation to general queries: Combined Building Supplies Co-operative Limited P O Box 33022, Barrington, Christchurch Email: info@contactcbs.com	

11.0 Glossary

In this Document, the following defined terms have the meanings set out below:

Term	Meaning
Annual Rebates	Has the meaning given in the table under section 4 "Key Terms of the Offer" above under the heading "Rebates and other distributions"
Board	The board of directors of CBS Co-op
CBS Co-op	Combined Building Supplies Co-operative Limited
CBS Group	CBS Co-op and its subsidiaries as at the date of this Document
Constitution	The Constitution of CBS Co-op (as amended or replaced from time to time). You can access a copy of the current constitution free of charge at the Companies Office at www.companies.govt.nz
Document	This Disclosure Document
Price	The amount of $1,000 required to be paid for 1,000 Shares
Shareholder	A member of CBS Co-op and further defined in the Constitution
Shareholder Director	A director appointed or elected in accordance with the Constitution to represent Shareholders
Shares	Ordinary co-operative (nominal value) shares in CBS Co-op
Transacting Shareholder	A shareholder who carries out transactions with CBS Co-op or suppliers of CBS Co-op, as defined in the Constitution