



Notice seeking clearance for
Mohawk Industries, Inc. (**Mohawk**)
or any interconnected body corporate
of Mohawk to acquire 100% of the
shares of Bremworth Limited
(**Bremworth**)

PUBLIC VERSION

Confidential material in this application has been removed.

Its location in the document is denoted by [REDACTED].



CONTENTS

SECTION 66 COMMERCE ACT 1986: NOTICE SEEKING CLEARANCE FOR BUSINESS ACQUISITION	4
EXECUTIVE SUMMARY	5
The Proposed Transaction	5
No substantial lessening of competition	5
PART 1: APPLICANT AND TARGET DETAILS	8
Applicant for clearance	8
Other party to the acquisition	8
PART 2: TRANSACTION DETAILS	9
Overview	9
Transaction structure	10
Bremworth's difficulties	10
Commercial rationale	12
PART 3: BACKGROUND TO THE RELEVANT PRODUCTS / SERVICES	13
Introduction to products/services	13
PART 4: THE PARTIES	15
Mohawk Industries, Inc.	15
Bremworth Limited	15
PART 5: RELEVANT MARKET	16
Market definition	16
Product dimension has not narrowed	17
But product dimension now includes other flooring solutions	18
Market definition just a tool	20
Geographic dimension remains appropriate	21
PART 6: COUNTERFACTUAL	22
PART 7: COMPETITION ANALYSIS	24
Existing competition will remain	24
Import competition continues to increase	25
Barriers to imports are low	26
Market shares	27
Potential for further new entry/expansion	27
Tariffs to reduce further	28
Imports affect Australia, too	29
Countervailing constraint from retailers	29
Bremworth may be a "failing firm"	32
Conclusion as to competition	33
Efficiencies mean better competition	33
No vertical, conglomerate or coordinated effects	35
No vertical effects	35
No conglomerate effects	35
No coordinated effects	35
Appendices	36
PART 8: CONFIDENTIALITY	37



DECLARATION BY MOHAWK	38
TABLE OF ATTACHMENTS	39
Attachment A: [Confidential] Non-Binding Indicative Offer	40
Attachment B: [Confidential] Bremworth Information Memorandum	41
Attachment C: Bremworth Announcement to NZX and Media Commentary on its “All-Wool” Policy Reversal	42
Attachment D: Bremworth Limited Annual Report 2025	43
Attachment E: [Confidential] Structural Chart of Mohawk Industries, Inc. and Relevant Subsidiaries	44
Attachment F: NERA Report (Public)	45
Attachment G: 2023 IBISWorld Industry Report on Carpet and Textile Floor Covering Manufacturing in Australia	46
Attachment H: 2025 IBISWorld Industry Report on Floor Coverings Retailing in Australia	47
Attachment I: Selection of Major Retailers’ Current Advertising	48
Attachment J: Table 1 – Country of Origin of Carpet Imports	49
Attachment K: [Confidential] Table 2 – Value of Imported Carpet in comparison to Total Wholesale Market	50
Attachment L: NZ Wool Industry fact sheet	51
TABLE OF APPENDICES	52
Appendix 1: Scheme Implementation Arrangement	53
Appendix 2: [Confidential] Structure Diagram for the Target	54
Appendix 3: Products Supplied by the Parties	55
Appendix 4: [Confidential] Contact Details for the Parties’ Key Competitors	56
Appendix 5: [Confidential] Market Share Estimates	60
Appendix 6: [Confidential] Contact Details for Mohawk Industries, Inc. Customers	61
Appendix 7: [Confidential] Contact Details for Bremworth Limited Customers	63
Appendix 8: Bremworth Limited Annual report 2024	64
Appendix 9: Bremworth Limited Consolidated Audited Financial Statements for the Year Ended 30 June 2024	65
Appendix 10: Mohawk Industries, Inc. 2024 Annual Report	66
Appendix 11: Mohawk Industries, Inc. Form 11-K Financial Statements for the Year Ended 31 December 2024	67
Appendix 12: Floorscape Limited and its subsidiaries Consolidated Financial Statements for the Year ended 31 December 2024	68



**SECTION 66 COMMERCE ACT 1986: NOTICE SEEKING CLEARANCE FOR
BUSINESS ACQUISITION**

15 October 2025

The Registrar
Competition Branch
Commerce Commission
PO Box 2351
Wellington, New Zealand

Pursuant to section 66(1) of the Commerce Act 1986, notice is hereby given seeking clearance of a proposed transaction in which Mohawk Industries, Inc. (**Mohawk**) or any interconnected body corporate of Mohawk will acquire 100% of the shares in Bremworth Limited (**Bremworth**) (the **Proposed Transaction**).



EXECUTIVE SUMMARY

The Proposed Transaction

- 1 By virtue of the Proposed Transaction, Mohawk will become the ultimate owner of all the share capital of Bremworth.
- 2 Headquartered in Calhoun, Georgia, United States, Mohawk is a global flooring company, supplying a range of flooring materials, including ceramic tile, laminate, luxury vinyl tile, wood, and rugs, as well as carpet. In 2018, Mohawk acquired Godfrey Hirst Australia Pty Ltd and Godfrey Hirst NZ Ltd (together **Godfrey Hirst**), a long-established yarn and woollen goods manufacturer originally based in Geelong, Australia. Previously, in 2006, Godfrey Hirst had acquired Feltex Carpets Limited (**Feltex**), a publicly listed company in New Zealand which began producing carpets in New Zealand in the 1940s.
- 3 In New Zealand alone, Godfrey Hirst employs over 500 New Zealanders, where it purchases and processes approximately [REDACTED] tonnes of New Zealand strong wool annually. That wool is supplied by some 565 New Zealand farmers. Across the broader Oceania region, Godfrey Hirst provides a safe and stimulating working environment for over 1,000 employees, including at its manufacturing facilities in Australia and New Zealand.
- 4 Bremworth was formed and listed on the New Zealand Stock Exchange in 1984. It has vertically integrated yarn production and carpet manufacturing operations in Napier (currently limited operation), Whanganui and Papatoetoe, together with a wool buying business, Elco Direct. It has around 2,700 shareholders and over 240 employees (mostly in New Zealand). [REDACTED

]. Put simply, this established New Zealand manufacturer has faced ongoing difficulties trying to compete with increasing volumes of cheaper, imported carpet in a market environment where demand for carpet generally is declining. [REDACTED

].
- 5 The Proposed Transaction will result in Mohawk acquiring control of Bremworth's facilities and associated operations (in addition to Mohawk's existing ownership of Godfrey Hirst/Feltex). That will enable Mohawk to add Bremworth's high value products to improve its own product mix, while securing manufacturing synergies within New Zealand. Mohawk estimates that it can produce those Bremworth products for [REDACTED] per annum below Bremworth's 30 June 2025 cost base once all savings have been implemented. This is in addition to savings already made by Bremworth in restructuring the business. [REDACTED

].

No substantial lessening of competition

- 6 While the Proposed Transaction will leave Mohawk as the largest manufacturer of carpet within New Zealand (with Carpet Mill the other remaining New Zealand carpet manufacturer), it will not have, or be likely to have, the effect of substantially lessening competition in any market in New Zealand (regardless of how any market is defined) because:
 - 6.1 in its previous *Godfrey Hirst/Feltex* and *Cavalier/Norman Ellison* decisions in relation to yarn production and carpet manufacturing, the Commerce



- Commission recognised that all input materials, methods of manufacture and end-product quality compete in a single carpet market;
- 6.2 in relation to that market (encompassing both woollen and synthetic carpet), in both those decisions the Commission duly found that existing competition from alternative manufacturers and increasing competition from imports, as well as excess manufacturing capacity and countervailing power held by retailers of carpet, allayed possible competition concerns;
 - 6.3 although those decisions were almost 20 years ago, current expert economic analysis shows there is no evidence to suggest that the Commission's previous finding (of a single wholesale market that includes all forms of yarn and all types of manufacture) should change;
 - 6.4 on the contrary, there is strong evidence that the relevant product market is now far broader than just carpet and encompasses many other flooring materials, including hard (or 'resilient') flooring and ceramics too. Those other flooring materials are increasingly treated as substitutable for carpet and other soft flooring by consumers and retailers;
 - 6.5 crucially, current economic evidence shows that imports clearly are now the strongest competitive force in the market and there is nothing to suggest that that may change. On the contrary, tariffs into New Zealand (as distinct from US imposed tariffs) have reduced significantly from leading carpet export nations since the previous Commission decisions and are continuing to do so. That will not change (despite current economic uncertainty in relation to tariffs into the US);
 - 6.6 having regard to that increasing competition from imports (which now comprise almost 50% of the wholesale market for carpet), and the opportunity that imports provide for new entry not only by importers but also by export entities like Wools of New Zealand (**WNZ**), there will be no substantial lessening of competition;
 - 6.7 there is constraint from threat of new entry by other global flooring entities, such as Victoria Carpets and Belgotex, both of which have an existing presence here through their imports;
 - 6.8 there is also constraint from large floor covering retailers and buying groups which have bulk buying power, extensive product range at competitive prices and are able to import carpet (as well as other flooring products) themselves directly; and
 - 6.9 importantly, there will be substantial in-market pro-competitive efficiencies resulting from the Proposed Transaction, which must be taken into account. First, the Proposed Transaction will enable a number of cost synergies, and Mohawk will be forced by competitive pressure from imports to pass on cost savings resulting from the merger to retailers and ultimately consumers in New Zealand. Second, the Proposed Transaction will enable Bremworth, as a New Zealand brand, to continue to compete in local markets against increasing volumes of imports. It enhances competition and is for the long-term benefit of New Zealand consumers to have a resilient local manufacturer of carpet that is able to provide effective and sustainable competition to the increasing volume of imports.



- 7 In addition to these in-market efficiencies (and setting aside the fact that there is no substantial lessening of competition), there are also a number of broader benefits to New Zealand's sheep farmers and the New Zealand economy generally. New Zealand producers of strong wool are in urgent need of a processor that can unlock the value in their product. [REDACTED]. With its truly global reach, scale and resources, Mohawk will provide the mechanism for carpet produced in New Zealand from strong local wool to compete in global markets. A more efficient, [REDACTED], and globally connected Bremworth will be able to sell more New Zealand wool products overseas in high-value (value-added) uses, which will support the sustainability and position of New Zealand farmers, the New Zealand wool industry and New Zealand manufacturing.

**PART 1: APPLICANT AND TARGET DETAILS****Applicant for clearance**

- 8 This notice seeking clearance is given by Mohawk Flooring Oceania. The applicant can be contacted at the details set out below.

Tania Pauling
President, Mohawk Flooring Oceania
Godfrey Hirst New Zealand
142 Kerrs Road, Wiri, Auckland
www.godfreyhirst.com
[REDACTED]
[REDACTED]

- 9 All correspondence and notices in respect of this application for the applicant should be directed in the first instance to:

Grant David / Oskar Lynch
Consultant / Solicitor
Chapman Tripp
Level 6, 20 Customhouse Quay, Wellington
+27 4410 322 / +64 4 498 4974
grant.david@chapmantripp.com / oskar.lynch@chapmantripp.com

Other party to the acquisition

- 10 Contact details for Bremworth.

Craig Woolford
CEO
Bremworth Limited
7 Grayson Avenue, Papatoetoe, Auckland
PO Box 97-040, South Auckland, Auckland 2241
www.bremworth.co.nz
[REDACTED]
REDACTED]

- 11 All correspondence and notices in respect of this application for Bremworth should be directed in the first instance to:

Troy Pilkington / Helen Liava'a
Partner / Senior Solicitor
Russell McVeagh
Vero Centre, Level 30, 48 Shortland Street, Auckland
+64 9 357 8108 / 8025
troy.pilkington@russellmcveagh.com / helen.liavaa@russellmcveagh.com



PART 2: TRANSACTION DETAILS

Overview

- 12 For reasons discussed more fully below, on 19 July 2025 investment bankers, Montarne Limited, on behalf of Bremworth, issued an invitation to Mohawk and other potential investors to submit an indicative offer to acquire 100% of the shares of Bremworth. On 8 August 2025, in response to that invitation, Mohawk submitted a non-binding indicative offer (**Indicative Offer**) to acquire 100% of the shares in Bremworth on a cash-free, debt-free basis and free and clear of all liens, security interest and other encumbrances.
- 13 Full details of the Indicative Offer and its terms are set out in the Indicative Offer, a copy of which is attached as **Attachment A**.
- 14 Mohawk is listed on the New York Stock Exchange with a market capitalisation of approximately US\$7 billion (approximately NZ\$12 billion equivalent). It is a global flooring manufacturer and seeks to create flooring products that will enhance residential and commercial spaces around the world. Mohawk's manufacturing and distribution processes cover the production and distribution of carpet, rugs, ceramic tile, laminate, wood, stone and vinyl flooring. Mohawk's innovation has resulted in products and technologies that differentiate Mohawk's brands in the marketplace and satisfy all renovation and new construction requirements.
- 15 Mohawk's current brands are among the most recognised in the industry and include Feltex, Godfrey Hirst, Mohawk, Pergo, Karastan, Marazzi, Daltile and Quick-Step. During the past two decades, Mohawk has transformed its business from an American carpet manufacturer into a diverse global flooring company with manufacturing sales and distribution operations right throughout North America, Europe, South America, Asia and – through its ownership of Godfrey Hirst/Feltex – Oceania.
- 16 Mohawk's existing operations in New Zealand and Australia are part of the Rest of World business unit operated by Unilin BV (**Unilin**) and includes the Godfrey Hirst, Premium Floors and Floorscape subsidiaries. Godfrey Hirst manufactures and distributes soft flooring products and distributes hard flooring products to residential and commercial channels. Premium Floors Australia Pty Ltd and Floorscape Limited (**Floorscape**) distribute premium hard flooring products in Australia and New Zealand respectively; and are the holding companies for the Godfrey Hirst business in those jurisdictions.
- 17 Godfrey Hirst operates in New Zealand, not only as a manufacturer and supplier of diverse flooring products to the New Zealand market, but also as an exporter of New Zealand made carpet. Godfrey Hirst exports over 2.4 million sqm of wool carpet to Australia and the USA each year, together with significant volumes of woollen yarn to Australia. That represents a 30% year on year growth of carpet to the USA last year. In so doing, Godfrey Hirst has a considerable role in supporting the New Zealand wool industry, purchasing over approximately [REDACTED] tonnes of strong wool in 2024.
- 18 For further information on the Mohawk Group, please see the Mohawk investor relations site here: <https://ir.mohawkind.com/investor-overview/>.
- 19 For the Proposed Transaction, the acquiring entity would be Floorscape, a wholly owned indirect subsidiary of Mohawk. Mohawk will ensure Floorscape will have



sufficient cash on hand to fund the proposed acquisition. This means no external funding approvals will be required.

- 20 The ACCC has confirmed that it does not intend to conduct a public review of the Proposed Transaction or take action to oppose the Proposed Transaction. Current expectation is that no other prior regulatory approvals (other than giving of clearance by the Commission) will be required to complete the Proposed Transaction.
- 21 Upon completion of the Proposed Transaction, the business of Bremworth will be integrated into the Mohawk Oceania Group, [REDACTED

].

Transaction structure

- 22 Mohawk has agreed with Bremworth the transaction will be implemented by a Scheme of Arrangement under Part 15 of the Companies Act 1993. That process requires approval from the target company's Board and shareholders (with a 75% majority) as well as the High Court.
- 23 On 1 October 2025, Floorscape, Mohawk and Bremworth entered into a Scheme Implementation Agreement (**SIA**) for the acquisition of Bremworth in the form attached as **Appendix 1**. The SIA sets out in full how Mohawk proposes to acquire all the shares of Bremworth by way of the scheme of arrangement, and how Bremworth proposes to undertake a cost of capital return to its shareholders pursuant to that scheme of arrangement.
- 24 The proposed scheme will not become effective unless each of the Conditions is satisfied, including clearance from the Commission.

Bremworth's difficulties

- 25 [REDACTED
-]. Bremworth is a long-established, vertically integrated New Zealand manufacturer with a very strong brand. Over the past decade, however, Bremworth has faced significant "head winds" in securing funding and maintaining sales and revenue, especially as increasing volumes of imported carpet – mainly made from synthetic materials – have come into the New Zealand market. This had occurred most notably as previous tariff protection has reduced. The significant challenges in competing effectively with increasing volumes of cheaper, imported mostly synthetic carpet prompted Bremworth's previous management, with the then Board's support, to embark on an ambitious strategy of only manufacturing woollen carpets.
- 26 With Bremworth's production and sales committed to 100% woollen carpet, Bremworth also invested significantly in promoting its new "green" image and proclaimed "Going Good" PR campaign.
- 27 Those combined strategies were expensive, time-consuming and ultimately proved unsuccessful, resulting in much reduced revenues [REDACTED
-].
- 28 Those existing difficulties were compounded by Cyclone Gabrielle in February 2023, which devastated Bremworth's Napier yarn plant, effectively forcing its closure. In the wake of the cyclone, Bremworth began to run out of available stock, and in



many cases was unable to supply its customers, mostly in Australia. This shortage was said by Bremworth to have lasted for almost a year. On 24 July 2025, Bremworth announced that key yarn making equipment was in the process of being reinstated at its Napier plant and was expected to be operational by end of August.

29 The Napier plant closure, together with a further softening of the flooring market, had resulted in a significant decline in Bremworth's carpet sales to FY 30 June 2023. In response to that plant closure, Bremworth fundamentally changed its operations, putting in place its new "hybrid supply chain model" for yarn. Put more simply, Bremworth outsourced all its dyed fibre and yarn production to other domestic and international suppliers. That hybrid yarn supply model will now be phased out as Bremworth resumes its own yarn production.

30 [REDACTED

].

31 [REDACTED

].

32 In the event, neither the wool only strategy nor resort to sourcing yarn from overseas improved Bremworth's financial performance. Annual Report 2024 indicates that Bremworth made a net profit of \$4.6m for FY24, down 57% from FY23. And, relevantly, Bremworth would not have made a net profit in either of FY23 or FY24 but for the receipt of NZ\$62m in insurance proceeds related to the impacts of Cyclone Gabrielle. Meanwhile, operating revenue of \$80.3m for FY24 was a 10% reduction on FY23. Bremworth's Annual Report 2024 had been optimistically entitled "Positioned for Growth".

33 That growth did not occur. FY25 Half Year Results referred to "softer market conditions" and revenue growth below expectations. At the same time as the release of those poor Half Year Results, the then Board Chair announced a Strategic Review to consider interest from potential buyers and to "help identify the highest value owner for Bremworth".

34 Since those announcements, the composition and Chair of Bremworth's Board changed. The new Chair, Rob Hewett, has stated that under his leadership, a new Board would carry out a comprehensive review of Bremworth's operations. On 9 May, Bremworth announced that it was reversing its "all-wool" policy after 5 years and reintroducing synthetic carpet to "meet market demand" and "achieve improved factory utilisation". It stressed however that no new equipment, capital expenditure or staff would be required to do so. Bremworth's announcement to NZX and media commentary on the policy reversal are attached as **Attachment C**.

35 Despite the best efforts of Bremworth's new Board and management team, those financial difficulties and lower than budgeted returns persist. On 7 October, Bremworth released its FY25 Annual Report, which is attached as **Attachment D**. These results reveal a significant drop in gross margin to 13.0% (FY24: 24.3%) resulting in a normalised EBITDA loss which has now been updated to \$13.5 million. The new Chief Executive acknowledges that "FY25 has been a tough year", with consumer demand remaining subdued across key markets.

**Commercial rationale**

- 36 Notwithstanding Bremworth's ongoing difficulties, Mohawk recognises that Bremworth remains a premium carpet brand in the Oceania region, with recognised high value products that could improve Mohawk's own product mix, not just within the Oceania region but much more widely. Further, acquisition of Bremworth's tufting, yarn and felting equipment and staff would enhance Mohawk's own production capacity within New Zealand. The resulting increased scale would enable Mohawk and Bremworth products that are manufactured in New Zealand to be more competitive both with imports within New Zealand, and in export markets. Mohawk's enhanced ability to compete – both in terms of brand and manufacturing synergies - should in turn stimulate competitive response from suppliers of imported carpet – including other global suppliers - to the ultimate benefit of consumers in New Zealand.
- 37 Importantly, too, Mohawk would acquire the strategic advantages of improved manufacturing of wool carpet in New Zealand from New Zealand wool. But that would not be exclusively, as Bremworth tried to do. That experience showed that optimal factory utilisation required the additional volume of synthetic product, while retailers too expressed strong preference for a manufacturer supplying both wool and synthetic.
- 38 While the Proposed Transaction will enhance Mohawk's current wool offering, better allowing Mohawk to support Government initiatives in the strong wool sector, of primary importance for Bremworth and its shareholders, employees and suppliers, is that the Proposed Transaction will potentially allow for Bremworth's premium carpet brand to be marketed through Mohawk's global network, including in North America and Europe. And for future New Zealand customers of the Bremworth brand, they will be buying a New Zealand made product in a New Zealand market where more effective and sustainable competition will prevail.
- 39 While acknowledging the general benefits of free trade, it must be recognised that imported carpet products more often than not enjoy lower labour costs, cheaper input materials (whether wool or synthetic) and sometimes government support. Progressive reduction or removal of tariffs (as described below) has provided imported carpet an additional cost-benefit. That pressure on pricing from imports reduces not only the attractiveness of locally manufactured carpet to consumers, but also reduces the attractiveness to firms of continuing to manufacture carpet in New Zealand.
- 40 That risks significant economic, social and other consequences. The carpet manufacturing industry is a significant employer with particular importance in South Auckland and some regional towns.



PART 3: BACKGROUND TO THE RELEVANT PRODUCTS / SERVICES

Introduction to products/services

- 41 Mohawk, through Godfrey Hirst, supplies a comprehensive suite of flooring products to retail distributors throughout New Zealand as well as into export markets. From luxurious wool carpets to resilient solution-dyed nylon, soft Triexta or a host of hard flooring choices (including timber, hybrid, vinyl plank, laminate and vinyl sheet). Mohawk provides a comprehensive range of carpet and other flooring solutions to suit any residential and commercial installation and accommodate any budget.
- 42 Most of Godfrey Hirst's wool, solution-dyed nylon and polyester carpets distributed in New Zealand are currently tufted at Godfrey Hirst's Wiri plant. Mohawk's various hard flooring and other solutions are sourced from leading global suppliers. Wool carpets are manufactured from yarns produced at Godfrey Hirst's own yarn plant in Dannevirke and spinning plants in Lower Hutt and Oamaru. Chart 1 below indicates Godfrey Hirst's soft and hard flooring product split in New Zealand, both with current values for individual products. Meanwhile Triexta carpets are made exclusively in Godfrey Hirst's Australian facilities and carpet tiles are imported from Mohawk.

Chart 1

Godfrey Hirst Carpet Fibre and Hard Flooring Product Split (MNZD)

[REDACTED

]

- Soft flooring solutions in New Zealand is characterised by three predominant fibres – Solution Dyed Nylon (**SDN**), Polyester and Wool.
- There are increasing volumes of synthetics (SDN and Polyester carpets), largely imports.
- Woollen carpet has been experiencing some growth in line with positive consumer sentiment towards natural fibres.
- Hard flooring solutions are more fragmented across the respective product types:
 - Sheet vinyl is the largest category of hard flooring, followed by LVT.



- The laminate and timber segments in New Zealand are similar in size from a value perspective.
- Hybrid products remains relatively limited, due to historical product and installation issues in New Zealand, from the initial launch of these products.



PART 4: THE PARTIES

Mohawk Industries, Inc.

- 43 A structural chart showing Mohawk and its interconnected bodies corporate that are relevant to the Proposed Transaction is attached as **Attachment E**.

Bremworth Limited

- 44 Similar to Godfrey Hirst NZ - but on a considerably smaller scale – Bremworth’s business involves the manufacture of woollen yarn and tufted carpet and the distribution of resulting products under Bremworth’s brands to retailers in New Zealand and export markets.
- 45 More specifically, Bremworth’s business comprises:
- 45.1 its spinning and felting plant at Whanganui;
 - 45.2 its manufacturing plant (tufting and finishing) at Auckland;
 - 45.3 its brands and the distribution of Bremworth products under those brands to retailers in New Zealand and to export markets;
 - 45.4 its Napier yarn mill site (presently with only the dyeing operations active due to Cyclone Gabrielle damage to the remainder of the site); and
 - 45.5 Elco wool buying/marketing business. [REDACTED].
- 46 [REDACTED].



PART 5: RELEVANT MARKET

Market definition

- 47 The dimensions of the market for carpet have previously been considered by the Commission. In *Godfrey Hirst/Feltex* Decision No. 587, the Commission looked closely at markets at various levels including wool sourcing, yarn spinning, carpet manufacture and carpet installation and sales. The Commission concluded in relation to market definition:
- 47.1 yarn spinning is a component of the manufacturing process rather than a separate functional market;¹
- 47.2 there is a discrete product market for carpet (as opposed other flooring materials); but it is not necessary to disaggregate the product dimension of the carpet market to specify input materials, methods of manufacture or end-product quality;²
- 47.3 carpet can be easily imported and supplied competitively, so the functional dimension of the market is the manufacture/import and wholesale supply of carpet;³ and
- 47.4 for the geographic dimension, there is a national market for carpet.⁴
- 48 The Commission looked closely again at the carpet industry – and dimensions of the carpet market– the following year, when Bremworth (then part of Cavalier Corporation) sought clearance to form a 70%/30% joint venture with Norman Ellison: *Cavalier/Norman Ellison* Decision No. 628.
- 49 Again, the Commission focused on product dimension. First, it had a close look at demand-side substitutability between non-carpet floor coverings and carpet; but ultimately determined that imposition of the SSNIP test meant that non-carpet floor coverings fell outside the relevant product market for carpet.
- 50 However, as between carpets comprising different input materials (e.g. synthetic vs wool), the Commission again concluded that *all* carpet options comprised the same differentiated product market. The Commission said:⁵

38. There are a vast number of carpet options available in the market. These variations stem from different manufacturing techniques employed, raw materials used (namely the choice between synthetic or wool), and fibre weight. For example, carpets can be made from polypropylene, polyester, nylon or wool, all of which go to determining the price and quality of the finished product. These various options span a broad spectrum, with no bright line distinction between varying quality and prices. Accordingly, the Commission considers that consumers face overlapping

¹ Commission Decision of 31 August 2006, Decision 587 *Godfrey Hirst NZ Limited / Feltex Carpets Limited* at [42].

² At [55].

³ At [60].

⁴ At [62].

⁵ Commission Decision of 14 November 2007, Decision 628 *Cavalier Corporation Limited / Norman Ellison Holdings Limited* at [38], [39] and [40].



substitutable 'bands', such that it is appropriate to define a single differentiated product dimension.

39. Chris Ogden, Chief Executive Officer of Carpet Court, advised the Commission that in choosing a particular carpet, customers' first priority is colour, closely followed by style and then price. While agreeing that customers are concerned with colour, other industry participants considered that customers' purchasing decisions are largely driven by price.

40. As noted above, there are a number of variables in the production process which results in the many and varied types of carpets supplied to the New Zealand market. This culminates in a broad price spectrum with carpets of the lowest quality priced (at retail) from less than \$30 per lineal metre and those at the opposite end of the spectrum priced at \$450 per lineal metre. The Commission remains of the view that, whilst a customer wanting a high quality residential carpet product is unlikely to consider a cheap, low quality synthetic carpet, there nonetheless remains a range of carpets at various price points to which the customer could switch.

- 51 While prices of all products have changed considerably since 2007, the above premise remains correct. Namely, there is a broad spectrum of overlapping substitutable bands within a single differentiated market for carpet. Similarly, some qualities attributed to carpets have changed, too. For example, biomaterials (such as corn-based) increasingly are an option. Both phenomena are consistent with NERA's findings in relation to contemporary pricing for carpet, that, while there appears to be a degree of product differentiation, the pricing evidence is consistent with a chain-of-substitution that the Commission found in Decision 628.

Product dimension has not narrowed

- 52 Section 3(1A) of the Commerce Act requires that the definition of "market" be facts based and accord with commercial common sense. That also involves economic considerations. In preparing this Notice, Mohawk therefore sought expert economic assistance from NERA, whose report is attached as **Attachment F**. With regard to the product dimension of the market for carpet, NERA concluded that there is no evidence to suggest that the Commission's previous market definition, i.e. of a single wholesale market that includes carpet produced from all forms of yarn, wool and synthetic, should be narrowed. In short, the Commission's previous definition is still appropriate today.
- 53 The economic evidence identified by NERA is clear – namely, pricing for carpet is consistent with a chain of substitution. The greater the extent to which one good or service is substitutable for another, on either the demand-side or supply-side, the greater the likelihood that they are bought and supplied in the same market. In particular, when different product types are lined up, the break between synthetic and wool is not statistically significantly larger than between the various types of synthetics.
- 54 Similarly, with qualitative features of carpet – such as look and feel – there is substantial overlap between synthetic and wool and blended wool/synthetic products. In many cases, the physical difference in fibre may be indistinguishable to the consumer.
- 55 In addition, there is the very recent example of Bremworth itself having "to reintroduce synthetic carpet to meet market demand". Importantly, Bremworth's



statement to the NZX stressed that no new capital expenditure or equipment or personnel would be required to implement that substitution. This demonstrates that, on the supply side too, synthetic and woollen carpet are readily substitutable.

56 In summary, consistent with the Commission's own conclusions in previous Decisions 587 and 628, there is no evidence to suggest the product dimension is more narrow now, with separate product markets for wool and synthetic carpet.

But product dimension now includes other flooring solutions

57 Against that, there is irrefutable evidence of increasing demand for other flooring solutions, encompassing hard flooring and rugs as well as traditional carpet and carpet tiles. That change is also apparent in Australia and other markets. That development must now broaden parameters of the product dimension to include a wide range of non-carpet coverings and flooring solutions.

58 Previously, the Commission opined in Decision 587 that there is a discrete market for carpet as opposed to other floor coverings. It said:⁶

43. The Applicant submitted that there is some degree of demand-side substitutability between carpet and other floor coverings such as vinyl or polished wooden floors.

44. [] informed the Commission that in most cases the choice of floor covering will be determined by factors other than price. For instance most people opt for tiles or vinyl in a bathroom and kitchen setting due to the fact they can be cleaned easily.

45. The Commission considers that a SSNIP, imposed by a hypothetical monopolist supplier of carpet, would be profitable as most consumers, rather than substitute carpet for another floor covering, would be likely to switch to a slightly lower quality carpet. This suggests that it may be appropriate to limit the extent of the product market to carpet rather than including alternative floor coverings.

59 The Commission returned to the issue in Decision 628, where it said:⁷

36. Differentiated product markets are those in which the product offering of suppliers vary to some degree and in which buyers make their purchase decision on the basis of product characteristics as well as price. Suppliers' products are imperfect substitutes for one another and less close substitutes impose a lesser competitive constraint than others.

37. In Decision 587, the Commission acknowledged that there was a degree of demand-side substitutability between non-carpet floor coverings and carpet, ultimately the imposition of the SSNIP test meant that they fell outside the product market. In the course of the Commission's present investigation, industry participants confirmed this view.

60 We have no visibility now as to what industry participants may have told the Commission back in 2007. In any case, given changed consumer trends, it is of limited relevance now. Contemporary sales in all floor covering categories indicate

⁶ Decision 567 at [43], [44] and [45].

⁷ Decision 628 at [36] and [48].



that the demand-side substitutability has increased substantially. Further, while soft flooring remains characterised by three dominant fibres – SDN, polyester and wool – the hard flooring segment is much more fragmented across its respective categories.

- 61 Sheet vinyl is the largest category of hard flooring, followed by Luxury Vinyl Tile (LVT). LVT is a durable low maintenance flooring that is designed to mimic the appearance of natural materials like wood or stone but has the water resistance and easy maintenance benefits of vinyl. Laminate, made by bonding together multiple layers of different materials, comes next; and is similar in size (from a value perspective) to the timber segment.
- 62 Another hard flooring option is Hybrid, which is a mix of laminate and vinyl blended together to make a durable and hard-wearing surface. Unlike in Australia however, the demand for hybrid in New Zealand is small relative to laminate, LVP and sheet vinyl due to initial product and installation issues. In addition, there are timber products, which include not only traditional timber flooring but also bamboo, cork and other similar products that cater to diverse preferences and needs.
- 63 In short, flooring solutions are now as diverse as consumer taste, giving rise to significant product differentiation, with price simply one of various factors affecting choice. As has been reported in New Zealand:⁸

Mitchell Grant, Head of Marketing at Harrisons Carpet & Flooring, says hardwood floors have become so popular that the company he works for actually changed its name to include the word flooring (it was formerly Harrisons Carpet).

"Around 50% of our sales are now made up of wood flooring," says Grant of the style that's been referred to as the little black dress of flooring – it always looks good, it's always in style, and it's easy to take care of.

"Previously, customers would either 100% carpet their home or 100% use hardwood flooring. But we're increasingly seeing people being strategic about what they use and where they use it."

- 64 Chart 1 in paragraph [42] above shows the current sales and share of the above hard flooring products. Other consumers meanwhile have a preference for complementary ceramic tiles, concrete floors or soft rugs and similar coverings.
- 65 Soft flooring was estimated to represent 52% of flooring in New Zealand for 2024. That estimate is predicted to decline to a range between 51% by 2029. The non-soft flooring categories are largely engineered flooring (laminates, timbers, SPC, luxury vinyl plank, sheet vinyl's) and ceramics.
- 66 Shifting consumer preference for alternative flooring is not unique to New Zealand. The 2023 IBISWorld Industry Report on Carpet and Textile Floor Covering Manufacturing in Australia attached as **Attachment G** notes that:

66.1 carpet is now used in fewer rooms;

⁸ Sharon Stephenson "Hardwood floors no longer the preserve of the poor" (27 March 2023) Stuff <<https://www.stuff.co.nz/life-style/homed/decor/131572685/hardwood-floors-no-longer-the-preserve-of-the-poor>>.



- 66.2 some flooring manufacturers have already started supplying other floor coverings, like ceramic tiles and hardwood;
- 66.3 alternative flooring is projected to become increasingly popular; and
- 66.4 carpet is projected to continue losing its share in the floor covering market.
- 67 The more recent 2025 IBIS World Report on Floor Coverings Retailing in Australia (attached as **Attachment H**) provides further insight as to how the market is changing, especially at customer level. It notes that:
- 67.1 retailers are innovating with technology (e.g. virtual reality) and sustainable products to remain competitive amid evolving consumer preferences. Importantly, virtual reality technology helps consumers to view and compare different flooring options;
- 67.2 carpet remains New Zealand consumers' most popular flooring option, thanks largely to its durability, affordability, and acoustic and insulation properties. However, demand for timber and laminate flooring has continued to climb, owing to low maintenance and aesthetic appeal;
- 67.3 versatility and aesthetic appeal of laminate and vinyl mean they will remain a popular choice for budget-conscious consumers;
- 67.4 ceramic tiles are a viable alternative to carpet and other flooring and are more durable than vinyl; and
- 67.5 new products will continue to enter the market with ongoing technological advancements.
- 68 Australian industry revenue in 2025, broken down by key product lines, provides as follows:
- | | |
|--|-------|
| Carpet | 47.4% |
| Floor rugs, mats and matting | 19.1% |
| Vinyl, timber or other floor coverings | 32.5% |
- 69 All this demonstrates that in New Zealand (as elsewhere) the product dimension now must be regarded as broader than carpet. Increasingly, consumers include other flooring solutions to cover their floor, with carpet often confined to the bedrooms in residential application. Everywhere else in the house, consumers can substitute timber, vinyl, lino, laminate, rugs and other floor coverings instead of carpet.
- 70 Clear evidence of the ready substitution of other flooring solutions for carpet is provided by retailers' contemporary advertising which provides the consumer with visual display of carpet and other flooring solutions together. A selection of major contemporary retailers' advertising is attached as **Attachment I**.
- Market definition just a tool**
- 71 The High Court in *Brambles New Zealand Ltd v Commerce Commission* warned that market definition is simply "a tool for competition analysis, rather than an end in



itself”.⁹ Further, in cases where there was significant product differentiation there could be real difficulties in applying the hypothetical SSNIP test to determine precise market boundaries.

- 72 In that case, the Court recognised that plastic crates and cardboard boxes each have advantages and disadvantages for transport and storage of produce, some of which are significant. There are a great number of aspects which affect buyer preferences. Hence, especially in relation to differentiated products, it is unwise to concentrate solely on price. In such circumstances it is more appropriate to make a common-sense assessment.
- 73 In the event, the Court in *Brambles* determined that the Commission’s market definition of reusable plastic crates was an acceptable starting point; but concluded that the Commission had under-estimated the degree to which cardboard boxes were an actual or potential constraint on crate hirers.
- 74 The same analysis is appropriate here in relation to carpet and other flooring options. There are a variety of preferences for one or other floor coverings, having regard to actual or perceived advantages or disadvantages. Personal preference, aesthetic appeal and influence of the retailer may all be factors influencing choice.
- 75 Ultimately, it is a matter of judgment having due regard to commercial common sense, whether the degree of substitutability between carpet and other flooring products is sufficiently close or verifiable now to be treated as comprising part of the same product market. The real issue however is the extent that other flooring options can be recognised as a competitive constraint on carpet, whether it is included in the same product market or not. In this regard, NERA’s report shows that in real terms, volumes in the carpet market are declining. That indicates that there has been a shift of carpet volumes to other flooring.
- 76 Crucially, that degree of constraint will not change as a result of the Proposed Transaction.
- Geographic dimension remains appropriate***
- 77 In both Decisions 587 and 628, the Commission determined that the appropriate geographic definition for the manufacture/import and wholesale supply of carpet should be national in scope. This geographic dimension remains appropriate.

⁹ *Brambles New Zealand Ltd v Commerce Commission* (2003) 10 TCLR 868 at [137].



PART 6: COUNTERFACTUAL

78 As a scenario may be “likely” even though its chance of occurring may be less than 50%, there can, at least in theory, be multiple counterfactual scenarios. That can be of particular relevance where a contested sales process is occurring. But there must be a reasonable prospect of any counterfactual involving an alternative purchaser of the target company in fact occurring. In this case, that means the Commission potentially having regard to a rival bidder who has submitted a non-binding indicative offer that has a reasonable prospect of being accepted by Bremworth shareholders.

79 [REDACTED], the appropriate counterfactuals in this case could include the following:

79.1 [REDACTED

];

79.2 continuation of the status quo with Bremworth operating under present ownership with its newly constituted board and management, but no short-term improvement in its financial position. [REDACTED

] (**status quo scenario**); or

79.3 Bremworth becoming the target of an alternative purchaser that does not currently manufacture yarn or carpet in New Zealand (**new owner scenario**).

80 One possible candidate with an established presence in both Australia and New Zealand could be Victoria Carpets PLC. It is a UK-based company established in Scotland in 1865, which has grown to become a significant producer and distributor of carpets, as well as ceramic and porcelain tiles. The company, which is currently listed on London's Alternative Investment Market, is currently chaired by Geoff Wilding, who became Executive Chairman and the largest shareholder (with approximately 30% ownership) in 2012. Victoria Carpets employ over 200 staff across its Australian and New Zealand facilities. The company operates a wool yarn spinning facility in Bendigo, Victoria and a carpet design and production site in Melbourne, with sales offices in Auckland and Christchurch.

81 While each of these counterfactual scenarios must be compared to the factual (of Mohawk acquiring effective control of Bremworth's assets and brands and combining these with Godfrey Hirst's existing operations and business within New Zealand), there will be no effective change in relation to several crucial competition factors, namely:

81.1 imports will remain the strongest competition force in the market;

81.2 barriers to imports (in the form of tariffs into New Zealand) are continuing to reduce;



- 81.3 Carpet Mill will remain as a local manufacturer (WNZ will remain as a locally-based competitor, albeit using overseas manufacturing);
- 81.4 constraint will continue through threat of additional new entry via imports;
- 81.5 countervailing constraint from retailers will be unaffected; and
- 81.6 constraint from other flooring solutions will continue to increase.



PART 7: COMPETITION ANALYSIS

Existing competition will remain

- 82 The Commission’s analysis in Decision 587 concluded that the then four large manufacturers of carpet (being Bremworth, Feltex, Godfrey Hirst and Norman Ellison) all competed rigorously, both between themselves and with imported carpet.
- 83 Since then, Feltex and Norman Ellison have been absorbed by Godfrey Hirst and Bremworth respectively.
- 84 Against that, the Commission’s 2006 assessment in fact overlooked Hamilton-based Carpet Mill, whose website claims “a long carpet manufacturing and retailing history with its nationwide mobile showroom service.” Carpet Mill, with a steady market share of just over [REDACTED], will continue to provide meaningful competition as a local manufacturer, with a unique retail service. It is understood that Carpet Mill has significant capacity to increase production and other supply.
- 85 There is now also WNZ – which is owned by its wool grower shareholders. This new entrant has had considerable impact since its establishment in 2021. WNZ’s 2023 Annual Report states that WNZ employs more than 80 staff, has nearly 4,000 grower suppliers and is responsible for more than \$80 million worth of global transactions each year. More recently, WNZ’s media release of 12 March 2025 states that WNZ achieved a profit of \$165,000 for FY24 on a turnover of \$27.6 million for FY24. Assuming that represents a turnover of carpet between \$6 to \$8 million, that would represent around 3% value share of the carpet market.
- 86 WNZ’s website says that:
WNZ is a farmer owned company that grows wool, sells wool and produces wool carpets.
- 87 WNZ does this by exporting wool from New Zealand growers to a carpet manufacturer in Turkey, Zenova, then re-importing the manufactured carpet and carpet tiles back into New Zealand. In 2021, WNZ applied to New Zealand Customs, and was granted a tariff concession in respect of carpet made from New Zealand wool being primarily the manufacture of Turkey and partly the manufacture of New Zealand. That concession was granted initially for one year (to 31 August 2022), then extended for a further three years.
- 88 It is understood that a further extension of the concession has not yet been applied for, and that WNZ has now instead arranged a new manufacturing partner in the United Arab Emirates. As will be seen from Table 1 showing origin of carpet imports (attached as **Attachment J**), recent changes to volumes imported from Turkey and the United Arab Emirates respectively, suggest this may not be correct.
- 89 Meanwhile Zenova’s website states that “it is one of the rare fully vertical manufacturers with a fully integrated modern manufacturing plant”. It has been operating as such since 1960.
- 90 Whoever now carries out the manufacturing process for WNZ, it is clear that both Customs and WNZ itself regard WNZ as a New Zealand manufacturer of carpet.



Import competition continues to increase

91 Of particular significance, in Decision 587 the Commission noted that imports of carpet were said then to comprise 19% of total carpet sold in New Zealand in the 2005 financial year. It further observed that as at July 2006 the tariff attaching to imported carpet was 17%; but this tariff was due to reduce to 10% by July 2009.

92 The Commission duly determined that:¹⁰

... imported carpet provides a competitive option which is likely to become even more competitive in the following years as tariffs get reduced to 10%.

93 In Decision 628 meanwhile, the Commission canvassed a number of local and overseas importers on barriers to entry for imports of carpet. The Commission was told that there were no material impediments to sourcing quality yarns or finished product.¹¹

94 As importers only supply through retailers, gaining the support of one or more major retailers was a requirement. But, the vast majority of industry participants were of the view that, given the right commercial incentives, retailers would be easily persuaded to carry an importer's product range.

95 On barriers to entry, the Commission concluded:¹²

Whilst entry through establishing a manufacturing plant is unlikely, the Commission considers that barriers to de novo entry by an importer are low. Supply is readily available and adaptations to colour, if needed, are readily achieved. Requirements such as such as stock and warehousing are also readily available and the sunk costs involved in entry are minimal. Accordingly, the Commission concludes that barriers to entry by importation are low and that further entry is likely.

96 Subsequent events have proved the Commission was right. There is indisputable evidence that substantial further entry in fact has occurred to the extent that imports clearly are now the strongest competitive force in the market.

97 Table 2, attached as **Attachment K** shows the value of imported carpet at wholesale price, in comparison to total market share for carpet at wholesale price, for the years 2016 to 2024 inclusive. This demonstrates that imports as a percentage of total wholesale market have increased steadily and very significantly over that period. In short, an increase from around 30% to almost 50% over a 9 year period.

98 Further, of local manufacturers, while Godfrey Hirst's and Carpet Mill's respective market shares have remained relatively constant, Bremworth's share has declined - especially since 2021 when Bremworth implemented its now abandoned all-wool policy.

99 In summary, imports of carpet – predominantly synthetic carpet – have increased substantially, both in volume and as a percentage of total carpet supply, since

¹⁰ Decision 587 at [109].

¹¹ Decision 628 at [76].

¹² At [86].



Decisions 587 and 628. Increasing from 19% in 2005 to now representing almost 50% of the total market.

Barriers to imports are low

100 Of significance too, is the particular origin of these imports. Table 1 (attached as **Attachment J**) shows country of origin of carpet imports for the years 2014 to 2024 inclusive. The five biggest exporters of carpet to New Zealand for the 2024 year were:

China	44.9m
UAE	35.9m
AUS	24m
US	8m
EU	7.2m plus (counting only imports from the largest exporting Member States)

101 Leaving aside the USA, together the other four represent well over 80% of total imports; and all major exporters (except the USA) have current or imminent FTAs or other favourable trade arrangements with New Zealand (as will be shown below).

102 Clearly, the Commission's predictions of imports becoming more competitive, and new entry occurring by way of imports, has occurred.

103 Examples of entrants over the past 10 years include:

103.1 Haima China;

103.2 WNZ are having woollen products made in Turkey at the Zenova Mill and re-imported into New Zealand;

103.3 Standard Carpets based in Dubai have increased their presence and volume in New Zealand largely through synthetic;

103.4 Urban Carpets import from Standard Carpets noted above and also China;

103.5 Lifestyle Flooring – imports synthetic carpet we believe out of South Korea;

103.6 Pegasus Carpets – trading as Pegasus Carpets in New Zealand but believe to be sourced from a Chinese manufacturer of synthetic carpets; and

103.7 Belgotex and Victoria Carpets from Australia, South Africa and Europe albeit pre-dating 2015 (woollen and synthetic carpets).

104 Importantly too, that increased supply of imports will be unaffected by the proposed acquisition. The Commission in 2006 concluded that imported carpet provides a competitive option, which was likely to become even more competitive as tariffs reduced. Clearly, that has proved to the case.



Market shares

105 Table 3 below sets out estimated shares of the carpet market in New Zealand, based on wholesale price.

Table 3: Estimated shares of the wholesale carpet market in New Zealand

Supplier	Wholesale price	Percentage share
Imports	[REDACTED]	[REDACTED]
Godfrey Hirst New Zealand	[REDACTED]	[REDACTED]
Mohawk Direct	[REDACTED]	[REDACTED]
Bremworth	[REDACTED]	[REDACTED]
Carpet Mill	[REDACTED]	[REDACTED]
Merged entity	[REDACTED]	[REDACTED]
Totals	265,425,344	100%

*Source Godfrey Hirst market share data.

106 In relation to these market shares, NERA's report says:

106.1 there is no evidence to suggest that the Commission's previous market definition, i.e. of a single wholesale market that includes carpet produced from all forms of yarn, wool, synthetic, should be narrower – that definition is still appropriate today;

106.2 imports are the strongest competitive force in the market, eating into the market share of both GHNZ and particularly Bremworth;

106.3 the evidence about increasing imports indicates that retailers are increasingly purchasing imported products instead of buying from local manufacturers, thereby providing them with a sustainable competition option;

106.4 retailers continue to operate through buying groups providing them with extra bargaining power;

106.5 consistent with this, the real prices of GHNZ have been (slightly) declining; and

106.6 consistent with GHNZ's view that over time there has been a shift of carpet volumes to hard flooring, carpet is becoming a smaller part of the economy.

Potential for further new entry/expansion

107 In addition to that the new entry from imports that has occurred already, other parties believed to be considering entering the New Zealand market by way of imports include:

107.1 the anecdotal feedback that Dutch manufacturer 'Best Wools' may enter New Zealand with its woollen carpet given the EU market is subdued;



- 107.2 Pegasus, as noted above, is a relatively new retailer of Chinese imported carpet; and
- 107.3 in the construction development market, Chinese construction developers are importing construction materials including flooring as a part of a project. While this is not retail, regardless this demonstrates the ability of end-users to access imported products directly.
- 108 There are no barriers to potential competition from further new entry. On the contrary, remaining tariffs continue to reduce, especially for imports from those countries which are already major exporters of carpet to New Zealand.
- Tariffs to reduce further**
- 109 Crucially, tariffs on carpets are due to reduce further. While carpets imported into New Zealand are subject to a 5% or 10% tariff, depending on the specific type of carpet, New Zealand has preferential tariffs on carpets originating in countries with which it has free trade agreements (**FTAs**).
- 110 Since 2001, New Zealand has entered into a number of FTAs under which preferential market access has been extended to over 40 individual countries (including the individual Member States of the EU). This includes the following agreements under which carpets now enter New Zealand with zero tariffs:
- 110.1 The Comprehensive and Progressive Trans-Pacific Partnership (**CPTPP**) Agreement entered into force on 30 December 2018 between New Zealand, Australia, Brunei, Canada, Chile, Japan, Malaysia, Peru, Singapore and Vietnam. The United Kingdom subsequently joined the CPTPP, and Costa Rica is currently in access negotiations;
- 110.2 The New Zealand-United Kingdom FTA entered into force on 31 May 2023;
- 110.3 The New Zealand-European Union FTA entered into force on 1 May 2024.
- 110.4 In addition, negotiations for the New Zealand-United Arab Emirates FTA concluded in January 2025 and will eliminate tariffs on carpets from entry into force (likely to be later this year). Similarly, negotiations for the NZ-Gulf Cooperation Council FTA concluded on 31 October 2024 and will likewise eliminate tariffs on carpets.
- 110.5 And in March 2025, New Zealand and India announced the launch of negotiations toward a comprehensive free trade agreement. The first round of negotiations was held in May; and both countries have indicated their intention of working to conclude negotiations, again, by the end of this year.
- 111 All these more recent developments must also be viewed against the backdrop of New Zealand's long-standing and comprehensive 2008 Free Trade Agreement with China. The 2022 upgrade to that FTA further reduced tariff rates as well as reducing compliance measures for importers. Any remaining tariffs on carpets from China imported to New Zealand are expected to be phased out soon.
- 112 Obviously, continuation of the current trade war between USA and China is having global impact on trade, but one outcome potentially may be an increase of goods



imported from China into the New Zealand market where much lower, or no, tariffs apply.

- 113 As a consequence of those recent developments, all of those countries that currently account for most of the imports of carpet into New Zealand – other than the USA – already have even more favourable tariff treatment at the border. None of this is speculative – the FTAs are either in force already or the Government is committed to them. It must therefore be accepted that volumes, value and market share of imported carpets will continue to increase. As will competition from imported carpets with locally manufactured carpet.
- 114 It may be that WNZ’s new manufacturing arrangements accord with these tariff changes. As previously discussed, some sources indicate that WNZ have changed their off-shore manufacturing arrangements from their original “partner” Zenova in Turkey to a manufacturer in United Arab Emirates. That is possibly because compliance requirements under the new NZ-United Arab Emirates FTA are expected to be lower than requirements under its existing concession.

Imports affect Australia, too

- 115 The impact of imports as competition with local manufacturers is not unique to New Zealand. The key takeaway from the IBISWorld report on Carpet and Textile Floor Covering Manufacturing in Australia is that:

low-cost import penetration has stolen revenue for domestic manufacturers through lower overhead costs. Imports account for an estimated 45.5% of domestic demand in 2022/23.

- 116 However, this Report optimistically goes on to say that:

Despite imports stealing market share through cheap, mass-produced homogenous products, domestic manufacturers have moved to produce bespoke and custom rugs.

- 117 Thus:

Industry manufacturers that can adapt to increasing import competition and substitutes for timber and other flooring are likely to remain competitive over the next five years. Instead of competing with cheaper imports for Asia, carpet manufacturers are anticipated to focus on producing specialised, higher value-added carpets.

Countervailing constraint from retailers

- 118 In Decision 587, the Commission observed that carpet is usually sold through retailers who commonly operate through buying groups, which negotiate national supply terms and conditions with manufacturers.¹³

- 119 In Decision 628, the Commission further noted:¹⁴

As importers only supply through retailers, a key requirement for supply into New Zealand is to gain the support of one or more key retailers. Overall, the vast majority of industry participants were of the view that,

¹³ Decision 587 at [33].

¹⁴ Decision 628 at [81].



given the right commercial incentives, retailers would easily be persuaded to carry an importer's range.

- 120 While the term “retailer” accurately describes the function of selling goods to the public in small quantities, to refer generically to “retailers” of flooring products understates their diversity in terms of size, scale, method of operation, market presence and of course, bargaining power vis-à-vis their suppliers. Indeed, the three largest retailing groups – Carpet Court NZ, Flooring Xtra and Harrisons – illustrate that diversity. As their respective websites state:
- 120.1 Carpet Court NZ is now New Zealand’s largest flooring retailer, with 63 stores, half of which are owned by the company itself and the rest by franchisees. Although originally founded in the 1960s *“by a small group of like-minded flooring retailers looking to establish a better experience and provide greater value for our customers”*, the business was sold to Australian fund manager Allegro Funds in 2015. Founded in 2004, Allegro manage over \$5 billion in assets globally.
- 120.2 Flooring Xtra was founded in 2008, similarly *“by ten companions working in the flooring industry who were dissatisfied by the brand offering available to Kiwi customers”*. Said to be based around a co-operative model, each store is owned and operated by a local with experience in the flooring industry. Within 3 years of launch, Flooring Xtra had become New Zealand’s largest flooring company; although it is now second largest, with approximately 60 stores.
- 120.3 Harrisons began as a family business in 1983 in Whangarei, pioneers of a mobile in-home carpet service. The company launched as a nationwide operation in 1992, without stores, but with 60-70 franchisees operating the same in-home service from their mobile vans.
- 121 In summary, while similar in origin – namely, established by existing industry participants who were willing to innovate – the three largest retailers have all grown very quickly and have characteristics that make them unique. But, all have significant countervailing bargaining power. Importantly, all three retail groups have grown significantly in the 20 years since the above Commission decisions.
- 122 Those three largest groups are not the only retailers. For example, Guthrie Bowron is a franchise of home improvement stores founded in 1896, with 51 stores around New Zealand. It operates a significant flooring division promising *“flooring options to suit every home”*. In addition, there are a significant number of local independent retailers operating right throughout New Zealand. For example, Capital City Flooring advertise that they have been operating from their Wellington based carpet store and warehouse for the last 30 years.
- 123 It must also be stressed that the product dimension of flooring solutions available in retail outlets now extends well beyond traditional carpet offerings. Retailers have positioned themselves at the forefront of evolving consumer preferences by expanding their product ranges to encompass a comprehensive selection of flooring options, together with sophisticated visual imagery. This evolution reflects a significant increase in demand-side substitutability, as consumers are no longer limited to choosing between carpet and hard flooring alone. Most retailers now strive to serve as total flooring solution providers, offering a wide array of products



to ensure that all potential customers can access an extensive and competitively priced selection of flooring options.

124 This shift underscores the retailers' commitment to meeting diverse consumer needs. For example, Carpet Court promotes its ability to deliver "*...beautiful and innovative flooring solutions, including: carpet, vinyl, lino, luxury vinyl tiles, laminate, timber, rigid, garage carpet and underlay*".¹⁵ This highlights the breadth and depth of their product portfolio, catering to a variety of aesthetic preferences, functional requirements and budget considerations. Similarly, Flooring Xtra advertises on the homepage of its website a diverse range of flooring types, including carpet, laminate, timber, luxury vinyl tiles and sheet vinyl.¹⁶ Such offerings illustrate the extent to which leading retailers have diversified their product lines to address the full spectrum of changing consumer demand.

125 The examples of major retailers' advertising material (attached as **Attachment I**), clearly demonstrate that the market has shifted towards a comprehensive approach to flooring solutions. Retailers have been required to broaden their product ranges in response to consumer demand for a one-stop shop for all flooring needs. This strategic focus on total flooring solutions, has in turn, placed increased pressure on carpet manufacturers to adapt and remain competitive within a more diverse and dynamic market.

126 By way of illustration, [REDACTED

].

127 [REDACTED

].

128 Put bluntly, any refusal of rebate, increase in price or reduction in quality by a carpet manufacturer risks not only that manufacturer being replaced as the supplier of carpet, but also carpet being replaced as the preferred flooring option.

129 Indeed, as the NERA report points out, given that carpet is usually sold through retailers, increasing imports suggests that retailers are the entities that are buying imports, providing them with an increasingly competitive option to buying from local manufacturers. Further, operating through buying groups provides those retailers with extra countervailing bargaining power.

130 A carpet retailer, who has been operating a large buying group for almost 30 years, was approached directly in preparing this Notice. While he requires to remain anonymous, he confirmed that, while dealing with a local manufacturer may be more convenient, importing is now a much easier alternative for retailers –

¹⁵ Carpet Court <<https://carpetcourt.nz/>>.

¹⁶ Flooring Xtra <<https://www.flooringxtra.co.nz/>>.



especially retailing groups – than it was even 20 years ago. Not only have tariffs now mostly gone, but shipping costs and lead-in times have reduced significantly. Importantly, so too have communication and travel costs. Further, incremental improvements in tufting plants have resulted in more consistent quality of product sourced from overseas manufacturers; with commonly accepted grading ensuring this.

131 In short, importing carpet provides a ready alternative for the retailer, if the local manufacturer increases price significantly or reduce quality. In the retailer’s own words, the ready availability of imported carpet “ensures the equilibrium price”.

Bremworth may be a “failing firm”

132 [REDACTED

].

133 [REDACTED

] Bremworth’s performance shows that it is exceptionally difficult for a primary manufacturer of Bremworth’s size and resources to compete against unconstrained imports from global producers that are better able to achieve economies of scale and scope. Further, in some cases those producers of imports themselves enjoy State protection or subsidy in their home markets, and much lower labour costs.

134 It is further understood that Bremworth’s ongoing difficulties have led to problems in securing appropriate funding and other inputs from time to time.

135 [REDACTED] it faces continued pressure from not only imports of carpet but also increasing consumer demand for new product ranges substitutable for carpet. [REDACTED

]:

135.1 [REDACTED
]

135.2 [REDACTED

]

136 [REDACTED

] there is already Bremworth’s well documented lack of profitability and external funding. Importantly, no business can sustain long-term decline. [REDACTED

] the New Zealand market is too small, and now too open to import competition, to sustain a second local carpet manufacturer being one that lacks the resources and global reach.



Conclusion as to competition

- 137 It is clear that a combined Mohawk/Bremworth would be constrained by imports and substitutable flooring products in the factual, together with the countervailing power of any and all buying groups or large independent retailers. In particular, remaining barriers to entry in the form of tariffs will continue to reduce, especially in relation to countries whose imported carpets already have a major presence here. Those countries all have surplus manufacturing capacity. Further, significant new entry is already occurring, by way of imports, including by WNZ with its manufactured reimporting model.
- 138 Given that certainty of increasing imports, the Commission should be satisfied that there would not be a substantial lessening of competition in comparison with either the status quo or new owner scenarios. [REDACTED

]. Namely,

Bremworth will continue to struggle to retain sales and market share – or to return to an acceptable level of profitability – as it faces increasing competition from more imports of carpet as well as other flooring substitutes.

- 139 That said, while market shares are not determinative, and entry barriers to imports are low and further reducing, it must be acknowledged that the Mohawk/Bremworth's combined market share of around [REDACTED] would be outside the Commission's Market Share and Concentration Indicators, as set out in its Guidelines.

Efficiencies mean better competition

- 140 However, even to the extent such aggregation could, on its face, imply possible competition concerns, in addition to the significant competitive constraint from imports and other sources, there are also in-market efficiency gains arising from an acquisition by Mohawk and the ability of Bremworth (under Mohawk ownership) to be a better competitor to imports that would benefit consumers.
- 141 These significant efficiency benefits must be taken into account as the substantial lessening of competition threshold requires a "net test", with any pro-competitive effects also having to be taken into account. Therefore, the Commission's decision needs to reflect:
- 141.1 Acquisition by Mohawk of Bremworth's New Zealand manufacturing capacity and brands offers substantial efficiencies that arise from the Proposed Transaction. In terms of synergies following the merger, Mohawk is expecting to achieve cumulative cost savings of almost [REDACTED] million in the 5 years following the acquisition;
- 141.2 The continuing competitive pressure from imports means that those merger-related savings must, over time, be passed on to retailers (and ultimately carpet consumers);
- 141.3 It has proved exceptionally difficult for a business of Bremworth's current size, limited resources and distance from export markets to compete effectively in local markets against increasing, and increasingly unconstrained, imports. It has tried novel strategies; but they have failed. Indeed, NERA's analysis graphically demonstrates that Bremworth is struggling to compete against the increasing competitiveness of imports.



The analysis shows Bremworth experiencing declining revenue and profit from its carpet operation;

- 141.4 Mohawk has a global reach with resources needed to pursue research, design and innovation, especially as consumer demands change. Bremworth's current resources, and reach, are far more limited than those of Mohawk. The Proposed Transaction will, therefore, enhance Bremworth's ability to remain as a New Zealand manufacturing competitor to imports – thereby enhancing choice and competition in the New Zealand market. Having an enhanced local manufacturer would also ensure better (more sustainable) competition with carpet that is imported. From the New Zealand consumers' perspective, a merged Mohawk/Bremworth would provide for product enhancements tailored to the local market, network efficiencies, and improvements in non-price elements (including sustainability) that a struggling Bremworth could not;
- 141.5 In short, New Zealand consumers will experience pricing and quality improvements that would not otherwise be achieved by Bremworth alone.
- 142 In addition to these in-market efficiencies and benefits to competition, there are also a range of other benefits to New Zealand that cannot be ignored:
- 142.1 It is broadly accepted that New Zealand's strong wool sector is in urgent need of "rescue". Stories abound in regional and farming media about the cost of shearing dwarfing returns to farmers of wool. To the extent that Bremworth's abandoned wool-only policy promised wool producers much, in fact its declining sales and share price indicate that it delivered very little.
- 142.2 Bremworth has invested heavily in its "wool only" brand; and Mohawk would want to preserve – and better utilise – that investment. Bremworth's brands, moreover, would have access to Mohawk's global distribution and marketing capacity. New Zealand farmers supplying wool to the new owner of these Bremworth brands would likewise benefit from that much enhanced distribution. Additionally, skilled manufacturing jobs in New Zealand would be protected.
- 143 Godfrey Hirst is already a long-standing purchaser and processor of New Zealand strong wool, buying approximately [REDACTED] tonnes from New Zealand farmers in 2024. It is a large employer in several regional towns where that wool is initially processed. The clear public benefit here is that Mohawk could provide for Bremworth the same enhanced recognition and springboard for global distribution that it has provided already for Godfrey Hirst and Mohawk's own flooring products. That includes sales of 500,000 sqm of wool carpet to the USA in 2024. Mohawk does not consider that any farmer-driven initiative like WNZ can achieve equivalent recognition for the New Zealand strong wool sector. And especially in light of Bremworth's recent reversal, no other corporate has the incentive or resources to do so. In summary, the best outcome for the long-term benefit of consumers within New Zealand, as well as the strong wool sector (including New Zealand farmers and New Zealand manufacturing) would be the emergence of a new entity that combines the underutilised assets and brand recognition of Bremworth with Mohawk's expertise and global reach. In this scenario, Bremworth carpet made in New Zealand and produced from New Zealand strong wool would be marketed as a core (but not exclusive) component of the world's leading flooring firm.



- 144 In broader benefit terms, the factual provides for a much better outcome than any of the counterfactuals. Having an enhanced local manufacturer would ensure better (more sustainable) competition with carpet that is imported. From the New Zealand consumers' perspective, a merged Mohawk/Bremworth would provide for product enhancements tailored to the local market, network efficiencies, and improvements in non-price elements (including sustainability) that Bremworth could not.
- 145 Further, over time we would expect the competitive pressure from imports to result in merger-related savings being passed on to retailers (and ultimately carpet consumers). This dynamic would of course become exacerbated by the growing shift of carpet volumes to other flooring options.

No vertical, conglomerate or coordinated effects

No vertical effects

- 146 The Proposed Transaction is not a vertical merger. Both Mohawk and Bremworth mostly operate at the same levels of the supply chain. [REDACTED

].

No conglomerate effects

- 147 Similarly, there will be no conglomerate effects, as Mohawk and Bremworth already supply the same – rather than complementary – products. There will be no increased ability or incentive post-merger to foreclose competitors.

No coordinated effects

- 148 There is no prospect that the Proposed Transaction would give rise to increased risk of coordinated effects:
- 148.1 There is no evidence that Mohawk and other competitors have previously, or currently, coordinating in respect of either price or volumes offered to New Zealand retailers/customers. This evidences that conditions for coordination are not currently preset in the New Zealand carpet/flooring market. On the contrary, there has been ongoing and vigorous competition within New Zealand between Godfrey Hirst, Bremworth, Carpet Mill and the significant (and growing) volumes of imported products. To the extent that Godfrey Hirst has on several occasions resorted to litigation to ensure that competition remains not only effective but also fair.
- 148.2 Going forward the key competitors to Mohawk will be imported carpet competitors, and suppliers of other flooring substrates. Those are differentiated competitors to Mohawk's business model (which includes New Zealand manufacturing), which means there will be no material symmetry in terms of business models, cost structures, or market shares.
- 148.3 There are a number of these other competitors competing in New Zealand via imports, as well as the treat of further new entry and expansion, which destabilises any potential price coordination.
- 148.4 Competitors' pricing to retailers is not transparent to Mohawk. There will be no increase any pricing transparency, and no increase any potential ability to detect or punish any deviations in pricing by competitors.



Appendices

- 149 Appendices setting out the specific information requirements prescribed by the Commission are attached.
- 150 Also attached are **Attachments "A" to "L"** referred to above.
- 151 The Appendices and Attachments form part of this Notice.

**PART 8: CONFIDENTIALITY**

- 152 Confidentiality is sought in respect of the information in this application that is highlighted (**Confidential Information**). Confidentiality is sought for the Confidential Information for the purposes of section 9(2)(b) of the Official Information Act 1982 on the following grounds:
- 152.1 the Confidential Information is commercially sensitive and valuable information which is confidential to either, or both, Parties, and
- 152.2 disclosure of the Confidential Information would be likely to unreasonably prejudice the commercial position of the Parties.
- 153 The Parties request that they are notified if the Commission receives any request under the Official Information Act 1982 for the release of any part of the Confidential Information. They also request that the Commission seek and consider their views as to whether the Confidential Information remains confidential and commercially sensitive before it responds to such requests.



DECLARATION BY MOHAWK

I, Tania Pauling, have supervised the preparation of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- All information specified by the Commission has been supplied;
- If information has not been supplied, reasons have been included as to why the information has not been supplied;
- All information known to the applicant that is relevant to the consideration of this notice has been supplied; and
- All information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am President of Mohawk's Flooring Oceania and am duly authorised to submit this notice.

Name and title of person authorised to sign:

Tania Pauling, President

On behalf of Mohawk Flooring Oceania

Sign: _____

Date: 15 October 2025



TABLE OF ATTACHMENTS

Attachment	Document
Attachment A	[Confidential] Non-Binding Indicative Offer
Attachment B	[Confidential] Bremworth Information Memorandum
Attachment C	Bremworth announcement to NZX and media commentary on its "all-wool" policy reversal
Attachment D	Bremworth Limited Annual Report 2025
Attachment E	[Confidential] Structural Chart of Mohawk Industries, Inc. and relevant subsidiaries
Attachment F	NERA Report (Public)
Attachment G	2023 IBISWorld Industry Report on Carpet and Textile Floor Covering Manufacturing in Australia
Attachment H	2025 IBISWorld Industry Report on Floor Coverings Retailing in Australia
Attachment I	Selection of major retailers' current advertising
Attachment J	Table 1 – Country of origin or carpet imports
Attachment K	[Confidential] Table 2 – Value of imported carpet in comparison to total wholesale market
Attachment L	NZ Wool Industry fact sheet



ATTACHMENT A: [CONFIDENTIAL] NON-BINDING INDICATIVE OFFER

[REDACTED]



ATTACHMENT B: [CONFIDENTIAL] BREMWORTH INFORMATION MEMORANDUM

[REDACTED]



**ATTACHMENT C: BREMWORTH ANNOUNCEMENT TO NZX AND MEDIA
COMMENTARY ON ITS "ALL-WOOL" POLICY REVERSAL**



Media release

17 February 2025

Bremworth announces strategic review

NZX-listed wool carpet manufacturer Bremworth (NZX: BRW) advises that the Board has decided to commence a strategic review of its ownership structure.

Bremworth is New Zealand's leading natural fibre broadloom carpet and rug manufacturing business. Bremworth's production facilities in Whanganui, Napier and Auckland, as well as its recently established external supply chain, enable it to deliver innovative natural flooring products aimed at making homes more desirable, healthier and sustainable. The company also owns Elco Direct, one of the New Zealand's largest wool buyers, purchasing wool at the farm gate each year for Bremworth's carpet business and for the wool exporters at large.

The decision to undertake this strategic review follows the finalisation of Bremworth's insurance settlement and recent approaches from parties expressing an interest in Bremworth, in light of which the Board considers that undertaking a formal process to assess potential offers for the business is in the best interests of shareholders.

The review is expected to take several months, and there is no certainty that any transaction or other change will result. Bremworth has engaged Montarne to assist with the review.

Bremworth will be providing its FY25 half year results for the six months ended 31 December 2024 next week. In addition to an overview of financial performance and outlook for the remainder of the financial year, Bremworth will outline strategies to improve performance given the ongoing challenges to the business.

ENDS

For further information please contact:

Greg Smith
Chief Executive Officer
Bremworth
gregsmith@bremworth.co.nz
+64 21 711 622

Mark Devlin
Director
IMPACTPR.CO.NZ
+64 21 509 060

[BUSINESS \(/NEWS/BUSINESS\)](#) / [COUNTRY \(/NEWS/COUNTRY\)](#)

Carpet maker Bremworth reverses wool only policy

6:41 am on 13 May 2025



[Gianina Schwanecke \(/authors/gianina-schwanecke\)](#), Producer/Presenter

[✉ gianina.schwanecke@rnz.co.nz](mailto:gianina.schwanecke@rnz.co.nz) ([mailto:gianina.schwanecke@rnz.co.nz?](mailto:gianina.schwanecke@rnz.co.nz)

[subject=Carpet%20maker%20Bremworth%20reverses%20wool%20only%20policy](mailto:gianina.schwanecke@rnz.co.nz?subject=Carpet%20maker%20Bremworth%20reverses%20wool%20only%20policy))



Photo: Bremworth

Carpet maker Bremworth has reversed its wool only policy and will soon start making synthetic carpets again.

The NZX-listed company, which stopped producing synthetic carpets in 2020 in favour of a wool-only policy (<https://www.rnz.co.nz/news/business/447717/godfrey-hirst-challenges-bremworth-brand-wool-carpet-claims>), will restart production of synthetic carpets at its Auckland facility in the next financial year.

It comes following a recent shake-up of the Bremworth board, with group of unhappy shareholders, led by new chair Rob Hewett, prompting the departure of three sitting directors

(<https://www.rnz.co.nz/national/programmes/ninetoon/audio/2018983297/bremworth-s-new-chair-we-are-at-a-crucial-crossroads>). Its chief Executive Greg Smith has also stepped down after four years.

Hewett earlier said the coup was prompted by the company's slumping profits (<https://www.rnz.co.nz/news/business/543536/bremworth-leadership-faces-rebellion-over-slumping-profits>), with revenue falling from \$148.1m in 2018 to \$80.3m in 2024.

The dissenting group said the decision to stop selling synthetic carpets in favour of wool-only products had not resulted in improved sales, while operating costs remained high.

Hewett, who replaced former chair George Adams, said there was strong demand from major New Zealand and Australian carpet retailers for Bremworth to produce both synthetics and wool.

He said by not having synthetics in their portfolio they had made things more difficult.

"The challenge that we have with the business is about 85 percent of the carpet floor covering market is not wool and we're missing out on it. We need to spread our costs across a wider base. Our customers are clearly looking for a synthetic product."

He said they were also very mindful of stakeholders.

"I am a farmer of wool and I do this with a heavy heart but the company's viability quite frankly is at stake here."

It also follows Bremworth settling with rival carpet maker Godfrey Hirst, settling court proceedings in relation to a past marketing campaign Bremworth initiated in 2020 when it ceased producing synthetic carpet and moved to manufacturing wool carpets only.

Godfrey Hirst alleged that aspects of that campaign mischaracterised the relative environmental and health impacts of synthetic and wool carpets and breached the Fair Trading Act.

Bremworth denied breaching the Act, but acknowledged certain parts of its past advertising from the 2020 marketing campaign may have misled some consumers. These had been removed and would not be used again.

The new synthetic range, which will initially comprise a small, but carefully curated, number of products, will be distributed under a separate brand to distinguish these products from its Bremworth-branded all-wool products.

No new capital expenditure is required and the company anticipates a minor increase in headcount to support the additional volume.

Hewett expected having a complete portfolio will actually help them grow wool product sales.

However, Federated Farmers meat and wool chair Toby Williams said the wool industry was teetering and this would further knock farmer confidence.

"It's a tough pill to swallow for the industry."

He said it was disappointing but understandable.

Williams acknowledged Bremworth was a business though and shareholders had a right to expect returns.

He said it was important for people to start recognising the environmental benefits of wool, especially with declining sheep numbers

(<https://www.rnz.co.nz/news/country/560252/gap-between-people-and-sheep-rapidly-closing>) and farmland being converted to carbon forestry

(<https://www.rnz.co.nz/news/country/559988/farmers-celebrate-new-rules-to-limit-forestry-conversions-but-does-a-loophole-still-remain>).

Andy Caughey, chief executive of industry group Wool Impact, said Bremworth manufacturing synthetic carpets again didn't minimise their commitment to wool or their wool carpet offering.

"This range extension, which includes synthetics, will strengthen the company's operating model by optimising its manufacturing capacity and generating more revenue as it continues to invest and expand its wool business," he said.

"The world needs more wool."

Sign up for Ngā Pitopito Kōrero, a daily newsletter (<https://radionz.us6.list-manage.com/subscribe?u=211a938dcf3e634ba2427dde9&id=b3d362e693>) **curated by our editors and delivered straight to your inbox every weekday.**

JOIN & FOLLOW RNZ



Sign up to RNZ Newsletters

RNZ STATIONS

HOW TO WATCH & LISTEN

Premium

Home / Business

Bremworth's synthetic carpets U-turn after all-wool model



Jamie Gray

Business Reporter · NZ Herald · 9 May, 2025 12:56 PM · 2 mins to read

NZX-listed Bremworth says it will start making synthetic carpets again – reversing a decision made in 2020 to focus on woollen carpets only.

The company said its move was in response to feedback from major partners.

Bremworth said the move would also allow it to achieve improved factory utilisation through the additional volume of carpet produced.

The company will recommence production of synthetic carpet at its Auckland-based facility in the next financial year.

“This move will allow Bremworth to better meet expectations of the major carpet retailers across New Zealand and Australia, who have expressed a preference for Bremworth to return to supplying both wool and synthetic,” Bremworth said.

The new synthetic range, which will initially comprise a small number of products, will be distributed under a separate brand to distinguish the products from its Bremworth-branded all-wool products.

No new capital expenditure was required, it said.

The company anticipates a minor increase in headcount to support the additional volume.

Bremworth said it remained committed to growing and strengthening its wool carpet segment, which would be assisted by the broader production base.

The company went down the wool-only track mid-way in 2020.

No sooner had it done so, multinational competitor Godfrey Hirst launched proceedings over its advertising claims.

Last month, [Bremworth and Godfrey Hirst settled](#).

Godfrey Hirst had alleged that aspects of that campaign mischaracterised the relative environmental and health impacts of synthetic and wool carpets and breached the Fair Trading Act.

While Bremworth denied breaching the Act, it acknowledged that aspects of its past advertising from the 2020 marketing campaign may have misled some consumers.

Earlier in April, [Bremworth chief executive Greg Smith](#) – who led the company's natural fibre strategy – announced he would step down as chief executive after almost four years in the role.

Bremworth appointed carpet industry expert Craig Woolford as interim CEO.

During his tenure, Smith also introduced 10-year strong wool contracts, spearheaded sustainability initiatives, expanded Bremworth's direct-to-consumer eCommerce business and successfully negotiated a \$100 million insurance settlement following Cyclone Gabrielle.

Jamie Gray is an Auckland-based journalist, covering the financial markets, the primary sector and energy. He joined the Herald in 2011.

Bremworth's sheep farmer chair defends shift to synthetic carpets

Rob Hewett says costs are 'out of whack with income'.



New Bremworth chair Rob Hewett



Fiona Rotherham
Fri, 09 May 2025



GIFT THIS ARTICLE (2)

Rob Hewett, the new chair of NZX-listed carpet market Bremworth, has defended the company reintroducing synthetic carpets despite spending the past five years marketing the benefits of all-wool natural fibres.

In a statement to the NZX this morning, the company said the move was in response to feedback from its major channel partners and to improve throughput in its factory.

Hewett said Bremworth remained committed to selling wool carpets to discerning consumers but the challenge it had was that a significant portion – around 85% – of the soft flooring market is synthetic carpets.

When Bremworth ditched synthetic carpets in 2020 they made up almost half of its total production.

“The challenge we have is the cost structure in the business has not kept pace with the volume of products coming through. In other words, costs are out of whack with income,” Hewett said.

One of the ways to alleviate that was to raise revenue and cut costs appropriately, he said.

“This is about growing revenue. It also gives our salespeople a full toolkit to retailers themselves whereas previously they were focusing on wool only.”

The synthetic carpets will be sold under a different brand, most likely one of the company's existing ones.

There's an irony to a sheep farmer defending a shift to plastic carpets, particularly given how hard the company has marketed the benefits of wool.

But Hewett said “while it doesn’t sit that easily, we’re looking in the company’s best interests. Quite frankly, when your back is against the wall with regard to costs you make choices.”



New management

At its half-year results on February 28, Bremworth reported a net loss of \$8.1m from revenue of \$42.1m. A boardroom coup followed in March with three directors standing down and Hewett being appointed chair.

Former CEO Greg Smith, who was a strong proponent of the wool strategy, left the company on April 30 and has been replaced by Craig Woolford.

Hewett said he wanted to emphasise that Bremworth was still going hard on its wool strategy.

“There will be people disappointed with us but equally, we want the company to flourish and this is part of our solution. But we’re very clear, we have two strategies – one around wool and one around synthetics.”

Hewett said he couldn’t provide figures on what the board hoped revenue would rise to because of the move, saying it would build over time.

“If this was not seen as being significantly incremental, why bother going there in the first place?”

Cost-cutting measures are still being worked on, Hewett said.

“Everybody is at the moment in this environment. I don’t need to tell a media company what’s going on.”



Godfrey Hirst commercial carpet tiles.

Marketing claims

Late last month Bremworth settled court proceedings brought by rival flooring giant Godfrey Hirst for a marketing campaign Bremworth had initiated in 2020 when it stopped making synthetic carpets.

Godfrey Hirst alleged aspects of the campaign breached the Fair Trading Act by mischaracterising the relative environmental and health impacts of synthetic and wool carpets.

Bremworth denied breaching the Act but acknowledged aspects of the marketing campaign may have misled some consumers, and said it won't be repeated.

John McWhirter, CEO of farmer-owned Wools of New Zealand, said he wasn't surprised at the move by Bremworth although his company remained committed to demonstrating the benefits of wool carpets over plastics to New Zealand and the global market.

He said when Wools of New Zealand started selling wool carpets around four years ago they accounted for just 14% of the market for soft floorings in New Zealand. According to feedback from channel partners, that has since risen by 25%, he said.

The farmer-owned company started offering contracts late last year for wool growers as demand for its carpets and commercial wool tiles rises.

It was behind a push last year that saw government housing agency Kāinga Ora reverse its decision to exclude wool carpets from a tender for its properties, which it had done on the basis nylon carpets were up to 34% cheaper. The coalition government has made a directive for government agencies to prefer wool over synthetics in their buildings.



Fiona Rotherham
Fri, 09 May 2025



ATTACHMENT D: BREMWORTH LIMITED ANNUAL REPORT 2025

Bremworth Limited Annual Report 2025 can be accessed at:

<https://api.nzx.com/public/announcement/460242/attachment/453884/460242-453884.pdf>



ATTACHMENT E: [CONFIDENTIAL] STRUCTURAL CHART OF MOHAWK INDUSTRIES, INC. AND RELEVANT SUBSIDIARIES

[REDACTED]



ATTACHMENT F: NERA REPORT (PUBLIC)



Public

Project Loop

Report prepared for Chapman Tripp

15 October 2025

Project Team

James Mellsop

Thomas Logchies

Insert Team Member here.

NERA

Level 11

15 Customs Street West

Auckland 1010, New Zealand

www.nera.com

Contents

1.	Introduction	1
2.	There is a single wholesale market for carpet, which includes wool and synthetic	1
3.	Imports are the strongest competitive force in the carpet market	5
4.	The acquisition would enhance the merged entity’s competitiveness against imports	9
5.	In real terms, volumes in the carpet market are declining	12
Appendix A.	Data sources and assumptions	13
A.1.	Godfrey Hirst pricing and margin data	13
A.2.	Import data	13
A.3.	Market share data	13
A.4.	Deflator data.....	14
A.5.	Bremworth financial data.....	14

1. Introduction

1. Project Loom would involve the acquisition by Mohawk Industries (being the ultimate owner of Godfrey Hirst) of Bremworth, in both New Zealand and Australia. This report focusses on the New Zealand aspect of the transaction.
2. We have been asked by counsel to Godfrey Hirst, Chapman Tripp, to analyse relevant competitive dynamics.

2. There is a single wholesale market for carpet, which includes wool and synthetic

3. We understand the Commerce Commission has assessed two mergers in the carpet industry and cleared both. In both cases, the Commission included wool and synthetic carpets in the same product market.
4. In *Decision 587*, the Commission noted differences by fibre type (synthetic and wool), manufacturing method (tufted and wool), and quality (low and high). However, it ultimately decided that all carpets fall within a single differentiated product market.¹
5. In *Decision 628*, the Commission defined the market to be “a differentiated national market for the manufacture/import and wholesale supply of carpet.”² The Commission noted that the various carpet options “span a broad spectrum, with no bright line distinction between varying quality and prices.” Therefore, the Commission deemed it appropriate to define a single differentiated product market.
6. Neither of these decisions is recent (2006 and 2007 respectively). However, the current evidence suggests the market definition adopted in those decisions is still appropriate today.
7. On the supply-side, the evidence suggests there is supply-side substitutability between wool and synthetic carpets. For example, Bremworth’s 9 May 2025 NZX statement that it is re-expanding into synthetic carpets states, “No new capital expenditure is required as the company already has all necessary equipment and capability within its existing business”.³ This has also been confirmed to us by Godfrey Hirst for its own production processes.
8. On the demand-side, the pricing evidence is consistent with a chain-of-substitution, as we will now describe.
9. We start by analysing the average residential Godfrey Hirst price across each fibre.⁴ Figure 1 shows the relationship between all residential Godfrey Hirst carpet product types (all are synthetic, except for wool), and then Figure 2 shows this with the low volume product types

¹ Commerce Commission, Decision 587 - Application for Acquisition Clearance - Godfrey Hirst NZ and Feltex Carpets, August 2006, para. 43-55.

² Commerce Commission, Decision 628 - Application for Acquisition Clearance – Cavalier Corporation and Norman Ellison Holdings, November 2007, para. 33-46.

³ Bremworth, “Bremworth to Reintroduce Synthetic Carpet to Meet Market Demand”, NZX Announcement, 9 May 2025, <https://www.nzx.com/announcements/451353>

⁴ Unless otherwise stated, all prices in this report are at the wholesale level.

removed. Figure 1 does not show a clear break in the pricing hierarchy, which is consistent with a chain-of-substitution and the Commission’s logic in *Decision 628*. Figure 2 shows that the gap between SDN and wool has generally been slightly smaller than the gap between SDN and polyester, although this gap has changed recently.

Figure 1: Average GH residential carpet pricing (\$NZD per blm)

[REDACTED]

]

Source: Godfrey Hirst sales data.

Notes: This graph is obtained by taking the total residential sales values and volumes (in broadloom meters) for each product type for each year between 2019-2024.

Figure 2: Average GH residential carpet pricing with low volume product types removed (\$NZD per blm)

[REDACTED]

]

Source: Godfrey Hirst sales data.

Notes: This graph removes Polypropylene, Triexta and White Nylon due to their significantly lower volume compared to the other product types.

10. Given that the SSNIP test asks whether a certain percentage change in price would be profitable, we analyse the percentages differences in price between:
 - A. Wool and SDN - between 2019 and 2024, the average price for SDN carpets was ~24% less than wool carpets; and

- B. SDN and polyester - between 2019 and 2024, the average price for polyester carpets was ~40% less than SDN carpets.
11. These differences are statistically significant.⁵ What this analysis suggests is that it would not make sense to define separate synthetic and wool carpet markets, as there is no more of a brightline distinction between synthetic and wool carpets than there is between different types of synthetic carpets.
12. The above analysis looks at the average prices for each fibre type. Godfrey Hirst has also provided us with its prices (from 2018 to 2024) for a sample of SKUs for SDN and wool fibre carpets. We have graphed these in Figure 3.

Figure 3: Price per broadloom metre for wool and SDN carpet range sample

[REDACTED]

]

Source: Godfrey Hirst sales data.

Notes: Wool carpet ranges are represented by dashed lines, and SDN ranges are represented by solid lines.

13. Because some of these carpets differ by weight, in Figure 4 we graph the price per Oz for the sample of carpet types.

⁵ We use a 2-sided *t* test, with the null hypothesis being that the means of the two groups (being the percentage differences) are equal (and therefore the alternative hypothesis is that they are different). The p-value is 0.0001 (4dp), indicating that the difference in the means of the two groups is statistically significant at the 5% level. The reference point for the percentage change does not change the outcomes of the t-tests. Using the other reference point gave the following results: the average price for SDN was ~67% more than polyester carpets, whereas the average price for wool carpets was ~32% more than SDN carpets. The conclusions from the t-test do not change.

Figure 4: Price per Oz for wool and SDN carpet range sample

[REDACTED

]

Source: Godfrey Hirst sales data.

Notes: Wool carpet ranges are represented by dashed lines, and SDN ranges are represented by solid lines.

14. We also control for inflation, with Figure 5 and Figure 6 showing CPI adjusted prices per broadloom metre and per Oz respectively.

Figure 5: CPI adjusted price per broadloom metre for wool and SDN carpet range sample

[REDACTED

]

Source: Godfrey Hirst sales data & Stats NZ.

Notes: Wool carpet ranges are represented by dashed lines, and SDN ranges are represented by solid lines.

Figure 6: CPI adjusted price per Oz for wool and SDN carpet range sample

[REDACTED

]

Source: Godfrey Hirst sales data & Stats NZ.

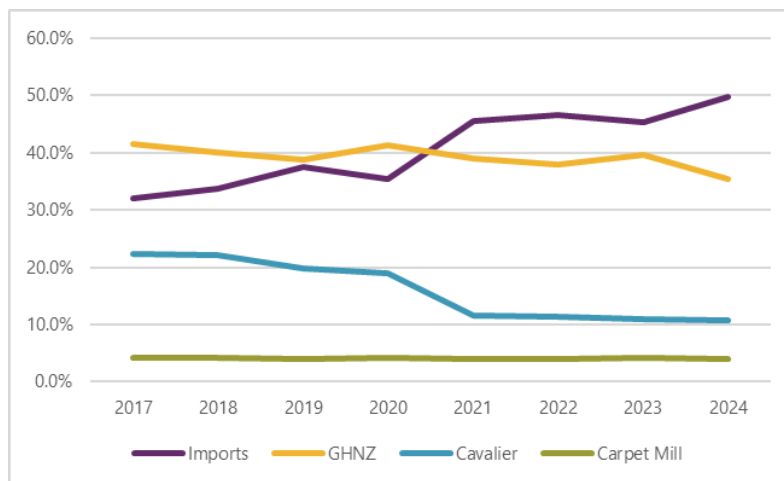
Notes: Wool carpet ranges are represented by dashed lines, and SDN ranges are represented by solid lines.

15. It can be seen that there is a degree of overlap and certainly proximity between wool and SDN carpets.

3. Imports are the strongest competitive force in the carpet market

16. Since 2017, import market shares have increased from ~32% to ~50%, making imports the dominant competitive force in the carpet market. In contrast, the main New Zealand manufacturers have experienced a drop in market share, particularly Bremworth, whose market share has more than halved from ~22% to ~10%.

Figure 7: Market shares in carpet market

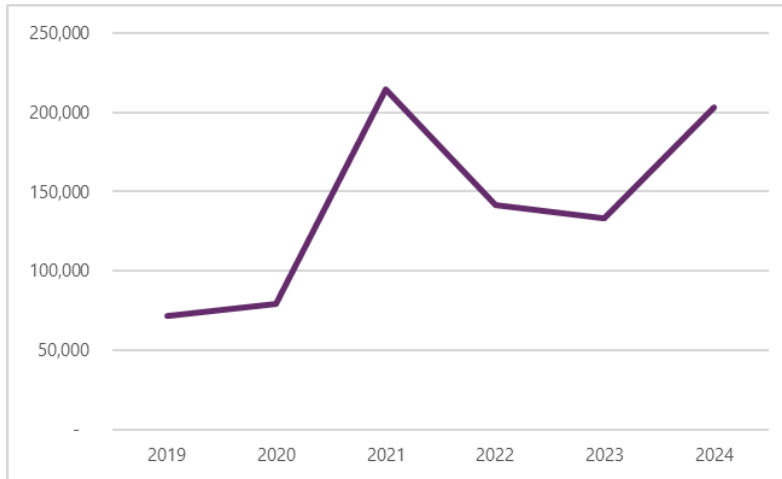


Source: Godfrey Hirst market share data. For a further description of this data, see Appendix A.

Notes: Graph shows market shares for NZ carpet manufacturers from 2017-2024.

17. While imported carpets are mostly synthetic, wool carpet imports are also increasing, in terms of quantity (as shown in Figure 8), value (as shown in Figure 9) and share of imports (as shown in Figure 10). Therefore, it is likely not just the synthetic part of the carpet market facing competitive constraint from imports, but also the wool side.

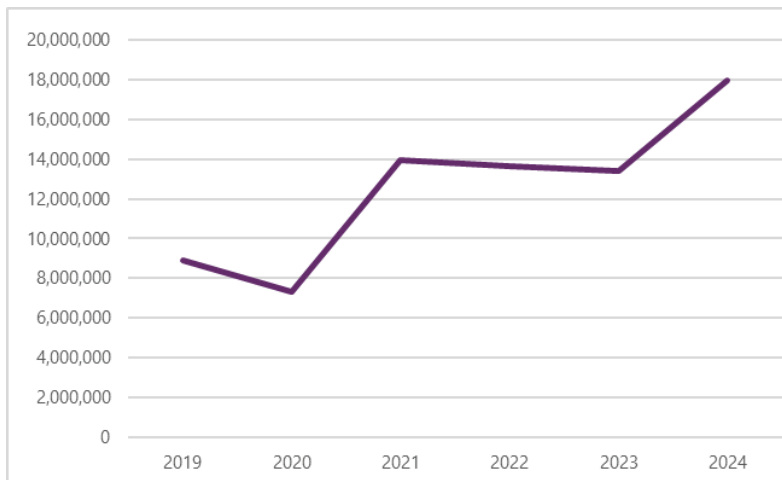
Figure 8: Wool carpet import quantities



Source: Stats NZ

Notes: The graph shows the quantity of wool imports in broadloom metres. For a further description of the import data, see Appendix A.

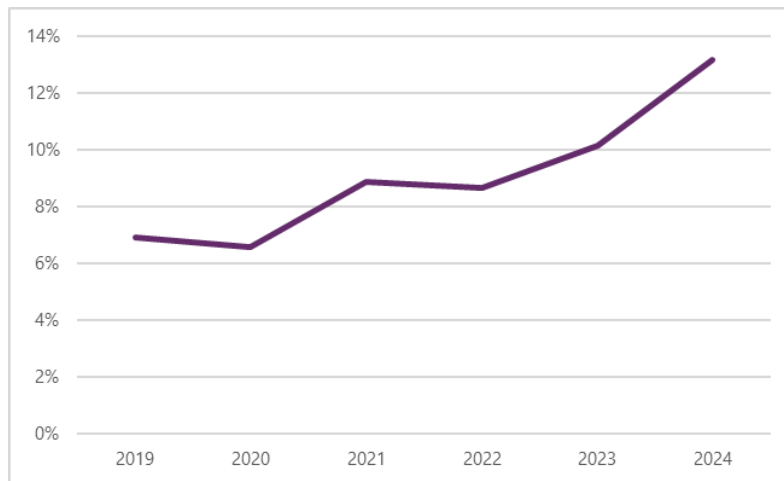
Figure 9: Wool carpet import values (\$NZD)



Source: Stats NZ

Notes: The graph shows the value of wool imports based on cost plus insurance and freight.

Figure 10: Wool share of total carpet import value

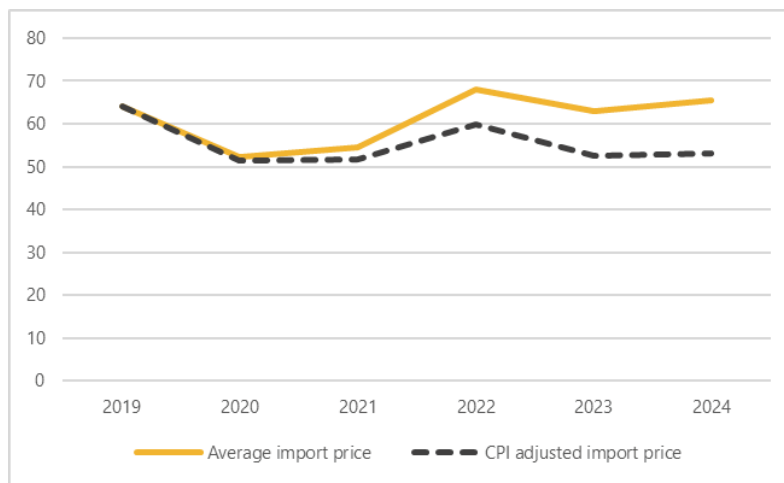


Source: Stats NZ

Notes: The graph shows what percent of the value of total imports (based on cost plus insurance and freight) can be attributed to wool fibre carpets.

- 18. In the last five years, nominal import prices for all carpets have been slightly increasing. However, when adjusting these values for inflation, overall import prices have remained relatively consistent. When focusing on imported wool carpets, average prices have decreased over time both in nominal and real terms.

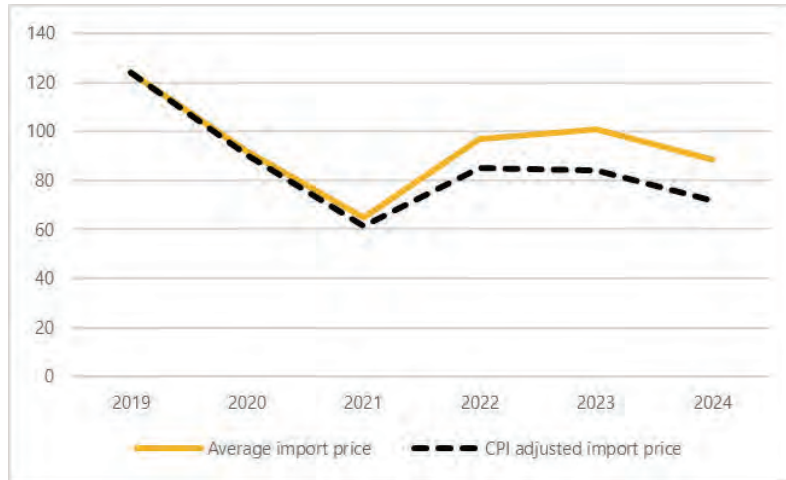
Figure 11: Average carpet import prices (\$NZD per blm)



Source: Stats NZ

Notes: The graph shows import carpet prices per broadloom metre between 2019-2024.

Figure 12: Average wool carpet import prices (\$NZD per blm)



Source: Stats NZ

Notes: The graph shows import wool carpet prices per broadloom metre between 2019-2024.

19. [REDACTED

]

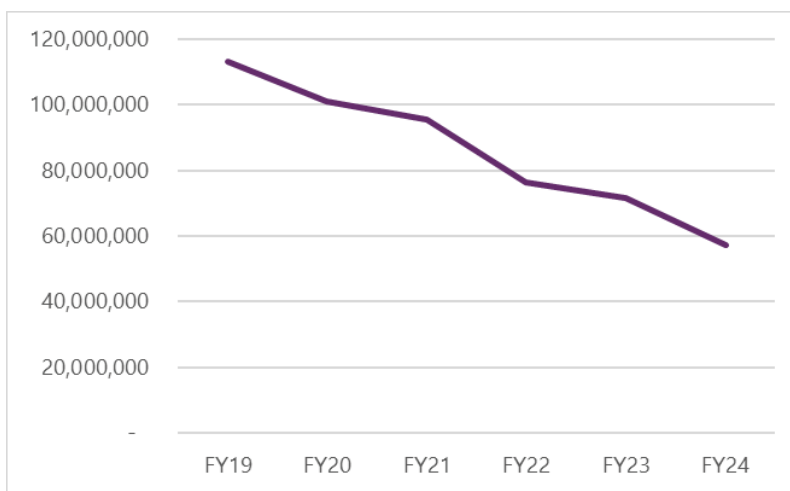
20. In *Decision 587*, the Commission stated that carpet is usually sold through retailers ([33]). In *Decision 628*, the Commission stated that residential carpet is predominantly sold through retailers ([29]) and we understand this continues to be the case. On that basis, the evidence set out above about increasing imports suggests that retailers are increasingly buying imports, providing them with an increasingly competitive option to buying from local manufacturers.

21. In *Decision 587*, the Commission found that retailers operate through buying groups. Once again, we understand this continues to be the case, providing those retailers with extra bargaining power.⁶
22. We also understand that most carpet retailers also sell hard floorings,⁷ a fact consistent with Godfrey Hirst's view that over time there has been a shift of carpet volumes to hard flooring (see section 5 below). This fact should also increase the bargaining power of retailers over carpet manufacturers/importers, because retailers could influence consumers towards hard flooring products (for example, in respect of a living area of a house).
23. Finally, we understand that at least some retailers⁸ buy "white label" carpets from manufacturers, to which the retailers then attach their own brand. This is also consistent with retailer bargaining power.

4. The acquisition would enhance the merged entity's competitiveness against imports

24. The market share diagram above suggests that Bremworth in particular is struggling to compete against the increasing competitiveness of imports. Consistent with this, Bremworth's financial results have been declining.
25. This is indicated by data from Bremworth's annual reports, showing that it is experiencing declining revenue and profits from its carpet operations.

Figure 13: Annual carpet revenue for Bremworth (\$NZD)



Source: Bremworth Annual reports

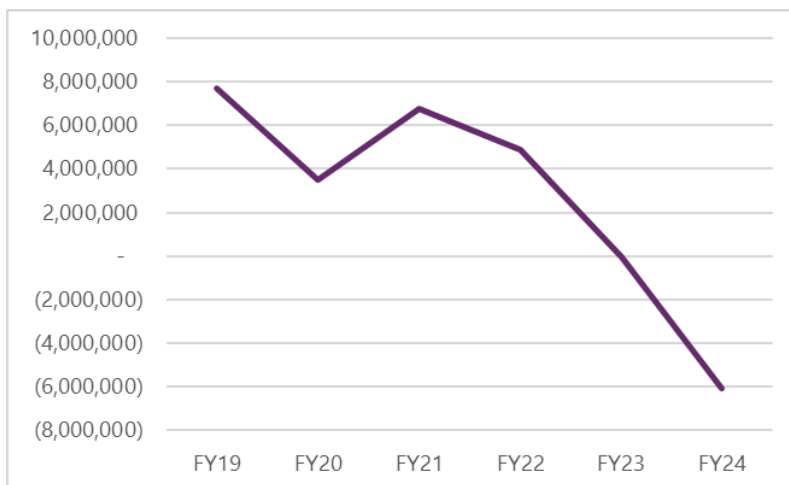
Notes: The carpet revenue data in this graph covers both New Zealand sales and exports.

⁶ We understand there are several buying groups, with the three largest being Carpet Court, Harrisons and Flooring Extra.

⁷ Although not necessarily ceramics.

⁸ For example, Carpet Court and Flooring Extra.

Figure 14: Annual carpet profits for Bremworth (\$NZD)

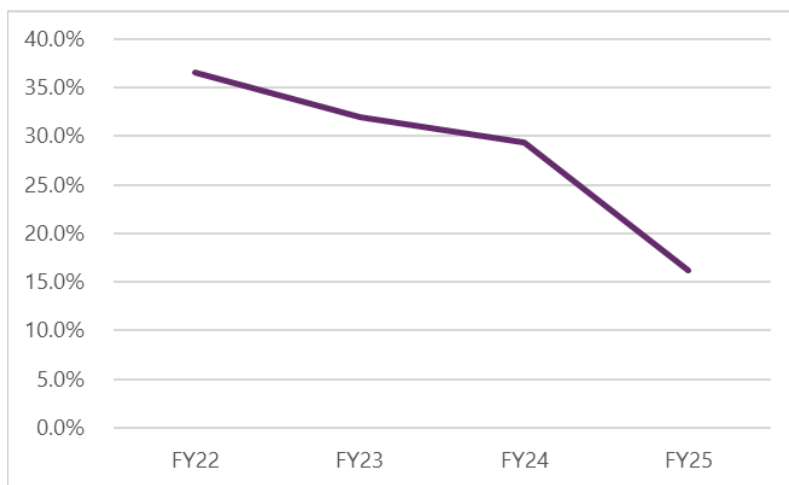


Source: Bremworth Annual reports

Notes: The carpet revenue data in this graph covers both New Zealand sales and exports. Profit values are reported segment results before depreciation and insurances.

- 26. We also understand that Bremworth’s unaudited FY25 results indicate further losses, with a normalised EBITDA loss of \$12.2 million across all operations, compared to a loss of \$4.7 million in FY24.⁹
- 27. This is further supported by Figure 15, which shows the gross margins for Bremworth’s carpet sales from FY22 to FY25. This shows a sharp decrease in gross margins over time.

Figure 15: Bremworth carpet gross margins



Source: Bremworth Carpet & Rugs financial data

Notes: This data includes both New Zealand sales and exports. Data for FY25 include 11 months of actual results and 1 month of estimated data.

⁹ Bremworth, “Preliminary FY25 Unaudited Results Announcement”, Bremworth media release, 29 August 2025, <https://bremworth.co.nz/blogs/company-announcements/preliminary-fy25-unaudited-results-announcement>.

28. Analysis by Godfrey Hirst implies its acquisition of Bremworth would enable the merged entity to produce the Bremworth volumes at a materially lower cost, taking advantage of economies of scale and scope.¹⁰ This would better enable the merged entity to compete against imports.
29. This analysis is presented below, with Table 1 showing the synergies Godfrey Hirst is expecting to achieve following the merger, totalling [REDACTED] over the first five years. Table 2 shows the expected cost savings, which are estimated to be [REDACTED] over the first five years following the merger.
30. Over time, we would expect the competitive pressure from imports to result in merger-induced cost savings being passed on to retailers (and ultimately carpet consumers).¹¹ This dynamic would be exacerbated by any shift of carpet volumes to hard flooring.

Table 1: Godfrey Hirst estimates of synergies following the merger.

Synergies (\$millions NZD)	Year 1	Year 2	Year 3	Year 4	Year 5
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: Mohawk Flooring Oceania Project Loop – Financial Assessment Update August 2025

Table 2: Godfrey Hirst estimates of cost savings following the merger.

Cost Savings (\$millions NZD)	Year 1	Year 2	Year 3	Year 4	Year 5
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

¹⁰ The synergies and savings cover both fixed and variable costs.

¹¹ Even if imports did not impose significant competitive pressure, variable cost components of the expected synergies and cost savings would be passed onto consumers. As noted by the Commission in its *Merger and Acquisition Guidelines*, “[even] a monopoly that experiences a decrease in its marginal costs will have an incentive to lower its price.”

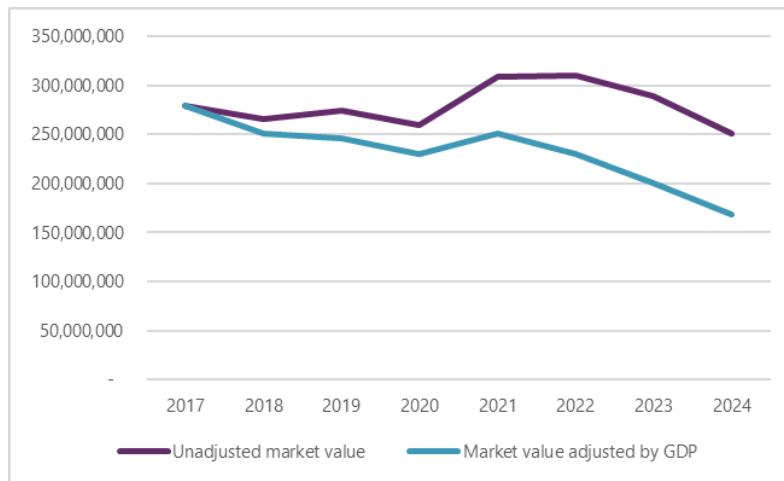
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: Mohawk Flooring Oceania Project Loop – Financial Assessment Update August 2025

5. In real terms, volumes in the carpet market are declining

- 31. We understand Godfrey Hirst’s view is that over time there has been a shift of carpet volumes to hard flooring.
- 32. Consistent with this, carpet is becoming a smaller part of the economy. In Figure 16, we depict New Zealand carpet value over time (the purple line) and carpet value over time deflated for GDP (the blue line).

Figure 16: Adjusted and unadjusted value of carpet market (\$NZD)



Source: Godfrey Hirst market share data & Stats NZ.

Notes: The unadjusted data shows the value of total sales in the NZ carpet market, measured in NZD.

Appendix A. Data sources and assumptions

A.1. Godfrey Hirst pricing and margin data

34. Godfrey Hirst pricing data was taken from sales data provided to us by Godfrey Hirst. This data covered 2019 to 2024.
35. Average pricing was calculated by dividing total sales by total volume. This data was split up by fibre type, and by residential and commercial.

A.2. Import data

36. Import values are taken from Stats NZ. All countries are included, and we selected all categories that fall under the "Carpets and other textile floor coverings" HS code.
37. Out of the subcategories in this HS code, we follow Godfrey Hirst's definition and exclude categories that do not exceed 4m² and carpets for motor vehicles, with the exception of categories for carpet tiles.
38. Similarly, we follow Godfrey Hirst's selection of categories referring to wool carpets.
39. Additionally, import data was measured in square metres, so a ratio of 3.66 m² = 1 blm was used to align import quantities with Godfrey Hirst sales data.

A.3. Market share data

40. Market share data is taken from Godfrey Hirst's own market share estimates. It is based on each manufacturer's revenue and is split up by the following manufacturers:
 - A. Godfrey Hirst NZ: This is Godfrey Hirst's gross domestic revenue (excluding hard flooring and underlay), with the value of carpet rebates removed.
 - B. Mohawk NZ: These are Mohawk imports to CCNZ. For the market share analysis, we combined the revenues for Mohawk NZ and Godfrey Hirst NZ.
 - C. Cavalier/Bremworth: These are Bremworth's revenue figures were taken from its annual reports. Following Godfrey Hirst's methodology, we take the total New Zealand revenue, and subtract the revenue from wool acquisition, which is assumed to be all attributable to New Zealand.
 - D. Carpet Mill: Revenue estimations by Godfrey Hirst are used, which assume a stable market share around [REDACTED].
 - E. Imports: Import values are calculated as explained above. Additional adjustments by Godfrey Hirst include:
 - i. Removing the value of imports by New Zealand manufacturers. These manufacturers are Carpet Mill and Godfrey Hirst (this also includes imports from Mohawk). Note that an estimate by Godfrey Hirst is used for Carpet Mill's import values.
 - ii. Applying a mark up to account for wholesalers. This markup assumes 20% of imports are by wholesalers, who then apply a 20% mark up.

These adjustments were not made when calculating import price and quantities, or for wool import analysis, as we did not have the required information to do so. Additionally, Godfrey Hirst smoothed the import values for 2023 and 2024 by removing \$11,229,817 from 2024 and adding it to 2023, however this has been reversed in our analysis.

41. Market share values prior to 2017 are not used for consistency reasons because, as stated in Godfrey Hirst's analysis, these values are for years ending in June rather than December.

A.4. Deflator data

42. The average all-groups quarterly CPI for each year was used to deflate pricing. CPI values were obtained from Stats NZ with the base index adjusted to be the average CPI for 2019.
43. To deflate the total carpet market value, annual nominal GDP values (in millions) obtained from Stats NZ were used. These were then indexed from 2019 to account for the trend in GDP in our analysis.

A.5. Bremworth financial data

44. Bremworth financial data was obtained through its annual reports, and Bremworth financial models provided to us by counsel.
45. With Bremworth's annual reports and financial models, note that while annual values for Godfrey Hirst data are for years ending in December, Bremworth's financial data covers financial years ending in June. When we directly compare Bremworth data with Godfrey Hirst or import data, the values are adjusted to be for years ending in December, however, we do not make this adjustment when presenting only Bremworth data.
46. The values we use from the annual reports or financial models do not separate out New Zealand carpet values, instead either presenting total NZ revenue (including its non-carpet operations), or carpet values for both NZ, and other countries Bremworth exports to. As mentioned above, when calculating market shares, a conservative adjustment is made to separate out non-carpet operations from total NZ revenue. However, when presenting only Bremworth data, we do not make this adjustment and instead use carpet data that covers both NZ sales and export sales.
47. Bremworth's financial models includes values for FY25, however, these values are made up of eleven months of actual data and one month of forecasted data.



NERA
Level 11
15 Customs Street West
Auckland 1010, New Zealand
www.nera.com



**ATTACHMENT G: 2023 IBISWORLD INDUSTRY REPORT ON CARPET AND TEXTILE
FLOOR COVERING MANUFACTURING IN AUSTRALIA**

Attached separately.



**ATTACHMENT H: 2025 IBISWORLD INDUSTRY REPORT ON FLOOR COVERINGS
RETAILING IN AUSTRALIA**

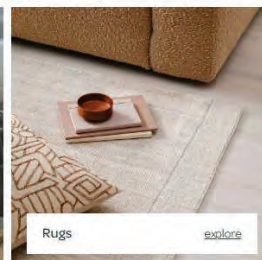
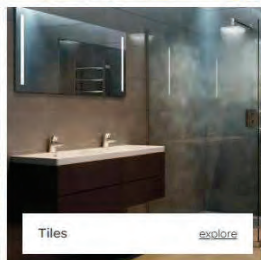
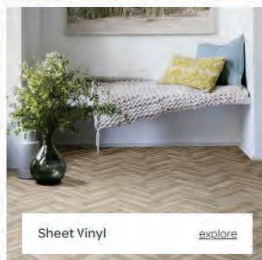
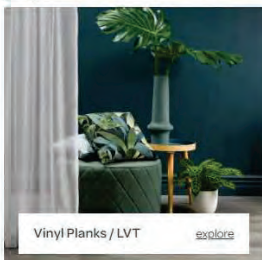
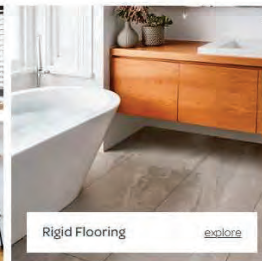
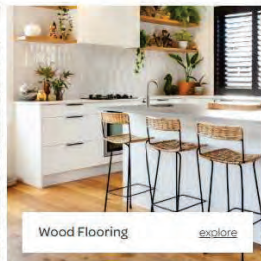
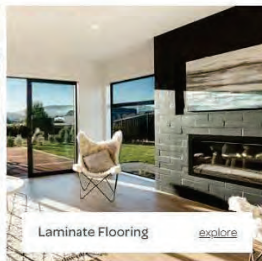
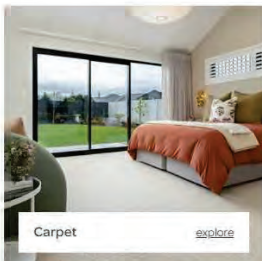
Attached separately.



ATTACHMENT I: SELECTION OF MAJOR RETAILERS' CURRENT ADVERTISING

We have the perfect solution for every lifestyle

view all products





Comprehensive After-Sales Service With Guaranteed Quality and Quantity.

Celebrate 30 Years with Us! Enjoy 20% Off All
Products & Installation Services!

Call our expert team to take advantage of our free measuring service.

[Book Appointment](#)



From Expertise to Excellence

Our Mission: Delivering flawless results for every project, big or small.

Advantages: Experience the convenience of our all-in-one service center for Free Quotation, Supply, **Installation**, and After-sales support, providing an unmatched and seamless customer experience.

Service Process: Book a measurement and quotation appointment (usually completed within 24 hours) — Secure your project's start date with a deposit (99% of projects completed within one day) — On-site inspection and approval, full payment upon satisfaction.

Contact Us

Unbeatable Price Guarantee!

Found a lower quote? Show us, and we'll beat it!"

Experience Unmatched Speed and Service!

Your Satisfaction, Our Guarantee!

Free On-Site Measurement: within 24 Hours

Free Quote: in Just 1 Hour

Project Start: within 72 Hours of Deposit

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

Floor Fitting Services

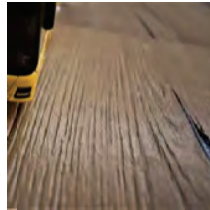
We offer a complete floor fitting services.



Carpets

Professional, efficient, cost-effective, experienced household carpets, Commercial carpets, Garage carpets, 20-year quality...

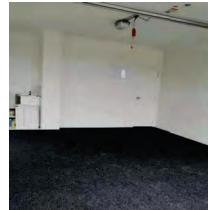
[LEARN MORE](#)



Flooring

We have the widest selection, from cheap floors to high-quality hardwood timber and a wide range of floor cover options SPC...

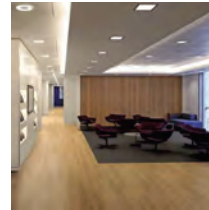
[LEARN MORE](#)



Garage Carpet

Provides the most durable and affordable garage carpet range. Our range of Garage Carpets stand up to intensive everyday...

[LEARN MORE](#)



Vinyls

Vinyl flooring selection, combined with our expertise and ability to advise and support architectural expert with their flooring...

[LEARN MORE](#)

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!



About Us

CarpetGo, founded in 1991, boasts over 30 years of excellence and trust, making it New Zealand's most renowned and beloved Carpet/Flooring/Vinyl supply and install one-stop company.

We install and repair CARPET/GARAGE CARPET/Carpet tile/Wooden Flooring/Vinyl Supply and install.

Contact Us

Contact Us For A Free Quote Today

Free Quote

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

What Our Customers Say



We've been fortunate enough to work with some amazing people. Here's what they say about our work.

Debbie Jones

Auckland

CarpetGo have been such a pleasure to deal with from the very start of our project. Their team were extremely polite and professional and they got the job done to an extremely high standard. I would have no hesitations recommending Carpetman to friends and family. Thanks guys!

Peter Small

Auckland

It's not often you work with a team of people like the people at CarpetGo. They are such a fantastic group of tradesmen. They've been professional from start to finish. One very happy customer!

Jason Osbourne

Auckland

Well, what can I say about these chaps. Professional, knowledgeable, polite and carried out the works in our house to the highest standards. I have to give them 5 stars, no question!

Lucy Smith

Auckland

We hired CarpetGo to install carpets and wooden floor throughout my mother's house. They guys came out a measured up, completely free of charge and carried out all works in the time they said they would. And all work has been done to the highest standard. My mother is very happy!

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

Contact Us Today To Organise Your Quote & Installation



Simply call us on: **02102822241** or fill out the form below & we can contact you. It really is as easy as that!

Your Name *	Phone
<input type="text" value="Full Name *"/>	<input type="text" value="Phone Number"/>
Address <small>Hint: Start typing your address and select from the list</small>	Where you located? *
<input type="text" value="Start typing your address"/>	<input type="text" value="—Please choose an option—"/>
How large area you want to do? *	Property for yourself living or rent out? *
<input type="text" value="Area Size"/>	<input type="text" value="—Please choose an option—"/>
what kind of carpet do you want? *	How did you find us? *
<input type="text" value="—Please choose an option—"/>	<input type="text" value="—Please choose an option—"/>

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

SALE

Home / SALE

45% OFF*

selected flooring

Autumn Home Refresh

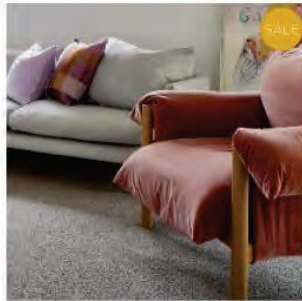
1 April - 31 May 2025

Filters



Carpet, Flooring, Godfrey Hirst, New Zealand Wool
SALE

Lambton Quay
\$\$



Carpet, Feltex, Flooring, SALE, Solution Dyed Nylon

Okiwi Bay
\$\$

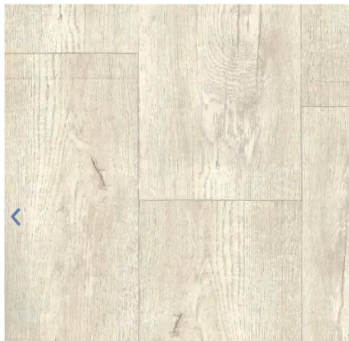


Flooring, Godfrey Hirst, Luxury Vinyl Plank, SALE

Regent 1500
\$\$

Browse Through Our NZ Flooring Range

We provide a wide variety of Carpet, Carpet Tiles, Vinyl Tiles, Vinyl, Laminate and Wood Flooring. We tailor our solutions to fit your unique needs, desires and budget.



Flooring, Godfrey Hirst, SALE, Vinyl

Tempo



Carpet, Feltex, Flooring, Wool

Whenua
\$\$\$



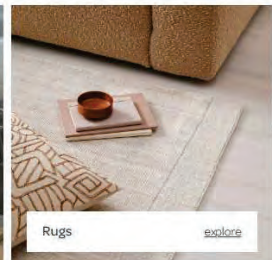
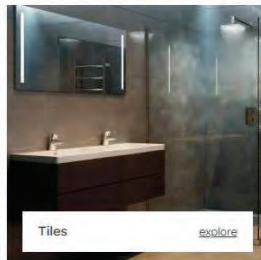
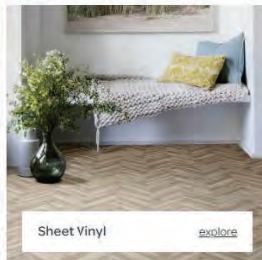
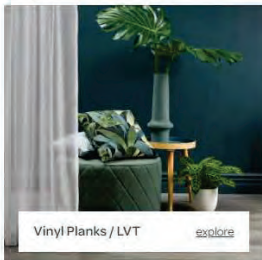
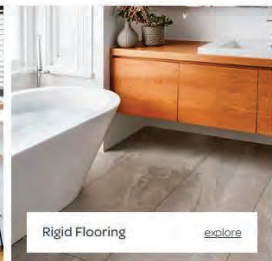
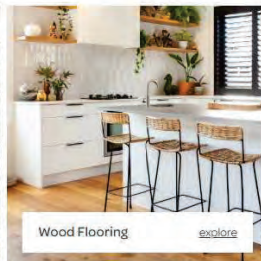
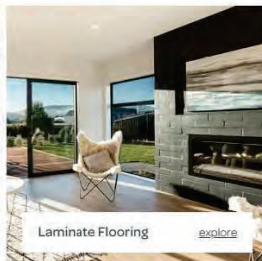
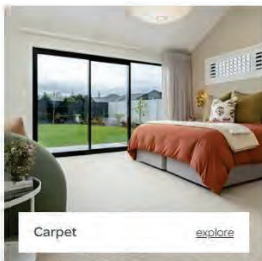
Flooring, Godfrey Hirst, Hybrid, Hybrid Plank

Metropol 1500
\$\$



We have the perfect solution for every lifestyle

view all products





Comprehensive After-Sales Service With Guaranteed Quality and Quantity.

Celebrate 30 Years with Us! Enjoy 20% Off All
Products & Installation Services!

Call our expert team to take advantage of our free measuring service.

Book Appointment



From Expertise to Excellence

Our Mission: Delivering flawless results for every project, big or small.

Advantages: Experience the convenience of our all-in-one service center for Free Quotation, Supply, **Installation**, and After-sales support, providing an unmatched and seamless customer experience.

Service Process: Book a measurement and quotation appointment (usually completed within 24 hours) — Secure your project's start date with a deposit (99% of projects completed within one day) — On-site inspection and approval, full payment upon satisfaction.

Contact Us

Unbeatable Price Guarantee!

Found a lower quote? Show us, and we'll beat it!"

Experience Unmatched Speed and Service!

Your Satisfaction, Our Guarantee!

Free On-Site Measurement: within 24 Hours

Free Quote: in Just 1 Hour

Project Start: within 72 Hours of Deposit

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

Floor Fitting Services

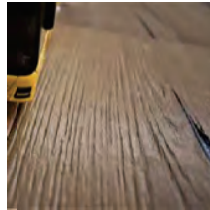
We offer a complete floor fitting services.



Carpets

Professional, efficient, cost-effective, experienced household carpets, Commercial carpets, Garage carpets, 20-year quality...

[LEARN MORE](#)



Flooring

We have the widest selection, from cheap floors to high-quality hardwood timber and a wide range of floor cover options SPC...

[LEARN MORE](#)



Garage Carpet

Provides the most durable and affordable garage carpet range. Our range of Garage Carpets stand up to intensive everyday...

[LEARN MORE](#)



Vinyls

Vinyl flooring selection, combined with our expertise and ability to advise and support architectural expert with their flooring...

[LEARN MORE](#)

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!



About Us

CarpetGo, founded in 1991, boasts over 30 years of excellence and trust, making it New Zealand's most renowned and beloved Carpet/Flooring/Vinyl supply and install one-stop company.

We install and repair CARPET/GARAGE CARPET/Carpet tile/Wooden Flooring/Vinyl Supply and install.

Contact Us

Contact Us For A Free Quote Today

Free Quote

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

What Our Customers Say



We've been fortunate enough to work with some amazing people. Here's what they say about our work.

Debbie Jones

Auckland

CarpetGo have been such a pleasure to deal with from the very start of our project. Their team were extremely polite and professional and they got the job done to an extremely high standard. I would have no hesitations recommending Carpetman to friends and family. Thanks guys!

Peter Small

Auckland

It's not often you work with a team of people like the people at CarpetGo. They are such a fantastic group of tradesmen. They've been professional from start to finish. One very happy customer!

Jason Osbourne

Auckland

Well, what can I say about these chaps. Professional, knowledgeable, polite and carried out the works in our house to the highest standards. I have to give them 5 stars, no question!

Lucy Smith

Auckland

We hired CarpetGo to install carpets and wooden floor throughout my mothers house. They guys came out a measured up, completely free of charge and carried out all works in the time they said they would. And all work has been done to the highest standard. My mother is very happy!

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!

Contact Us Today To Organise Your Quote & Installation



Simply call us on: **02102822241** or fill out the form below & we can contact you. It really is as easy as that!

Your Name *	Phone
<input type="text" value="Full Name *"/>	<input type="text" value="Phone Number"/>
Address <small>Hint: Start typing your address and select from the list</small>	Where you located? *
<input type="text" value="Start typing your address"/>	<input type="text" value="—Please choose an option—"/>
How large area you want to do? *	Property for yourself living or rent out? *
<input type="text" value="Area Size"/>	<input type="text" value="—Please choose an option—"/>
what kind of carpet do you want? *	How did you find us? *
<input type="text" value="—Please choose an option—"/>	<input type="text" value="—Please choose an option—"/>

Celebrate 30 Years with Us! Enjoy 20% Off All Products & Installation Services!



FLOORING



Great 10000 Series 10000 Series 10000 Series

Avana Bay
\$



Great 10000 Series 10000 Series 10000 Series

Cable Bay
\$



Great 10000 Series 10000 Series 10000 Series

Lambton Quay
\$



Great 10000 Series 10000 Series 10000 Series

Okwi Bay
\$



Great 10000 Series 10000 Series 10000 Series

Regent 1500
\$



Great 10000 Series 10000 Series 10000 Series

Ruby Bay
\$



Great 10000 Series 10000 Series 10000 Series

Tempo

SALE

Home / SALE

45% OFF*

selected flooring

Autumn Home Refresh

1 April - 31 May 2025

Filters



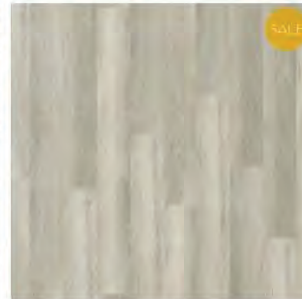
Carpet, Flooring, Godfrey Hirst, New Zealand Wool

SALE
Lambton Quay
\$\$



Carpet, Feltex, Flooring, SALE, Solution Dyed Nylon

SALE
Okiwi Bay
\$\$

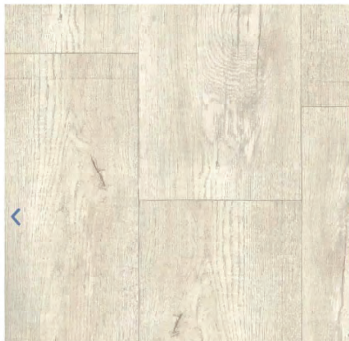


Flooring, Godfrey Hirst, Luxury Vinyl Plank, SALE

SALE
Regent 1500
\$\$

Browse Through Our NZ Flooring Range

We provide a wide variety of Carpet, Carpet Tiles, Vinyl Tiles, Vinyl, Laminate and Wood Flooring. We tailor our solutions to fit your unique needs, desires and budget.



Flooring, Godfrey Hirst, SALE, Vinyl

Tempo



Carpet, Feltex, Flooring, Wool

Whenua
\$\$\$



Flooring, Godfrey Hirst, Hybrid, Hybrid Plank

Metropol 1500
\$\$



New Year Sale

up to
40% OFF

Ends 28/2/2025

FREE QUOTE

On Carpet & Hard Flooring
www.expertflooring.co.nz
0508 THE EXPERTS

expertflooring
eco friendly

EXCLUSIVE WINTER OFFERS

Find the Perfect Floor



Fast free measure and quote
Fast order to installation



Refer Family and Friends to Expert Flooring and
receive \$100 Restaurant Voucher - T&C apply

Small Enough to Care Big Enough To Complete



Refined (LVT)
Commercial Rated **SALE**
\$44m2



Queenwood L2
Laminate **SALE**
\$54m2



Kingwood L2
Hybrid **SALE**
\$52.50m2



8" Wonder 60oz
Loop Pile Wool **SALE**
\$88m2



Pebble Grid II 40oz
NZ Wool **SALE**
\$56m2



Whitfell 4kg Solution
Dyed Nylon **SALE**
30m2

Call Us

Hamilton Store +6478490173

office@expertflooring.co.nz

www.expertflooring.co.nz

A-Z FLOORING



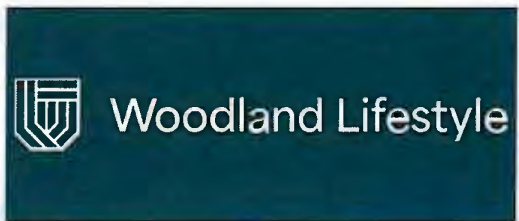
We are a trusted family-run business located in Newtown, Wellington. With a vast range of discounted carpet and vinyl in stock and access to top New Zealand manufacturers, we can meet your flooring needs, whether you're seeking luxury, comfort, or cost-effectiveness. Our experienced team, led by Malcolm and Nicola, ensures personal service, expert advice, and flawless installation from start to finish.

Malcolm, a second-generation flooring expert, has a passion for the tricky, complicated projects that keep him on his toes. He loves making the impossible happen and welcomes your unique ideas. Nicola manages accounts, the showroom, and customer support, and she's helped countless clients find the perfect flooring solution since 2006. Together, they ensure that every project is completed on time and within budget.

A-Z FLOORING

Brands We Supply

Along with the flooring we currently have available in stock, we can also supply high-quality flooring from all major brands, offering a wide range of options to suit any style or budget.



Heritage Carpets



A-Z FLOORING





Key Info

Before starting your flooring project, explore our “Pre-Install Info” and “Full Quote Info” to get all the details you need. Check out “Our Promise to You” for our service commitment and review our “Terms of Trade” to understand the essentials.

[Pre-Install Info](#)

[Full Quote Info](#)

[Our Promise To You](#)

[Terms of Trade](#)

CONTACT

We are more than happy to call around to your property and measure & quote for you.

Just fill in the quote form and we will get back to you shortly to arrange a suitable time to meet you at the property.

Address

[5 Gordon Place](#)

[Newtown](#)

[Wellington New Zealand](#)

Phone

5 Gordon Place, Newtown, Wellington

Stock Available In-Store Today

(04) 389 0473



Meet the Team

A-Z Flooring has been operating in Wellington since 1994. Most of the work we do is for clients who keep coming back because of our exceptional service and the value we offer them every time.

Because we are locally owned and operated and not part of a franchise, the owners are here in the store every day. Malcolm has been involved in every facet of the flooring industry and with over 40 years' experience, he knows a thing or two. He is committed to delivering the best service you will find and will always be available to answer questions, give advice or hear your feedback.

We pride ourselves on our professional, friendly, and courteous service. You will find us to be honest and up front with you as we help you find the flooring that is exactly what you need. In doing this we promise not to keep you waiting, we will endeavor to return any enquiry within a

day and continue to be in contact with you through the duration of our business with you.

We want your experience with A-Z Flooring to be an easy and convenient. Malcolm and Nicola as well as our experienced team: Cassandra and Tim from Sales, Scott our Ops Manager, Michael, Zane, Geno & Tremain on installations (along with our contracting team), storeman Ross, and Kristel our marketing & social media expert look forward to working with you.

Malcolm



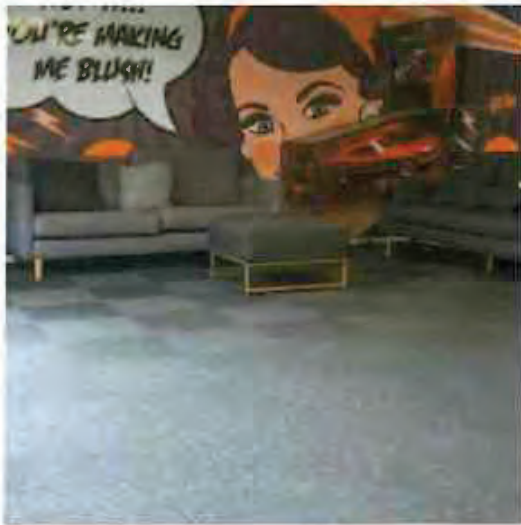
(04) 389 0473

Products Available in Store Today

Explore our wide-ranging collection of carpets and vinyl flooring available for immediate selection at our store. At A-Z Flooring, we not only offer an impressive assortment of in-store options but also have the capability to procure a diverse array of flooring materials from most major suppliers. Whether you're looking for something specific or need guidance on the best choices for your space, our team is here to provide expert advice and personalised service.

Visit us in person or give us a call to discover the ideal flooring solution that aligns with the aesthetics and functionality of your home or rental property. Our commitment to quality and customer satisfaction ensures that you receive the best products and support throughout your flooring journey.

A-Z FLOORING



Alpine 22 Striped

\$36.00



Alpine Plain

\$36.00



Chaplin Alicante 99



Fashion Almeria Golden Grey

A-Z FLOORING



Grand Prix Anthracite 2m

\$49.00



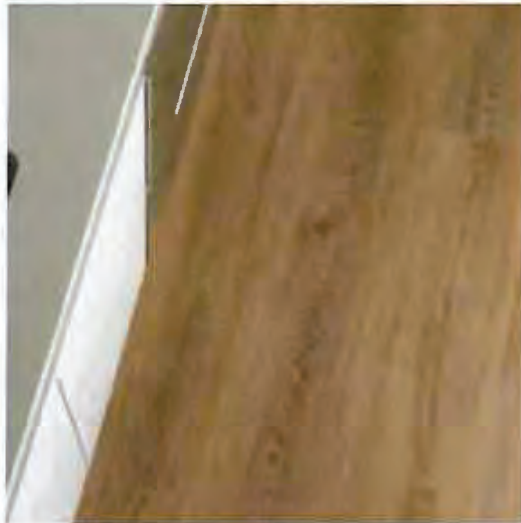
Grand Prix Anthracite 3m

\$69.00



Grand Prix Anthracite 4m

\$89.00



**Identity Aspect Colonial Maple
(Carton)**

\$55.00

A-Z FLOORING



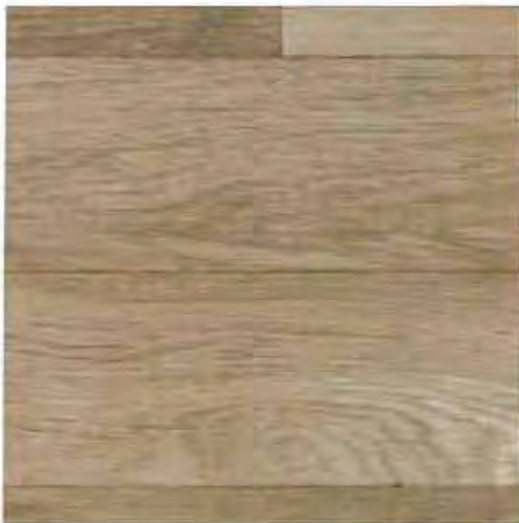
**Identity Aspect Concrete Silt
(Carton)**

\$55.00



**Identity Aspect Concrete Smoke
(Carton)**

\$55.00



Iperform 70 Camargue T83

\$69.00



Iperform 70 Tavel T50

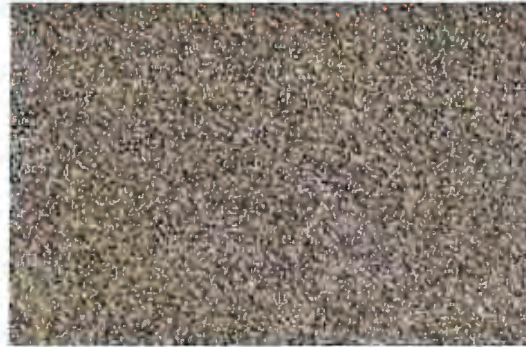
\$39.00

A-Z FLOORING



Leisure 30oz Honey

\$89.00



Leisure Haze

\$89.00



Leisure Silver

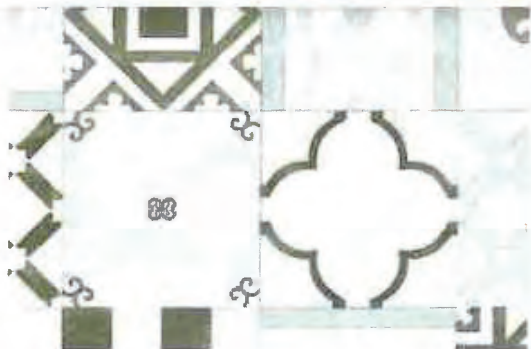
\$89.00



Leisure Storm

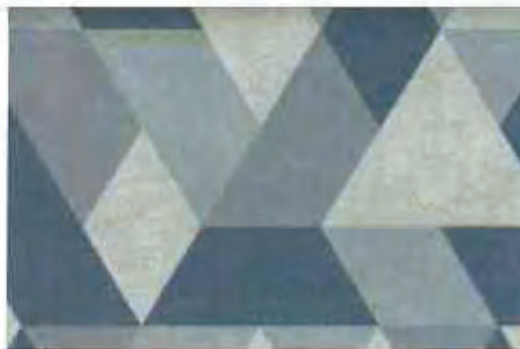
\$89.00

A-Z FLOORING



Mackenzie Arwen

\$49.00



MacKenzie Tekapo

\$49.00



Mount Cook Golden Oak

\$49.00



Ohura Cockle

\$99.00

A-Z FLOORING



Ohura Mist

\$99.00



Ohura Oilskin

\$99.00



Ohura Paua

\$99.00



Optimize 70 Crystal Blue

\$29.00

A-Z FLOORING



Optimize 70 Crystal Yellow

\$29.00



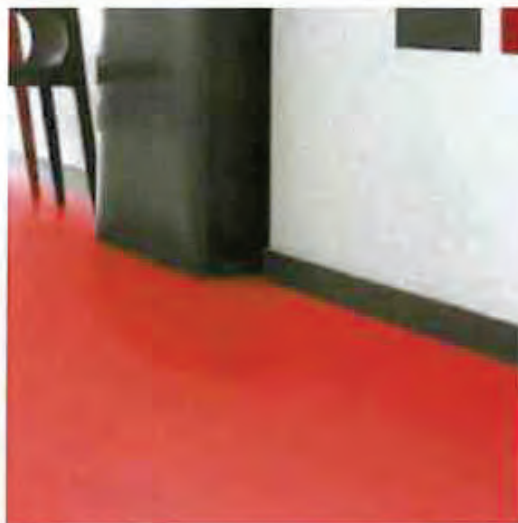
Optimize 70 Ombra Green

\$29.00



Optimize 70 Ombra Orange

\$29.00



Optimize 70 Ombra Red

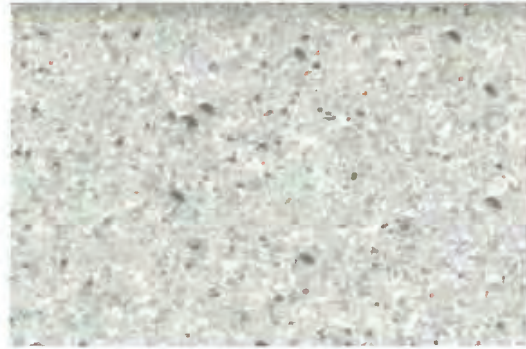
\$29.00

A-Z FLOORING



Prestige Alabaster

\$79.00



Prestige Grey Marl

\$79.00



Prestige Liquorice



Saturn Toronto

\$59.00

A-Z FLOORING



Traffic 250 Antik Oak Light Brown

\$79.00



Traffic 250 Kiruma Black/Grey

\$79.00



Trend Kiruma Dark Brown

\$35.00



Vogue Vinyl 3m Wide Fibra Gravel

\$89.00

A-Z FLOORING



Vogue Vinyl 3m Wide Fibra Pebble

\$89.00



Vogue Vinyl 3m Wide Fibra Tarmac

\$89.00



Zenith Gard 3m

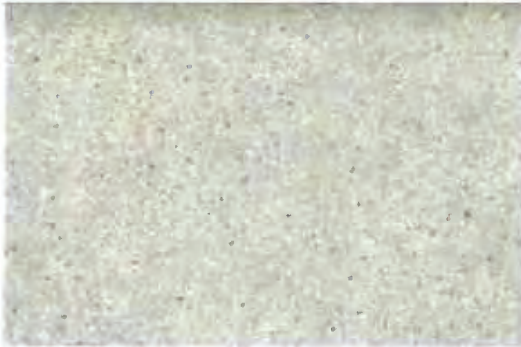
\$79.00



Zenith Glandon 594

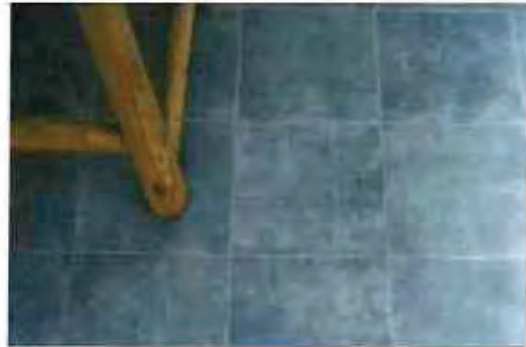
\$79.00

A-Z FLOORING



Zenith Glandon 594

\$79.00



Zenith Impala 598

\$79.00



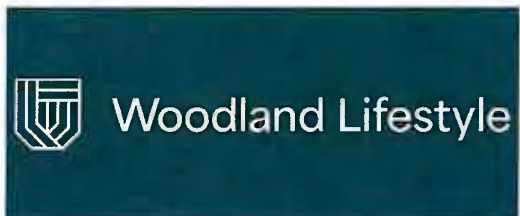
Zenith Roan 594

\$79.00

A-Z FLOORING

Brands We Supply

Along with the flooring we currently have available in stock, we can also supply high-quality flooring from all major brands, offering a wide range of options to suit any style or budget.




Heritage
Carpets



A-Z FLOORING



Become a
Franchisee - 

[find out more
here](#)


About Us

FLOORING DESIGN STORY

Proudly Providing NZ with Decades of Flooring Excellence

Flooring Design has proudly provided flooring solutions with superior expertise and service since 1996. Browse our product selections below, or stop by one of our stores where our friendly team can help you with your flooring requirements.

"We aim to bring the best quality flooring products to Kiwis and be NZ's most trustworthy flooring service"

Become a
Franchisee - 

[find out more
here](#)

100,000+

Happy Customers

10,000+

Residential Projects

22

Stores

The Flooring Design Story

Flooring Design was founded by Alan Jackson in 1996 in sunny Hawkes Bay. He established the business on a simple philosophy, to offer customers a great range of top-quality flooring products at exceptional prices – all backed by honest service that addresses our customers' needs and desires.

In the year 2000, Tony Yeoman entered the business and developed a stalwart system which the two of them began Franchising in the lower North Island. Tony's son, Jeremy, re-entered the business in 2018. Helping to further develop the system, Jeremy and the Flooring Design team opened several new Franchised stores over the coming years – at it's peak opening 9 shops in a single year.

Become a
Franchisee -
[find out more
here](#)

30 years have passed since the first shop's conception. Building on that original philosophy, Flooring Design has expanded across New Zealand. With (growing) Franchised shops owned and operated by local Kiwis, we ensure that all customers are treated with the same tenets on which our business is built:

Service & Excellence you can trust.

In 2023 Flooring Design was named a finalist for the FANZ Westpac Franchise System of the Year award.

[Browse Flooring](#)

Kiwis Supporting Kiwis

Flooring Design firmly believes in more than just providing the best quality flooring solutions. We believe in actively contributing to our local communities.

Locals supporting locals – it's what it's all about.

Our franchisees feel compelled to give back to local businesses, charities, sports teams, and more.

Each year we collectively donate well over \$100,000 to local New Zealand charities and organisations. Our local sponsorship outreach

Become a Franchisee -  des meeting a variety of needs, including:

[find out more here](#) many school sports teams

- Wellington Free Ambulance
- Big Brothers & Big Sisters programmes
- The Great Kiwi Circus

Our Flooring Suppliers

New Zealand has a unique environment, and as such has specific needs for flooring specifications.

The team at Flooring Design work closely with New Zealand's key flooring providers to make sure we are providing the best quality flooring solutions for New Zealand homes.

We believe that it takes Kiwi professionals to tailor flooring products to New Zealand homes, which is why we have a carefully curated preferred supplier list – meaning you can trust that any product we install in your home is consistently reliable no matter which Flooring Design you shop at.



Godfrey Hirst Carpets is the largest manufacturer and exporter of residential and commercial carpets in Australasia.

[Browse Products](#)

Become a
Franchisee -

[find out more
here](#)



Feltex Carpets are a New Zealand made carpet manufacturer and supplier. Their ingredients are locally sourced and their wool comes from our very own sheep.

[Browse Products](#)


Jacobsen[®]

Jacobsen has been supplying world-class flooring to New Zealanders for nearly 60 years. Rooted in family values and founded on outstanding service, technical expertise, and dependable relationships; the Jacobsen name has since grown to stand for style, texture, innovation, and performance.

[Browse Products](#)

Belgotex is one of New Zealand's leading flooring distributors, with a comprehensive collection of carpet, vinyl and outdoor flooring solutions for the home or business.

[Browse Products](#)

Become a
Franchisee - 

[find out more
here](#)

With so many colours, designs and textures to choose from in our wide collection, there's sure to be a flooring solution that meets your needs now and well into the future.

Browse Products

Polyflor specialises in supplying us with vinyl flooring that is stylish yet durable and low maintenance available in sheet, planks and tiles.

Woodland Lifestyle supplies a range of quality and innovative flooring products to the building industry. Woodland Lifestyle is owned, operated and supported with love throughout New Zealand.

Kardean Design Flooring is a supplier of extremely hardwearing, easy to clean & maintain LVT Flooring in a wide range of formats and designs,

Become a Franchisee - offering three types of formats: Gluedown, Loose lay, and hybrid Rigid Core.
[find out more here](#)

Signature Floors is family-owned flooring business with a reputation for delivering innovations in carpets, carpet tile collections, vinyl floor tiles, hybrid plank flooring, laminate floors, sheet vinyl flooring and custom carpets courtesy of Signature Studio.

[FAQ](#)

[About](#)

[Contact](#)


[Terms and Conditions](#)

[Become a Franchisee](#)



Copyright © 2025 Flooring Design | [Terms and Conditions](#) | [Privacy Policy](#) | [Cookie Policy](#)

Website by caddie

Become a
Franchisee - 

[find out more
here](#)

Become a Franchisee

Unlock New Opportunities: Become a Franchisee

Are you ready to embark on an exciting entrepreneurial journey? Becoming a franchisee with Flooring Design is your gateway to a world of business opportunities, growth, and success. Join our dynamic network and be part of a proven business model that empowers you to own and operate your own franchise location.

Why Choose a Flooring Design Franchise?

Proven Success: Our franchise system is built on a foundation of success. We have a track record of helping entrepreneurs like you achieve their business goals, backed by a strong and recognizable brand.

Comprehensive Support: We provide extensive training, ongoing support, and guidance to ensure you are well-prepared to run your franchise successfully. From operations to marketing, we've got you covered.

Brand Recognition: Benefit from the instant recognition and trust associated with Flooring Design. Our established brand is a powerful asset that sets you up for success from day one.

Access to Resources: As a franchisee, you'll gain access to a wide range of resources, including suppliers, marketing materials, and technology solutions. This allows you to focus on growing your business without worrying about the logistics.

Community of Franchisees: Join a network of like-minded individuals who share your passion for entrepreneurship. Collaborate, learn, and grow together as

Become a Franchisee -  riving franchise community.

[find out more here](#)

The Franchisee Journey



Initial Inquiry

Get in touch with us to express your interest in becoming a franchisee. We'll provide you with all the necessary information and answer any questions you may have.



Application and Evaluation

Complete our franchise application and undergo a thorough evaluation process. This helps us determine if you're the right fit for our franchise system.



Training and Onboarding

Once approved, you'll receive comprehensive training and onboarding to ensure you have the knowledge and skills needed to run your franchise.



Site Selection and Setup

We'll work together to identify the ideal location for your franchise and assist with setting up your business.



Grand Opening

Become a Franchisee -

time to launch your franchise! We'll be there to support you during this exciting phase.

[find out more here](#)



Ongoing Support

Our commitment to your success doesn't end with the grand opening. We provide ongoing support, marketing assistance, and access to resources to help your franchise thrive.

Start Your Franchise Journey Today!

Becoming a franchisee with Flooring Design is a pathway to financial independence and business ownership. Take the first step toward an exciting future by expressing your interest in joining our franchise network. Contact us today to learn more about the opportunities that await you.

Enter your details

Full Name *(Required)*

Phone *(Required)*

Email *(Required)*

Region *(Required)*

Please Select

carpet court nz about



Sign in

All

Images

Shopping

Short videos

Maps

Forums

Videos

More

Tools

Results for **New Zealand** · Choose area



AI Overview



Carpet Court NZ is New Zealand's largest flooring retailer, with stores nationwide, known for its wide range of flooring products including carpet, luxury vinyl tiles (LVT), timber, laminate, and vinyl. The company was founded in the 1960s, focusing on providing a better customer experience and value, and is part of The Interiors Group, along with CurtainStudio and The Floor Store. Carpet Court also serves the commercial, insurance, and builder markets, and is recognized for its customer service,

Show more



Carpet Court NZ

<https://carpetcourt.nz>

Carpet Court

Carpet Court is NZ's most trusted and preferred flooring retailer, with 63 stores around New Zealand. Our qualified staff are specialists in residential and ...

Contact Us

Carpet Court Dunedin

Find a store near you

Carpet Court Oamaru

People also ask

How long has Carpet Court been around?



How much does it cost to carpet a 3 bedroom house in NZ?



Who are the owners of Carpet Call?



What is a carpet court?



[Feedback](#)



Carpet Court NZ
<https://carpetcourt.nz> › our-brands

Our Brands

Our extensive range of **beautiful and innovative flooring solutions**, including: carpet, vinyl, lino, luxury vinyl tiles, laminate, timber, rigid, garage carpet ...



LinkedIn · Carpet Court New Zealand
1K+ followers

Carpet Court New Zealand

We are **New Zealand's largest flooring retailer** with over 58 stores and more than 300 employees nationwide, we're also leaders in the insurance market.



Carpet Court NZ
<https://carpetcourt.nz> › contact-us

Have a question for us? - Contact Us

Carpet Court is NZ's most trusted and preferred flooring retailer, with 63 stores around New Zealand. Our qualified staff are specialists in residential and ...



Bloomberg
<https://www.bloomberg.com> › company › 1372183D:NZ

Carpet Court New Zealand Holdings Ltd - Company Profile ...

Carpet Court New Zealand, Ltd. **operates as a flooring retailer in New Zealand**. Its stores offer carpets, rugs, wood flooring, ceramic and porcelain tiles.



n3.co.nz
<https://www.n3.co.nz> › suppliers › carpet-court

Carpet Court

Carpet Court supplies floor coverings to the residential, commercial, insurance and builder markets. Their extensive range includes carpet (including their ...



Carpet Court NZ
<https://carpetcourt.nz> › stores-wellington-thorndon-quay

Carpet, Flooring, Vinyl & Tile Shop in Wellington

Carpet Court is NZ's most trusted and preferred flooring retailer, with 63 stores around New Zealand. Our qualified staff are specialists in residential and ...



Facebook · Carpet Court
14.1K+ followers

Carpet Court

Carpet Court. 13K likes. 14K followers. We have the **perfect flooring solution for every lifestyle.**

Carpet, wood, laminate, vinyl & more. □. Follow.



Midway Moorhouse

https://www.midwaymoorhouse.co.nz › carpet-court

Carpet Court

Carpet Court is NZ's most trusted and preferred flooring retailer, with over 60 stores around New Zealand. Carpet Court Moorhouse Ave has award-winning, ...



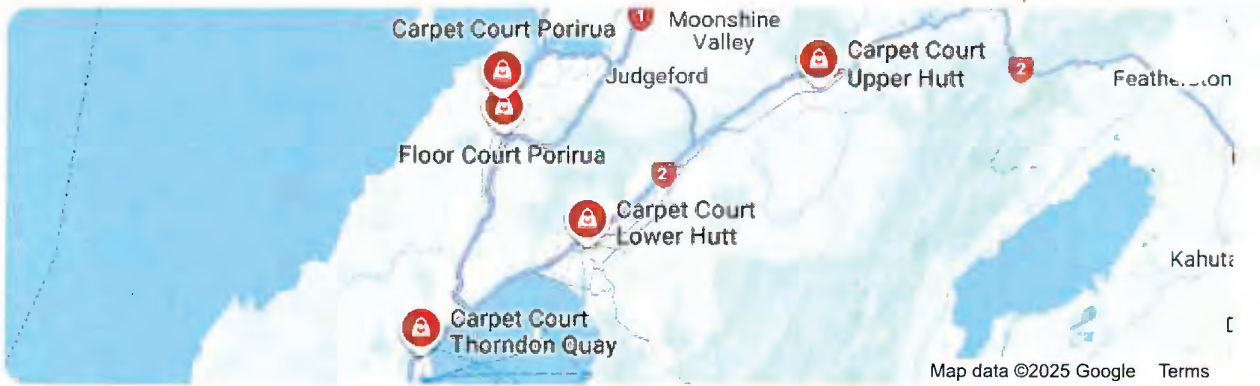
ContactOut

https://contactout.com › company › Carpet-Court-New-...

Carpet Court New Zealand - Company Profile & Staff ...

Carpet Court offers a full range of flooring solutions including carpet, tiles, vinyl, timber and laminate as well as curtains and blinds for New Zealand homes.

Places



Carpet Court Thorndon Quay

Flooring store

Wellington · 04 473 9196

Open · Closes 5 pm

In-store shopping · Delivery



Website



Map it

Carpet Court Lower Hutt

Carpet store

Lower Hutt · 04 566 2755

Open · Closes 5 pm

In-store shopping · In-store pick-up · Delivery



Website



Map it

Carpet Court Porirua

Carpet store

Porirua · 04 237 7745

Open · Closes 5 pm

In-store shopping · Delivery



Website



Map it

More places >

is carpet court nz related to carp X      Sign in

All Images Short videos Shopping Videos Forums News More Tools

Open now Qui

Results for **New Zealand** · Choose area

AI Overview

No, Carpet Court New Zealand is not directly related to any Australian Carpet Court entity, though the New Zealand business was sold to the Australian fund manager Allegro Funds in 2015. While the ownership is Australian, the companies operate separately in their respective countries, with Carpet Court New Zealand operating as NZ's largest flooring retailer.

Here's a breakdown:

Ownership:

In 2015, Carpet Court New Zealand was purchased by the Australian fund manager Allegro Funds.

Operation:

Allegro Funds also has a presence in Australia, but the purchase of Carpet Court New Zealand was specific to the New Zealand market and its operations.

Separate Entities:

The two businesses operate as distinct entities in their respective countries.

Carpet Court sold to Australian fund manager - Stuff

23 Jul 2015 — Carpet Court sold to Australian fund manager | Stuff. Kia ora, Aotearoa • 26 Aug, 2025. World News. Quizzes. Property.

Stuff

Carpet Court buys Curtain Studio as part of growth plans - Stuff

1 May 2018 — Susan Ednunds. Curtain Studio's management team will remain in their current roles and will continue to operate the Curt...

Stuff



Carpet Court New Zealand - Company Profile & Staff Directory

Carpet Court is New Zealand's largest retailer of flooring with over 55 stores and more than 400 employees nationwide. The busines...

ContactOut

Show all

AI responses may include mistakes. [Learn more](#)



Carpet Court

<https://www.carpetcourt.com.au> > 50-years

50 Years of Excellence: Carpet Court's Legacy

Carpet Court has a growing network of over 200 stores in every state and territory. All stores are proudly **Australian**, as well as locally owned and operated. In ...

People also ask :

Is Carpet Court a franchise in Australia?



Who owns Carpet Call Australia?



Who owns Curtain Studio, NZ?



How many Carpet Court stores are there in Australia?



[Feedback](#)



Stuff

<https://www.stuff.co.nz> > business > carpet-court-sold-t...

Carpet Court sold to Australian fund manager

23 Jul 2015 — An **Australian** fund manager has bought up the **Carpet Court** business, which has 60 shops around the country, and is planning to expand it.



Allegro Funds

<https://www.allegrofund.com.au> > 2018/05 > 5_...

Allegro portfolio company Carpet Court NZ acquires ...

Carpet Court NZ, majority owned by **Australian** private equity fund manager Allegro, has acquired Curtain. Studio, a leading retailer of window furnishings in New ...

1 page



LinkedIn · Carpet Court New Zealand

1K+ followers

Carpet Court New Zealand

We are **New Zealand's** largest flooring retailer with over 58 stores and more than 300 employees nationwide, we're also leaders in the insurance market.



Carpet Court NZ

<https://carpetcourt.nz>

Carpet Court

Carpet Court is NZ's most trusted and preferred flooring retailer, with 63 stores around New Zealand. Our qualified staff are specialists in residential and ...

[Carpet Court Henderson](#)

[Carpet Court Newmarket](#)

[Carpet Court Pukekohe](#)



Stuff

<https://www.stuff.co.nz/business/carpet-court-buys-c...>

Carpet Court buys Curtain Studio as part of growth plans

1 May 2018 — **Carpet Court** has acquired window furnishings chain Curtain Studio. The businesses are majority-owned by **Australian** private equity fund manager Allegro.



Carpet Court

<https://www.carpetcourt.com.au>

Carpet Court

Carpet Court has a growing network of over 200 stores in every state and territory. All stores are proudly **Australian**, as well as locally owned and operated.

Missing: nz | Show results with: nz



ContactOut

<https://contactout.com/company/Carpet-Court-New-...>

Carpet Court New Zealand - Company Profile & Staff ...

Carpet Court New Zealand ... The business was acquired by **Australian** fund manager Allegro Funds in July 2015 positioning it for future significant growth.

Missing: australia | Show results with: australia



NZ Herald

<https://www.nzherald.co.nz/.../Companies/Retail>

Rival to Carpet Court emerges - Retail News

15 Oct 2008 — A band of disaffected **Carpet Court** franchise owners have broken away from the group to form a new rival retail flooring venture.



Franchise Association of New Zealand

<https://franchiseassociation.org.nz/Members-Listing>

Carpet Court - Auckland

" We joined, and continue to be a member of FANZ, because it represents what's good and right about franchising; it's ethical, credible and has integrity. As ...

Places



Carpet Court Thorndon Quay

Flooring store

Wellington · 04 473 9196

Open · Closes 5 pm

In-store shopping · Delivery



Website



Map it

Carpet Court Lower Hutt

Carpet store

Lower Hutt · 04 566 2755

Open · Closes 5 pm

In-store shopping · In-store pick-up · Delivery



Website



Map it

Carpet Court Porirua

Carpet store

Porirua · 04 237 7745

Open · Closes 5 pm

In-store shopping · Delivery



Website



Map it

More places >

People also search for

Is carpet court nz related to carpet court australia **qui**



Cream speckled carpet



Carpet Court **calculator**



Stylish carpet



Carpet **and flooring**



Grey carpet



High quality carpet



3m x 3m carpet



About Us

If you're new to the Flooring Xtra story then it may come as a surprise to you to learn that the Flooring Xtra brand is still relatively young. Founded in 2008, Flooring Xtra was formed by ten companions working in the flooring industry who were dissatisfied with the brand offering available to Kiwi consumers. The friends banded together to establish Flooring Xtra, a business built upon the belief that community-based organisations were more effective than corporations.



Get in the loop



Sign up to our newsletter to hear about new arrivals, promotions, customer stories and get 10% off your first rug or decor order online.

First Name

Email

SIGN UP

Flooring Xtra isn't a product of leveraged corporate takeovers as you often hear these days, but rather a story of *family* and *Kiwi ingenuity*.

Ten weeks after the launch of the Flooring Xtra brand, new stores were popping up all over the country. The brand's popularity soared and the group of friends were overwhelmed by flooring retailers throughout New Zealand contacting them, eager to be a part of the Flooring Xtra brand.

Within three years of launch, Flooring Xtra had become New Zealand's largest flooring company. The appeal and success of Flooring Xtra can be attributed to the philosophy that lies at the heart of the brand. Based around a co-operative model, each store is owned and operated by a local with experience in the flooring industry. So when you step into a Flooring Xtra store anywhere around New Zealand, you're likely to be greeted by the store owner or one of their expertly trained Sales Consultants.

Whilst Flooring Xtra has been the biggest flooring retailer in New Zealand, recently stepping down to the second biggest, our goal has moved on to focus on being the best. The best local flooring retailers, with the best teams, the best product range and above all, providing the best service to our customers all over New Zealand. If you choose to shop with Flooring Xtra, your flooring project is in the safe hands of a flooring expert from your local community.

Thanks for joining us on our journey!

Get in the loop

Sign up to our newsletter to hear about new arrivals, promotions, customer stories and get 10% off your first rug or decor order online.

Email

SUBSCRIBE

FLOORING

- Carpet
- Laminate
- Timber
- LVT
- Hybrid
- Sheet Vinyl

HELP

- Contact Us
- FAQs
- Shipping & Returns
- Finance
- Store Finder
- Estimate
- Account

LEARN MORE

- About
- Careers
- Our Brands
- Commercial
- BPIR Information
- Viewing Your Samples
- Promotional T&C's



© 2025, Flooring Xtra. All rights reserved.

[Privacy Policy](#) [Terms & Conditions](#) [Site by S/A](#)

Get in the loop

Sign up to our newsletter to hear about new arrivals, promotions, customer stories and get 10% off your first rug or decor order online.



[Product Range](#) ▾

[Specials](#)

[In-home buying](#) ▾

[Our promise](#)

[Blog](#) ▾

[About](#) ▾



0800

421

001

About us

In 1962, Des Harrison first began selling carpet and furniture from his store in Whangarei.

In 1983, his three sons John, Patrick and Phil joined the family business. Harrisons were the pioneers of a mobile in-home carpet service, launching nationwide in 1992. Since then, they have overseen the company diversify and grow, adding Harrisons Curtains & Blinds and Harrisons Solar to the company portfolio.

We're proud to now bring the showroom to homes in Australia too, with the same great service, expert advice, and extensive range of flooring options.

With innovation and growth, to match customers' needs and expectations, at the heart of the business, expect more exciting developments in the near future.



Why Harrisons

Everybody wants their home to be a beautiful expression of themselves, their family, their history, the way they like to live. Harrisons makes it wonderfully easy. We're the people you turn to when you're ready to make your house the home you've always wanted.



We introduced a mobile, in-your-home service because we wanted to help people everywhere create homes that perfectly reflect who they are and what they treasure.

When you work with us, you work with local business owners who live in your area and you see the products in the context of your own home. What's more, it all happens in one convenient visit. Our people are highly trained, easy to work with and absolutely trustworthy. At Harrisons, we're all about quality service, top brands, our Harrisons Family Promise and guarantees you can trust.

We've already made buying solar solutions, carpet and flooring, curtains and blinds easier for hundreds of thousands of people. With flooring experts, curtain and blind specialist, and solar professionals right across New Zealand, we can help you change how you live. Simply, beautifully, effortlessly.

Call us today

Harrisons, one of New Zealand's Most Trusted Brands!



Harrisons Carpet & Flooring has received the Highly Commended Carpet category of the Reader's Digest Most Trusted Brands awards and Harrisons is a New Zealand's Most Trusted Brand in the categories of Curtain & Blind Installers, and Solar Panels Installers.

Harrisons only works with market-leading, quality brands backed by the most robust warranties to give you complete peace of mind.

Breast Cancer Foundation NZ

Since 2008, over \$900,000 has been donated to Breast Cancer Foundation NZ and Harrisons now donate over \$100,000 per year to help fund life saving research, education and keep patient support programmes running.

With every purchase of the products below, a donation will be made to Breast Cancer Foundation NZ:

- Harrisons Carpet & Hard Flooring Dunlop Pink Underlay
- Harrisons Curtains & Blinds Urban Curtain Collection
- Harrisons Solar AIKO Solar Panels or Tesla Powerwall



Amount raised so far:

\$938,001.94

Harrisons are proud to get behind such an important charity that helps mothers, wives, daughters and sisters all around NZ.

Breast cancer is most treatable when it is found early, so please go for regular mammograms and do self-checks.

[Breast Cancer Foundation NZ](#)

Sponsorships & Partnerships

Harrisons are proud to support the following NZ Charities

- The Catwalk Spinal Cord Injury Trust
- The Radio Network Special Childrens Christmas Party
- Heart Kids NZ
- Autism NZ
- Kids Foundation
- Lions Club Whangarei - for children
- Fostering Kids NZ - Whangarei.

The Harrisons Group

Harrisons Carpet & Flooring is the pioneer of a mobile in-home carpet and hard flooring service, with an extensive range of flooring choices including carpets, laminates, vinyl planks, sheet vinyl, hybrid flooring and timber.

Harrisons Solar is the largest installer of residential solar power systems in New Zealand. Use solar energy



to make your home more sustainable. Save the planet and slash your power bills!



Harrisons Curtains & Blinds will help you create beautiful spaces with a stunning range of custom-made window furnishings.



Harrisons Kitchens & Cabinets (Auckland only) follows the Harrisons ethos of providing genuine in-home customer service. We will custom design and install a quality kitchen without the usual hassles. Wonderful made easy.



Harrisons Flooring Australia Harrisons Flooring is now in Australia! New Zealand's trusted name in mobile in-home carpet and hard flooring is expanding across the Tasman. With the same great service, expert advice, and extensive range of flooring options, we're proud to now bring the showroom to homes in both New Zealand and Australia.

What people say



Great service, ample time to mull over our selection when Victoria visited. She was interested in us being completely satisfied with our choice. Whole experience was personal, friendly and with best outcome front and centre.

Nev and Julie Trainor



Getting a lot of pleasure from the carpet Our home look's like a new home With the carpet we chose it show's up all the furniture that sits on it. Cheers

Shirley Steven



We absolutely love our new carpet. Chris and Jo were so easy to deal with and so professional. Thanks Harrison's we will definitely recommend you to all our friends and family :)

Bec Mitchell





ATTACHMENT J: TABLE 1 – COUNTRY OF ORIGIN OF CARPET IMPORTS

24 23 22 21

Sao Tome and Principe	0	0	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	0	103,487	0	0	34,240	10,353	3,901	48,741	209,111	259,118	293,920	0
Senegal	0	0	0	0	0	0	0	0	0	0	0	0
Serbia	0	0	0	0	0	0	0	0	0	0	0	0
Seychelles	0	0	0	0	0	0	0	0	0	0	0	0
Ships' Bunkering	0	0	0	0	0	0	0	0	0	0	0	0
Ships' Stores	0	0	0	0	0	0	0	0	0	0	0	0
Sierra Leone	0	0	0	0	0	0	0	0	0	0	0	0
Singapore	16,019	6,084	5,182	19,122	9,995	59,341	92,426	117,905	21,859	4,807	0	0
Slovakia	0	0	0	346	464	0	595	165	285	0	0	0
Slovenia	0	0	0	0	0	41	0	0	0	0	0	0
Solomon Islands	0	0	0	0	0	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0	0	0	0	0	0
South Africa	4,846,912	6,795,571	6,153,530	8,255,794	5,495,280	7,203,590	4,601,049	5,094,592	7,074,874	4,939,461	6,241,478	0
South Georgia and the South Sandwich Islands	0	0	0	0	0	0	0	0	0	0	0	0
South Sudan	0	0	0	0	0	0	0	0	0	0	0	0
Spain	99,625	82,684	47,667	41,532	47,223	13,778	107,581	219,238	175,897	336,912	316,291	0
Sri Lanka	0	0	347	0	0	0	27	0	0	0	472	0
St Helena	0	0	0	0	0	0	0	0	0	0	0	0
St Kitts and Nevis	0	0	0	0	0	0	0	0	0	0	0	0
St Lucia	0	0	0	0	0	0	0	0	0	0	0	0
St Maarten (Dutch Part)	0	0	0	0	0	0	0	0	0	0	0	0
St Pierre and Miquelon	0	0	0	0	0	0	0	0	0	0	0	0
St Vincent and the Grenadines	0	0	0	0	0	0	0	0	0	0	0	0
Sudan	0	0	0	0	0	0	0	0	0	0	0	0
Suriname	0	0	0	0	0	0	0	0	0	0	0	0
Sweden	99,296	20,407	28,238	59,330	31,300	226,937	40,295	64,728	52,205	82,123	18,472	0
Switzerland	0	11,187	0	132	11,505	20,632	8,276	825	23,112	14,333	677	0
Syria	0	0	0	0	0	0	0	0	0	0	0	0
Taiwan	27,925	22,991	480	43,124	41,193	135,418	56,218	21,925	116,265	151,799	3,349	0
Tajikistan	0	0	0	0	0	0	0	0	0	0	0	0
Tanzania	0	0	0	0	95	0	0	0	0	0	0	0
Thailand	1,475,168	2,286,396	2,443,066	2,478,361	1,714,305	2,096,773	2,714,668	7,746,590	8,343,597	6,172,861	6,210,207	0
Timor-Leste	0	0	0	0	0	0	0	0	0	0	0	0
Togo	0	0	0	0	0	0	0	0	0	0	0	0
Tokelau	0	0	0	0	0	0	0	0	0	0	0	0
Tonga	0	0	0	0	0	3,219	0	0	0	0	0	0
Trinidad and Tobago	0	0	0	0	0	0	0	0	0	0	0	0
Tunisia	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	1,230,902	3,425,142	4,249,055	3,392,649	264,824	656,396	629,194	720,411	610,498	62,859	152,986	0
Turkmenistan	0	0	0	0	0	0	0	0	0	0	0	0
Turks and Caicos Islands	0	0	0	0	0	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0	0	0	0	0	0
Uganda	0	0	0	0	0	0	0	0	0	0	0	0
Ukraine	0	0	0	102,813	69,445	0	0	0	0	0	0	0
Union of Soviet Socialist Republics	0	0	0	0	0	0	0	0	0	0	0	0
United Arab Emirates	35,936,360	33,997,835	31,536,523	25,656,541	17,551,216	13,060,634	8,111,533	6,738,582	4,630,450	5,669,792	7,623,265	0
United Kingdom	555,153	302,351	897,014	688,063	345,196	434,868	850,088	589,984	429,171	558,250	384,558	0

United States Minor Outlying Islands	1,642	0	3,370	0	0	0	0	0	0	0	0	0
United States of America	8,049,926	8,155,927	16,032,383	17,890,726	18,925,549	21,641,183	23,764,863	22,706,027	26,824,957	25,699,382	27,397,848	0
Uruguay	0	0	0	0	0	0	0	0	0	0	0	0
Uzbekistan	0	0	0	0	0	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0	0	0	0	0	0
Vatican City State	0	0	0	0	0	0	0	0	0	0	0	0
Venezuela	0	0	0	0	0	0	0	0	0	0	0	0
Viet Nam	275,930	181,642	287,945	801,255	481,653	172,725	166,342	0	0	56	0	0
Virgin Islands, British	0	0	0	0	0	0	0	0	0	0	0	0
Virgin Islands, United States	0	0	0	0	0	0	0	0	0	0	0	0
Wallis and Futuna	0	0	0	0	0	0	0	0	0	0	0	0
Western Sahara	0	0	0	0	0	0	0	0	0	0	0	0
Yemen	0	0	0	0	0	0	0	0	0	0	0	0
Yemen, Democratic	0	0	0	0	0	0	0	0	0	0	0	0
Yugoslavia	0	0	0	0	0	0	0	0	0	0	0	0
Zaire	0	0	0	0	0	0	0	0	0	0	0	0
Zambia	0	0	0	0	0	0	0	0	0	0	0	0
Zimbabwe	0	21	0	0	0	0	0	0	0	0	0	0
Total	136,671,614	132,041,589	157,560,820	157,480,715	111,411,126	128,879,393	112,391,387	116,167,316	117,983,272	109,580,458	109,605,198	0



**ATTACHMENT K: [CONFIDENTIAL] TABLE 2 – VALUE OF IMPORTED CARPET IN
COMPARISON TO TOTAL WHOLESALE MARKET**

[REDACTED]



ATTACHMENT L: NZ WOOL INDUSTRY FACT SHEET

NZ Wool Industry fact sheet

- 10,746 farms in New Zealand farm sheep and there are an estimated 23.3 million sheep in New Zealand (Stats NZ and Beef and Lamb).
- Approximately 80 percent of sheep in New Zealand produce the strong wool suitable for use in building products (Stats NZ).
- The sheep breeds most commonly used to produce strong wool are Romney (which make up about half in the New Zealand sheep flock), Perendale and Coopworth.
- Strong wool is mainly produced in Southland, Otago, Canterbury, Hawke's Bay, Gisborne, and Manawatū-Whanganui.
- New Zealand produces approx. 120,000 tonnes of wool annually. About 80 – 90 per cent of New Zealand's wool production is strong wool.
- Strong wool is mostly used to manufacture carpets and rugs. An increasing amount of strong wool is being used to manufacture other building products such as insulation and acoustic panels.
- Wool, as a natural product, has sustainability and health benefits. These include regulating temperature and moisture, reducing noise, neutralising indoor air pollutants, and being naturally flame resistant.
- Export revenue from wool and carpets and other manufactured wool products amounted to \$549 million in 2024. Strong wool, and products manufactured using strong wool, account for 70 – 80 per cent of total wool sector exports.
- New Zealand is the third largest wool producer in the world, accounting for about 9 per cent of total global wool production.
- The largest export markets for New Zealand wool and wool products are China (NZ\$77 million), India (NZ\$66 million), and Australia (NZ\$81 million).



TABLE OF APPENDICES

Appendix	Document
Appendix 1	Scheme Implementation Agreement
Appendix 2	[Confidential] Structure diagram for the target
Appendix 3	Products supplied by the Parties
Appendix 4	[Confidential] Contact details for the Parties' key competitors
Appendix 5	[Confidential] Market share estimates
Appendix 6	[Confidential] Contact details for the Mohawk Industries, Inc. key customers
Appendix 7	[Confidential] Contact details for the Bremworth Limited's key customers
Appendix 8	Bremworth Limited Annual Report 2024
Appendix 9	Bremworth Limited Consolidated Audited Financial Statements for the Year Ended 30 June 2024
Appendix 10	Mohawk Industries, Inc. 2024 Annual Report
Appendix 11	Mohawk Industries, Inc. Form 11-K Financial Statements for the Year Ended 31 December 2024
Appendix 12	Floorscape Limited and its subsidiaries Consolidated Financial Statements for the Year Ended 31 December 2024



APPENDIX 1: SCHEME IMPLEMENTATION ARRANGEMENT



Scheme Implementation Agreement for the acquisition of Bremworth Limited

PARTIES

Floorscape Limited

Acquirer

Bremworth Limited

Company

Mohawk Industries, Inc.

Acquirer Guarantor

CONTENTS

1. INTERPRETATION	1
2. SCHEME	15
3. CONDITIONS	16
4. SCHEME BOOKLET	19
5. SCHEME IMPLEMENTATION STEPS	23
6. COMPANY'S OTHER IMPLEMENTATION OBLIGATIONS	26
7. COURT PROCEEDINGS	27
8. RECOMMENDATION AND VOTING INTENTIONS	28
9. ACCESS, INFORMATION AND CONDUCT OF BUSINESS	29
10. BUSINESS CONTRACTS AND LEASES	36
11. WARRANTIES AND UNDERTAKINGS	37
12. INSURANCE	40
13. EXCLUSIVITY AND MATCHING RIGHTS	41
14. TERMINATION	45
15. BREAK FEE, REGULATORY APPROVAL BREAK FEE AND REVERSE BREAK FEE	47
16. ANNOUNCEMENTS	51
17. PAYMENTS	52
18. GST	52
19. GUARANTEE	53
20. NOTICES	54
21. GENERAL	55
SCHEDULE 1	58
Prescribed Occurrences	58
SCHEDULE 2	60
Company Warranties and Undertakings	60
SCHEDULE 3	63
Acquirer Warranties and Undertakings	63
SCHEDULE 4	65
Timetable	65
SCHEDULE 5	67
Scheme Plan	67
SCHEDULE 6	68
Deed Poll	68
SCHEDULE 7	69
Pro Forma Cash Balance	69

AGREEMENT dated 1 October 2025

PARTIES

Floorscape Limited

(the "**Acquirer**")

Bremworth Limited (company number 245326)

(the "**Company**")

Mohawk Industries, Inc.

(the "**Acquirer Guarantor**")

INTRODUCTION

- A. The Company is listed on the NZX Main Board under the ticker code BRW.
- B. The Acquirer proposes to acquire all of the shares in the Company by way of a scheme of arrangement under Part 15 of the Companies Act. The Company also proposes to undertake a capital return pursuant to this scheme of arrangement.
- C. The parties have entered into this agreement to record the arrangements by which the Acquirer and the Company intend to propose and implement the Scheme.

AGREEMENT

1. INTERPRETATION

1.1 **Definitions:** In this agreement, unless the context otherwise requires:

"**ACCC**" means the Australian Competition & Consumer Commission.

"**ACCC Informal Approval**" will be taken to have been obtained or received where the ACCC:

- (a) advises the Acquirer in writing that it does not intend to take action under the CCA in relation to a contravention, or possible contravention, of section 50 of the CCA in relation to the Scheme (either unconditionally or on conditions that are acceptable to the Acquirer, acting reasonably); or
- (b) issues the Acquirer a written advice that meets the requirements of section 189(2)(a) of the CCA and:
 - (i) that written advice has not been withdrawn, revoked or adversely amended before the Implementation Date; and

(ii) less than 12 months have elapsed since the date of the advice.

"ACCC Statutory Clearance" will be taken to have been obtained or received:

- (a) where the ACCC makes a determination under section 51ABZE(1) of the CCA which is finally considered (s51ABF) that the Scheme may be put into effect (either unconditionally or on conditions that are acceptable to the Acquirer, acting reasonably), or grants a notification waiver under section 51ABV in relation to the Scheme for which the period for any application for review has expired without such an application; or
- (b) where the Australian Competition Tribunal has, pursuant to section 100N(1)(a) of the CCA made a determination that the Scheme may be put into effect (either unconditionally or on conditions that are acceptable to the Acquirer, acting reasonably); and

and that in either case, the determination has not become stale under section 51ABG of the CCA.

"Acquirer Group" means the Acquirer and each of its Related Companies (but, following the implementation of the Scheme, excluding members of the Bremworth Group).

"Acquirer Indemnified Person" means each member of the Acquirer Group and each of their respective directors, officers and employees and financial and legal advisers.

"Acquirer Information" means all information given by the Acquirer to the Company for inclusion in the Scheme Booklet, being:

- (a) information about the Acquirer Group and its businesses and interests;
- (b) the information contemplated by clause 4.2(a); and
- (c) any other information which the parties agree (acting reasonably) is Acquirer Information and which is identified in the Scheme Booklet as such.

"Acquirer Undertakings" means the undertakings set out in Part 2 of Schedule 3.

"Acquirer Warranties" means the warranties set out in Part 1 of Schedule 3.

"Additional Amount" has the meaning given to that term in clause 18.3.

"Associate" has the meaning given in the Takeovers Code and **"Associated"** shall have a corresponding meaning

"Bill Rate" means, in respect of any rate of interest to be calculated pursuant to this agreement, the Reserve Bank of New Zealand 90 day B2 Wholesale interest rate stated on the following page (or any successor page) <http://www.rbnz.govt.nz/statistics/b2> at or about 3.00pm on the first Business Day of the period in respect of which such rate of interest is to be calculated, and thereafter at intervals of 90 days from that Business Day.

"Board" means the board of directors of the Company.

"Break Fee" means \$520,968.

"Break Fee Arrangements" has the meaning given to that term in clause 15.8.

"Bremworth Group" means the Company and its Subsidiaries.

"Business" means the business carried on by the Bremworth Group as at the date of this agreement.

"Business Day" means any day other than a Saturday, Sunday or a statutory public holiday in Auckland, New Zealand.

"Capital Return" means the Scheme Dividend and the Scheme Buyback.

"Cash" means cash or cash equivalents, including:

- (a) cash on hand;
- (b) cash standing to the credit of any account with a bank or financial institution; and
- (c) term deposits, other cash deposits and bonds,

provided that where such cash or cash equivalents are held other than in New Zealand dollars, for the purposes of any calculation of Cash contemplated by this agreement, the value of such amounts shall be assessed in New Zealand dollars with reference to the exchange rate offered by the Company's bankers to the Company at the relevant time of such calculation.

"CCA" means the Competition and Consumer Act 2010 (Cth).

"Change of Control Consent" has the meaning given to that term in clause 10.1.

"Companies Act" means the Companies Act 1993.

"Company Director" means each director of the Company from time to time.

"Company Indemnified Persons" means each member of the Bremworth Group and each of their respective directors, officers, employees and financial and legal advisers.

"Company Information" means all information included in the Scheme Booklet other than the Acquirer Information and the Independent Adviser's Report.

"Company Undertakings" means the undertakings set out in Part 2 of Schedule 2.

"Company Warranties" means the warranties set out in Part 1 of Schedule 2.

"Competing Proposal" means any proposed:

- (a) takeover (whether a full or partial takeover under the Takeovers Code) in respect of the Company by a Third Party;
- (b) scheme of arrangement for the acquisition of all or a majority of the Shares involving a Third Party;
- (c) transfer or issuance of financial products of the Company to a Third Party:

- (i) where the Shareholders' approval is required under the Takeovers Code; or
- (ii) in respect of financial products which are convertible into, or exchangeable for, Shares, where Shareholders' approval would be required under the Takeovers Code on conversion or exchange of those financial products into Shares; or
- (d) sale of assets or financial products of any member of the Bremworth Group to a Third Party, where such sale constitutes a material part of the Bremworth Group's Business (and, for clarity, will not include any accounting adjustment that results in a notional disposal of assets).

For the purposes of the definition of "Competing Proposal":

- (e) any such proposal may be an expression of interest, indicative, conditional or otherwise non-binding;
- (f) paragraphs (c) and (d) above include any agreement (within the meaning of section 6 of the FMCA) whereby such a transaction is effected through a series of linked or related transactions which, if conducted as a single transaction, would constitute a "Competing Proposal" within the meaning of paragraphs (c) and (d) above; and
- (g) "Third Party" shall mean a Third Party together with its Associates.

"Conditions" mean the conditions precedent set out in the table in clause 3.1.

"Consequential Loss" means any loss that is or represents loss of business, loss of goodwill, loss of present or future reputation or adverse publicity, loss of opportunity, damage to credit rating or any other form of special, indirect, consequential or punitive loss, but does not mean loss arising directly from, or immediately associated with, the relevant breach.

"Consideration" means \$0.75 in cash in respect of each Scheme Share held by a Scheme Shareholder (including, for clarity, any Scheme Shares that are to be acquired and cancelled under the Scheme Buyback), as may be adjusted by virtue of any Counter Proposal that is given effect to.

"Counter Proposal" has the meaning given to that term in clause 13.7(b)(iii).

"Court" means the High Court of New Zealand, Auckland Registry.

"D&O Run-off Policy" has the meaning given to that term in clause 12.1(a).

"Data Room" means the "Project Loop" virtual data room hosted by Ansarada and established by or on behalf of the Company in relation to the Transaction.

"Deed Poll" means the deed poll to be entered into by the Acquirer and the Acquirer Guarantor in favour of the Scheme Shareholders, in the form set out in Schedule 6 or such other form agreed between the parties.

"Disclosure Letter" means a letter delivered by the Company to the Acquirer prior to the entry into this agreement, together with the attachments to that letter, and which discloses facts, matters and circumstances that are, or may be, inconsistent with the Company Warranties.

"Due Diligence Material" means:

- (a) the materials and information, including written answers given by or on behalf of the Company to questions and requests for information made by or on behalf of the Acquirer Group, contained in the Data Room prior to entry into this agreement, a complete copy of which materials and information will be provided by the Company to the Acquirer on a USB drive within two Business Days after the date of this agreement; and
- (b) the Disclosure Letter.

"EBITDA" means earnings before interest, tax, depreciation and amortisation.

"Effective" means, when used in relation to the Scheme, the coming into effect under section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme.

"Encumbrance" means any security interest (within the meaning of section 17(1)(a) of the PPSA) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (other than any reservation of title by suppliers in the ordinary course of business), and any agreement to create any of the foregoing, but excludes (where created in the ordinary course of business):

- (a) every lien or retention of title arrangement securing the unpaid balance of purchase money for property acquired in the ordinary course of business;
- (b) any security interest in relation to personal property (as that term is defined in the PPSA) that is created or provided for by:
 - (i) a transfer of an account receivable or chattel paper;
 - (ii) a lease for a term of more than one year; or
 - (iii) a commercial consignment,that is not a security interest within the meaning of section 17(1)(a) of the PPSA;
- (c) the interest of the lessor or owner in respect of assets subject to a lease, a hire-purchase agreement or a conditional sale agreement;
- (d) any charge or lien created by or arising by operation of any law provided it does not secure overdraft debts;
- (e) any right of netting or set-off or combination of account.

"End Date" means the date that is nine months after the date of this agreement, or such later date as contemplated by clause 7.4 or as the parties agree in writing.

"Exclusivity Period" means the period starting on the date of this agreement and ending on the first to occur of:

- (a) termination of this agreement;
- (b) the Implementation Date; and
- (c) the End Date.

"Expert" means, upon the application by either party, an expert in the relevant subject matter appointed by the President, or their nominee, of the Arbitrators' and Mediators' Institute of New Zealand Inc.

"Final Orders" means, on application of the Company, orders that the Scheme will be binding on the Company, the Acquirer, Scheme Shareholders and/or such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

"Final Orders Date" means the day on which the Final Orders are granted by the Court.

"First Court Date" means the first date on which the application is made to the Court for the Initial Orders in accordance with section 236(2) of the Companies Act.

"FMCA" means the Financial Markets Conduct Act 2013.

"Fundamental Warranties" means the Company Warranties set out in paragraphs 1 to 6 (inclusive) of Part 1 of Schedule 2.

"Good Industry Practice" means, in relation to asbestos management and remediation, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in works of a similar type, scope and complexity, in compliance with applicable law, relevant codes of practice (including the Approved Code of Practice for the Management and Removal of Asbestos 2016), and generally accepted standards in the industry in New Zealand at the relevant time.

"Government Agency" means any government, any department, officer or minister of any government and any governmental, semi-governmental, regulatory, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity.

"GST" means goods and services tax charged or levied under the GST Act, and includes any GST Default Amounts.

"GST Act" means the Goods and Services Tax Act 1985.

"GST Default Amounts" means any penalties, additional tax or interest payable in respect of goods and services tax.

"GST Exclusive Consideration" has the meaning given to that term in clause 18.2.

"HSWA Standards" means the Health and Safety at Work (Asbestos) Regulations 2016 and the management approach in the Approved Code of Practice for the Management and Removal of Asbestos 2016.

"Implementation Date" means the day on which the Scheme is to be implemented, being the date specified in the following table:

<i>If (in the relevant period) the Second Court Date is:</i>	<i>the Implementation Date is:</i>
on or before 2 February 2026	9 February 2026
after 9 February and on or before 2 March 2026	6 March 2026
after 6 March and on or before 30 March 2026	7 April 2026
after 7 April and on or before 30 April 2026	6 May 2026
after 6 May and on or before 2 June 2026	8 June 2026
after 1 June 2026, the date that is 4 Business Days prior to the date specified in the next column	the date that is 6th of the following month (or, if the 6 th date of that month is not a Business Day, the next Business Day)

or such other date agreed between the parties in writing.

"Independent Adviser" means the person appointed by the Company, and approved by the Takeovers Panel, as independent adviser to prepare the Independent Adviser's Report.

"Independent Adviser's Report" means the independent adviser's report prepared by the Independent Adviser in relation to the Scheme, as amended or updated from time to time and including any supplementary or replacement report.

"Independent Expert" means an appropriately qualified professional experienced in assessing and providing advice in relation to asbestos remediation matters of the nature of the Potential Remediation Issues.

"Initial Orders" means, on application by the Company, orders by the Court for the purposes of section 236(2) of the Companies Act.

"Insolvency Event" means, in relation to a person, the occurrence of any of the following:

- (a) the person ceases or threatens to cease to carry on all or substantially all of its business or operations;
- (b) the person is unable to pay its debts when due (as defined in section 287 of the Companies Act), or enters into dealings with any of its creditors with a view to avoiding or in expectation of insolvency, or makes a general assignment or an arrangement or composition or compromise with or for the benefit of any of its creditors, or stops or threatens to stop payments generally;
- (c) the person goes into receivership or has a receiver, receiver and manager, statutory manager, trustee or other similar officer appointed in respect of all or any of its property;
- (d) a distress order, attachment order, freezing order or other execution is levied or enforced upon or commenced against any of its material assets;
- (e) any resolution is proposed or passed, or any proceeding is commenced or order made, for the liquidation or dissolution of that person;

- (f) that person takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts referred to in this definition; or
- (g) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any applicable foreign law.

"IRD Ruling" means the provision by Inland Revenue of (a) a private binding ruling as to the New Zealand tax implications of the proposed Capital Return and (b) a letter confirming the likelihood of satisfying the conditions of that ruling.

"Lease" means the lease between Manukau Industrial Holdings Limited (as lessor), Bremworth Limited (as tenant) and Cavalier Corporation Limited (as guarantor) dated 23 December 2020.

"Lease Term" means the current term of the Lease, expiring on 23 December 2034.

"Letter of Intention" means a letter from the Takeovers Panel indicating that the Takeovers Panel intends to issue a No-Objection Statement and does not intend to seek to be heard by the Court in relation to the application for Initial Orders.

"Loss" means all losses, damages, costs, expenses, charges, overhead, debt or damages and other liabilities (in each case whether known or unknown, actual, contingent or prospective) of any kind and however arising, including penalties, fines and interest.

"LTI Shares" means the Shares issued to, and held on trust for certain participants by, Bremworth Share Scheme Limited, pursuant to the "Bremworth Limited 2022 Long-Term Incentive Plan".

"Matching Period" has the meaning given to that term in clause 13.7(b).

"Minimum Retained Cash" means the aggregate of:

- (a) the Remaining Capital Expenditure;
- (b) \$1,600,000; and
- (c) the Remaining Remediation Costs (if applicable).

"No-Objection Statement" means a statement from the Takeovers Panel under section 236A(2)(b)(ii) that it has no objection to the Final Orders being granted by the Court.

"NZCC" means the New Zealand Commerce Commission.

"NZX" means NZX Limited and, where the context requires, the main board financial market that it operates.

"NZX Code" means the NZX Corporate Governance Code.

"NZX Listing Rules" means the NZX Main Board Listing Rules.

"PPSA" means the Personal Property Securities Act 1999.

"Prescribed Occurrence" means the occurrence of any of the events listed in Schedule 1 other than an event:

- (a) agreed to by the Acquirer in writing; or
- (b) expressly required or permitted by this agreement.

"Potential Remediation Issues" means asbestos-related issues:

- (a) of the nature described in the email from Tania Pauling to Montarne dated Wednesday, 10 September 2025 11:05 am) (it being acknowledged that such email is referred to for illustrative purposes only and is subject to verification, agreement and (if required) determination through the process under clause 9.6 and 9.7); and
- (b) which are of a capital, structural or other nature that require works,

to ensure compliance with the HSWA Standards, Good Industry Practice, and the Tenant's obligations under the Lease (including repair, maintenance and reinstatement obligations, if any), agreed between the parties under clause 9.6 or determined by the Independent Expert under clause 9.7.

"Pro Forma Cash Balance" means a statement showing the Company's good faith estimate of the Bremworth Group's pro forma aggregate Cash immediately following the Capital Return, in the form set out in Schedule 7 (together with any supporting information reasonably requested by the Acquirer, including Bremworth Group's actual aggregate Cash on the Second Court Date).

"Record Date" means 5:00pm on the date which is two Business Days before the Implementation Date, or such other date agreed between the Acquirer and the Company in writing.

"Register" means the Share register maintained by Computershare Investor Services Limited on behalf of the Company.

"Registrar" has the meaning given in the Companies Act.

"Regulatory Applications" means each of the Acquirer's:

- (a) application to NZCC under the Commerce Act 1986 for clearance to implement the Scheme; and
- (b) application for ACCC Informal Approval or, where ACCC Informal Approval is not received by or on 31 December 2025, the Acquirer's application for ACCC Statutory Clearance.

"Regulatory Approval Break Fee" means 1% of the aggregate of:

- (a) \$52,096,801; plus
- (b) the Cash balance held on the date of termination of this Agreement under clause 15.4, less the Minimum Retained Cash amount.

"Regulatory Conditions" means the Regulatory Condition (ACCC) and the Regulatory Condition (NZCC).

"Regulatory Condition (ACCC)" means the Condition in clause 3.1(b).

"Regulatory Condition (NZCC)" means the Condition in clause 3.1(a).

"Related Company" has the meaning given to that expression in section 2(3) of the Companies Act, read as if the reference to "company" in that section included any body corporate or entity, wherever incorporated.

"Relevant Date" means, in relation to a Condition, the date or time specified in this agreement for its fulfilment or, if no date or time is specified, 8.00 am on the Second Court Date, subject, in either case, to extension to that date made under clause 3.6.

"Relevant Interest" has the meaning given to that term in section 235(1) of the FMCA.

"Relief" means any loss, allowance, credit, deduction, rebate or other relief taken into account in computing any Tax liability or any right to the repayment or refund of Tax.

"Remaining Capital Expenditure" means, in respect of any item of budgeted capital investments identified on pages 62 and 63 of Data Room document 01.01 that is incomplete as at the date the Final Orders are granted, the amount of budgeted expenditure that remains unspent as at that date.

"Remaining Remediation Costs" has the meaning given to that term in clause 9.8(e)(ii).

"Remediation Project" means the works required to address the Potential Remediation Issues, as agreed or determined under clauses 9.6 or 9.7.

"Representatives" in relation to a person means:

- (a) any director, officer, employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person; and
- (b) when used in clauses 2.4, 13 and 16.2 only, includes any member of the Bremworth Group and any director, officer, employee or agent of, that member of the Bremworth Group.

"Reverse Break Fee" means \$520,968.

"Scheme" means a scheme of arrangement under Part 15 of the Companies Act under which:

- (a) the Capital Return will be made; and
- (b) all of the Scheme Shares held by Scheme Shareholders (other than any Scheme Shares repurchased and cancelled by the Company pursuant to the Scheme Buyback) will be transferred to the Acquirer and the Scheme Shareholders will be entitled to receive the Consideration,

in the form of the Scheme Plan.

"Scheme Booklet" means the explanatory memorandum (including the notice of meeting and proxy form) to be prepared in accordance with this agreement in connection with the Scheme, the despatch of which is to be approved by the Court and which is to be sent to Shareholders in advance of the Scheme Meeting and includes, where applicable, any supplement, addendum or other update or change to that booklet after it has been sent to Shareholders.

"Scheme Buyback" means the purchase and cancellation of a portion of the Shares held by Scheme Shareholders by the Company pursuant to the Scheme and in accordance with the Scheme Plan.

"Scheme Dividend" means the dividend to be paid by the Company to Scheme Shareholders pursuant to the Scheme and in accordance with the Scheme Plan.

"Scheme Meeting" means the meeting of Shareholders ordered by the Court to be convened pursuant to the Initial Orders in respect of the Scheme and includes any adjournment or rescheduling of that meeting.

"Scheme Plan" means the Scheme plan set out in Schedule 5 or in such other form as the parties agree in writing and the Court approves under section 236(1) of the Companies Act.

"Scheme Resolution" means the resolution to be put to Shareholders at the Scheme Meeting to approve the Scheme.

"Scheme Shareholder" means a person who is registered in the Register on the Record Date as the holder of one or more Scheme Shares.

"Scheme Shares" means all of the Shares on issue on the Record Date.

"Schemes Guidance Note" means the guidance note issued by the Takeovers Panel in relation to schemes of arrangement and amalgamations under Part 15 of the Companies Act dated 31 July 2024 (as amended, updated or reissued from time to time).

"Second Court Date" means the later of:

- (a) if no hearing is held in respect of the Final Orders, the last date the Company files affidavit(s) satisfying the Initial Orders so as to obtain the Final Orders; and
- (b) if there is a hearing in respect of the Final Orders, the first date of such hearing, provided that if such hearing is adjourned, it means the first date on which the adjourned application is heard.

"Share" means a fully paid ordinary share in the Company.

"Shareholder" means a person who is registered in the Register as the holder of one or more of the Shares from time to time.

"Subsidiary" has the meaning given to that term in section 5 of the Companies Act.

"Superior Proposal" means a written bona fide Competing Proposal received by the Company, in writing, after the date of this agreement, that the Board determines, acting in good faith and after having taken advice from its external financial and legal advisers:

- (a) is reasonably capable of being implemented, taking into account all aspects of the Competing Proposal, including its conditions precedent and regulatory conditions, and the likelihood of satisfying those conditions; and
- (b) is more favourable to Shareholders (as a whole) than the Scheme (if applicable, as amended or varied under any Counter Proposal provided by the Acquirer under clause 13), taking into account all the terms and conditions (including consideration, conditionality, funding, certainty and timing) of the Competing Proposal and the Scheme and any other matters affecting the probability of the Competing Proposal and the Scheme being completed in accordance with their respective terms.

"Supplier" has the meaning given to that term in clause 18.3.

"Surviving Clauses" means clauses 1 (*Interpretation*), 11.6 (*Waiver of claims*), 15 (*Break Fee, Regulatory Approval Break Fee and Reverse Break Fee*) 16 (*Announcements*), 17 (*Payments*), 18 (*GST*), 19 (*Notices*) and 21 (*General*, but excluding clause 21.5).

"Takeovers Code" means the takeovers code approved in the Takeovers Regulations 2000 (SR 2000/210) as amended including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993.

"Takeovers Panel" means the Takeovers Panel established by section 5(1) of the Takeovers Act 1993.

"Tax" or **"Taxation"** means all forms of taxation including all statutory or governmental taxes, levies, duties, rates, stamp and transaction duty, or any goods and services tax, value added tax or consumption tax imposed by a Government Agency, and includes:

- (a) any reassessments of any such taxation;
- (b) loss of Relief; and
- (c) all penalties, interest, fines or the like imposed in respect of any such taxation or loss of Relief.

"Third Party" means a person other than:

- (a) a member of the Acquirer Group; or
- (b) an Associate of a member of the Acquirer Group in respect of this Transaction.

"Timetable" means the timetable set out in Schedule 4, or such other timetable as the parties may agree in writing.

"Transaction" means the acquisition by the Acquirer of all the Scheme Shares (other than any Scheme Shares repurchased and cancelled by the Company pursuant to the Scheme Buyback) through the implementation of the Scheme in accordance with the terms of this agreement.

1.2 References: In this agreement, unless the context otherwise requires:

- (a) headings are to be ignored in construing this agreement;

- (b) the singular includes the plural and vice versa;
- (c) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this agreement);
- (d) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (e) reference to a party, person or entity includes:
 - (i) an individual (including their estate and personal representatives), partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, sub-contractor, agent, successor, assign, executor, administrator and other representative of such party, person or entity (immediate or otherwise);
- (f) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (g) the words "including" or "includes" do not imply any limitation and general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words;
- (h) a reference to any time is a reference to that time in New Zealand;
- (i) a reference to "ordinary course of business" means the course of the Business, substantially in the same manner as the 12 months preceding the date of this agreement;
- (j) a reference to "law" includes any statute, regulation, by-law, determination, ordinance, rule (including applicable listing rules) or other like provision, as amended from time to time, in any jurisdiction;
- (k) references to the NZX Listing Rules includes any variation, consolidation or replacement of those rules and is taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (l) references to a clause, schedule or annexure is a reference to a clause, schedule or annexure of or to this agreement (and the schedules and annexures form part of this agreement);
- (m) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (n) references to money are to New Zealand dollars; and

- (o) a reference to a matter, information or a circumstance being "fairly disclosed" means disclosure in writing to the Acquiror or any of its Representatives in a manner and in sufficient detail such that the matter, information or circumstance would reasonably be expected to come to the knowledge of a diligent and reasonable bidder or any of its Representatives in the ordinary course of carrying out a due diligence exercise in respect of the Bremworth Group and the Business, in such a way that such a bidder (experienced in businesses of this nature) would reasonably be expected to understand the relevance and importance of the matter, information or circumstance.
- 1.3 **Consents:** If the doing of any act, matter or thing under this agreement is dependent on the consent or approval of a party or is within the discretion of a party, then, unless specified otherwise in this agreement, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this agreement specifies otherwise).
- 1.4 **No contra proferentem:** No term or condition of this agreement will be construed adversely to a party solely because that party was responsible for the preparation of this agreement or a provision of it.
- 1.5 **Knowledge:**
- (a) Where any Company Warranty is qualified by the expression "so far as the Company is aware" or any similar expression, the Company will be deemed to know or be aware of all matters or circumstances of which Rob Hewett, Trevor Burt, Julie Bohnenn, Murray Dyer, Craig Woolford and Victor Tan are actually aware of as at the date of this agreement and includes such additional facts or circumstances of which any such person would or ought to have been aware had he or she made due enquiry of his or her direct reports as at the date of this agreement.
- (b) For clarity, and without limiting clause 11.6, none of the individuals referred to in this clause 1.5 has any personal liability in respect of the Company Warranties.
- (c) Other than as contemplated by clause 1.5(a), the knowledge, belief or awareness of any person will not be imputed to the Company.
- 1.6 **Things required to be done other than on a Business Day:** Unless otherwise indicated, if the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.
- 1.7 **Independent Adviser's conclusion:** For the avoidance of doubt, for the purposes of this agreement, the Independent Adviser's Report will not be treated as having concluded that the Consideration is within or above the Independent Adviser's valuation range for the Shares if, after the finalisation of the initial Independent Adviser's Report, the Independent Adviser issues a replacement or supplementary report containing a revised valuation range for the Shares and the Consideration is below the revised valuation range (and, for clarity, such replacement or supplementary report, or any subsequent replacement or supplementary report, is not superseded by a further replacement or supplementary report containing a revised valuation range for the Shares and the Consideration is within or above the revised valuation range for the Shares).

2. SCHEME

2.1 **Proposal:** The Company must propose and (subject to the Scheme becoming Effective) implement the Scheme on and subject to the terms of this agreement. The Acquirer must cooperate with the Company and assist the Company to propose and implement the Scheme on the terms and subject to the conditions set out in this agreement.

2.2 **Consideration:** Each Scheme Shareholder is entitled to receive the Consideration in respect of each Scheme Share held by that Scheme Shareholder subject to and in accordance with the terms of this agreement and the Scheme.

2.3 **Acquirer to pay Consideration:** In consideration for, and simultaneously with, the transfer to the Acquirer of each Scheme Share held by each Scheme Shareholder under the terms of the Scheme (other than any Scheme Shares repurchased and cancelled by the Company pursuant to the Scheme Buyback), the Acquirer undertakes in favour of the Company (in the Company's own right and on behalf of each of the Scheme Shareholders) to pay or procure the payment of the Consideration to each Scheme Shareholder in accordance with the Scheme and the Deed Poll.

2.4 **General obligations:** Each party must do everything reasonably necessary, including by procuring that its Representatives work in good faith in a timely and co-operative manner with the other party and its Representatives, to implement the Scheme in accordance with this agreement and all applicable laws.

2.5 Timetable:

- (a) Each party must use reasonable endeavours to ensure that the Scheme is proposed and implemented in accordance with the Timetable or otherwise as soon as reasonably practicable. Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of this clause 2.5 to the extent that such failure is due to circumstances and matters outside the party's control or such party otherwise has used reasonable endeavours to meet the Timetable.
- (b) Each party will keep the other informed about their progress against the Timetable. If any aspect of the Timetable is not expected to be achieved, the parties must consult in good faith on a timely basis with a view to amending the Timetable as required to permit the Scheme to be implemented before the End Date.
- (c) Without limiting this clause, the parties agree to work together in good faith to determine the optimal date to file documents to seek Final Orders, having regard to the definition of the Implementation Date.

For clarity, neither this clause nor the Timetable limit the Company's ability to deal with a Competing Proposal in accordance with clause 13.

2.6 **No amendment:** The Company must not promote or consent to any modification of, or amendment to, the Scheme or Final Orders, or the making or imposition by the Court or any Government Agency of any condition to the Scheme, without:

- (a) the Acquirer's counsel's consent, where a modification or amendment is made, imposed or requested at a Court hearing where the Acquirer's counsel is present (and the Acquirer must procure that such consent is not unreasonably withheld or delayed); or

- (b) the Acquirer's prior written consent in the case of any other modification or amendment (such consent not to be unreasonably withheld or delayed).

3. CONDITIONS

3.1 The Scheme will not become Effective, and the obligations of the Acquirer under clause 2.2 and, once signed, the Deed Poll, do not become binding, unless and until each of the Conditions set out in the following table are satisfied or waived in accordance with this clause 3.

	CONDITION	RESPONSIBILITY	WAIVER
(a)	(NZCC Clearance) before 8:00am on the End Date, clearance has been given to the Acquirer under the Commerce Act 1986 for implementation of the Scheme on terms acceptable to the Acquirer, acting reasonably;	Acquirer	None
(b)	(ACCC Clearance) before 8.00 am on the End Date, ACCC Informal Approval or, if ACCC Informal Approval is not received by or on 31 December 2025, ACCC Statutory Clearance is obtained or received .	Acquirer	None
(c)	(IRD Ruling) before 8:00am on the End Date, the IRD Ruling is issued on terms acceptable to the Company, acting reasonably;	Company	None
(d)	(Court approval) subject to clause 3.2, approval of both the Initial Orders and Final Orders being given by the Court in accordance with Part 15 of the Companies Act on terms acceptable to the Company and the Acquirer, each acting reasonably;	Company	None
(e)	(Shareholder approval) approval of the Scheme being given by the Shareholders at the Scheme Meeting by the requisite majorities in accordance with sections 236A(2)(a) and 236A(4) of the Companies Act;	Company	None
(f)	(No restraint) no law, judgment, order, restraint or prohibition enforced or issued by any Government Agency being in effect as at 8:00am on the Implementation Date that prohibits, prevents or makes illegal the implementation of the Scheme;	None	None

	CONDITION	RESPONSIBILITY	WAIVER
(g)	(No Prescribed Occurrence) no Prescribed Occurrence occurring between the date of this agreement and 8:00am on the Implementation Date;	Company	Acquirer
(h)	(Independent Adviser's Report) the Independent Adviser's Report concludes that the Consideration is above or within the Independent Adviser's valuation range for the Shares.	None	Company

3.2 **Court Approval:** If the Court's approval of the Scheme in accordance with section 236(1) of the Companies Act would impose any terms or conditions other than those set out in the Scheme Plan, then each such term or condition must be approved in writing by both parties (both acting reasonably) prior to the Court granting the Final Orders.

3.3 **Endeavours to satisfy Conditions:**

- (a) The party specified in the "Responsibility" column of the table in clause 3.1 opposite each Condition is primarily responsible for the satisfaction of that Condition and (where applicable) must promptly apply for or seek each consent or approval required to satisfy that Condition, and diligently pursue it. Such party must use reasonable endeavours to satisfy that Condition:
 - (i) in the case of any Condition in clauses 3.1(a), (b), (c), (d) and (e) as soon as practicable and, in any event, before the End Date; and
 - (ii) in the case of the Condition in clause 3.1(f) at all times before 8:00am on the Implementation Date.
- (b) Regardless of whether a party is primarily responsible for the satisfaction of a particular Condition in accordance with clause 3.3(a), each party must:
 - (i) promptly provide all information and other assistance reasonably required by the other party for the purposes of procuring the satisfaction of each Condition; and
 - (ii) not take any action or omit to take any action to deliberately hinder, subvert or undermine the satisfaction of any Condition, except to the extent that such action is required by law, and provided that this provision does not limit the Company's ability to deal with a Competing Proposal in accordance with, and to the extent permitted by, clause 13, or to deal with any other circumstances in accordance with the terms of this agreement and the Board's fiduciary duties.
- (c) Nothing in this clause 3.3 will require either party to incur any additional costs (other than advisor costs and filing fees) or to offer, agree to or accept any undertakings, commitments or conditions.

- 3.4 **Waiver:** Where the column headed "Waiver" of the table in clause 3.1 opposite a Condition states "None", that Condition has been inserted for the benefit of both parties and cannot be waived by either of the parties. The Condition in clause 3.1(g) has been inserted for the benefit of, and may only be waived by, the Acquirer by notice in writing to the Company. The Condition in clause 3.1(h) has been inserted for the benefit of, and may only be waived by, the Company by notice in writing to the Acquirer.
- 3.5 **Effect of waiver:** If a party waives a Condition in accordance with this clause 3, that waiver does not:
- (a) preclude that party from bringing a claim against the other party for any breach of this agreement; or
 - (b) constitute a waiver of any other Condition.
- 3.6 **If a Condition is not fulfilled or waived: If:**
- (a) a Condition set out in clause 3.1(a) to 3.1(e) inclusive and clause 3.1(h) has not been fulfilled by the Relevant Date and is not waived (where capable of waiver);
 - (b) a Condition set out in clause 3.1(f) or 3.1(g) is not fulfilled at the End Date;
 - (c) the Implementation Date does not occur on or prior to the End Date; or
 - (d) there is an act, failure to act, event or occurrence which will prevent a Condition being fulfilled:
 - (i) in the case of a Condition in clause 3.1(a) to 3.1(e) inclusive or clause 3.1(h), by the Relevant Date; or
 - (ii) in the case of a Condition in clause 3.1(f) or 3.1(g), at the End Date,(and the breach or non-fulfilment of the Condition which would otherwise occur has not been waived),
- the parties:
- (e) must consult in good faith for at least five Business Days to determine whether the Scheme may proceed by way of alternative means or method so as to achieve a commercial outcome which reflects the Scheme; and
 - (f) may agree to extend the Relevant Date or the End Date, or both.
- 3.7 **Specific obligations relating to the Regulatory Conditions:** Without limiting clause 3.3, the Acquirer must:
- (a) if not already submitted prior to the date of this agreement, submit the Regulatory Application in respect of the Regulatory Condition (NZCC) no later than the date that is 10 Business Days after the date of this agreement in the form provided to and commented on by the Company prior to the date of this agreement;
 - (b) promptly provide to NZCC and/or ACCC all notices, information and documents requested by NZCC and/or ACCC in connection with the Regulatory Applications and satisfaction of the Regulatory Conditions;

- (c) promptly and diligently progress the Regulatory Applications (including by responding to NZCC and/or ACCC in a fulsome and timely manner and, where applicable, in compliance with relevant timeframes, in respect of all its questions and other correspondences);
- (d) provide the Company with copies of any material written communication, and notify the Company of any material oral communication, received by the Acquirer from NZCC and/or ACCC in relation to the Regulatory Conditions;
- (e) consult with the Company in advance with respect to any material filing, material notice or material information to be provided to, or material correspondence to be had with, NZCC and/or ACCC;
- (f) not resale from or change, with a consequence that might be adverse to its prospects of satisfying the Regulatory Conditions, any of the assurances or other commitments provided by the Acquirer to NZCC and/or ACCC in or in connection with the Regulatory Applications; and
- (g) other than on termination of this agreement, not withdraw or vary (with a consequence that might be adverse to its prospects of satisfying the Regulatory Conditions), or procure such withdrawal or variation, of the Regulatory Applications,

provided that, notwithstanding any other provision of this clause 3.7, the Acquirer may in respect of any information that it reasonably considers to be commercially or competitively sensitive information, provide on a counsel-only basis any such information it would otherwise be required to provide to the Company under this clause 3.7

4. SCHEME BOOKLET

4.1 **Company's obligations:** The Company will in accordance with the Timetable (where relevant):

- (a) as soon as practicable following the date of this agreement prepare the Scheme Booklet so that it contains:
 - (i) all information required by the Companies Act, the NZX Listing Rules and any other applicable laws;
 - (ii) any information required by the Takeovers Panel in order for the Company to obtain from the Takeovers Panel a Letter of Intention and No-Objection Statement;
 - (iii) the responsibility statements referred to in clause 4.4; and
 - (iv) a statement by the Directors reflecting the recommendation and undertaking set out in clause 8 (unless there has been a change of recommendation, including where the Consideration is not within or above the Independent Adviser's valuation range for the Shares);
- (b) if not already appointed, appoint the Independent Adviser (including obtaining approval from the Takeovers Panel for that appointment), and provide all

assistance and information that is reasonably requested by the Independent Adviser to enable it to prepare the Independent Adviser's Report;

- (c) provide the Acquirer with an initial draft of the Scheme Booklet (excluding the Independent Adviser's Report) in a timely manner and so that the Acquirer has a reasonable opportunity to review that draft, and consider in good faith all of the reasonable comments of the Acquirer and its Representatives when preparing a revised draft of the Scheme Booklet;
- (d) as soon as practicable after preparation of an advanced draft of the Scheme Booklet (excluding the Independent Adviser's Report) suitable for review by the Takeovers Panel, provide that advanced draft to the Acquirer;
- (e) as soon as practicable after receipt of the consent from the Acquirer referred to in clause 4.2(e), provide the Takeovers Panel the advanced draft Scheme Booklet;
- (f) keep the Acquirer reasonably informed in relation to any matters raised by the Takeovers Panel in relation to the advanced draft of the Scheme Booklet and use reasonable endeavours, in consultation with the Acquirer, to resolve any such matters (provided that, where such matters relate to the Acquirer Information, the Company will not take any steps to address them without the Acquirer's written consent, not to be unreasonably withheld);
- (g) as soon as practicable after the Takeovers Panel has completed its review of the advanced draft Scheme Booklet and the Takeovers Panel has provided a Letter of Intention, procure that a meeting of the Board is convened to approve the Scheme Booklet for lodgement with the Court and, subject to the Regulatory Conditions being satisfied and the Initial Orders being granted and the terms of those orders, for dispatch to Shareholders;
- (h) promptly advise the Acquirer if the Company becomes aware:
 - (i) of new information which, had it been known at the time the Scheme Booklet was prepared, should have been included in the Scheme Booklet under applicable law;
 - (ii) that any part of the Scheme Booklet (other than the Independent Adviser's Report or the Acquirer Information) is misleading or deceptive in any material respect, including by omission; or
 - (iii) that information that was required to be disclosed in the Scheme Booklet under applicable law was not included,

and, in any of those cases, if the Company becomes so aware at any time:

- (iv) between the approval of the Scheme Booklet in accordance with clause 4.1(g) and the date of the Scheme Meeting, then, if considered by the Company that supplementary disclosure is required, it will (after consulting with the Acquirer as to the need for, and content and presentation of, that supplementary disclosure) provide supplementary disclosure to Shareholders in an appropriate and timely manner in accordance with applicable law and will, if it considers it necessary or appropriate: (A) seek the Court's guidance in respect of the

supplementary disclosure; and (B) adjourn the Scheme Meeting to the earliest date reasonably possible; or

- (v) between the date of the Scheme Meeting and the Second Court Date, then, if considered by the Company that supplementary disclosure is required, it will (after consulting with the Acquirer as to the need for, and content and presentation of, that supplementary disclosure) apply to the Court for orders as to the procedure to be followed as to the provision of supplementary disclosure to Shareholders and the effect on the approval of the Scheme.

4.2 Acquirer obligations: Without limiting clause 2, the Acquirer must in accordance with the Timetable (where relevant):

- (a) as soon as reasonably practicable after the date of this agreement, prepare and provide to the Company for inclusion in the Scheme Booklet information:
 - (i) about the Acquirer and the Acquirer Group;
 - (ii) about the funding arrangements the Acquirer has available to it in order to fund the Consideration (provided that the Acquirer is not required to disclose any commercial sensitive terms or information which may be materially adverse to the Acquirer's competitive position if disclosed); and
 - (iii) equivalent to the information that would meet the requirements of Schedule 1 to the Takeovers Code,

as required to be included in the Scheme Booklet by the Companies Act, the Takeovers Panel (including under the Guidance Note), the NZX Listing Rules and any other applicable laws;
- (b) provide the Company with drafts (including successive drafts) of the information referred to in clause 4.2(a) in a timely manner so that the Company has a reasonable opportunity to review those drafts, and consider and take into account in good faith all reasonable comments of the Company and its Representatives when preparing revised drafts of that information;
- (c) provide all assistance and information reasonably requested by the Independent Adviser relating to the Acquirer to enable it to prepare the Independent Adviser's Report;
- (d) as soon as reasonably practicable after receipt of any draft of the Scheme Booklet from the Company, review and provide comments on that draft;
- (e) subject to clause 4.3, before the Company provides the Scheme Booklet to the Takeovers Panel in accordance with clause 4.1(e), deliver to the Company written consent from the Acquirer to the inclusion of the Acquirer Information in the Scheme Booklet in the form and context it appears;
- (f) before a draft of the Scheme Booklet is lodged with the Takeovers Panel, and again before the Scheme Booklet is despatched to Shareholders, confirm to the Company the accuracy and completeness of the Acquirer Information in the

Scheme Booklet, including that it does not contain any statement that is false or misleading in any material respect including because of omission;

- (g) immediately advise the Company if the Acquirer becomes aware at any time either:
- (i) of new information which, had it been known at the time the Scheme Booklet was prepared, should have been included in the Acquirer Information;
 - (ii) that any part of the Acquirer Information is misleading or deceptive in a material respect, including by omission; or
 - (iii) that information that was required to be disclosed as part of the Acquirer Information under applicable law was not included,
- and if the Acquirer provides such advice, the Company will comply with clauses 4.1(h)(iv) and 4.1(h)(v) (as applicable);
- (h) not act in a manner inconsistent with obtaining Court approval for the Scheme, provided that this sub-clause (h) does not limit the exercise by the Acquirer of its rights under this agreement.

4.3 Acquirer confirmation and approval: If the Acquirer requires any change to be made to the form or content of the Acquirer Information as a condition of giving its consent as referred to in clause 4.2(e), or the confirmation referred to in clause 4.2(f), then:

- (a) if the Company disagrees with the change, the parties must consult in good faith about the change and the reasons for it with a view to agreeing an alternative change that satisfies both parties; and
- (b) if the parties are unable to reach agreement, the Company must make such changes to the Acquirer Information as the Acquirer reasonably requires.

4.4 Responsibility statements: The Scheme Booklet must contain responsibility statements, in a form to be agreed between the Acquirer and the Company, to the effect that:

- (a) the Company has provided, and is responsible for, the Company Information in the Scheme Booklet, and that none of the Acquirer Group or its respective Representatives assumes any responsibility for the accuracy or completeness of the Company Information;
- (b) the Acquirer Group has provided, and is responsible for, the Acquirer Information, and that none of the Bremworth Group or its respective Representatives assumes any responsibility for the accuracy or completeness of the Acquirer Information; and
- (c) the Independent Adviser has provided and is responsible for the Independent Adviser's Report, and that none of the Acquirer Group, the Bremworth Group or their respective Representatives assumes any responsibility for the accuracy or completeness of the Independent Adviser's Report.

5. SCHEME IMPLEMENTATION STEPS

5.1 **Company's obligations:** Without limiting clauses 2.4 and 2.5, the Company must use its reasonable endeavours in the timeframes prescribed by the Timetable (or otherwise as soon as reasonably practicable) to:

- (a) before the First Court Date, in consultation in good faith with the Acquirer, apply to the Takeovers Panel for a Letter of Intention;
- (b) without limiting sub-clause 5.1(a), the Company must:
 - (i) prior to sending any material correspondence to the Takeovers Panel relating to the Scheme (other than correspondence relating to a Competing Proposal or the actual or purported termination of this agreement or any claim under, or disagreement or dispute between the parties in respect of this agreement or the Transaction), provide the Acquirer with a draft of that correspondence and consider in good faith all of the reasonable comments of the Acquirer and its Representatives on that correspondence;
 - (ii) promptly provide the Acquirer with a copy of all material correspondence to and from the Takeovers Panel relating to the Scheme (other than correspondence relating to a Competing Proposal); and
 - (i) keep the Acquirer reasonably informed of any issues raised by the Takeovers Panel in connection with the Scheme Booklet or the Scheme (other than issues relating to a Competing Proposal or the actual or purported termination of this agreement or any claim under, or disagreement or dispute between the parties in respect of this agreement or the Transaction) and consider in good faith all of the reasonable comments of the Acquirer and its Representatives on those issues;
- (c) apply to the Court for Initial Orders under section 236(2) of the Companies Act convening the Scheme Meeting, and if the Court grants those orders, dispatch the Scheme Booklet to Shareholders and hold the Scheme Meeting (including by putting the Scheme Resolution to a vote) in accordance with, and otherwise comply in all respects with, those Initial Orders;
- (d) if the Initial Orders are granted and sealed by the Court, promptly deliver a copy of the Initial Orders to the Registrar for registration in accordance with section 236(4) of the Companies Act (and, in accordance with the requirements of the Companies Act, by no later than 10 Business Days after the date the Initial Orders are granted);
- (e) as soon as reasonably practicable following the date the Regulatory Conditions are satisfied, lodge a copy of the Scheme Booklet with NZX in accordance with the NZX Listing Rules prior to sending the Scheme Booklet to Scheme Shareholders;
- (f) if the Scheme Resolution is passed by the requisite majorities of Shareholders as set out under section 236A(4) of the Companies Act, promptly:
 - (i) apply to the Takeovers Panel for the production of a No-Objection Statement;

- (ii) seek the Court's approval of the Final Orders;
- (g) if the Scheme Resolution is passed by the requisite majorities of Shareholders and if requested by the Acquirer, promptly enter into, and use reasonable endeavours to procure that the Company's share registrar promptly enters into, an escrow agreement relating to the holding by the Company's share registrar of the aggregate Consideration and Capital Return on escrow pending implementation of the Scheme, on terms reasonably acceptable to the parties to that agreement;
- (h) if the Court approves the Scheme in accordance with section 236(1) of the Companies Act (and once the Final Orders are sealed by the Court):
 - (i) promptly deliver to the Registrar for registration a copy of the Final Orders for registration in accordance with section 236(4) of the Companies Act (and, in accordance with the requirements of the Companies Act, by no later than 10 working days (as defined in the Companies Act) after the date the Final Orders are granted);
 - (ii) do all other things contemplated of it under the Scheme and within its power to give full effect to the Scheme Plan and the Final Orders; and
 - (iii) if all of the remaining Conditions have been fulfilled or waived:
 - (aa) use its reasonable endeavours to procure that the NZX suspend trading in the Shares from the close of trading on the date that is one Business Day after the Final Orders Date or such other date agreed between the Acquirer and the Company in writing;
 - (bb) close the Register as at the Record Date to determine the identity of the Scheme Shareholders and their entitlements to the Consideration;
 - (cc) no later than 9.00am on the Second Court Date, provide the Acquirer and the Court with a Pro Forma Cash Balance;
 - (dd) subject to the Acquirer satisfying its obligations under clause 5.2(d), effect the transfer of the Scheme Shares (other than any Scheme Shares repurchased and cancelled by the Company pursuant to the Scheme Buyback) to the Acquirer in accordance with the Scheme on the Implementation Date;
 - (ee) promptly provide the Acquirer with a copy of all material correspondence to and from NZX and keep the Acquirer reasonably informed of any issues raised by NZX and consult with the Acquirer to resolve any such issues expeditiously; and
 - (ff) do all other things contemplated of it under the Scheme and all other things (if any) within its power as may be reasonably necessary for the implementation of the Transaction on a basis consistent with this agreement or necessary for the Company to lawfully give effect to the Scheme and the orders of the Court.

- 5.2 **Acquirer's obligations:** Without limiting clauses 2.4 and 2.5, the Acquirer must:
- (a) on the date of this agreement, deliver to the Company a copy of the Deed Poll duly executed by the Acquirer;
 - (b) if it or its Representatives solicit proxies for the Scheme Meeting, communicate with Shareholders in connection with the Scheme, or otherwise engage in Shareholder canvassing activities in respect of the Scheme:
 - (i) undertake such proxy solicitation, Shareholder communications or canvassing activities in compliance with all applicable laws, including the FMCA and the Fair Trading Act 1986;
 - (ii) provide to the Company copies of all written communications or correspondence to be provided to Shareholders, prior to being sent to Shareholders and allow a reasonable time for comment from the Company;
 - (iii) provide to the Company copies of all call scripts being used for Shareholder canvassing activities promptly before the form of those scripts is approved for use and allow a reasonable time for comment from the Company, and the Acquirer must consider and take into account in good faith all reasonable comments on such communications, correspondence and call scripts;
 - (c) without limiting clause 7.2, if requested by the Company, procure that it is represented by counsel at the Court hearings convened for the purposes of considering the Initial Orders and the Final Orders, at which (through its counsel), the Acquirer will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme; and
 - (d) if the Court approves the Scheme in accordance with section 236(1) of the Companies Act (and once the Final Orders are sealed by the Court), do all other things contemplated by or necessary to give full effect to the Scheme Plan and the Final Orders (including using reasonable endeavours to ensure that the Conditions have been satisfied in accordance with clause 3, and providing the Consideration in accordance with the Scheme and the Final Orders).
- 5.3 **Obligation on becoming a Shareholder:** If, prior to the date of the Scheme Meeting, the Acquirer or any Associate of the Acquirer acquires beneficial ownership of, or effective control over, any Shares, the Acquirer must (or must procure the Associate to, as the case may be) as soon as reasonably practicable enter into a deed poll in the form set out in Appendix B to the Schemes Guidance Note under which the Acquirer (or Associate, as the case may be) agrees to vote the relevant Shares in favour of the Scheme Resolution at the Scheme Meeting.

6. COMPANY'S OTHER IMPLEMENTATION OBLIGATIONS

6.1 Information about Shareholders: The Company must:

- (a) comply with any reasonable requests by the Acquirer to require disclosure of information in accordance with sections 290 and 291 of the FMCA, subject to its statutory and contractual obligations, and give the Acquirer the information obtained as a result of requiring such disclosure; and
- (b) procure that its share registry provides to the Acquirer details of the Register and all other information about the Shareholders which the Acquirer reasonably requires in order to:
 - (i) canvas approval of the Scheme by Shareholders; or
 - (ii) facilitate the provision by the Acquirer of the Consideration in accordance with this agreement, the Scheme and the Deed Poll.

6.2 Promotion of Transaction:

- (a) During the period commencing on the date of this agreement and ending on the first to occur of: (i) the termination of this agreement; and (ii) the End Date, the Company will provide all reasonable cooperation to the Acquirer in promoting the merits of the Transaction to Shareholders, including:
 - (i) encouraging Shareholders to exercise their rights to vote on the resolution to approve the Scheme at the Scheme Meeting; and
 - (ii) procuring that senior executives of the Bremworth Group, as may be reasonably available, meet with key Shareholders if reasonably requested to do so by the Acquirer; and
 - (iii) undertaking, in cooperation with the Acquirer, other reasonable actions to promote the affirmative vote of Shareholders for the Transaction, as reasonably requested by the Acquirer,

subject to there being no Superior Proposal and provided the Independent Adviser's Report has first concluded that the Consideration is within or above the Independent Adviser's valuation range for the Shares.

- (b) The Acquirer agrees to pay all of the Bremworth Group's reasonable out of pocket costs incurred in connection with promoting the Transaction to Shareholders up to a maximum of \$50,000.

6.3 Board changes: Subject to the Consideration having been paid to the Scheme Shareholders, the Company must procure that:

- (a) such persons as the Acquirer nominates by notice to the Company no later than four Business Days before the Implementation Date and who have provided to the Company signed consent(s) to act by that time (as well as any other information required to be provided to the Registrar) are appointed as additional directors of the Company and/or such other members of the Bremworth Group specified in the notice, on the Implementation Date (by no later than 5:00pm); and

- (b) unless otherwise agreed by the Acquirer in writing, each director of each member of the Company and/or other member of the Bremworth Group, other than those appointed in accordance with clause 6.3(a), resigns as a director with effect from the Implementation Date (by no later than 5:00pm on the Implementation Date) and acknowledges in writing that he or she has no claim against any member of the Bremworth Group other than for accrued but unpaid directors fees and expenses or under the D&O Run-off Policy.

6.4 **Tax ruling:** Promptly following entry into this agreement, the Company agrees to seek a private binding ruling for the 2025 tax year on the New Zealand tax implications of the insurance proceeds received in relation to flooding of the Napier site on terms acceptable to the Company and the Acquirer, acting reasonably.

7. COURT PROCEEDINGS

7.1 Court documents:

- (a) In relation to each Court application made in relation to the Scheme, including any appeal, the Company must give the Acquirer drafts of all documents required to be given by the Company to the Court (including the originating applications, affidavits, memoranda, submissions and draft Court orders) at a reasonable time before they are due to be submitted to the Court (and in any event, except in situations of urgency, not less than 72 hours before submission) and must consider in good faith whether to incorporate any reasonable comments of the Acquirer and its Representatives on those documents.
- (b) The Company must not provide the Court with any Court orders (whether in draft or not) or applications for Court orders, or consent to any changes to any Court orders, without the Acquirer having approved (acting reasonably) in writing such documents being submitted to the Court or such changes being consented to.
- (c) If requested by the Company, the Acquirer will promptly provide an affidavit in support of any Court application made in connection with the Scheme that is sworn by a director or other authorised representative of the Acquirer and confirms relevant information related to the Acquirer (which may include, without limitation, the Acquirer's ability to fund the payment of the Consideration, its intentions regarding the Company following implementation of the Scheme, and agreement to be bound by the Final Orders).

7.2 **Representation:** In relation to each Court application or appearance made in relation to the Scheme, including any appeal, the Company consents to the separate representation of the Acquirer by counsel and the Acquirer may appear and be represented in relation to the Court applications or other appearances relating to the Scheme.

7.3 **Court proceedings and conditionality:** If the Court does not make any order sought by the Company under clause 5 (the "**Decision**"), primarily due to the lack of satisfaction of, or the potential timing for satisfaction of (or where capable of waiver, waiver of) any Condition, then the Company must promptly make a further application for the relevant Decision as soon as practicable after the parties satisfying the steps or matters specified by the Court or apparent from its directors or reasons, as required, or desirable, in order to grant the relevant Decision.

- 7.4 **Appeal if orders not made:** If the Court does not make the relevant Decision due to reasons not contemplated by clause 7.3, then:
- (a) the Company and the Acquirer must consult in good faith as to the effect of the refusal and whether to appeal the Decision, and, where applicable, whether amendments need to be made to the Timetable and/or the End Date;
 - (b) if within 10 Business Days after the date of the Decision the parties agree to appeal the Decision or either of those parties obtains an opinion from an independent King's Counsel, practising in the field of corporate and securities law litigation, to the effect that there is a reasonable prospect of successfully appealing the Decision, then:
 - (i) the Company must appeal the Court's decision within the timeframes set out in rule 29 of the Court of Appeal (Civil) Rules 2005;
 - (ii) the cost of any such appeal is to be borne:
 - (aa) if the Company and Acquirer agreed to appeal the Decision, equally between the parties; or
 - (bb) if the Company and the Acquirer did not agree to appeal the Decision, by the party who requires that the appeal is pursued;
 - (iii) if the End Date would otherwise occur before the appeal is finally determined, the End Date is deferred to the date that is 20 Business Days after the date that the appeal from the Decision is finally determined provided, or such other date as agreed between the Acquirer and the Company in writing; and
 - (iv) if the appeal is successful and the relevant order is made, the End Date is further deferred (excluding any deferral under sub-clause (iii)) by the number of Business Days contemplated by the Timetable between the Final Orders Date and the Implementation Date (inclusive), or such other date as agreed between the Acquirer and the Company in writing,
- provided that in no circumstances may the End Date be extended under subclauses (iii) or (iv) to a date which is later than 15 months after the date of this agreement without the prior written consent of the Acquirer.

8. RECOMMENDATION AND VOTING INTENTIONS

- 8.1 **Recommendation and voting:** The Company must ensure that each Director:
- (a) recommends that Shareholders vote in favour of the Scheme; and
 - (b) undertakes to vote, or procure the voting of, all of the Shares held or controlled by him or her in favour of the Scheme (provided that, for clarity, this does not require any Director to enter into a voting or other agreement with the Acquirer in relation to the voting of all Shares held or controlled by him or her or his or her Associates at the Scheme Meeting),

in each case subject to:

- (c) there being no Superior Proposal; and
- (d) the Independent Adviser's Report concluding that the Consideration is within or above the Independent Adviser's valuation range for the Shares.

8.2 Change to recommendation or voting intentions: The Company must ensure that no Director changes, qualifies or withdraws the recommendation or undertaking referred to in clause 8.1 or makes any statement inconsistent with that recommendation or that undertaking, unless:

- (a) the Company receives a Superior Proposal; or
- (b) the Independent Adviser's Report concludes that the Consideration is below the Independent Adviser's valuation range for the Shares,

and, in any of the above cases, such change, qualification, withdrawal or statement shall not give rise to a termination right under clause 14 or constitute a circumstance which would give rise to payment of the Break Fee under clause 15.2(b). The:

- (c) taking by the Company of any action permitted by clause 13.8(a); and
- (d) making of an announcement to NZX under clause 13.8(b), provided such announcement is limited to advising of the receipt of a Competing Proposal, the fact that the Acquirer has an opportunity to provide a Counter Proposal to the Competing Proposal during the Matching Period and, if applicable, advising of any associated delay in the Timetable,

will not constitute a change of, qualification to, withdrawal of, or statement inconsistent with, the recommendation or undertaking referred to in clause 8.1.

9. ACCESS, INFORMATION AND CONDUCT OF BUSINESS

9.1 Access and information: From the date of this agreement until the Implementation Date, the Company must:

- (a) procure that the Acquirer and its Representatives are given reasonable access to the properties, books and records, senior management of the Bremworth Group, and any other information about the Business reasonably required by the Acquirer or its Representatives during normal business hours at mutually convenient times, and on reasonable notice to the Company for the purposes of:
 - (i) implementing the Scheme and enabling the Acquirer to prepare for the transition of ownership of the Bremworth Group to the Acquirer; and
 - (ii) any other purpose agreed between the Company and the Acquirer in writing,

except to the extent that the provision of such access is prohibited by law or any confidentiality obligations owed by any member of the Bremworth Group to third parties and provided that:

- (iii) the Acquirer will focus on material issues, having regard to management commitments and the impact of information requests on the Company's Business;
- (iv) providing access and/or information pursuant to this clause 9.1(a) does not, in the opinion of the Company (acting reasonably), result in unreasonable disruptions to the Company's business or require the Company to make further disclosure to any other entity or Government Agency;
- (v) nothing in this clause 9.1(a) will require the Company to provide information concerning its directors' and management's consideration of the Scheme or any Competing Proposal or require the disclosure of any document that would compromise the Bremworth Group's legal professional privilege;
- (vi) all requests for such access shall be directed to the Company's CEO or such other persons as the Company may designate in writing from time to time (collectively, the "**Designated Contacts**"); and
- (vii) without limitation to the Confidentiality Agreement:
 - (aa) other than the Designated Contacts, the Acquirer is not authorised to and shall not (and shall cause its Representatives and Related Companies not to) contact any director, officer, employee, customer, supplier, distributor, landlord, lender, or other material business relation of the Bremworth Group in connection with the Transaction prior to the Scheme becoming Effective without the prior written consent of the Company; and
 - (bb) the Acquirer must not meet with, correspond with, or otherwise engage with, senior executives of the Bremworth Group regarding their continued employment or the terms of their continued employment after the Implementation Date without the Company's prior written consent (which consent must be provided by a Director);
- (b) procure that one or more members of senior management or the Board (as appropriate) of the Bremworth Group meet with the Acquirer and/or its Representatives at such times as the Acquirer reasonably requests (either in person or by teleconference), to keep the Acquirer updated on material developments in relation to the Business and to discuss and resolve matters arising in relation to this agreement or the Transaction;
- (c) provide the Acquirer with copies of minutes and papers provided to the Board within three Business Days after they are provided to Board members, however, the Company may redact information from such papers to the extent it is commercially sensitive or relates to the Transaction or a Competing Proposal; and
- (d) within two Business Days of the end of each month, and otherwise promptly following any request by the Acquirer, advise the Acquirer of the Company's Cash balance,

provided that to the extent that any information is provided under this clause 9.1 that is not publicly available, it will be kept confidential by any recipient of that information in accordance with the confidentiality agreement referred to in clause 21.4, and to the extent information is competitively or commercially sensitive, the Acquirer's access to that information will be restricted prior to implementation of the Scheme.

9.2 **Conduct of business; positive obligations:** From the date of this agreement until and including the Implementation Date, the Company must procure that:

- (a) the Business is carried on as a going concern and in the ordinary course of business. Without limiting this clause 9.2(a), the Company must continue to pay its staff in accordance with the relevant contracted terms and pay its creditors and collect receivables in the ordinary course of business in all material respects;
- (b) the Business uses reasonable endeavours to maintain an appropriate level of inventory and other working capital, as required to meet the operating needs of the Business and, without limitation, must procure that the Company is not operated in a manner intended to artificially increase the amount of Cash available for the Capital Return over and above what would have been available had the Business been operated in the ordinary course (including by artificially reducing inventory, artificially lowering pricing, artificially accelerating the collection of receivables, or artificially delaying the payment of creditors, in each case for the purpose of increasing the Cash amount available for the Capital Return);
- (c) the management of each member of the Bremworth Group use reasonable efforts to preserve intact the good name and reputation of the Bremworth Group as well as its customer, supplier and employee relationships;
- (d) subject to clause 9.3, it does not deviate in any material respects from the budgeted capital investments identified on pages 62 and 63 of Data Room document 01.01;
- (e) the Acquirer is promptly notified of:
 - (i) any claim that is made or legal proceedings instituted against the Company, or any other member of the Bremworth Group, or any director or employee of the Company or of any other member of the Bremworth Group (of which it becomes aware), other than any claim or legal proceeding that has potential liability which is less than \$100,000;
 - (ii) any actual or threatened material enquiries or investigations by any Government Agency in relation to the Business (including in relation to Tax) and any material correspondence with any Government Agency in relation to the Business;
- (f) all insurance policies currently in force at the date of this agreement in favour of the Bremworth Group and the Business are maintained on materially the same terms and conditions, provided that no policy shall be renewed for a term beyond the End Date without the prior written consent of the Acquirer.

- 9.3 **Conduct of business; negative obligations:** From the date of this agreement until and including the Implementation Date, the Company must procure that it, and each other member of the Bremworth Group, does not:
- (a) create or incur any liability or indebtedness (whether contingent or otherwise, and including by way of drawing down on any facility), except liabilities or indebtedness incurred in the ordinary course of business and not exceeding (in aggregate) \$250,000; or
 - (b) create or otherwise permit to arise any Encumbrance over any of its assets (other than to secure any indebtedness permitted by this agreement);
 - (c) commence, compromise or settle any litigation, arbitration or other similar proceedings for an amount exceeding \$100,000;
 - (d) provide any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a member of the Bremworth Group, other than in the ordinary course of business;
 - (e) acquire any interest in "sensitive land" for the purposes of the Overseas Investment Act 2005;
 - (f) exceed borrowing or cash reserve limitations as established by any financier of the Bremworth Group;
 - (g) make any payment of, or incur (or enter into), any unbudgeted capital expenditure, except in the ordinary course of business, other than payments not exceeding in aggregate \$150,000;
 - (h) enter into, vary or terminate any contract, or series of related contracts, where: (A) the aggregate payments by the Bremworth Group under the term of that contract exceed \$500,000 or (B) the term of the contract exceeds 12 months;
 - (i) change its method of accounting for financial reporting purposes, unless required to do so in order to comply with any applicable accounting standards;
 - (j) enter into, amend or close out any material foreign exchange, interest rate swap, derivative or hedge other than in the ordinary course of business and consistent with past practice;
 - (k) undertake any acquisition or divestment activities other than in the ordinary course of business and for full value (unless the Acquirer's prior written consent is obtained);
 - (l) enter into a contract to engage any new employee or permanent contractor with a base salary of over \$100,000 per annum (excluding bonuses or other incentive payments or arrangements), other than for routine replacement;
 - (m) change the remuneration or other conditions of employment of any director, employee or permanent contractor of a Bremworth Group Member with a total salary of more than \$70,000 per annum; or

- (n) incur any liability for Tax outside of the ordinary course of business, make any material Tax election, or material change in the conduct of its Tax affairs (including, for the avoidance of doubt, agreeing to extend or otherwise delay the application of a time bar in respect of Tax), settle or compromise any material Tax liability or settle any material Tax dispute.

9.4 **Exceptions:** Nothing in clauses 9.2 or 9.3 restricts the Company (or any other member of the Bremworth Group) from doing anything which is:

- (a) expressly contemplated, permitted or required by this agreement or required to give effect to the Scheme;
- (b) necessary for the Company (or any other member of the Bremworth Group) to perform or comply with its existing contractual obligations;
- (c) reasonably necessary for the Company (or any other member of the Bremworth Group) to comply with any law or any regulatory requirement or direction of a Government Agency;
- (d) reasonably and prudently required for the Company (or any other member of the Bremworth Group) to preserve or maintain the continuity of the Business or respond to any emergency, act of god or other disaster;
- (e) fairly disclosed in the Due Diligence Materials (including in any operating or capex budgets disclosed in the Due Diligence Materials) or by the Company through the NZX markets announcements platform before the date of this agreement;
- (f) a change to the remuneration or other conditions of employment of any director, employee or permanent contractor of a Bremworth Group Member where such changes are made in accordance with the Bremworth Group's normal salary review procedures or are consistent with the normal business practices employed by the Bremworth Group;
- (g) undertaken in response to a Competing Proposal, but only to the extent that the action is expressly permitted by clause 13; or
- (h) approved in writing by the Acquirer, such approval not to be unreasonably withheld, conditioned or delayed.

9.5 **Employee Shares:** The parties acknowledge and agree that:

- (a) as at the date of this agreement, 1,882,421 LTI Shares have been issued by the Company to Bremworth Share Scheme Limited, 1,472,154 of which have either expired or been forfeited, with the further 410,267 remaining unvested and which are held on trust by Bremworth Share Scheme Limited for participants in accordance with the terms of the LTI Scheme;
- (b) the Company will acquire and cancel the 1,472,154 shares which have been forfeited but which remain legally held by Bremworth Share Scheme Limited prior to the Final Orders Date; and
- (c) the LTI Scheme is terminated with effect on and from the Implementation Date.

9.6 Scoping of Remediation Issues

- (a) Within 30 Business Days following the date of this agreement, each of the Company and the Acquirer may obtain advice from their own appropriately qualified consultant in relation to the current condition and full scope of the Potential Remediation Issues, and will promptly provide the other party with a copy of any such advice. If either party does not provide its advice within that period, the other party's advice will be taken as the advice for the purposes of this clause and the parties must meet under clause 9.6(b) within 5 Business Days thereafter.
- (b) Within 5 Business Days after both parties have exchanged their consultant's advice, the Company and the Acquirer will, acting reasonably and in good faith, meet to discuss that advice and seek to agree the scope of works required to address the Potential Remediation Issues based on:
 - (i) compliance with applicable law (including the HSWA Standards);
 - (ii) compliance with the Tenant's obligations under the Lease including obligations in relation to removal or management of asbestos; and
 - (iii) Good Industry Practice, including whether it would be reasonable for such identified issues to be addressed through ongoing and regular maintenance, in either case having regard to the age and use of the premises, the term and the tenant's obligations under the lease.
- (c) If the Company and the Acquirer cannot agree the scope of works within 10 Business Days of that meeting, either party may require the appointment of an Independent Expert in accordance with clause 9.7.
- (d) The Company will provide the Acquirer (including the Acquirer's contractors and consultants) with all necessary access to the premises demised under the Lease in order to undertake all activities contemplated under clause 9.6 – 9.8.

9.7 Independent Expert

- (a) The Company and the Acquirer will use reasonable endeavours to agree on the appointment of an Independent Expert within 5 Business Days of clause 9.6(c) applying. Failing agreement, either party may request the President of the Property Institute of New Zealand to appoint the Independent Expert.
- (b) The Company and the Acquirer will use all reasonable endeavours to procure the Independent Expert enters into a deed of impartiality in favour of both parties.
- (c) The Independent Expert will:
 - (i) act as an expert and not as an arbitrator;
 - (ii) consider all submissions, reports and supporting materials provided by the parties;
 - (iii) undertake such inspections, testing and enquiries as reasonably required; and

- (iv) determine the extent of the Potential Remediation Issues and the scope of works required to address those issues in accordance with 9.6(b).
- (d) The Independent Expert will provide a draft determination to both parties for comment, and will issue a final binding report within 20 Business Days of appointment (subject only to extension for testing reasonably required).
- (e) The costs of the Independent Expert will be borne equally by the Company and the Acquirer.

9.8 Remediation

- (a) As soon as reasonably practicable following agreement or determination of the scope of works under clauses 9.6 or 9.7, the Company will obtain proposals from reputable and appropriately licensed contractors to undertake the required works (the "**Remediation Project**") and will provide the Acquirer with full details of those proposals (including the quoted costs, it being acknowledged that any prior estimate of costs is disregarded).
- (b) The Company will consult with, and obtain the Acquirer's consent (not to be unreasonably withheld or delayed), to the appointment of the contractor.
- (c) The Company will:
 - (i) use reasonable endeavours to procure that the appointed contractor provides customary warranties (having regard to the nature of the work carried out and Good Industry Practice) as to workmanship and compliance with applicable law, such warranties to be enforceable by the Company and assignable to the Acquirer;
 - (ii) procure that the Remediation Project is carried out with due skill, care and diligence, in accordance with applicable law, HSWA Standards, Good Industry Practice, and the Tenant's obligations under the Lease;
 - (iii) provide the Acquirer with copies of all test results, air monitoring records, waste disposal certificates, and any statutory notifications provided to WorkSafe in connection with the Remediation Project, promptly upon receipt or issue; and
 - (iv) keep the Acquirer informed of all material developments in respect of the Remediation Project (including providing the Acquirer with copies of all material communications with the appointed contractor).
- (d) On completion of the Remediation Project:
 - (i) the Company must procure an independent licensed asbestos assessor (being a person licensed as an asbestos assessor under the HSWA Standards) to issue any lawfully required clearance certificate confirming the works have been properly completed in accordance with the HSWA Standards; and
 - (ii) a copy of the certificate, together with supporting test results and monitoring data, must be provided to the Acquirer.

- (e) If the Remediation Project is unlikely (in the Acquirer's reasonable opinion) to be completed before the Final Orders Date:
 - (i) not later than 15 Business Days prior to the Final Orders Date, the Company must obtain from the contractor an updated written estimate of the remaining costs to complete the Remediation Project, prepared within the preceding 10 Business Days, and provide it to the Acquirer; and
 - (ii) that amount (less any amount contractually assumed by the landlord of the relevant property), once confirmed by an independent quantity surveyor or other suitably qualified expert agreed between the parties (acting reasonably), will be the "**Remaining Remediation Costs**".

10. BUSINESS CONTRACTS AND LEASES

10.1 **Acknowledgement:** The parties acknowledge that the Bremworth Group's leases and contracts may contain provisions requiring:

- (a) the consent of the counterparty to that lease or contract to a change of control, "deemed assignment" or similar that arises under the terms of that lease or contract as a result of the Transaction; or
- (b) a waiver from the counterparty to that lease or contract of any review, termination, cancellation or similar right which will arise or otherwise become enforceable under the terms of that lease or contract as a result of the Transaction,

(each a "**Change of Control Consent**").

10.2 **List of Change of Control Consent requirements:** The parties will, as soon as practicable after the date of this Agreement, work in good faith to develop both:

- (a) a list of Change of Control Consent requirements; and
- (b) a proposed course of action to initiate contact with such parties and request that they provide any consents, confirmations or waivers required or appropriate in response to such Change of Control Consent.

10.3 **Change of Control Consent:** Subject to clause 10.4:

- (a) the Company will, and will procure that each member of the Bremworth Group will, use all reasonable endeavours to obtain each Change of Control Consent that the parties have identified pursuant to clause 10.2 and which the Acquirer requests that it obtain; and
- (b) the Acquirer must cooperate with and use its reasonable endeavours to assist the Company to obtain each required Change of Control Consent, including to provide all information reasonably required to obtain a Change of Control Consent requested by the Acquirer under clause 10.2(a) (but without contacting any contractual counterparties directly without the Company's consent).

10.4 **No obligation to pay money:** Nothing in this clause 10 will require either party to pay any money or provide any other valuable consideration to or for the benefit of any person.

10.5 **Scheme to proceed:** For the avoidance of doubt, the implementation of the Scheme will not be delayed if all or any required Change of Control Consents have not been obtained on or before the Implementation Date.

11. WARRANTIES AND UNDERTAKINGS

11.1 Company Warranties and undertakings:

- (a) The Company represents and warrants to the Acquirer that, subject to the limitations in this agreement, each of the Company Warranties is true, accurate and not misleading as at:
- (i) the date of this agreement;
 - (ii) the date that the Scheme Booklet is sent to Shareholders;
 - (iii) immediately prior to the last affidavits being filed in respect of the Final Orders; and
 - (iv) 8:00am on the Implementation Date,
- except where a Company Warranty refers to being given at a specific date, such Company Warranty is given only at that date.
- (b) The Company undertakes to the Acquirer to comply with the Company Undertakings.
- (c) The Company Warranties (other than the Fundamental Warranties, which are not given subject to any qualifications) are given on the basis that they will take effect subject to and are qualified by any matter:
- (i) expressly provided for in this agreement;
 - (ii) fairly disclosed in the Due Diligence Materials or by the Company through the NZX market announcements platform before the date of this agreement; or
 - (iii) recorded as at the date two Business Days prior to the date of this agreement, in a public register or in publicly searchable records held by the Registrar, the Intellectual Property Office of New Zealand, the High Court of New Zealand, the New Zealand Personal Property Securities Register or Land Information New Zealand; or
 - (iv) with the actual knowledge of the Acquirer or any of its employees who have been involved in the assessment and / or negotiation of the Transaction.
- (d) No warranty or representation is given by or on behalf of the Company, the Acquirer Guarantor and the Acquirer may not bring any claim, with respect to any information that is a forecast, projection, estimate, opinion or other forward looking statement as to the future performance, financial condition, results of operations, strategy and plans of the Bremworth Group, in each case whether contained in the Due Diligence Material or otherwise.

- (e) The parties agree that, for the purposes of section 5D of the Fair Trading Act 1986 and section 43 of the Consumer Guarantees Act 1993, the Scheme Shares are being acquired in trade, the parties are all in trade and, to the maximum extent permitted by law, without limiting clause 11.6, the parties agree to expressly contract out of any right to bring a claim against the other party under any of the following New Zealand laws or any corresponding or similar provision of any legislation in any relevant jurisdiction or any other applicable laws (and agree that it is fair and reasonable to exclude their application);
 - (i) the Fair Trading Act 1986 (including sections 9, 12A, 13 and 14(1));
 - (ii) the Consumer Guarantees Act 1993; and
 - (iii) the Financial Markets Conduct Act 2013.
- (f) The parties have each been able to fully negotiate the terms of this agreement and have each been represented by and received advice from a lawyer during the negotiations leading to this agreement.
- (g) The Company agrees with the Acquirer (in its own right and separately as trustee or nominee on behalf of each of the other Acquirer Indemnified Persons) to indemnify the Acquirer Indemnified Persons from any claim, action or Loss directly incurred or suffered by the Acquirer or any of the other Acquirer Indemnified Persons as a result of any breach of any of the Company Warranties or Company Undertakings.

11.2 Acquirer warranties and undertakings:

- (a) The Acquirer represents and warrants to the Company that, subject to the limitations in this agreement, each of the Acquirer Warranties is true, accurate and not misleading as at:
 - (i) the date of this agreement;
 - (ii) the date that the Scheme Booklet is sent to Shareholders;
 - (iii) immediately prior to the last affidavits being filed in respect of the Final Orders; and
 - (iv) 8:00am on the Implementation Date.
- (b) The Acquirer undertakes to the Company to comply with the Acquirer Undertakings.
- (c) The Acquirer agrees with the Company (in its own right and separately as trustee or nominee on behalf of each of the other Company Indemnified Persons) to indemnify the Company Indemnified Persons from any claim, action or Loss directly incurred or suffered by the Company or any of the other Company Indemnified Persons as a result of any breach of any of the Acquirer Warranties or Acquirer Undertakings.

11.3 No representations made on economic or future matters: Each party acknowledges and agrees that the other party makes no representation or warranty other than as set out in this

clause 11 and, in particular, at no time has the other party made or given any representation or warranty in relation to the achievability of:

- (a) any economic, fiscal or other interpretations or evaluations by it; or
- (b) future matters, including future or forecast costs, prices, revenues or profits.

11.4 **Separate; independent:** Each of the warranties given by each party are separate and independent and, except as expressly provided, will not be limited by reference to any other warranty.

11.5 **Scheme becoming Effective:** After 8.00am on the Implementation Date, any breach of the warranties or the undertakings made or given under this clause 11 may only give rise to a claim for damages and does not entitle a party to terminate this agreement.

11.6 **Waiver of claims:**

- (a) The Acquirer waives and releases, and must procure that each member of the Acquirer Group waives and releases, all rights and claims which it may have against any Company Indemnified Person (other than the Company) in respect of:
 - (i) any misrepresentation, inaccuracy or omission in or from any information or advice given by that Company Indemnified Person;
 - (ii) any breach of a representation, warranty or undertaking given by the Company in this agreement;
 - (iii) the preparation of the Company Information or the Due Diligence Material; or
 - (iv) any other act or omission in connection with this agreement or the Transaction,

except where that Company Indemnified Person has engaged in wilful misconduct or fraud.

- (b) The parties acknowledge and agree that:
 - (i) the Company has sought and obtained the waiver and release in clause 11.6(a) as agent for and on behalf of each Company Indemnified Person and may enforce the provisions of clause 11.6(a) on behalf of any Company Indemnified Person;
 - (ii) any Company Indemnified Person may plead clause 11.6(a) in response to any claim made by any member of the Acquirer Group against them; and
 - (iii) the undertakings contained in clause 11.6(a) are given for the benefit of each Company Indemnified Person and are intended to be enforceable against the Acquirer by each Company Indemnified Person in accordance with the provisions of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017.

- (c) The Company waives and releases, and must procure that each member of the Bremworth Group waives and releases, all rights and claims which it may have against any Acquirer Indemnified Person (other than the Acquirer) in respect of:
- (i) any misrepresentation, inaccuracy or omission in or from any information or advice given by that Acquirer Indemnified Person;
 - (ii) any breach of a representation, warranty or undertaking given by the Acquirer in this agreement;
 - (iii) the preparation of the Acquirer Information; or
 - (iv) any other act or omission in connection with this agreement or the Transaction,

except where the Acquirer Indemnified Person has engaged in wilful misconduct or fraud.

- (d) The parties acknowledge and agree that:
- (i) the Acquirer has sought and obtained the waiver and release in clause 11.6(c) as agent for and on behalf of each Acquirer Indemnified Person and may enforce the provisions of clause 11.6(c) on behalf of any Acquirer Indemnified Person;
 - (ii) any Acquirer Indemnified Person may plead clause 11.6(c) in response to any claim made by any member of the Bremworth Group against them; and
 - (iii) the undertakings contained in clause 11.6(c) are given for the benefit of each Acquirer Indemnified Person and are intended to be enforceable against the Company by each Acquirer Indemnified Person in accordance with the provisions of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017.

12. INSURANCE

12.1 **Insurance policies:** The Acquirer acknowledges that:

- (a) subject to clause 12.1(b), the Company may, prior to the Implementation Date, enter into a run-off directors' and officers' liability insurance policy in respect of any directors or officers of the Bremworth Group for a 7-year period (the "**D&O Run-off Policy**") and pay all premiums required upfront and on a non-revocable basis;
- (b) the D&O Run-off Policy will, to the extent practicable, be obtained at normal commercial rates and the cover is not more favourable than the Bremworth Group's directors' and officers' liability insurance as at the date of this agreement, the Acquirer agrees that the Company entering into and paying the premium for the D&O Run-off Policy does not breach any provision of this agreement; and

- (c) after the Implementation Date it will not, and will procure that no member of the Bremworth Group will, vary or cancel the D&O Run-off Policy (for so long as such member of the Bremworth Group remains a Related Company of the Acquirer).

In this clause, a reference to director includes a former director and a reference to officer includes a former officer.

13. EXCLUSIVITY AND MATCHING RIGHTS

- 13.1 **No shop restriction:** Subject to clause 13.12, during the Exclusivity Period, the Company must not, and must procure that each of its Representatives does not, directly or indirectly:
- (a) solicit, invite, encourage or initiate any Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any Third Party in relation to, or for the purpose of, or that may reasonably be expected to encourage or lead to, a Competing Proposal; or
 - (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 13.1(a) on its behalf.
- 13.2 **No talk restriction:** Subject to clause 13.3 and clause 13.12, during the Exclusivity Period, the Company must not, and must procure that its Representatives do not, directly or indirectly:
- (a) enter into, permit, continue or participate in, negotiations or discussions with any Third Party in relation to a Competing Proposal, or for the purpose of or that may reasonably be expected to encourage or lead to a Competing Proposal; or
 - (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 13.2(a) on its behalf,
- even if the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by the Company or any of its Representatives, was received before the date of this agreement and/or has been publicly announced.
- 13.3 **No talk exception:** The restriction in clause 13.2 does not apply to the extent that it restricts the Company or its Representatives from taking or refusing to take any action with respect to a bona fide Competing Proposal (which was not encouraged, solicited, invited, initiated, or continued in contravention of clause 13.1 or 13.2) if, acting in good faith and after having received written advice from its external legal and financial advisers, the Board has determined that:
- (a) the Competing Proposal is, or is reasonably capable of becoming, a Superior Proposal or would be reasonably likely to constitute a Superior Proposal if it were to be proposed; and
 - (b) it is necessary to respond to such Competing Proposal in order to fulfil the fiduciary duties or statutory obligations of the Board.
- 13.4 **No due diligence restriction:** Subject to clause 13.5 and clause 13.12, but without limiting clause 13.2, during the Exclusivity Period, the Company must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) make available to any Third Party, or cause or permit any Third Party to receive, any non-public information relating to the Company or any of its Subsidiaries that may reasonably be expected to assist such Third Party in formulating, developing or finalising a Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 13.4(a) on its behalf.

13.5 **No due diligence exception:** The restriction in clause 13.4 does not apply in respect of a bona fide Competing Proposal (which was not encouraged, solicited, invited or initiated in contravention of clause 13.1 or clause 13.2) if all of the following requirements are satisfied:

- (a) the Board has determined, after obtaining written advice from its external financial advisers, that the Competing Proposal is, or is reasonably capable of becoming, a Superior Proposal or would be reasonably likely to constitute a Superior Proposal if it were to be proposed;
- (b) acting in good faith and after having obtained advice from its external legal advisers, the Board has determined that it is necessary to respond to such Competing Proposal in order to fulfil their fiduciary duties or statutory obligations;
- (c) the Third Party has first entered into a written agreement in favour of the Company restricting the use and disclosure by the Third Party and its affiliates and advisers of the information made available to the Third Party, on terms the Company reasonably believes are not, in any material respect, more favourable to the Third Party than those in the confidentiality agreement referred to in clause 21.4; and
- (d) to the extent that any information made available to the Third Party is material and has not previously been provided to the Acquirer, the Company provides or makes that information available to the Acquirer at the same time as it is provided to the Third Party or promptly thereafter.

13.6 **General notification obligations:** During the Exclusivity Period, the Company must notify the Acquirer as soon as practicable (and in any event within 24 hours) if:

- (a) the Company or any of its Representatives receives any Competing Proposal from a Third Party bidder or any offer or request to do any of the things referred to in clause 13.2(a) or clause 13.4(a) that could reasonably be expected to lead to a Competing Proposal from a Third Party bidder; or
- (b) the Company proposes to take, or does take, any action in reliance on the exceptions in clause 13.3 or clause 13.5,

and a notification given pursuant to clause 13.6(a) will include:

- (c) the identity of the relevant Third Party bidder;
- (d) reasonable detail of the material terms and conditions of such approach, action or circumstances, including the amount and form of consideration to be offered, the conditions to which it is subject, the proposed timetable and any break fee arrangements (to the extent known);

- (e) whether or not the Company intends to progress or respond to the relevant inquiry, approach, offer, bid, proposal or request (or whether, acting in good faith, the Company has not yet been able to make such a decision); and
- (f) the nature of the information and access requested and/or provided or action proposed to be taken.

13.7 **Matching rights:** If the Company or any of its Representatives receives a Competing Proposal which, in the Company's opinion, is, or is reasonably likely to constitute, a Superior Proposal, then:

- (a) the Company must as soon as reasonably practicable give the Acquirer a written notice setting out all material terms and conditions of the Competing Proposal, including the identity of the Third Party bidder who has made the Competing Proposal, the amount and form of consideration to be offered (including the Board's assessment of the value of that Competing Proposal if it is not an all cash proposal), the conditions to which it is subject and the proposed timetable; and
- (b) for the period beginning on the date that the Company gives notice to the Acquirer under clause 13.6(a) and ending on the date that is ten Business Days after the provision of such notice (the "**Matching Period**"):
 - (i) the Company must not enter into, or agree to enter into, any binding documentation to give effect to or implement the Competing Proposal;
 - (ii) the Company must use reasonable endeavours to ensure that no Director makes any public statement recommending the Competing Proposal to Shareholders; and
 - (iii) the Acquirer may offer to amend the terms of the Scheme and this agreement or make an alternative proposal to the Company or to Shareholders with a view to providing an outcome for Shareholders that is no less favourable or superior to that offered under the relevant Competing Proposal (including ensuring that the Consideration at least matches that of the Competing Proposal) (being a "**Counter Proposal**").

13.8 **Consequences of Superior Proposal:** If the Company gives notice to the Acquirer under clause 13.7(a), then the Company may:

- (a) in its reasonable discretion, delay any action contemplated by the Timetable (including adjourning the Scheme Meeting) to allow the Matching Period to be exhausted and, if applicable, to agree a Counter Proposal; and
- (b) make any announcement to NZX and ASX that the Company, acting in good faith, considers appropriate in the circumstances to ensure that it complies with applicable law, the NZX Listing Rules and/or the ASX Listing Rules.

13.9 **Company response to Counter Proposal:** If, during the Matching Period, the Acquirer makes a Counter Proposal:

- (a) the Company must procure that the Board considers the Counter Proposal in good faith and, if it considers that the terms and conditions of the Counter Proposal (taken as a whole) are less favourable to Shareholders than those in the relevant

Superior Proposal, must consult with the Acquirer as to the relative merits of the Counter Proposal and the Superior Proposal; and

- (b) if the Board acting in good faith determines that the terms and conditions of the Counter Proposal taken as a whole are no less favourable to Shareholders than those in the relevant Competing Proposal, then:
 - (i) the parties must use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Counter Proposal as soon as reasonably practicable; and
 - (ii) the Company must use reasonable endeavours to procure that each Director makes a public statement recommending the Counter Proposal to Shareholders.

13.10 **Changes to proposals:** Any material change to a Competing Proposal, including:

- (a) any material change to the terms referred to in clause 13.6(a); or
- (b) any incomplete or non-binding proposal or expression of interest becoming complete, capable of acceptance or, subject to clause 13.11, binding on the Third Party bidder,

will be taken to constitute a new Competing Proposal in respect of which the Company must separately comply with its obligations under clauses 13.6 and 13.9.

13.11 **No matching:** If the Acquirer fails to provide a Counter Proposal within the Matching Period or the Board otherwise reasonably determines that the terms and conditions of any Counter Proposal taken as a whole are less favourable to Shareholders than those in the relevant Competing Proposal, then the Company may enter into a binding implementation agreement or similar binding arrangement in respect of that Competing Proposal, in which case:

- (a) the Counter Proposal right under this agreement will expire in respect of that Competing Proposal (with such Competing Proposal being a Superior Proposal for the purposes of this agreement); and
- (b) either party may terminate this agreement by written notice to the other party.

13.12 **Normal provision of information:** Nothing in this clause 13 prevents the Company from:

- (a) providing information required to be provided by law, any court of competent jurisdiction, any Government Agency or the NZX Listing Rules; or
- (b) making presentations to, and responding to bona fide enquiries from, stockbrokers, portfolio investors and equity market analysts in accordance with its usual practices;
- (c) taking any action required by law in response to an unsolicited takeover notice given under rule 41 of the Takeovers Code in respect of, or takeover offer made under the Takeovers Code for, equity securities of the Company (including complying with clause 15 of Schedule 2 to the Takeovers Code); or

(d) in respect of a takeover notice or takeover offer of the type referred to in clause 13.12(c):

- (i) providing non-public information to;
- (ii) entering into a confidentiality agreement with; or
- (iii) having discussions with,

the offeror who gives the takeover notice or makes the takeover offer, to the extent such steps are reasonably required to comply with the Takeovers Code to ensure that the Company does not, and Company Directors do not, breach the Takeovers Code (including the prohibition on defensive tactics in Rule 38 of the Takeovers Code).

14. TERMINATION

14.1 **Events affecting Company:** Subject to clauses 11.5 and 14.7, the Acquirer may terminate this agreement by giving notice in writing to the Company before 8:00am on the Implementation Date if:

- (a) if there is a breach of any of the Fundamental Warranties;
- (b) there is a breach of any Company Warranty or any event occurs or circumstance arises that is certain to cause a Company Warranty to be untrue as at 8.00am on the Implementation Date, where the consequences of that breach (other than in respect of a Fundamental Warranty) are material in the context of the Scheme or the Bremworth Group (taken as a whole);
- (c) the Company is in breach of any Company Undertaking or any other obligation under this agreement, where the consequences of that breach are material in the context of the Scheme or the Bremworth Group (taken as a whole). For the avoidance of doubt, it will be a material breach of this agreement if any Director fails to make the recommendation, or any Director fails to give the undertaking, referred to in clause 8.1 or changes, qualifies or withdraws that recommendation or undertaking once made or makes any statement inconsistent with that recommendation or that undertaking, except where there is a Superior Proposal in compliance with clause 13.7 or where the Independent Adviser issues an Independent Adviser's Report which concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Shares;
- (d) a Prescribed Occurrence occurs between the date of this agreement and 8:00am on the Implementation Date; or
- (e) clause 13.11 applies and the Company has not already terminated this agreement.

14.2 **Events affecting Acquirer:** Subject to clauses 11.5 and 14.7, the Company may terminate this agreement by giving notice in writing to the Acquirer before 8:00am on the Implementation Date:

- (a) if there is a breach of any Acquirer Warranty or any event occurs or circumstance arises that would cause any Acquirer Warranty to be untrue as at 8:00am on the

Implementation Date, where the consequences of that breach are material in the context of the Scheme;

- (b) if the Acquirer is in breach of any Acquirer Undertaking or any other obligation under this agreement, where the consequences of that breach are material in the context of the Scheme;
- (c) if an Insolvency Event occurs in respect of the Acquirer;
- (d) if the Independent Adviser's Report concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Shares, provided that the Company will not exercise its right to terminate the Agreement under this clause 14.2(d) without first consulting with the Acquirer in good faith; or
- (e) clause 13.11 applies and the Acquirer has not already terminated this agreement.

14.3 **Scheme Resolution not passed:** Either party may terminate this agreement by giving notice in writing to the other party if:

- (a) at the Scheme Meeting, the Scheme Resolution is not passed by the requisite majorities in accordance with sections 236A(2)(a) and 236A(4) of the Companies Act;
- (b) the parties do not agree, by 5.00pm on the earlier of the date that is five Business Days after the Scheme Meeting and the End Date, to hold another Scheme Meeting; and
- (c) the terminating party has complied in all material respects with its obligations under this agreement in respect of the Scheme Meeting and the Scheme Resolution.

14.4 **Court does not grant the Court Orders:** Subject first to complying with clause 7, either party may terminate this agreement by giving notice in writing to the other party if the Court determines not to grant either the Initial Court Orders or the Final Orders and that determination is not appealed in accordance with clause 7.3 (or is unsuccessfully appealed), provided that the terminating party has complied in all material respects with its obligations under this agreement.

14.5 **Regulatory Conditions:** Subject first to complying with clauses 3.6 and 3.7, either party may terminate this agreement by giving notice in writing to the other party if either of the Regulatory Conditions become incapable of being satisfied.

14.6 **End Date:** Subject to first complying with clause 3.6, either party may terminate this agreement by giving notice in writing to the other if the Scheme has not become Effective by the End Date, provided that the terminating party's failure to comply with its obligations under this agreement has not directly and materially contributed to the Scheme not becoming Effective by the End Date.

14.7 **Notice of termination:** A party may only exercise a right of termination in accordance with this clause 14 if:

- (a) the party wishing to terminate has not previously waived any Condition under clause 3.4, or given any other waiver, in each case in respect of the same breach, event or circumstance the subject of termination; and

- (b) the party wishing to terminate has first given written notice to the other party setting out the circumstances that it considers permit it to terminate and stating its intention to do so and, if capable of remedy, the relevant circumstances have not been remedied before the earlier to occur of: (i) 15 Business Days after the time that the notice is given; and (ii) 8.00am on the Implementation Date.

14.8 **Effect of termination:** If this agreement is terminated under this clause 14, then:

- (a) except as provided in clause 14.8(c), all the provisions of this agreement cease to have effect and each party is released from its obligations to further perform this agreement;
- (b) each party retains all rights that it has against the other party in respect of any breach of this agreement occurring before termination; and
- (c) the provisions of, and the rights and obligations of each party under, this clause 14 and the Surviving Clauses survive termination of this agreement.

14.9 **No other termination:** Except as expressly set out in this agreement, neither party has the right to terminate or cancel this agreement whether before or after the Implementation Date as a result of any matter, information or circumstance, including for misrepresentation, repudiation, anticipatory breach or breach of or in respect of any matter giving rise to or the subject of a claim arising out of or in connection with this agreement (whether arising in tort (including negligence), in contract, statute, by operation of law or otherwise)), and sections 36 and 37 of the Contract and Commercial Law Act 2017 will not apply to this agreement.

15. BREAK FEE, REGULATORY APPROVAL BREAK FEE AND REVERSE BREAK FEE

15.1 **Acknowledgement and agreement:** The Company (on the one hand) and the Acquirer (on the other hand) each acknowledges and agrees that:

- (a) the other party and its Related Companies have incurred and will continue to incur significant costs and expenses in pursuing the Transaction including:
 - (i) advisory costs;
 - (ii) costs of management and directors' time;
 - (iii) out-of-pocket expenses; and
 - (iv) opportunity costs of pursuing the Transaction or not pursuing alternative transactions or business opportunities;
- (b) the costs and expenses actually incurred by each party and its Related Companies are of such a nature that they cannot accurately be ascertained;
- (c) the Break Fee, Regulatory Approval Break Fee and Reverse Break Fee are each liquidated damages based on a genuine and reasonable estimate of the costs and expenses that have been or will be actually incurred by the relevant party and its Related Companies in pursuing the Transaction and, in any case, are proportionate to the legitimate interests of the parties in connection with this agreement;

- (d) the parties have negotiated the inclusion of this clause 15 in this agreement and would not have entered into this agreement without it; and
- (e) each party has received external independent legal and financial advice in relation to this clause 15 and has concluded that it is reasonable and appropriate for it to agree to payment of the Break Fee, Regulatory Approval Break Fee or Reverse Break Fee (as applicable) in the circumstances described in clause 15.2 or 15.3 (as applicable) in order to secure the other party's entry into this agreement.

15.2 **Circumstances where Break Fee payable:** Subject to clause 15.6 and clause 15.8, the Company must pay the Break Fee to the Acquirer if this agreement is terminated prior to the Scheme becoming Effective and:

- (a) at any time before this agreement is terminated a Competing Proposal is announced and within 12 months after the date of that announcement, the person making the Competing Proposal, or one or more Associates of that person, completes, in all material respects, a transaction of the kind referred to in the definition of Competing Proposal; or
- (b) the Directors fail to make the recommendation and/or fail to give the undertaking referred to in clauses 8.1 and 16.1 or change, adversely qualify or withdraw that recommendation or undertaking or make any statement materially inconsistent with that recommendation or that undertaking, except, for the avoidance of doubt, where:
 - (i) there is a Superior Proposal (subject to the Company's compliance with clause 13.7); or
 - (ii) the Independent Adviser issues an Independent Adviser's Report which concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Shares; or
- (c) the Acquirer terminates this agreement as permitted under clauses 14.1(a), 14.1(c) or clause 14.1(d) (except for termination for a Prescribed Occurrence that was not under, or within, the control of the Bremworth Group).

15.3 **Circumstances where Reverse Break Fee payable:** Subject to clause 15.6 and 15.8, the Acquirer must pay the Reverse Break Fee to the Company if:

- (a) the Company terminates this agreement as permitted under clause 14.2(a), 14.2(b), or 14.2(c); or
- (b) the Acquirer is in material breach of the Deed Poll.

15.4 **Circumstances where Regulatory Approval Break Fee payable:** Subject to clause 15.6 and 15.8, the Acquirer must pay the Regulatory Approval Break Fee if this agreement is terminated:

- (a) by the Company under clause 14.5 due to a material breach by the Acquirer of its undertakings with respect to satisfying the Regulatory Conditions under clause 3 (unless the Regulatory Conditions are nonetheless satisfied in accordance with this agreement by the End Date); or

- (b) by either party under clause 14.5 due to a failure to satisfy the Regulatory Conditions by the End Date (or clause 14.6, following such failure) in accordance with the terms of this agreement.

15.5 **Payment of Break Fee, Regulatory Approval Break Fee or Reverse Break Fee:** If the Break Fee, Regulatory Approval Break Fee or Reverse Break Fee becomes payable under this agreement, the Company or the Acquirer (as applicable) must pay it to, or as directed by, the other party, without withholding or set-off (except as required by law) within 15 Business Days after receipt of a written demand for payment from the other party.

15.6 **Break Fee, Regulatory Approval Break Fee or Reverse Break Fee:** Notwithstanding anything else in this agreement:

- (a) neither the Break Fee, Regulatory Approval Break Fee nor the Reverse Break Fee is payable if the Scheme becomes Effective;
- (b) each of the Break Fee, Regulatory Approval Break Fee or the Reverse Break Fee is payable only once; and
- (c) in the event that the Company pays the Break Fee under this clause 15, in no circumstances will the Acquirer be required to pay the Reverse Break Fee (and vice versa).

15.7 **Sole and exclusive remedy:**

- (a) The Acquirer acknowledges and agrees that payment of the Break Fee to the Acquirer is the sole and exclusive remedy available to the Acquirer in connection with any event or occurrence referred to in clause 15.2 (*Circumstances where Break Fee payable*) and the Company is not liable for any Loss arising in connection with any such event or occurrence other than for any liability that it may have to pay the Acquirer the Break Fee under this clause 15.
- (b) The Company acknowledges and agrees that payment of the Reverse Break Fee to the Company is the sole and exclusive remedy available to the Company in connection with any event or occurrence referred to in clause 15.3 (*Circumstances where Reverse Break Fee payable*) and the Acquirer is not liable for any Loss arising in connection with any such event or occurrence other than for any liability that it may have to pay the Company the Reverse Break Fee under this clause 15.
- (c) Nothing in this clause 15 limits the Company's or the Acquirer's liability for fraud or, in the case of the Acquirer, the Acquirer's liability if the Acquirer breaches this agreement, or this agreement is otherwise terminated by the Company under clause 14.2, where the act(s) or omission(s) of the Acquirer resulting in the breach or termination right was made or not taken (as the case may be) with the deliberate intention or purpose of not completing the Transaction.

15.8 **Amendments to Break Fee, Regulatory Approval Break Fee or Reverse Break Fee arrangements:** If any of the following occurs:

- (a) the Takeovers Panel indicates to either party in writing that it requires any modification to the amount of the Break Fee, Regulatory Approval Break Fee or Reverse Break Fee or the circumstances in which either is to be paid (the "**Break Fee Arrangements**") as a condition of not opposing the Scheme; or

- (b) the Court requires any modification to the Break Fee Arrangements as a condition of making orders convening the Scheme Meeting,

then the parties must amend this clause 15 to the extent required to give effect to the requirements of the Court or the Takeovers Panel, as the case may be, and in the circumstances referred to in clause 15.8(b), the parties must give any required undertakings.

15.9 Specific performance and other rights:

- (a) Nothing in this agreement precludes a party from:
 - (i) suing the other for specific performance; or
 - (ii) otherwise terminating this agreement in accordance with its terms and/or suing the other for damages (the amount of which it is acknowledged will be reduced by the amount of any Break Fee or Reverse Break Fee actually paid by one party to the other in accordance with this agreement).
- (b) The Acquirer and the Acquirer Guarantor acknowledge and agree that:
 - (i) if the Acquirer breaches this agreement, Loss may be suffered or incurred by Shareholders and, accordingly, the Acquirer and the Acquirer Guarantor acknowledge and agree that the agreements and covenants that each provide in this agreement, are promises which confer, and are intended to confer, a benefit upon the Shareholders and, accordingly, the provisions of subpart 1 of part 2 of the Contract and Commercial Law Act 2017 apply to each of them. Nothing in the preceding sentence will prevent the Company and the Acquirer amending this agreement without the consent of the Shareholders as contemplated by clause 21.1; and
 - (ii) if the Company seeks damages from the Acquirer and/or the Acquirer Guarantor, any Loss suffered by Shareholders as a result of a breach of this agreement or the Deed Poll by the Acquirer will be deemed to be suffered by the Company (except to the extent that the Acquirer and/or the Acquirer Guarantor pays damages directly to Shareholders on account of any Loss suffered due to the applicable breach).

15.10 Limitation of Company's liability: Subject to clauses 15.7(c) and 15.9, notwithstanding any other provision of this agreement:

- (a) the maximum aggregate liability of the Company to the Acquirer under or in connection with this agreement, howsoever arising and including in respect of any breach of this agreement, will be the amount of the Break Fee;
- (b) a payment by the Company of the Break Fee represents the sole and absolute liability of the Company to the Acquirer under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by the Company to the Acquirer in connection with this agreement;
- (c) the Company will not have any liability for any Consequential Loss; and

- (d) the amount of the Break Fee payable to the Acquirer under this clause 15 shall be reduced by the amount of any Loss recovered by the Acquirer in relation to a breach of any other clause of this agreement.

15.11 **Limitation of Acquirer's liability:** Subject to clauses 15.7(c) and 15.9, notwithstanding any other provision of this agreement:

- (a) the maximum aggregate liability of the Acquirer to the Company under or in connection with this agreement, howsoever arising and including in respect of any breach of this agreement, will be the amount of the Reverse Break Fee or, if applicable, the Regulatory Approval Break Fee;
- (b) a payment by the Acquirer of the Reverse Break Fee or the Regulatory Approval Break Fee (as applicable) represents the sole and absolute liability of the Acquirer to the Company under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by the Acquirer to the Company in connection with this agreement;
- (c) the Acquirer will not have any liability for any Consequential Loss; and
- (d) the amount of any Reverse Break Fee payable to the Company under this clause 15 shall be reduced by the amount of any Loss recovered by the Company in relation to a breach of any other clause of this agreement.

16. ANNOUNCEMENTS

16.1 **Initial announcements:** As soon as reasonably practicable following execution of this agreement, the Company must issue an announcement via NZX, in a form agreed with the Acquirer and including a statement that each Director:

- (a) recommends that Shareholders vote in favour of the Scheme; and
- (b) undertakes to vote, or procure the voting of, all Shares held or controlled by him or her in favour of the Scheme,

in each case in the absence of a Superior Proposal and subject to the Independent Adviser's Report concluding that the Consideration is within or above the Independent Adviser's valuation range for the Shares.

16.2 **Other announcements:** Each party must not make, and must procure that its Representatives do not make, any public announcement concerning the Scheme or the subject matter of this agreement other than:

- (a) the announcement referred to in clause 16.1;
- (b) with the written consent of the other party, which must not be unreasonably withheld, conditioned or delayed;
- (c) an announcement which provides an update on progress with implementing the Scheme or, in the case of the Company, any administrative information in relation to the Shareholders approving the Scheme at the Scheme Meeting by the requisite

majorities in accordance with sections 236A(2)(a) and 236A(4) of the Companies Act; or

- (d) if required by law, any court of competent jurisdiction, any Government Agency or the NZX Listing Rules, but if either party is so required to make any announcement, it must promptly notify the other party, where practicable and lawful to do so, before the announcement is made and must co-operate with the other party regarding the timing and content of such announcement,

provided that the obligations in this clause will not prevent the Company or the Acquirer from responding to media and other stakeholders where not inconsistent with announcements that are permitted to be made in accordance with the terms of this agreement, including this clause 16.2.

17. PAYMENTS

- 17.1 **Manner of payments:** Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), each payment to be made under this agreement must be made in New Zealand dollars by transfer of the relevant amount into the relevant account on or before the date on which the payment is due and in immediately available funds. The relevant account for a given payment is the account that the party due to receive the payment specifies, not less than 10 Business Days before the date on which payment is due, by giving notice to the party due to make the payment.
- 17.2 **Default interest:** If a party defaults in making any payment when due of any sum payable under this agreement, it must pay interest on that sum from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) on that sum at an annual rate equal to the Bill Rate plus 5%, which interest accrues from day to day and must be compounded monthly. The party making such payment is permitted to withhold Tax required to be withheld by law without gross-up.

18. GST

- 18.1 **Interpretation:** Words and expressions that are defined in the GST Act have the same meaning when used in this clause 18. For the purposes of this clause 18, references to GST chargeable and input tax credit entitlements of any entity include GST chargeable against, and the input tax credit entitlements of, the representative member of the GST group of which the entity is a member.
- 18.2 **Consideration exclusive of GST:** For the avoidance of doubt, the parties agree that the supply of Scheme Shares pursuant to this agreement is an exempt supply of a financial service and therefore not subject to GST. All other stated amounts payable or consideration to be provided under or in connection with this agreement do not include GST ("**GST Exclusive Consideration**").
- 18.3 **Payment of GST:** If GST is chargeable on any supply made under or in connection with this agreement the recipient must pay to the party that has made or will make the supply (the "**Supplier**"), in addition to the GST Exclusive Consideration, an additional amount equal to the GST chargeable on that supply (the "**Additional Amount**"). The recipient must pay the Additional Amount without set-off, demand or deduction, at the same time and in the same

manner as any GST Exclusive Consideration for that supply if required to be paid, except that the recipient is not required:

- (a) to pay the Additional Amount unless and until the Supplier has issued taxable supply information under clause 18.4; or
- (b) to pay any GST Default Amounts included in the Additional Amount if those GST Default Amounts result from the Supplier failing to comply with its obligations under the GST Act.

18.4 Taxable supply information: For any supply to which clause 18.3 applies, the Supplier must issue taxable supply information which complies with the GST Act.

18.5 Adjustments: If an event referred to in section 25(1) of the GST Act occurs in relation to a taxable supply made under or in connection with this agreement, the GST payable on that supply will be recalculated to reflect that adjustment, with supply correction information being issued as required by the GST Act and an appropriate payment will be made between the parties.

18.6 Input tax credits: Notwithstanding any other provision of this agreement, if an amount payable under or in connection with this agreement is calculated by reference to any Loss incurred or suffered by a party, then the amount payable must be reduced by the amount of any input tax credit or other deduction from output tax to which that entity is entitled in respect of the acquisition of any supply to which the Loss relates. For the avoidance of doubt, this clause 18.6 does not apply to adjust the Break Fee, Regulatory Approval Break Fee or the Reverse Break Fee.

19. GUARANTEE

19.1 Acquirer Guarantor: In consideration of the Company entering into this agreement, the Acquirer Guarantor irrevocably and unconditionally:

- (a) guarantees, to the Company (and the Company Indemnified Persons, as applicable) as principal obligor, and not merely as a surety, by way of a continuing obligation (despite any intervening payment, settlement or other thing), the due and punctual compliance by the Acquirer with each of the Acquirer's obligations, including the payment of all amounts payable by the Acquirer, under, or in connection with, this agreement;
- (b) undertakes to the Company that whenever the Acquirer does not pay any amount when due under or in connection with this agreement (or anything which would have been due if the agreement or the amount was enforceable, valid and not illegal), immediately on demand by the Company the Acquirer Guarantor shall pay that amount as if it was the principal obligor (without set-off, counterclaim or deduction); and
- (c) indemnifies the Company (and the Company Indemnified Persons, as applicable) from and against any Loss suffered or incurred by the Company arising out of or in connection with any failure of the Acquirer or the Acquirer Guarantor to pay any amount payable under, or to perform any obligation under, this agreement (including any and all such claims and Loss of whatever nature incurred by the Company in connection with the enforcement of this clause 19).

- 19.2 **Nature of liability:** The Acquirer Guarantor acknowledges and agrees that each of its obligations under this clause 19:
- (a) is a principal and continuing obligation and will not be affected by any principle of law or equity which might otherwise reduce or limit in any way the liability of the Acquirer Guarantor; and
 - (b) continues notwithstanding any amendment of this agreement or any waiver, consent or notice given under this agreement by any party to the other.

19.3 **Maximum liability:** The Acquirer Guarantor's liability under this clause 19 will not exceed the liability of the Acquirer in respect of the relevant claim.

20. NOTICES

20.1 **Notice:** Every notice or other communication ("**Notice**") for the purposes of this agreement will:

- (a) be in writing; and
- (b) be delivered in accordance with clause 20.2.

20.2 **Method of service:** A Notice may be given by:

- (a) delivery to the physical address of the relevant party; or
- (b) sending it by email to the email address of the relevant party.

20.3 **Time of receipt:** A Notice given in the manner:

- (a) specified in clause 20.1(a) is deemed received at the time of delivery;
- (b) specified in clause 20.2(b) is deemed received:
 - (i) if sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
 - (ii) if subclause (i) does not apply, at 9.00am on the Business Day immediately after the time of sending,

unless the sender receives an automated message that the email has not been delivered (excluding an "out of office" automated message).

20.4 **Addresses:** For the purposes of this clause the address details of each party are:

- (a) the details set out below; or
- (b) such other details as any party may notify to the other by Notice given in accordance with this clause.

Acquirer and the Acquirer Guarantor:

Attention: Tania Pauling

Physical address: Godfrey Hirst NZ Limited, 142 Kerrs Road, Wiri, Manukau, Auckland, New Zealand
Email address: tania.pauling@godfreyhirst.com

With a copy to (which will not constitute notice):

Attention: Roger Wallis, Chapman Tripp
Physical address: Chapman Tripp, Level 34, PwC Tower, 15 Customs Street, Auckland Central, Auckland 1010, New Zealand
Email address: roger.wallis@chapmantripp.com

Company:

Attention: Victor Tan
Physical address: Bremworth Limited, 7 Grayson Avenue, Papatoetoe, Auckland, New Zealand
Email address: vtan@bremworth.co.nz

With a copy to (which will not constitute notice):

Attention: Ian Beaumont, Russell McVeagh
Physical address: Level 30, Vero Centre, 48 Shortland Street, Auckland, New Zealand
Email address: ian.beaumont@russellmcveagh.com

20.5 **Proof of service:** In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the email was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's email system.

21. GENERAL

21.1 Amendments: No:

- (a) amendment to this agreement;
 - (b) agreement between the parties for the purpose of, or referred to in, this agreement;
or
 - (c) request, consent, or approval for the purpose of, or referred to in, this agreement,
- is effective unless it is in writing and signed (if subclauses (a) or (b) apply) by both parties or (if subclause (c) applies) the party making the request or required to give the consent or approval.

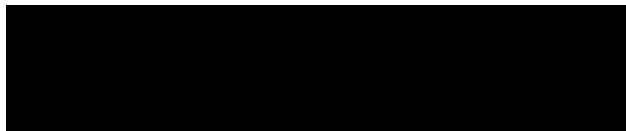
21.2 **Costs:** Except as otherwise expressly provided for in this agreement, each party must pay the costs and expenses incurred by it in respect of entering into and performing its obligations under this agreement, the Scheme and the Deed Poll.

- 21.3 **Counterparts:** This agreement may be executed in any number of counterparts (including by way of electronic means such as DocuSign), which taken together must constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this agreement by executing a counterpart. Scanned signatures are to be taken as valid and binding to the same extent as original signatures.
- 21.4 **Entire agreement:** This agreement and the confidentiality agreement dated 29 April 2025 between the Company and the Acquirer constitute the entire agreement between the parties relating to the subject matter of this agreement and supersede and cancel any previous agreement, understanding, or arrangement, whether written or oral, relating to such subject matter.
- 21.5 **Further assurance:** Each party will make all applications, execute all documents and do or procure all other acts and things reasonably required to implement and to carry out its obligations under, and the intention of, this agreement.
- 21.6 **Assignment:** Neither party will directly or indirectly assign, transfer or otherwise dispose of any of its rights or interests in, or any of its obligations or liabilities under or in connection with this agreement, except with the prior written consent of the other party, which consent may be withheld in the absolute discretion of the other party.
- 21.7 **Rights and powers cumulative:** The rights, powers and remedies provided in this agreement are cumulative with, and are not exclusive of, any rights, powers or remedies at law or in equity unless specifically stated otherwise.
- 21.8 **Severance:** If any provision of this agreement is or becomes unenforceable, illegal or invalid for any reason it will be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and will not affect the enforceability, legality, validity or application of any other provision of this agreement.
- 21.9 **No merger:** The provisions of this agreement, and anything done under, or in connection with, this agreement will not operate as a merger of any of the rights, powers or remedies of either party under, or in connection with, this agreement or at law, and those rights, powers and remedies will survive and continue in full force and effect to the extent that they are unfulfilled.
- 21.10 **Governing law:** This agreement is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this agreement. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

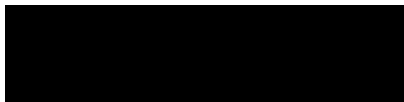
[Signature page follows]

SIGNATURES

BREMWORTH LIMITED by:



Signature of director



Name of director

FLOORSCAPE LIMITED by:

Signature of director



Name of director

MOHAWK INDUSTRIES, INC. by:

Signature of authorised officer

Name of authorised officer

SIGNATURES

BREMWORTH LIMITED by:

Signature of director

Name of director

FLOORSCAPE LIMITED by:

Signature of director

Name of director

MOHAWK INDUSTRIES, INC. by:

Signature of authorised officer

Name of authorised officer

SIGNATURES

BREMWORTH LIMITED by:

Signature of director


Name of director

FLOORSCAPE LIMITED by:


Signature of director

Name of director

MOHAWK INDUSTRIES, INC. by:



Signature of authorised officer



Name of authorised officer

SCHEDULE 1**Prescribed Occurrences**

1. The Company or another member of the Bremworth Group authorises, declares, pays, or makes any dividends, bonuses or other payments or distributions (within the meaning of the Companies Act) of any nature, other than as contemplated by this agreement or any distribution from wholly-owned Subsidiaries of the Company to the Company or to other wholly-owned Subsidiaries of the Company, other than the Capital Return.
2. Any Bremworth Group member issuing, agreeing to issue, or granting an option or right to subscribe for, shares, convertible securities, other securities or financial products of any nature (including warrants, options, phantom or cash settled rights over shares, convertible notes, entitlements, rights or interests in any ordinary shares) other than the issuing of shares by a wholly-owned Subsidiary of the Company to the Company or another wholly-owned Subsidiary of the Company or as permitted under clauses 9.4(h) or 9.5.
3. The Company:
 - a. altering the rights, privileges, benefits, entitlements or restrictions attaching to any securities (including the Shares) or other securities or financial products (if any) (except as permitted under clause 9.4(h) or 9.5);
 - b. converting all or any of the Shares into a larger or smaller number; or
 - c. buying back or redeeming (or agreeing to buy back or redeem) any Shares (other than pursuant to the Capital Return).
4. Any alteration to the constitutional documents of any member of the Bremworth Group, that is material in the context of the Scheme.
5. An Insolvency Event occurs in respect of a member of the Bremworth Group.
6. The Shares cease to be quoted on the NZX (other than in connection with the implementation of the Scheme).
7. The Pro Forma Cash Balance being less than the Minimum Retained Cash amount.
8. A member of the Bremworth Group is, or will be, under any obligation to make any payment or provide any consideration to any of its employees or directors in the event of any member of the Bremworth Group becoming a subsidiary of the Acquirer or under the Acquirer's control (unless previously approved in writing by the Acquirer or as fairly disclosed in the Due Diligence Material).
9. A member of the Bremworth Group alters the remuneration or other conditions of employment or engagement of any of its directors, senior employees and executives, other than within the exceptions provided in clause 9.4.
10. The board or shareholders of a Bremworth Group member pass a resolution to do or authorise the doing of any act or matter referred to in any of paragraphs 1 to 9.
11. Any physical event (including without limitation fire, flood, earthquake, lightning strike, or other similar natural disaster) occurs which materially and adversely affects (or is reasonably

likely to materially and adversely affect) the Business, financial condition, sales, properties, assets, liabilities or operations of the Bremworth Group to an extent that (alone or with a series of similar or related matters) it is reasonably expected to:

- a. have an adverse impact on the net asset value of the Company of 10% or more; or
- b. result in the full or partial suspension of operations at any Bremworth Group site for a period of 3 months or more,

whether or not insured.

SCHEDULE 2

Company Warranties and Undertakings

Part 1: Company Warranties

Fundamental Warranties

1. **Incorporation:** The Company is a company duly incorporated under the laws of New Zealand.
2. **Capacity:** The Company has the power to execute and to perform its obligations under this agreement and the Scheme, and (subject to obtaining the approvals contemplated by clause 3.1 of this agreement) has taken all necessary corporate action to authorise such execution and the performance of such obligations.
3. **Binding effect:** The obligations of the Company under this agreement constitute legal, valid and binding obligations enforceable subject to and in accordance with their terms.
4. **Compliance:** The execution and performance of this agreement and the Scheme:
 - a. complies with the Company's constitution; and
 - b. does not constitute a breach of any law.
5. **Share capital:** The entire share capital of the Company as at the date of this agreement is 70,561,519 fully paid ordinary shares and will not exceed 69,451,593 (as a result of the exercise of the options which Gregory Russell Smith holds and cancellation of LTI Shares contemplated in clause 9.5(c) of this agreement) as at 8.00am on the Implementation Date.
6. **Options:** With the exception of the options held by Gregory Russell Smith pursuant to which 362,228 ordinary shares are to be issued within 2 Business Days of the Final Orders Date, there are no other shares, options or other securities (including equity securities, debt securities or convertible securities) or other instruments which are convertible into securities in the Bremworth Group in favour of any person, nor has any member of the Bremworth Group offered or agreed to issue or grant, and no person has any right to call for the issue or grant of, any such shares, options or other securities or other instruments.

Disclosure warranties

7. **Disclosure:** The Company has filed with the Registrar and NZX all documents required to be filed with the Registrar or NZX including pursuant to NZX Listing Rule 3.1.1 (the "**Disclosure Documents**") and is not in breach of its continuous and periodic disclosure obligations under the Companies Act, the FMCA, the NZX Listing Rules and (as at the date of this agreement) is not relying on the exception in NZX Listing Rule 3.1.2 to withhold any information from public disclosure (other than in relation to Project Loop). The Disclosure Documents do not contain any untrue statement of a material fact or omit to state a material fact required to be stated in it, except to the extent that such statements have been modified or superseded by a later Disclosure Document.
8. **Due Diligence Material:** The Due Diligence Material has been prepared and provided in good faith and, as far as the Company is aware, no information has been included in the Due

Diligence Material that was, when given, materially false or misleading, including by omission.

9. **Disclosed matters:** As at the date of this agreement, the Company is not aware of any material circumstance, contract, commitment or arrangement which has not been fairly disclosed in the Due Diligence Material and which might reasonably be expected to materially and adversely affect the financial position, business, assets, prospects or profitability of the Bremworth Group (including as a result of payments to be made by the Bremworth Group, a decrease in the value of the Bremworth Group's assets or an increase in the value of the Bremworth Group's liabilities) or the value of the Shares, or which might otherwise reasonably be expected to be material to a purchaser of the Shares.
10. **Contractual arrangements:** Except as fairly disclosed in the Due Diligence Material, neither the execution of this agreement, nor the implementation of the Scheme, will entitle any person to cancel, terminate earlier than would otherwise have been the case, or adversely modify any material contract, commitment or arrangement to which any member of the Bremworth Group is a party or under which any member of the Bremworth Group is entitled to a material right or benefit, or any material provision thereof.
11. **Claims and investigations:** Except as fairly disclosed in the Due Diligence Material, as at the date of this agreement, the Company is not a party to, and has not been notified of any threatened, enforcement action, investigation, inquiry, determination, ruling or audit by a Government Agency, or any action, claim, litigation, arbitration or prosecution by any party (including by a Government Agency but excluding by any Acquirer Group Member).

General warranties

12. **Incorporation:** Each member of the Bremworth Group other than the Company is a company duly incorporated under the laws of New Zealand or Australia. Yarmish Enterprises Limited, a company through which sales of wool and carpet to Asia was previously made, is registered in Hong Kong, but is dormant and has not traded since before 2000.
13. **Authorisations:** As far as the Company is aware as at the date of this agreement, each member of the Bremworth Group has complied in all material respects with all New Zealand, Australian and foreign laws and regulations applicable to it, has all material licences, authorisations, consents and approvals (or similar) necessary for it to conduct the Business as presently being conducted and, so far as the Company is aware, no member of the Bremworth Group is under investigation with respect to the violation of any laws or applicable licences, authorisations, consents and approvals (or similar).
14. **Conduct of Business:** From 25 June 2025 until and including the date of this agreement:
 - a. the Business has been carried on as a going concern and in the ordinary course of business. Without limiting this clause, the Company has paid its staff in accordance with the relevant contracted terms and paid its creditors and collected receivables in the ordinary course of business in all material respects;
 - b. the Business has used reasonable endeavours to maintain an appropriate level of inventory and other working capital, as required to meet the operating needs of the Business and, without limitation, has not operated in a manner intended to artificially increase the amount of Cash available over and above what would have been available had the Business been operated in the ordinary course (including by

artificially reducing inventory, artificially lowering pricing, artificially accelerating the collection of receivables, or artificially delaying the payment of creditors).

15. **Financing:** As at the date of this agreement, the Bremworth Group does not have any outstanding debt financing that is not reflected in either its financial statements and notes thereto for the year ended 30 June 2025 and since 30 June 2025 no member of the Bremworth Group has engaged in debt financing of a type which is not required to be shown or reflected in its financial statements or notes thereto.

Part 2: Company Undertakings

1. The Company will ensure that the Company Information:
 - a. is prepared in good faith and on the understanding that each of the Acquirer Indemnified Persons will rely on that information for the purposes of considering and approving the Acquirer Information in the Scheme Booklet;
 - b. complies with the Companies Act, FMCA and all other applicable laws (including the NZX Listing Rules); and
 - c. in the form and context in which it appears in the Scheme Booklet, is true and correct in all material respects and is not misleading or deceptive, including by omission, as at the date the Scheme Booklet is sent to Shareholders.
2. Without limiting the Company's continuous disclosure obligations, the Company will provide to the Acquirer all new material information of which it becomes aware after the Scheme Booklet has been sent to Shareholders and before the date of the Scheme Meeting which is necessary to ensure that the Company Information, in the form and context in which it appears in the version of the Scheme Booklet sent to Shareholders, is not misleading or deceptive, including by omission.
3. All information provided by or on behalf of the Company to the Independent Adviser will be provided in good faith and on the understanding that the Independent Adviser will rely upon that information for the purpose of preparing the Independent Adviser's Report for inclusion in the Scheme Booklet, will be true and correct in all material respects and will not be misleading or deceptive, including by omission.

SCHEDULE 3

Acquirer Warranties and Undertakings

Part 1: Acquirer Warranties

1. **Incorporation:** The Acquirer is a company duly incorporated under the laws of New Zealand.
2. **Capacity:** The Acquirer has the power to execute and to perform its obligations under this agreement, the Scheme and the Deed Poll, and has taken all necessary corporate action to authorise such execution and the performance of such obligations.
3. **Binding effect:** The obligations of the Acquirer under this agreement, and under the Deed Poll once executed, constitute legal, valid and binding obligations enforceable subject to and in accordance with their terms.
4. **Compliance:** The execution and performance of this agreement, the Scheme and the Deed Poll:
 - a. complies with the Acquirer's constitution or other constituent documents; and
 - b. does not constitute a breach of any law or other obligation by which the Acquirer is bound and which will conflict with, constitute a default under, or would prevent it from entering into and performing its obligations under this agreement, the Scheme or the Deed Poll.
5. **Approvals:** To the Acquirer's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation other than those identified in clause 3.1.
6. **Insolvency:** No member of the Acquirer Group has been deregistered as a company or otherwise dissolved, and there has not occurred an Insolvency Event in relation to any member of the Acquirer Group.
7. **Funding:** The Acquirer will have available to it on an unconditional basis sufficient cash reserves (whether from internal cash reserves or external funding arrangements or a combination of both) to satisfy the Acquirer's obligations to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll.

Part 2: Acquirer Undertakings

1. The Acquirer will ensure that the Acquirer Information:
 - a. is prepared in good faith and on the understanding that each of the Company Indemnified Persons will rely on that information to prepare the Scheme Booklet and to propose and implement the Scheme in accordance with the Companies Act;
 - b. complies with the Companies Act, FMCA and all other applicable laws; and
 - c. in the form and context in which it appears in the Scheme Booklet, is true and correct in all material respects and is not misleading or deceptive, including by omission, as at the date the Scheme Booklet is sent to Shareholders.

2. The Acquirer will provide to the Company all new material information of which it becomes aware after the Scheme Booklet has been sent to Shareholders and before the date of the Scheme Meeting which is necessary to ensure that the Acquirer Information, in the form and context in which that information appears in the version of the Scheme Booklet sent to Shareholders, is not misleading or deceptive in any material respect, including by omission.
3. All information provided by or on behalf of the Acquirer to the Independent Adviser will be provided in good faith and on the understanding that the Independent Adviser will rely upon that information for the purpose of preparing the Independent Adviser's Report for inclusion in the Scheme Booklet, will be true and correct in all material respects and will not be misleading or deceptive, including by omission.
4. Subject to the Companies Act and the Scheme becoming Effective, the Acquirer undertakes in favour of the Company and each Company Indemnified Person that it will:
 - a. subject to clause 5 below, for a period of 7 years from the Implementation Date, ensure that the constitutions of the Company and each Bremworth Group member continue to have equivalent obligations to those currently contained in their constitutions at the date of this agreement that provide for each company to indemnify each of its current and former directors and officers against any liability (excluding for fraud or wilful misconduct) incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Bremworth Group; and
 - b. procure that the Company and each Bremworth Group member complies with any provisions in deeds of indemnity, access and insurance (including the D&O Run-off Policy) made by them in favour of their respective directors and officers from time to time.
5. The undertakings contained in clause 4 above are given:
 - a. until the earlier of the end of the relevant period specified in that clause or the relevant Bremworth Group member ceasing to be part of the Acquirer Group; and
 - b. for the benefit of each current and former director and officer of the Bremworth Group (from time to time) and are intended to be enforceable against the Acquirer by each of them in accordance with the provisions of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017.

SCHEDULE 4

Timetable

	EVENT	INDICATIVE DATE (BUSINESS DAYS)
1.	Announcement	Upon signing this agreement
2.	Submission of both Regulatory Applications	Within 10 Business Days of Item 1
3.	Initial draft Scheme Booklet (excluding Independent Adviser's Report) provided to the Acquirer	Within 18 Business Days of Item 1
4.	Comments on the draft Scheme Booklet provided by the Acquirer to the Company for review	Within 10 Business Days of Item 3
5.	Final draft Scheme Booklet (excluding Independent Adviser's Report) provided to the Acquirer	Within 4 Business Days of Item 4
6.	Comments on the final Scheme Booklet provided by the Acquirer to the Company for review	Within 5 Business Days of Item 5
7.	Scheme Booklet (including Independent Adviser's Report) provided to the Takeovers Panel for review	Within 3 Business Days of Item 6
8.	Scheme Booklet (including Independent Adviser's Report) approved by Takeovers Panel and Takeovers Panel issues Letter of Intention	Within 15 Business Days of Item 7
9.	Application for Initial Orders filed	Within 3 Business Days of Item 8
10.	First Court Date	As soon as possible after Item 9, subject to Court availability
11.	Sealed Initial Orders and a Minute of the Court from the First Court Date sent to the Takeovers Panel (together with any updated material) with application for Letter of Intention	As soon as possible after the Initial Orders are granted
12.	Regulatory Conditions and the IRD Ruling Condition are satisfied	Prior to item 13
13.	Scheme Booklet (including Independent Adviser's Report) sent to Shareholders (provided that the Regulatory Conditions and the IRD Ruling Condition are satisfied)	Within 4 Business Days of the Initial Orders or following item 12

	EVENT	INDICATIVE DATE (BUSINESS DAYS)
14.	Scheme Meeting (provided that the Regulatory Conditions and the IRD Ruling Condition are satisfied)	20 Business Days following Item 13
15.	Company applies to Takeovers Panel for No-Objection Statement	Within 1 Business Day of Item 14
16.	Takeovers Panel issues No-Objection Statement	Within 4 Business Days of Item 15
17.	Application for Final Orders filed	Parties to agree optimal date to file having regard to the Implementation Date definition
18.	Second Court Date	Within 5 Business Days of Item 17
19.	Pro Forma Cash Balance statement provided to Acquirer and the Court	No later than 9.00am on the Second Court Date
20.	Final Orders Date	Second Court Date (subject to Court availability)
21.	Suspend trading on NZX	1 Business Days after the Final Orders Date
22.	Record Date	2 Business Days after the Final Orders Date
23.	Implementation Date	As per the definition of the term "Implementation Date"

SCHEDULE 5

Scheme Plan

Attached.

SCHEME PLAN

SCHEME OF ARRANGEMENT PURSUANT TO PART 15 OF THE COMPANIES ACT 1993

PARTIES

BREMWORTH LIMITED ("Company")

FLOORSCAPE LIMITED ("Acquirer")

Each person who is registered in the Register on the Record Date as the holder of one or more Scheme Shares (together the "**Scheme Shareholders**")

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** In this Scheme Plan, unless the context otherwise requires:

"Business Day" means any day other than a Saturday, Sunday, or a statutory public holiday in Auckland, New Zealand.

"Capital Return Amount" means, in aggregate, the Scheme Dividend Amount and the Scheme Buyback Amount.

"Companies Act" means the Companies Act 1993.

"Computershare" means Computershare Investor Services Limited.

"Conditions" means:

- (a) the conditions set out in clause 3.1 of the Scheme Implementation Agreement; and
- (b) such other conditions made or required by the Court under section 236(1) or section 237(1) of the Companies Act and approved in writing by the Company and the Acquirer in accordance with clause 3.2 of the Scheme Implementation Agreement.

"Consideration" means \$0.75 in respect of each Scheme Share held by a Scheme Shareholder on the Record Date.

"Court" means the High Court of New Zealand, Auckland Registry.

"Deed Poll" means the deed poll entered into by the Acquirer in favour of the Scheme Shareholders.

"Encumbrance" has the meaning given to that term in the Scheme Implementation Agreement.

"End Date" has the meaning given to that term in the Scheme Implementation Agreement.

"Final Orders" means, on application of the Company, orders that the Scheme will be binding on the Company, the Acquirer, the Scheme Shareholders and/or such other persons

Agreed form

or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

"Final Orders Date" means the day on which the Final Court Orders are sealed by the Court.

"Government Agency" means any government, any department, officer or minister of any government and any governmental, semi-governmental, regulatory, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity.

"Implementation Date" has the meaning given to that term in the Scheme Implementation Agreement and **"Implementation"** correspondingly means the time at which implementation commences with the first step under clause 4.1(d).

"NZX" means NZX Limited and, where the context requires, the main board financial market that it operates.

"NZX Listing Rules" means the NZX Listing Rules, as amended from time to time.

"Record Date" means 5:00pm on the date which is two Business Days before the Implementation Date, or such other date agreed between the parties in writing.

"Register" means the Share register maintained by Computershare on behalf of the Company.

"Registered Address" means, in relation to a Shareholder, the address shown in the Register as at the Record Date.

"Scheme" means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by the Acquirer and the Company in writing.

"Scheme Buyback Amount" means the Scheme Buyback Price multiplied by the number of Scheme Buyback Shares.

"Scheme Buyback Price" means \$[●] per Scheme Buyback Share.

"Scheme Buyback Shares" means [●] Shares for every [●] Scheme Shares held by each Scheme Shareholder, which Shares will be acquired by the Company and cancelled pursuant to clause 4.1(e). For this purpose, fractions of a Share will be rounded up or down to the nearest whole Share (with 0.5 rounded up).

"Scheme Dividend" means a cash dividend of \$[●] per Scheme Share imputed to the maximum extent allowed for by the imputation credits held by the Company.

"Scheme Dividend Amount" means the Scheme Dividend multiplied by the number of Scheme Shares.

"Scheme Implementation Agreement" means the scheme implementation agreement dated [●] 2025 between the Acquirer and the Company.

"Scheme Meeting" means the special meeting of Shareholders ordered by the Court to be convened pursuant to section 236(2)(b) and 236A(2) of the Companies Act in respect of the

Agreed form

Scheme (and including any meeting convened following any adjournment or rescheduling of that meeting).

"Scheme Payments" has the meaning given to that term in clause 5.1.

"Scheme Shares" means all of the Shares on issue on the Record Date.

"Share" means a fully paid ordinary share in the Company.

"Shareholder" means a person who is registered in the Register as the holder of one or more Shares from time to time.

"Takeovers Panel" means the Takeovers Panel established by section 5(1) of the Takeovers Act 1993.

"Trading Halt Date" means the date which is two Business Days after the Final Orders Date or such other date as the Acquirer and the Company agree in writing.

"Trust Account" has the meaning given to that term in clause 3.1.

"Unconditional" means all of the Conditions having been satisfied or, if capable of waiver in accordance with the Scheme Implementation Agreement, waived.

1.2 **Interpretation:** In this Scheme Plan, unless the context otherwise requires:

- (a) headings are to be ignored in construing this document;
- (b) the singular includes the plural and vice versa;
- (c) words of any gender include all genders;
- (d) a reference to a clause, is a reference to a clause of this Scheme Plan;
- (e) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (f) reference to any document (including this Scheme Plan) includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (g) reference to a party, person or entity includes:
 - (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, sub-contractor, agent, successor, permitted assign, executor, administrator and other representative of such party, person or entity;
- (h) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;

Agreed form

- (i) the words "including" or "includes" do not imply any limitation;
- (j) a reference to any time is a reference to that time in New Zealand; and
- (k) references to money or "\$" are to New Zealand dollars.

1.3 **Things required to be done other than on a Business Day:** Unless otherwise indicated, if the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.4 **No contra proferentem:** No term or condition of this Scheme Plan will be construed adversely to a party solely because that party was responsible for the preparation of this Scheme Plan or a provision of it.

1.5 **Defined terms:** Capital terms which are used but not otherwise defined in this Scheme Plan have the meanings given to them in the Scheme Implementation Agreement.

2. **CONDITIONS**

2.1 **Conditions:** The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by 8.00am on the Implementation Date; and
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms before 8.00am on the Implementation Date.

3. **CONSIDERATION INTO TRUST ACCOUNT**

3.1 **Obligation to pay Consideration into Trust Account:** Subject to the Scheme Implementation Agreement not having been terminated and the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(f) and 3.1(g) of the Scheme Implementation Agreement):

- (a) the Acquirer must, by no later than 4.00pm on the Business Day before the Implementation Date, deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the aggregate amount of the Consideration payable to Scheme Shareholders; and
- (b) the Company must, by no later than 4.00pm on the Business Day before the Implementation Date, deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the Capital Return Amount payable to Scheme Shareholders,

in a New Zealand dollar denominated trust account operated by Computershare (the "**Trust Account**").

3.2 Details of Trust Account:

- (a) Subject to clauses 3.2(b), 5.4, 5.5 and 5.6, the Trust Account will be established and operated by Computershare on the basis that the:
 - (i) Consideration is held on trust for the Acquirer and to its order, such that only the Acquirer may direct how the Consideration will be paid from the Trust Account; and
 - (ii) Capital Return Amount is held on trust for the Company and to its order, such that only the Company may direct how the Capital Return Amount will be paid from the Trust Account.
- (b) Clause 3.2(a) is subject to a standing joint written direction from the Acquirer and the Company to Computershare to make payment of the amounts contemplated in clause to the Scheme Shareholders in accordance with this Scheme Plan.
- (c) The details of the Trust Account will be provided to the Acquirer by (or on behalf of) Computershare not less than three Business Days before the Implementation Date.

3.3 Interest: Subject to Implementation of the Scheme, any interest earned on:

- (a) the Consideration, deposited in the Trust Account, up to Implementation, will be payable to the Acquirer by Computershare as directed by the Acquirer (less bank fees and other third party charges relating to the Trust Account); and
- (b) the Capital Return Amount, deposited in the Trust Account, up to Implementation, will be payable to the Company by Computershare as directed by the Company (less bank fees and other third party charges relating to the Trust Account).

3.4 Scheme not implemented: Should the implementation of the Scheme not occur by 7.00pm on the Implementation Date for any reason, Computershare will immediately repay:

- (a) the Consideration, together with any interest earned on the Consideration, to the Acquirer to such New Zealand dollar denominated account instructed to Computershare by the Acquirer; and
- (b) the Capital Return Amount, together with any interest earned on the Capital Return Amount, to the Acquirer to such New Zealand dollar denominated account instructed to Computershare by the Company.

4. IMPLEMENTATION

4.1 Implementation: Subject to:

- (a) any amendments or variations as may be required by the Court;
- (b) the Company and the Acquirer providing Computershare with written notice that the Scheme is Unconditional after 8.00am and prior to 9.00am on the Implementation Date;

Agreed form

- (c) the Consideration and the Capital Return Amount having been deposited into the Trust Account in accordance with clause 3.1 and Computershare confirming in writing to the Company and the Acquirer that this has occurred,

commencing at 9.00 am on the Implementation Date, the following steps will occur sequentially:

- (d) the Company shall instruct Computershare to pay or procure the payment from the Trust Account to each Scheme Shareholder an amount equivalent to the Scheme Dividend for each Scheme Share held by that Scheme Shareholder as set out in the Register as at the Record Date;
- (e) without any further act or formality, the Scheme Buyback Shares held by each Scheme Shareholder shall be acquired by the Company and immediately cancelled;
- (f) the Company shall instruct Computershare to pay or procure the payment from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Buyback Price for each Scheme Buyback Share which has been acquired and cancelled by the Company in accordance with clause 4.1(e) above;
- (g) without any further act or formality, all the remaining Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to the Acquirer, and the Company must enter, or procure Computershare enter, the name of the Acquirer in the Register as holder of all of the remaining Scheme Shares; and
- (h) in accordance with the instructions set out in clause 3.2(b), subject to compliance in full with clause 4.1(g), the Company must instruct Computershare to pay or procure the payment from the Trust Account of the Consideration to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Register as at the Record Date.

5. PAYMENT OF CONSIDERATION

5.1 **Method of payment:** The payment obligations under clauses 4.1(d), 4.1(f) and 4.1(h) ("**Scheme Payments**") will be satisfied by:

- (a) where a Scheme Shareholder has, prior to the Record Date, provided bank account details to enable Computershare and the Company to make payments of New Zealand dollars by electronic funds transfer, Computershare must pay the Scheme Payments in New Zealand dollars to the Scheme Shareholder by electronic funds transfer of the relevant amount to the bank account nominated by that Scheme Shareholder;
- (b) where a Scheme Shareholder that has an address outside of New Zealand has, prior to the Record Date, provided sufficient written instructions to enable Computershare to make payment in foreign currency (and Computershare is able to make payment in that currency), Computershare must pay the Scheme Payments (less any applicable costs and fees) to such Scheme Shareholder (in the currency nominated by such Scheme Shareholder at such exchange rate that Computershare may determine to convert the New Zealand dollar amount payable to that foreign currency); or

Agreed form

- (c) where a Scheme Shareholder has not provided the information and/or taken the steps contemplated by clauses 5.1(a) and 5.1(b) to enable payment to be made to such Scheme Shareholder in a manner contemplated by one of those clauses (or if an electronic payment to such Scheme Shareholder is rejected by the recipient bank) Computershare must retain the Scheme Payments which are owed to that Scheme Shareholder in the Trust Account to be claimed by the Scheme Shareholder in accordance with clause 5.5.

If a Shareholder has given more than one payment direction, then the later in time will be followed.

5.2 Joint holders: In the case of Scheme Shares held in joint names:

- (a) the Scheme Payments are payable to the bank account nominated by the joint holders or, at the sole discretion of the Company, nominated by the holder whose name appears first in the Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme Plan, will be sent to either, at the sole discretion of the Company, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

5.3 Surplus in Trust Account: To the extent that, following satisfaction of the obligations to pay the Scheme Payments, and any interest as contemplated by clause 3.3, there is a surplus in the Trust Account, that surplus (less the aggregate amount of the Scheme Payments retained in the Trust Account in accordance with clause 5.1(c) or clause 5.6(b), and less bank fees and other third party charges relating to the Trust Account) shall be promptly paid to the Acquirer as directed by the Acquirer in writing.

5.4 Holding on Trust: The Company must, in respect of any monies retained by Computershare pursuant to clause 5.1(c) or clause 5.6(b), instruct Computershare to hold such monies in the Trust Account on trust for the relevant Scheme Shareholders for a period of two years and thereafter, subject to clause 5.6, to pay any remaining money in the Trust Account to the Company.

5.5 Unclaimed monies: During the period of two years commencing on the Implementation Date, on request in writing from a Scheme Shareholder that has not received payment of the Scheme Payments in accordance with clause 5.1(a) or 5.1(b), Computershare must, if such Scheme Shareholder has taken the necessary steps required to effect payment to such Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b), pay to that Scheme Shareholder the Scheme Payments held on trust for that Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b) (or in any other manner approved by Computershare and agreed to by that Scheme Shareholder).

5.6 Orders of a court or Government Agency: Notwithstanding any other provision of this Scheme Plan, if written notice is given to the Company prior to the Record Date of an order or direction made by a court of competent jurisdiction or a Government Agency that:

- (a) requires an amount to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder as Scheme Payments in accordance with clause 4.1, the Company will be entitled to procure, and the Acquirer will be deemed to have instructed Computershare to ensure, that provision of that amount is made in accordance with that order or direction; or

Agreed form

- (b) prevents any Scheme Payments from being provided to any particular Scheme Shareholder in accordance with clause 4.1, or the payment of any Scheme Payments is otherwise prohibited by applicable law, the Scheme Payments will be retained in the Trust Account until such time as provision of the Scheme Payments is made in accordance with clause 4.1 or clause 5.5 (as applicable) is permitted by that order or direction or otherwise by law,

and such provision or retention (as the case may be) will constitute the full discharge of the Acquirer's and the Company's obligations to pay the Scheme Payments with respect to the amount so provided or retained.

- 5.7 **Exchange Rate:** If a Scheme Shareholder elects to be paid in a foreign currency as contemplated by clause 5.1(b), the conversion of the Scheme Payments into such foreign currency will be undertaken in a manner and at an exchange rate determined by Computershare, and neither the Company nor the Acquirer will be responsible for (or have any liability in connection with) any such conversion (including for the exchange rate at which the relevant conversion occurs).

6. DEALING IN SHARES

6.1 Trading Halt:

- (a) Following the sealing of the Final Court Orders the Company will advise NZX of the grant of the Final Court Orders and, once known, the Trading Halt Date and Record Date and use its reasonable endeavours to procure that the NZX suspend trading in the Shares from the close of trading on the Trading Halt Date.
- (b) The Company must not accept for registration, nor recognise for any purpose (except a transfer to the Acquirer pursuant to this Scheme Plan and any subsequent transfer by the Acquirer or its successors in title), any transfer or transmission application or other request received after 7.00 pm on the Record Date or received prior to such time, but not in registrable or actionable forms.

6.2 Register:

- (a) The Company must register registrable transmission applications or registrable transfers of Shares received prior to the Trading Halt Date before 7.00pm on the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires the Company to register a transfer that relates to a transfer of Shares on which the Company has a lien.
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares, or any interest in them, after close of trading on the Trading Halt Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and the Company and the Acquirer shall be entitled to disregard any such disposal.
- (c) For the purposes of determining entitlements to the Scheme Payments, but subject to the requirements of the NZX Listing Rules, the Company must maintain the Register in accordance with the provisions of this clause 6 until the Scheme Payments have been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Scheme Payments.

- (d) From 7.00pm on the Record Date, each entry that is current on the Register (other than entries on the Register in respect of the Acquirer), will cease to have effect except as evidence of entitlement to the Scheme Payments in respect of the Shares relating to that entry.
- (e) As soon as possible on the first Business Day after the Record Date and in any event by 5:00pm on that day, the Company must make available to the Acquirer in the form the Acquirer reasonably requires, details of the names, Registered Addresses and holdings of Shares for each Scheme Shareholder as shown in the Register on the Record Date.

7. GENERAL PROVISIONS

7.1 Amendments to Consideration: The Acquirer may increase the Consideration by written notice at any time to the Company prior to the Scheme Meeting, provided that the Scheme Implementation Agreement has not been terminated in accordance with its terms prior to the receipt of such notice by the Company.

7.2 Title to and rights in Scheme Shares:

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to the Acquirer will, at the time of transfer to the Acquirer, vest in the Acquirer free from all Encumbrances and free from any restrictions on transfer of any kind.
- (b) Each Scheme Shareholder is taken to have warranted to the Acquirer on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme Plan will, at the time of transfer, be fully paid and free from all Encumbrances and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Shares to the Acquirer together with any rights and entitlements attaching to those Shares.

7.3 Authority given to Company: Each Scheme Shareholder, without the need for any further act:

- (a) on the Final Orders Date, irrevocably appoints the Company as its attorney and agent for the purpose of enforcing the Deed Poll against the Acquirer (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and
- (b) on the Implementation Date, irrevocably appoints the Company as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and the Company accepts each such appointment. Each such attorney and agent, may sub-delegate its functions, authorities or powers under this clause 7.3 to one or more of the Company's directors or senior managers.

7.4 Binding effect of Scheme:

- (a) The Scheme binds:

- (i) the Company;
- (ii) the Acquirer; and
- (iii) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on the Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting).

(b) In the event of any inconsistency, this Scheme Plan overrides the constitution of the Company and the Companies Act.

7.5 **End Date:** If the Scheme has not become Unconditional on or before the End Date, or if the Scheme Implementation Agreement is terminated in accordance with its terms at any time, this Scheme Plan is immediately void and of no further force or effect (other than any provision of the Scheme or this Scheme Plan relating to the repayment of any relevant amounts deposited in accordance with clause 3.1 which shall be repaid in the manner contemplated by 3.4 (with the necessary adjustments, and less bank fees and other third party charges relating to the Trust Account)).

7.6 **No liability when acting in good faith:** Each Scheme Shareholder agrees that none of the directors, officers or employees of the Company or the Acquirer, will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.

7.7 **Successor obligations:** To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on the Acquirer or the Company that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of the Acquirer or the Company (as applicable) in which case the obligation will be satisfied as if performed by the Acquirer or the Company (as applicable).

7.8 **Governing law:**

(a) This Scheme Plan and any non-contractual obligations arising out of or in connection with it is governed by and must be construed in accordance with the laws of New Zealand.

(b) The courts having jurisdiction in New Zealand have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Scheme Plan (including a dispute relating to any non-contractual obligations arising out of or in connection with this Scheme Plan) and the parties irrevocably submit to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand.

SCHEDULE 6

Deed Poll

Attached.



Deed Poll

relating to a scheme of arrangement under Part 15 of the Companies Act 1993 involving Bremworth Limited

PARTIES

Floorscape Limited

Acquirer

Mohawk Industries, Inc.

Acquirer Guarantor

Each registered holder of Scheme Shares as at 5.00pm on the Record Date

Scheme Shareholders

DEED dated

2025

PARTIES

Floorscape Limited

("Acquirer")

Mohawk Industries, Inc.

("Acquirer Guarantor")

Each registered holder of Scheme Shares as at 5.00pm on the Record Date

("Scheme Shareholders")

INTRODUCTION

- A. Bremworth Limited ("**Company**"), the Acquirer Guarantor and the Acquirer are parties to the Scheme Implementation Agreement.
- B. The Company has agreed in the Scheme Implementation Agreement to propose a scheme of arrangement between the Company, the Acquirer Guarantor, the Acquirer and the Scheme Shareholders, the effect of which will be that all Scheme Shares will be transferred to the Acquirer, and the Acquirer will provide or procure the provision of the Consideration to the Scheme Shareholders.
- C. The Acquirer is entering into this Deed Poll for the purpose of undertaking in favour of the Scheme Shareholders to pay the Consideration to the Scheme Shareholders in accordance with the terms of the Scheme Plan.
- D. The Acquirer Guarantor is entering into this Deed Poll for the purposes of undertaking to the Scheme Shareholders to procure that all obligations of the Acquirer under this Deed Poll are met.

COVENANTS

1. DEFINED TERMS AND INTERPRETATION

1.1 **Defined terms:** In this Deed, unless the context requires otherwise:

"**Final Orders**" means orders on application of the Company, that the Scheme shall be binding on the Company, the Acquirer Guarantor, the Acquirer, the Scheme Shareholders and such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act;

"**Scheme Implementation Agreement**" means the scheme implementation agreement between the Company, the Acquirer Guarantor and the Acquirer dated [] 2025; and

"Scheme Plan" means the scheme plan attached as Schedule 5 to the Scheme Implementation Agreement, subject to any alterations or conditions approved by the Acquirer Guarantor, the Acquirer and the Company in writing and which are disclosed to the Court prior to the Court making the Final Orders.

- 1.2 **Words defined in the Scheme Plan:** Words defined in the Scheme Plan which are not separately defined in this Deed Poll have the same meaning when used in this Deed Poll.
- 1.3 **Interpretation:** Clauses 1.2, 1.3 and 1.4 of the Scheme Plan apply to the interpretation of this Deed Poll, except that references to "this Scheme Plan" are to be read as reference to "this Deed Poll".

2. NATURE OF THIS DEED POLL

2.1 Third party rights and appointment of attorney:

- (a) This Deed Poll is intended to, and does, confer a benefit on, and therefore may be relied on and enforced by, any Scheme Shareholder in accordance with its terms under Part 2, Subpart 1 of the Contract and Commercial Law Act 2017 (but not otherwise), even though the Scheme Shareholders are not party to it.
- (b) Under the Scheme Plan each Scheme Shareholder appoints the Company as the Scheme Shareholder's attorney and agent to enforce this Deed Poll against the Acquirer Guarantor and/or the Acquirer with effect on and from the date prescribed for such appointment in the Scheme Plan (but without limiting each Scheme Shareholder's right to itself enforce this Deed Poll).
- (c) Notwithstanding clauses 2.1(a) and 2.1(b), this Deed Poll may be varied by the Acquirer Guarantor, the Acquirer and the Company in accordance with clause 8.2 without the approval of any Scheme Shareholders.

2.2 **Continuing obligations:** This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until either:

- (a) the Acquirer and the Acquirer Guarantor have each fully performed its obligations under it; or
- (b) it is terminated under clause 4.

3. CONDITIONS

- 3.1 **Conditions:** This Deed Poll, and the obligations of the Acquirer and the Acquirer Guarantor under it, are conditional in all respects on the Scheme becoming Unconditional.

4. TERMINATION

- 4.1 **Termination:** The obligations of the Acquirer Guarantor and the Acquirer under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if:

- (a) the Scheme Implementation Agreement is validly terminated in accordance with its terms before the Scheme becomes Unconditional; or
 - (b) the Scheme does not become Unconditional on or before 5.00pm on the End Date,
- unless the Acquirer, the Acquirer Guarantor and the Company otherwise agree in writing.

4.2 **Consequences of termination:** If this Deed Poll is terminated under clause 4.1, then the Acquirer Guarantor and the Acquirer are released from its obligations to further perform this Deed Poll.

5. SCHEME CONSIDERATION

5.1 Subject to the Scheme Implementation Agreement not being terminated and the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(f) and 3.1(g) of the Scheme Implementation Agreement), the Acquirer undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 4.00pm on the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Consideration payable to all Scheme Shareholders on the Implementation Date as set out in the Scheme Plan, such deposit to be made into the Trust Account to be held and dealt with by Computershare in accordance with the Scheme Plan.

5.2 Subject to clause 3:

- (a) the Acquirer irrevocably acknowledges and agrees that, subject to compliance in full by the Company with its obligations under clause 4.1 of the Scheme Plan, the Consideration deposited into the Trust Account must be, and will be, paid in accordance with clause 5 of the Scheme Plan in satisfaction of the Scheme Shareholders' respective entitlements to receive the Consideration under the Scheme in accordance with the Scheme Plan; and
- (b) the Acquirer Guarantor irrevocably undertakes in favour of each Scheme Shareholder to procure that all obligations of the Acquirer in this Deed Pool are met.

6. WARRANTIES

6.1 The Acquirer Guarantor and the Acquirer each warrant in favour of each Scheme Shareholder that:

- (a) the Acquirer is a company validly incorporated in New Zealand;
- (b) it has the corporate power to enter into, and perform its obligations under, this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken, or will prior to the Implementation Date take, all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

7. NOTICES

7.1 Manner of giving notice: Any notice or other communication to be given under this Deed Poll must be in writing and may be physically delivered or sent by email to the Acquirer Guarantor and/or the Acquirer at:

Address: Godfrey Hirst, 142 Kerrs Road, Wiri, Manukau, Auckland, New Zealand

Email: tania.pauling@godfreyhirst.com

For the attention of: Tania Pauling

or at any such other address or email address notified for this purpose to the other parties under this clause.

7.2 When notice given: In the absence of earlier receipt, any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by email, four business hours (being the hours between 9.00am and 5.00pm on a Business Day in the jurisdiction of the recipient) after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered (excluding an "out of office" automated message),

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

7.3 Proof of service: In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the e-mail was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

7.4 Documents relating to legal proceedings: This clause 7 does not apply in relation to the service of any claim, form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Deed Poll.

8. GENERAL

8.1 Waiver:

- (a) The Acquirer Guarantor and the Acquirer may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) For the purposes of clause 8.1(a):
 - (i) conduct includes a delay in exercising a right;
 - (ii) right means any right arising under or in connection with this Deed Poll and includes the right to rely on this clause; and
 - (iii) waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.2 Variation:

- (a) Subject to clauses 8.2(b) and 8.2(c), this Deed Poll may not be varied.
- (b) Before the date on which the Final Orders are made, this Deed Poll may be varied by agreement in writing between the Acquirer Guarantor, the Acquirer and the Company, in which event the Acquirer Guarantor and the Acquirer will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.
- (c) If the Court orders that it is a condition of the Scheme that the Acquirer Guarantor and the Acquirer enters into a new deed poll which has the effect of reversing any variation under clause 8.2(b), then, if the Acquirer Guarantor and the Acquirer so agree, the Acquirer Guarantor and the Acquirer must promptly enter into a further deed poll in favour of the Scheme Shareholders to give effect to the reversal of that variation.

8.3 **Cumulative rights:** The rights, powers and remedies of the Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, power or remedies provided by law independently of this Deed Poll.

8.4 **Assignment:** The rights and obligations of the Acquirer and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 8.4 is invalid.

8.5 **Further assurance:** The Acquirer Guarantor and the Acquirer must, each at its own expense, do all things reasonably required of it to give full force and effect to this Deed Poll and the transactions contemplated by it.

8.6 Governing law and jurisdiction:

- (a) This Deed Poll and any non-contractual obligations arising out of or in connection with it are governed by the law applying in New Zealand.
- (b) The courts having jurisdiction in New Zealand have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed Poll (including a dispute

relating to any non-contractual obligations arising out of or in connection with this Deed Poll) and the Acquirer Guarantor and the Acquirer irrevocably submits to the exclusive jurisdiction of the courts having jurisdiction in New Zealand.

Executed and delivered as a deed poll

FLOORSCAPE LIMITED
(Company Number: [1496430])

By:

Signature of Director

Signature of Director

Name of Director

Name of Director

MOHAWK INDUSTRIES, INC.

By:

Signature of authorised officer

Name of authorised officer

SCHEDULE 7

Pro Forma Cash Balance

ACCOUNT NAME	BALANCE (LOCAL)	FX RATE	ACTUAL BALANCE AS AT FINAL ORDERS DATE (NZD)
International currency accounts			
CB USD account	0	0	0
CB GBP account	0	0	0
CB Euro account	0	0	0
Bremworth Australia	0	0	0
Cash position (International)	0	0	0
New Zealand accounts			
Bremworth Carpets and Rugs			0
Bremworth Outlet			0
Bremworth			0
Bremworth Spinners			0
Elco Direct			0
Term Deposit			0
Cash position (Local)			0
Cash position (Total) as at Final Orders Date (before Capital Return)			0
Less: Capital Return Amount (as that term is defined in the Scheme Plan)			0
Less: Estimated Cash outflows for the period from Final Orders Date to the Implementation Date			0
Pro Forma Cash Balance (immediately following Capital Return)			0

PUBLIC VERSION



APPENDIX 2: [CONFIDENTIAL] STRUCTURE DIAGRAM FOR THE TARGET

[REDACTED]



APPENDIX 3: PRODUCTS SUPPLIED BY THE PARTIES

- 1 Part 3, at paragraphs [41] and [42], provides background on the relevant products supplied by the parties to this application.



APPENDIX 4: [CONFIDENTIAL] CONTACT DETAILS FOR THE PARTIES' KEY COMPETITORS

Competitor	Business overview	Contact details
Carpet Mill	New Zealand carpet manufacturer	[REDACTED]]
Wools of New Zealand	New Zealand company exports homegrown wool for offshore carpet and wool tile production, then reimports products	[REDACTED]]
Belgotex	Manufacturer of imported carpet and hard flooring	[REDACTED]]
Victoria Carpets (VCC)	Manufacturer of imported carpet	[REDACTED]]
Standard Carpets L.L.C	Manufacturer of imported carpet	[REDACTED]]
Robert Malcolm	Distributor of imported carpet and hard flooring	[REDACTED]]
Jacobsen	Distributor of imported carpet and hard flooring	[REDACTED]]
Haima Carpet Corporation	Manufacturer of imported carpet	[REDACTED]]
Karndean	Manufacturer of imported hard flooring	[REDACTED]]



Polyflor	Manufacturer of imported hard flooring	[REDACTED]
Urban Collection	Distributor of carpet, hard flooring and accessories	[REDACTED]
Euroflor	Distributor of carpet and hard flooring (sheet vinyl and vinyl plank)	[REDACTED]
Tarkett Home	Manufacturer of imported hard flooring	[REDACTED]
Interface	Manufacturer of imported carpet tile and distributor of hard flooring	[REDACTED]
Shaw Contract	Manufacturer of imported carpet tile and hard flooring	[REDACTED]
Best Wools Carpets	Manufacturer of imported carpet	[REDACTED]
Signature Floors	Distributor of imported carpet and hard flooring	[REDACTED]
Pegasus Carpets	Manufacturer and distributor of carpet	[REDACTED]
Lifestyle Flooring	Distributor of carpet and hard flooring	[REDACTED]



National Flooring Distributors	Distributor of carpet tiles and hard flooring	[REDACTED]
VidaSpace	Distributor of imported timber flooring and timber wall panels	[REDACTED]
Preference Floors	Distributor of hard flooring	[REDACTED]
Forte Flooring	Distributor of imported hard flooring	[REDACTED]
Hurford's	Distributor of imported of timber flooring	[REDACTED]
Floorco	Importer of carpet and hard flooring	[REDACTED]
Parks Flooring	Distributor, retailer and installer of imported hard flooring	[REDACTED]
Carpet Court (Direct Office)	Distributor of imported carpet and hard flooring	[REDACTED]
Harrisons	Distributor of imported carpet	[REDACTED]
Inzide Commercial	Importer of Interface carpet tiles and Forbo hard flooring	[REDACTED]



Bunnings	DIY store distributor of hard flooring	[REDACTED]
Mitre 10 (New Zealand) Limited	Distributor of hard flooring	[REDACTED]
Creative flooring	Distributors of imported timber and cork flooring	[REDACTED]
Woodlands Lifestyle	Distributor of imported hard flooring	[REDACTED]
Advance Flooring	Importer of carpet tiles and hard flooring	[REDACTED]
Heritage Carpets	Importer of carpets and carpet tiles	[REDACTED]
EcoFloors	Importer of carpet tiles and hard flooring	[REDACTED]



APPENDIX 5: [CONFIDENTIAL] MARKET SHARE ESTIMATES

Supplier	Carpet market at Wholesale price					
	FY24		FY23		FY22	
	Revenue \$	Share of supply %	Revenue \$	Share of Supply %	Revenue \$	Share of Supply %
GHNZ Carpet Wholesale	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mohawk direct sales at Wholesale	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Bremworth carpet Wholesale	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Imports at Wholesale	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other NZ Manufacturers Wholesale	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	265,425,888	100%	278,001,635	100%	309,338,452	100%



APPENDIX 6: [CONFIDENTIAL] CONTACT DETAILS FOR MOHAWK INDUSTRIES, INC. CUSTOMERS

Customer	Value of sales FY24	Contact details
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]



]]
---	--	---



APPENDIX 7: [CONFIDENTIAL] CONTACT DETAILS FOR BREMWORTH LIMITED CUSTOMERS

Customer	Value of sales FY24	Contact details
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]



APPENDIX 8: BREMWORTH LIMITED ANNUAL REPORT 2024

Bremworth Limited Annual Report 2024 can be accessed at:

<https://api.nzx.com/public/announcement/439129/attachment/428428/439129-428428.pdf>



APPENDIX 9: BREMWORTH LIMITED CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Bremworth Limited Consolidated Audited Financial Statement for the year ended 30 June 2024 can be accessed at:

<https://api.nzx.com/public/announcement/437069/attachment/426003/437069-426003.pdf>



APPENDIX 10: MOHAWK INDUSTRIES, INC. 2024 ANNUAL REPORT

Mohawk Industries, Inc. 2024 Annual Report can be accessed at:

https://mohawkind.com/_pdf/Mohawk_2024_Annual_Report.pdf



**APPENDIX 11: MOHAWK INDUSTRIES, INC. FORM 11-K FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Mohawk Industries, Inc. Form 11-K Financial Statements for the year ended 31 December 2024 can be accessed at:

<https://ir.mohawkind.com/static-files/f3011eeb-65fb-4f53-9c20-d5b5a70cbe3d>



APPENDIX 12: FLOORSCAPE LIMITED AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Floorscape Limited and its subsidiaries Consolidated Financial Statements for the year ended 31 December 2024 can be accessed at:

<https://app.companiesoffice.govt.nz/companies/app/service/services/documents/00DE83279374847F1B1F10371D8D203F>