

# BOARD NOMINATION COMMITTEE REPORT TO SHAREHOLDERS

This report is issued to the board of Australian Wool Innovation Limited (AWI) for dissemination to all shareholders eligible to vote on the election of Directors to be held at the AWI Annual General Meeting 2015.

## BACKGROUND

Under the terms of the Statutory Funding Agreement 2010-2013 (SFA) between AWI and the Commonwealth of Australia, AWI established the Board Nomination Committee (Committee) in 2011. It is required to convene in each director election year.

The members of the Committee for 2015 are:

- Mr Ian Armstrong (former Deputy Premier of NSW & former leader National Party in NSW), Committee Chairman
- Mr Rob Ashby (past President of the World Federation of Merino Breeders)
- Mr William Wilson (past General Manager Sales & Marketing, ASX)
- Ms Colette Garnsey (AWI director)
- Mr Brian van Rooyen (AWI director)

## SKILLS

The Committee has reviewed the CVs provided by each nominated candidate and the skills which each candidate, in the assessment of the Committee, is capable of contributing to the AWI Board.

The Committee has had an interview with each candidate and sought to identify necessary and desirable director competencies having regard to the skills and experience of the current Directors of the Company who are not standing for re-election, the nature of the business and affairs of the Company, the strategic plan of the Company, and the following skills set out in the SFA:

1. Corporate governance;
2. Wool growing;
3. Wool processing;
4. Product promotion and retail marketing;
5. Domestic and international market development and international trade;
6. R&D, technology, technology transfer, commercialisation and adoption of R&D and innovation;
7. Conservation and management of natural resources;
8. Administration of research and development; and
9. Finance and business management.

Prior board nomination committees identified skills which could be strengthened on the AWI board. These have been addressed by the board and shareholders in earlier director election years, particularly in the area of product promotion and retail marketing, and the Committee considers that a healthy balance of the skills set out in the SFA exists on the board.

# COMMITTEE ASSESSMENT

The Committee sets out below its assessment of each of the three (3) nominated candidates.

Candidate	Committee Assessment
<p><b>Mr Wal Merriman</b> Board Nominated Candidate. AWI director since 2004.</p>	<ul style="list-style-type: none"> <li>• The AWI Boards that he has chaired have overseen considerable improvements in stakeholder communications, corporate governance and internal culture</li> <li>• Vast industry knowledge with particular focus on market development and trade internationally, and R&amp;D innovation</li> <li>• Proven skills in communicating with shareholders and other stakeholders</li> <li>• Deep industry connections including with major processors and manufacturers in Europe and China</li> <li>• Expertise and experience in government relations</li> </ul>
<p><b>Mr David Webster</b> Board Nominated Candidate. AWI director since 2008.</p>	<ul style="list-style-type: none"> <li>• Strong contribution to the AWI Finance and Audit Committee and knowledge of corporate governance</li> <li>• Wide range of commercial skills</li> <li>• Extensive knowledge of wool industry issues</li> <li>• Experience with AWI shareholders and stakeholders</li> <li>• Experience with export markets especially China</li> </ul>
<p><b>Mr Jock Laurie</b> Candidate nominated by at least 100 members</p>	<ul style="list-style-type: none"> <li>• Active woolgrower with deep connections in the wool industry</li> <li>• Expertise in global market negotiations for Australian industry</li> <li>• Broad experience with stakeholder communications and liaison with governments</li> <li>• Knowledge of natural conservation issues</li> <li>• Experience in animal welfare issues</li> </ul>

The Committee considers that the candidates for election in 2015 are all of a high standard, and that each of them is well positioned to make a contribution to the skills of the board in a number of areas.

The Committee believes that they are each candidates who, if appointed, would result in the Board having a sound balance of director competencies. They are recommended to shareholders on that basis.



Ian Armstrong  
Committee Chairman  
9 October 2015