

AWI NOTICE OF ANNUAL GENERAL MEETING

Australian Wool Innovation Limited
(ACN 095 165 558)

LETTER FROM THE CHAIRMAN

Dear Shareholder

Your company Australian Wool Innovation Limited (AWI) is in an extremely strong position to take the Australian wool industry to the next stage of wool research, development and innovation.

The foundations are in place, a number of exciting Research and Development (R&D) projects are showing promise and your Board and AWI management are enthusiastic and committed to making wool growing more profitable in the long term.

As an R&D company, AWI is all about change and innovation – identifying opportunities that are available to assist woolgrowers to be more profitable and helping those growers embrace changes.

The October 2002 Annual General Meeting (AGM) confirmed that the shareholders of AWI are in control of their corporation and my Board was given a clear mandate to manage the future of wool R&D in Australia.

One of many important outcomes from a recent comprehensive review of corporate governance has been the set of important resolutions outlined in this Notice of AGM, which require your consideration.

During 2002/2003, AWI endeavoured to be more open and transparent with its shareholders. In its commitment to shareholder consultation, AWI has adopted a very practical hands-on approach to help identify industry changes that will increase grower profitability. This has provided an open, candid and constructive environment for woolgrowers to voice their opinion.

We again seek your opinion, this time in the form of your consideration of:

- The Financial Report of the Company, the Directors Report and the Auditor's Report, for the financial year ended 30 June 2003;
- A resolution for Re-election and Election of Directors;
- A resolution approving Deeds of Indemnity, Access and Insurance with all of the present and future directors and officers of the Company; and
- A resolution approving what your Board believes are sensible amendments to the Constitution of the Company.

As a shareholder you can again have your say about the performance and direction of AWI, at the second Annual General Meeting, at Burswood, Western Australia on 21 November 2003, when each of the resolutions contained within this Notice of AGM will be put to the meeting.

Alternatively, the Board encourages you to return the enclosed proxy form. All members of the Board will be supporting Resolution 3, Deeds of Indemnity, Access and Insurance and Resolution 4, Amendments to the Constitution of the Company.

We look forward to your contribution.

Yours sincerely



Ian McLachlan AO.

PROGRAM OUTLINE

AWI Information Forum and Annual General Meeting 2003

21 November 2003

Burswood International Resort Casino, Western Australia.

- 8.30am** Registration
- 9.30am** Information Forum
Chaired – Dr Kevin Bell, AWI Director
Presentations
Kevin Bell – AWI Program Overview
Paul Swan – Wool Science
Nathan Ly – Textile Technology
Bob Quirk – Trade Development
- 11.15am** Morning Tea (15mins)
- 11.30am** Presentations continue
Georgia McCafferty – Communications
Paul Comyn – Education & Adoption
Les Targ – Shear Express
- 12.50pm** Lunch and Wool Innovation Showcase display
- 2.00pm** Annual General Meeting commences.

Following the AGM, the Chairman invites all attendees to join the Board and AWI staff for drinks and a BBQ.

Notice of Annual General Meeting (AGM)

Notice is given that the Annual General Meeting of the Company is to be held at Grand Ballroom 2, Burswood International Resort Casino, Great Eastern Highway, Burswood, Perth, Western Australia on Friday 21 November 2003, commencing at 2.00pm

AGM AGENDA

ORDINARY BUSINESS TO BE TRANSACTED

1. Consideration of Reports

To receive and consider the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2003.

2. Re-election and Election of Directors

To consider and if thought fit to pass the following as separate ordinary resolutions:

- (a) To elect as a Director Dr Christopher John Abell, who retires as a Director in accordance with Rule 13.2 of the Company's Constitution and, being eligible, offers himself for election.
- (b) To re-elect as a Director Dr Kevin John Bell, who retires as a Director in accordance with Rule 13.3(a) of the Company's Constitution and, being eligible, offers himself for re-election.
- (c) To re-elect as a Director Mr Peter Sylvester Sykes, who retires as a Director in accordance with Rule 13.3(a) of the Company's Constitution and, being eligible, offers himself for re-election.

3. Deeds of Indemnity, Access and Insurance

The meeting is to consider, and if thought appropriate, pass the following RESOLUTION as an **ordinary resolution**:

That approval is hereby given for the Company to enter into a Deed of Access, Indemnity and Insurance with each of the present and each of the future directors of the Company, materially in the form of the deed, a copy of which has been made available at this meeting and the material terms of which are described in the Explanatory Notes accompanying this Notice of Meeting.

SPECIAL BUSINESS TO BE TRANSACTED

4. Amendments to the Constitution of the Company

The meeting is to consider and, if it is considered appropriate, to pass the AMENDING RESOLUTION as a **Special Resolution**.

To amend the Constitution of the Company in the manner set out in the Explanatory Notes accompanying this Notice of Meeting.

Proxies

Please note that:

- (a) a shareholder of the Company entitled to attend and vote at the Annual General Meeting has the right to appoint a proxy;
- (b) a proxy need not be a shareholder of the Company; and
- (c) a shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion of number of votes each proxy is to exercise.

If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.

A form of proxy accompanies this Notice of Annual General Meeting. For the appointment of a proxy to be effective for a meeting, the following documents must be received by ASX Perpetual Registrar, by post (using the reply-paid envelope enclosed) or fax to (03) 9615 9744) or by delivery to its offices at Level 4, 333 Collins Street, Melbourne Vic 3000, **at least 48 hours before the meeting**:

- (i) the form of proxy properly completed and signed; and
- (ii) if the form of proxy is signed by the appointor's attorney — the authority under which the proxy was signed or a certified copy of the authority.

By order of the Board

Company Secretary

Dated 21 October 2003

EXPLANATORY NOTES

ITEM 1 – CONSIDERATION OF REPORTS

To receive and consider the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2003.

ITEM 2 – RE-ELECTION AND ELECTION OF DIRECTORS

In accordance with the Constitution, the Board of Directors has resolved that the Board will comprise seven (7) Directors at the time of the AGM (Rule 13.1(a)) and has further resolved that there will be three vacancies for the office of Director to be contested by election at the AGM. One Director, Dr Christopher John Abell, only holds office until the AGM (Rule 13.2) and two Directors will retire, Dr Kevin John Bell and Mr Peter Sylvester Sykes (Rule 13.3 (a)). All three have satisfied the requirements to be eligible for, and are seeking, in the case of Dr Abell, election, and in the case of Dr Bell and Mr Sykes, re-election.

Short biographical details for each of the persons nominated follows.

Director's notes

Dr Chris Abell	Dr Abell is a Non-Executive Director for SaabSystems Pty Ltd and Pacific Marine Batteries Pty Ltd and responsible for family agricultural, pastoral and merchandising interests in South Australia. He holds Australian tertiary qualifications in engineering, was awarded a Doctorate of Philosophy degree from the University of Melbourne and was a Postdoctoral Research Fellow at the University of Cambridge, UK. Dr Abell founded CJ Abell & Co and as Managing Director, and then Executive Chairman, grew the Company from a one-person operation in 1981 to a business employing 250 engineers and scientists in 2000. CJ Abell & Co was involved in research and development contracts for the Australian and United States Departments of Defence and national and international corporations. The Company became part of the Vision Systems Group in 1987 and was sold to Tenix Defence Systems in 2001. With a strong history of business involvement at a Board level across a number of industries, Dr Abell was a Non-Executive Director of WoolStock Australia Ltd from 1999 to 2002, Chairman of LADS Corporation Ltd from 1992 to 2001 and an Advisory Board Member on the CRC for Sensor, Signal & Information Processing from 1995 to 2001.
Dr Kevin Bell	Dr Bell has spent 18 years working as a self-employed private consultant with sheep farmers, five years' post-graduate research field work and study with sheep farmers and five years' experience in international development projects. Dr Bell is a corporate member of AAAC (WA) and a Registered Veterinary Specialist in Sheep Medicine. Dr Bell has particular interest and expertise in the husbandry, breeding and nutrition of sheep, the production, management and utilisation of pastures and applied field research and extension. Dr Bell's association with family farm businesses has also involved farm and family business planning. Dr Bell's involvement with industry has included being a member of the WA Woolpro Steering Committee, teaching responsibilities at Murdoch University School of Veterinary Studies and a member of State Department of Agriculture sheep disease research, extension and program review committees. Dr Bell was involved with the former Woolmark Company, as the sheep-cereal zone consultant representative on the zone farmer advisory committees.
Mr Peter Sykes	Mr Sykes is Currently Managing Director of Woolaby Australia, a business focusing on research, product development, marketing and retail within the wool industry. He is also currently a director of G A Sykes and Sons, running 7,000 merino sheep and 700 beef cattle in Southern NSW. Mr Sykes has nine years experience in financial markets with Westpac Banking Corporation in money market trading, risk management and distribution.

EXPLANATORY NOTES

ITEM 3 – DEEDS OF INDEMNITY, ACCESS AND INSURANCE

Background to the Deed

It has become common practice for companies to enter into agreements with their directors relating to access to documents, rights of indemnity and insurance. This practice has arisen:

- because of the increasing risks involved in corporate management;
- as a means of attracting and retaining quality directors; and
- uncertainty as to whether former directors can enforce indemnities included in the company's constitution.

As a result of this, the Board is of the view that it is appropriate to seek shareholder approval to enter into a deed of agreement covering indemnity, access and insurance (the deed) with each of the current Directors of the Company. It is intended that the Company will also enter into the Deed with any newly appointed Officers.

The Constitution of the Company, Rule 19, also authorises the Company to enter into an indemnity as contemplated by this resolution. The Board is committed to full disclosure and transparency where ever possible in all the Company's dealings.

For the purposes of these notes and the Deed, "Officer" means any of:

- appointed director(s);
- appointed company secretary; and
- any employed executive who has the power to make decisions and agreements which are binding on the company.

A copy of the Deed is available by contacting the AWI Company Secretary and copies will be made available at the Annual General Meeting.

Provisions of the Deed

The main provisions of the deed are as follows:

Access

- The Company must retain in a secure location where they can be readily located, all documentation made available to an Officer while that Officer held office.
- The Company must allow an Officer (and an Officer's advisers) to have unlimited access to such documentation. However, the Company may refuse to provide access where:
 - the documentation is the subject of legal professional privilege;
 - access to the documentation is likely to create a conflict between the Company's interests and those of the Officer; or
 - access to the documentation may have a negative effect on the financial position of the Company or prevent it from performing its contractual obligations.
- The rights of access continue for 7 years after the Officer ceases to hold office. Where access is provided, the Officer must maintain the confidentiality of the documentation.

Indemnity

- The indemnity contained in the Deed does not extend further than is permitted under the Corporations Act.
- The indemnity extends to any liability incurred by an Officer to any person in defending civil or criminal proceedings in which judgment is given in favour of the Director (or an application in relation to those proceedings in which relief is granted). This indemnity applies only to the extent that:
 - the indemnity is lawful; and
 - the Officer is not indemnified through another source (ie: proceeds from an insurance policy).
- An Officer must:
 - take such action as the Company reasonably requires and assist the Company to the best of the Officer's ability to avoid, dispute, defend or appeal any action which may give rise to a claim under the indemnity;
 - not admit any liability or settle any claim in relation to any action which may give rise to a claim under the indemnity without the prior written consent of the Company, and
 - if the obligation of the Company to indemnify the Officer depends on the outcome of a proceeding, the Company must, if requested to do so, provide a loan to the Officer to cover legal costs in defending the claim. The loan amount plus interest is repayable 30 days after the determination of the dispute and any appeals.

Insurance

- The insurance provisions in the Deed are also consistent with the insurance provision set out in Rule 19.1(c) of the Company's Constitution and Section 199C of the Corporations Act, 2001.
- The Deed provides that the Company may, where the Directors consider it appropriate, enter into a contract of insurance insuring an Officer against any liability:
 - which does not arise out of conduct involving a wilful breach of duty in relation to the Company; and
 - for costs and expenses incurred by the Director in defending proceedings, whatever their outcome.
- The Company may agree to continue to maintain and pay the premiums for such insurance for a period of seven years after the Officer ceases to hold office.

General

- If the Officer seeks independent professional advice in relation to his or her duties to the Company, the Company is to meet the costs of provision of that advice, provided that prior approval is given by the Board or by the Chairman of the Board.

ITEM 4 – AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company is to be amended in the following manner:

Amendment 1

Insert the following definition after the definition of “Conversion Time” in Rule 1.4 “Corporation has the meaning given in the Law”.

Amendment 2

Delete the definition of “Demerger”, in its entirety, in Rule 1.4.

Amendment 3

Insert the following definition after the definition of “person” in Rule 1.4 “Proxy or Other Authority means a proxy, a power of attorney, the appointment of a representative by a body corporate and any form of authority by which the person signing the proxy is empowered to sign the proxy.”

Amendment 4

Insert the following definition after the definition of “registered address” in Rule 1.4 “related body corporate has the meaning given in the Law.”

Amendment 5

Insert the following definition after the definition of “Wool Levy” in Rule 1.4 “Wool Producing Business means a business which engages in, or will engage in, Taxable Wool Transactions.”

Amendment 6

Delete the words “Additional Issues of Shares to Wool Levy Payers” in the heading to Rule 4.1 and replace it with the words “Issues of Shares”.

Amendment 7

To:

- (a) insert a semi colon after the words “prescribe, of” in Rule 4.1(b)(ii);
- (b) move the words “the applicant’s Rolling Wool Levy Amount as at the date of the application” in Rule 4.1(b)(ii) to a new Rule 4.1(b)(ii)(A)
- (c) Replace the full stop at the end of new Rule 4.1(b)(ii)(A) with “; or”; and
- (d) Insert the following as the text of a new Rule 4.1(b)(ii)(B) “the applicant being engaged in, a Wool Producing Business.”

Amendment 8

To:

- (a) delete the word “An” at the beginning of Rule 4.1(c) and replace it with the words “Subject to each of paragraph 4.1(b) and paragraph 4.1(e) an”;
- (b) insert a semi colon after the words “entitled to one share” in Rule 4.1(c);
- (c) move the words “if the applicant has a Rolling Wool Levy Amount of \$100 or more as at the date of the application” in Rule 4.1(c) to a new Rule 4.1(c)(i);
- (c) replace the full stop at the end of new Rule 4.1(c)(i) with “; or”; and
- (d) insert the following as the text of a new Rule 4.1(c)(ii) “if the Board is satisfied the applicant is engaged in a Wool Producing Business.”.

Amendment 9

To:

- (a) delete the words, numerals and symbols “paragraph 4.1(a)” from Rule 4.1(e) and replace them with “this Rule 4.1”; and
- (b) insert the following at the end of Rule 4.1(e) “The Board may determine that an applicant is not entitled to a share.”

Amendment 10

To insert the following text after the words “final and conclusive” in Rule 4.1(f) “except in the case of manifest error which comes to the attention of the Board, in which case the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors.”

Amendment 11

Insert the following as the text of a new Rule 4.1(i) after Rule 4.1(h) “Nothing shall preclude an unsuccessful applicant making a subsequent application.”

Amendment 12

To:

- (a) insert the words “use reasonable endeavours to “ after the words “the Board must and before the words “notify the shareholders in Rule 4.2(a).
- (b) delete the words “certified mail” in Rule 4.2(a) and replace them with the words “pre-paid post”.
- (c) delete the numeral “21” in Rule 4.2(a) and replace it with “28”;
- (d) delete the words “shareholder’s receipt” in Rule 4.2(a) and replace them with the words “date of the posting “;
- (e) delete the numeral “21” in Rule 4.2(b) and replace it with “the said 28”;
- (f) delete the words “after receipt of the notice of determination” in Rule 4.2(b);
- (g) delete the numeral “21” in Rule 4.2(c) and replace it with “the said 28”; and
- (h) delete the words “of receipt of the notice of determination” in Rule 4.2(c).

Amendment 13

To:

- (a) insert the following as the text of a new Rule 4.2(d) after Rule 4.2(c):
- (b) “If at any time the Board determines that a shareholder has ceased to be engaged in a Wool Producing Business, the Board must use reasonable endeavours to notify the shareholder in writing sent by pre-paid post of the determination and invite the shareholder, if the shareholder believes that the shareholder is engaged in a Wool Producing Business, to provide such supporting evidence as the Board may prescribe from time to time for this purpose within twenty-eight (28) days after the date of the posting of the notice of determination.”;
- (c) insert the following as the text of a new Rule 4.2(e) after new Rule 4.2(d):
- (d) “If a shareholder provides evidence within the said twenty-eight (28) days and the Board determines that the shareholder is engaged in a Wool Producing Business no further action will be taken.”;
- (e) insert the following as the text of a new Rule 4.2(f) after new Rule 4.2(e):
“If the shareholder does not provide evidence within the said twenty-eight (28) days or the Board, in its discretion, confirms its determination that the shareholder has ceased to be engaged in a Wool Producing Business the shareholder’s share will be immediately transferred to the Nominee Company for no consideration.”
- (f) as a consequence of the above amendments, renumber Rule 4.2(d) as Rule 4.2(g);
- (g) delete the words, numerals and symbols “paragraph 4.2(c)” in renumbered Rule 4.2(g) and replace them with “paragraphs 4.2(c) or 4.2(f)”;
- (h) as a consequence of the above amendments, renumber Rule 4.2(e) as Rule 4.2(h); and
- (i) delete the words, numerals and symbols “paragraph 4.2(c)” in renumbered Rule 4.2(h) and replace them with “paragraphs 4.2(c) or 4.2(f)”.

Amendment 14

Insert the following at the end of Rule 4.4(f) “For the avoidance of doubt it is noted the reference to “first” means first in the Register as between the joint holders present personally or by duly authorised representative, proxy or attorney, not simply the first in the Register.”

EXPLANATORY NOTES

Amendment 15

Delete the words, symbols and numerals “For the purposes of paragraph 12.1(b)” in Rule 5.1 and replace them with “Despite any provision of this Constitution the”.

Amendment 16

To:

- (a) delete the word “fix” in Rule 5.2(a)(i) and replace it with the word “determine”;
- (b) delete the words “beginning with the Financial Year completed prior to the date of Demerger” at the end of Rule 5.2(a)(i) and replace them with the words “and notify each shareholder, of that Return Date as soon as reasonably possible after the date of the Board’s determination, in such manner as the Board determines is reasonable and appropriate”;
- (c) insert the following as the text of a new Rule 5.2(a)(ii) “the Board must make its determination before the end of each relevant Financial Year.”;
- (d) as a consequence of the above amendments, renumber Rule 5.2(a)(ii) as Rule 5.2(a)(iii); and
- (e) as a consequence of the above amendments, renumber Rule 5.2(a)(iii) as Rule 5.2(a)(iv).

Amendment 17

To:

- (a) delete the words “after Demerger and again” in Rule 5.3(a);
- (b) delete the words “ending on or after the date of Demerger” in Rule 5.3(a);
- (c) delete the words “or if there is a difficulty estimate” in Rule 5.3(a);
- (d) insert the words “and/or obtained” prior to the words and numerals “under Rule 5.2” in Rule 5.3(a);
- (e) insert the following at the end of Rule 5.3(c) “The Board must determine the voting entitlements of each shareholder on that basis.”; and
- (f) insert the following as the text of a new Rule 5.3(d) after Rule 5.3(c):
- (g) “The Board must make its determinations under this Rule 5.3 not later than thirty five (35) days before the Annual General Meeting of the Company which first occurs after the relevant Return Date and must notify each Shareholder of the shareholder’s voting entitlements as soon as reasonably possible after the date of the Board’s determination, in such manner as the Board determines is reasonable and appropriate.”
- (h) as a consequence of the above amendments, renumber Rule 5.3(d) as Rule 5.3(e);
- (i) delete the words “A determination” at the beginning of renumbered Rule 5.3(e) and replace them with the word “Determinations”;
- (j) delete the word “is” after the words and numerals “Rule 5.3” in renumbered Rule 5.3(e) and replace it with the word “are”;
- (k) insert the words “except in the case of manifest error which comes to the attention of the Board, in which case the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors” after the word “conclusive” in renumbered Rule 5.3(e); and
- (l) delete the word “determination” at the end of renumbered Rule 5.3(e) and replace it with “determinations”.

Amendment 18

insert the following as the text of a new Rule 5.4(c) after Rule 5.4(b) “Any payment under paragraph (b) is subject to the Law.”

Amendment 19

To:

- (a) insert the following at the beginning of Rule 8.1(b):
- (b) “A shareholder may make written application to the Board for the permission of the Board to the transfer of any share prior to the transfer being effected and may provide evidence of the basis of its application. The Board must within 35 days of the receipt of any application inform the applicant, in writing, of whether or not the Board grants its permission to the transfer of the share.”;
- (c) delete the words “After Demerger the” in Rule 8.1(b) and replace them with the word “The”;
- (d) delete the words “may in its absolute discretion” in Rule 8.1(b) and replace them with the word “must”;
- (e) insert the words “,to the extent it reasonably determines appropriate,” after the words “if the Board is satisfied” in Rule 8.1(b);
- (f) delete the words “Note: for example, the Board may permit the transfer of a share from parents to a child if the child takes over the parents’ wool growing business “ at the end of Rule 8.1(b).
- (g) delete the words “wool growing business” in Rule 8.1(b) and replace them with the words “Wool Producing Business”;

Amendment 20

Insert the words “except in the case of manifest error which comes to the attention of the Board, in which case the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors” after the word “absolute” at the end of the first sentence in Rule 8.3(b).

Amendment 21

To:

- (a) insert the words “, to the extent the Board reasonably determines is appropriate,” after the words “satisfaction of the Board” in Rule 9.2;
- (b) delete the word “may” after the words “by operation of law” in Rule 9.2 and replace it with the word “must”;
- (c) delete the following words from the end of Rule 9.2 “The Board has the same rights to refuse to register the transmittee as if the transmittee was the transferee named in a transfer presented for registration.”

Amendment 22

To:

- (a) insert the following at the beginning of Rule 10.1:
- (b) “The Company must convene and conduct each annual general meeting in accordance with the Law. The Board must fix and publish the date for each annual general meeting by no later than 90 days preceding the date for which it is fixed. The Board may publish the date in the manner it determines providing in so doing it acts reasonably. Publication by means of the Company’s website and by means of advertisements in such rural newspapers and other newspapers of general circulation as the Board may determine shall be sufficient.”; and
- (c) insert the words “provided the notice complies with the Law” prior to the full stop at the end of the first sentence of Rule 10.2.

Amendment 23

Insert the following words at the end of Rule 11.1:

“Nothing in this Rule will abrogate the right, conferred by the Law, on any shareholder, to give notice of a resolution to be moved at a general meeting.”

Amendment 24

Delete the word “All” at the beginning of Rule 11.2(a) and replace it with “Sixty Percent (60%) of all”.

Amendment 25

To:

- (a) insert the words “Subject to the Law” after the heading “General conduct of meeting” in Rule 11.5 and prior to Rule 11.5(a);
- (b) delete the word “The” at the beginning of Rules 11.5(a), (b) and (c) and replace each such reference with the word “the”;
- (c) delete the full stop at the end of Rules 11.5(a), (b) and (c) and replace each with a semi colon;
- (d) delete the word “At” at the beginning of the last sentence of Rule 11.5(b) and replace it with the words “Subject to any right conferred on the shareholders, by the Law, to ask questions, address the Chairman or make comments concerning the management of the Company, at”;
- (e) insert the word “and” after the semi colon at the end of Rule 11.5(c); and
- (f) delete the word “Any” at the beginning of Rule 11.5(d) and replace it with the word “any”.

Amendment 26

Insert the following words at the end of Rule 11.7(c) “For the avoidance of doubt, if the Chairman is a shareholder, the Chairman does not have a second or casting vote.”

Amendment 27

To:

- (a) delete the word “may” after the words “The result of a poll” in Rule 11.8(c) and replace it with the word “must”;
- (b) delete the words “in the manner and at the time” in Rule 11.8(c) and replace them with the words “as soon as reasonably possible”;
- (c) insert a full stop after the words and symbols “meeting or afterwards” in Rule 11.8(c); and
- (d) delete the word “as” after “meeting or afterwards.” and replace it with the words “The announcement must be made in the manner”.

Amendment 28

To:

- (a) insert the following words prior to the full stop at the end of Rule 12.3(b) “and it is received at least 48 hours before the relevant meeting or adjourned meeting in respect of which it is given”;
- (b) delete the words “may be completed by the Secretary on the authority of the Board and the Board may authorise completion of the proxy by the insertion of the name of any Director as the person in whose favour the proxy is given” at the end of Rule 12.3(c) and replace them with the words “shall be invalid”;
- (c) delete the words “at the Office” in the third last line of Rule 12.3(d);
- (d) delete the words “at the Office” in the second last line of Rule 12.3(e);
- (e) insert the following words prior to the full stop at the end of Rule 12.3(e) “, or is received in accordance with Rule 12.8”; and
- (f) delete the words “at the Office” in the second last line of Rule 12.4(b).

Amendment 29

Insert the words “, and where the Law obliges it to do so must,” after the words “The Board may” at the beginning of Rule 12.5.

Amendment 30

To:

- (a) delete the words “produced for inspection at the Office or any other place the Board may determine” in Rule 12.6 and replace them with the word “received”; and
- (b) insert the words “at least 48 hours before the first meeting at which the attorney is to act on behalf of the shareholder” prior to the full stop at the end of the second sentence of Rule 12.6.

Amendment 31

Insert the following as the text of a new Rule 12.7 after Rule 12.6:

“Representatives of Shareholders

A shareholder which is a body corporate may in accordance with the Law, by a document, appoint an individual as a representative to exercise all or any of the powers the body corporate (as a shareholder) may exercise at any meeting of the Company. The document effecting the appointment must be received at least 48 hours before the relevant meeting at which the representative is to act on behalf of the shareholder.”

Amendment 32

Insert the following as the text of a new Rule 12.8 after new Rule 12.7:

“Receipt of Proxy or Other Authority

A Proxy or Other Authority is received by the Company when it is received at any of the following:

- (a) the Company’s registered office;
- (b) a fax number at the Company’s registered office;
- (c) a place, fax number or electronic address specified for the purpose in the notice of the relevant meeting.”

Amendment 33

To:

- (a) delete the word “three” in Rule 13.1(a) and replace it with the words and symbols “five (“minimum”)”.
- (b) insert the words and symbols (“maximum number”)” after the word “ten” in Rule 13.1(a).
- (c) insert the following as the text of a new Rule 13.1(c) after Rule 13.1(b)
- (d) “For the purpose of calculating the requisite number of Directors:
- (e) any Managing Director shall not be taken into account for the purpose of satisfying the requirement for the minimum number; and
- (f) any Managing Director shall be taken into account for the purpose of calculating the maximum number.”

Amendment 34

To:

- (a) move the following text from Rule 13.3(a) to a new Rule 13.3(b):
- (b) “A Director (other than a Managing Director under Rule 14.2) must retire from office at the conclusion of the third annual general meeting after which the Director was elected or re-elected. Any Director who retires at a meeting (whether under this Rule or otherwise) and seeks re-election at the meeting retains office until the dissolution or adjournment of the meeting.”
- (c) delete the letter “A” from the beginning of new Rule 13.3(b) and replace it with the words “Despite any other provision a”;
- (d) delete the words “dissolution or adjournment” in new Rule 13.3(b) and replace them with the words “the earliest to occur of re-election and the conclusion”;
- (e) as a consequence of the above amendments, renumber Rule 13.3(b) as Rule 13.3(c); and
- (f) insert the words “to be” after the words and symbols “agreement between them)” in renumbered Rule 13.3(c).

Amendment 35

To:

- (a) as a consequence of the above amendments, renumber Rule 13.3(c) as Rule 13.3(d);
- (b) insert the word “and” at the end of renumbered Rule 13.3(d)(i);
- (c) delete the reference to “(A)” in renumbered Rule 13.3(d)(ii);
- (d) insert a semi colon after the word “nominated” in the first line of renumbered Rule 13.3(d)(ii);

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- (e) move the words “by the Board; or” from the first line of renumbered Rule 13.3(d)(ii) into a new Rule 13.3(d)(ii)(A);
- (f) delete renumbered Rule 13.3(d)(ii)(B);
- (g) delete renumbered Rule 13.3(d)(ii)(C);
- (h) insert the following as the text of a new Rule 13.3(d)(ii)(B) “by means of a written nomination signed by in excess of 99 shareholders (or such lesser number (if any) as may be prescribed by the Law).”; and
- (i) insert the word “eligible” before the word “shareholders” in Rule 13.3(d)(ii)(B)
- (j) insert the following as text at the end of Rule 13.3(d)(ii)(B) “An eligible shareholder is a shareholder with an entitlement to vote under the provisions of Rule 5.3.”
- (k) insert the words “in writing” after the word “nomination” in renumbered Rule 13.3(d)(iii).

Amendment 36

To:

- (a) delete the words and numerals “30 business” in renumbered Rule 13.3(d)(iv) and replace them with “42”;
- (b) delete the words and numerals “40 business” in renumbered Rule 13.3(d)(iv) and replace them with “60”;
- (c) delete the words “unless the nominee has been recommended by the Board for election, in which case the notice is required to be left at the Office at least 28 days before the meeting” at the end of renumbered Rule 13.3(d)(iv); and
- (d) renumber Rule 13.3(d) as Rule 13.3(e).

Amendment 37

Renumber Rule 13.3(e) as Rule 13.3(f).

Amendment 38

To:

- (a) delete the word “The” at the beginning of renumbered Rule 13.3(f) and replace it with the words “Subject to the Law, the”;
- (b) delete the word “may” after the words “the Board” in the first line of renumbered Rule 13.3(f) and replace it with the word “shall”;
- (c) insert the words “,from time to time,” after the word “determine” in the first line of renumbered Rule 13.3(f);
- (d) delete the words “publish rules” in renumbered Rule 13.3(f) and replace them with the words “shall publish the rules”;
- (e) insert the following words after the first sentence of renumbered Rule 13.3(f) “Publication by means of the Company’s website shall be sufficient.”;
- (f) delete the word “and” prior to the words “the application of the rules and procedures” in renumbered Rule 13.3(f) and replace it with the words “must be reasonable. The decision of the Board as to”; and
- (g) insert the words “, in the absence of manifest error,” prior to the words “final and conclusive” at the end of renumbered Rule 13.3(f).
- (h) insert as text at the end of Rule 13.3(f) “In the event that a manifest error comes to the attention of the Board, the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors.”

Amendment 39

Insert the following as the text of a new Rule 13.3(g) after renumbered Rule 13.3(f):

“The Rules and procedures may be changed by resolution of Directors, from time to time, providing not less than 75% of the directors at the time of the passing of the resolution, vote in favour of the resolution.”

Amendment 40

Insert the following as the text of a new Rule 13.3(h) after new Rule 13.3(g):

“No resolution to alter the Rules and procedures may be passed less than 75 days prior to any annual general meeting.”

Amendment 41

To:

- (a) delete the word “on” at the beginning of Rule 13.4(a)(i) and replace it with the words “on the Board so resolving, provided that the Board may only so resolve where”;
- (b) delete the word “being” after the word “Director” in Rule 13.4(a)(i) and replace it with “is”;
- (c) delete the word “where” after the words “leave of absence from the Board” in Rule 13.4(a)(i) and replace it with the word “and”;
- (d) insert as the text of a new Rule 13.4(a)(iii) after Rule 13.4(a)(ii) the words “on the Director dying.”; and
- (e) as a consequence of the above amendments, renumber Rule 13.4(a)(iii) as Rule 13.4(a)(iv) and renumber Rule 13.4(a)(iv) as Rule 13.4(a)(v).

Amendment 42

To:

- (a) insert the words “, unless the Board resolves otherwise,” after the word “subsidiaries” in Rule 13.5; and
- (b) insert the following words at the end of Rule 13.5 “A director whose office is terminated under this Rule is not to be taken into account in determining the number of Directors who are to retire by rotation at any annual general meeting.”

Amendment 43

Insert the following words at the end of Rule 13.7 “Such extra remuneration must be reasonable.”

Amendment 44

Insert the following words at the end of Rule 13.8 “Any amount payable under this Rule must be approved in the manner determined by the Board.”

Amendment 45

Delete the letter “a” at the beginning of Rule 13.10(a) and replace it with the words “Providing a Director has made appropriate disclosures under the Law, a”.

Amendment 46

To:

- (a) delete the words “Except where a Director is constrained by the Law” at the beginning of Rule 13.10(b) and replace them with the words and numerals “Subject to Rule 13.10(e)”;
- (b) delete the word “may” after the words and numerals “Rule 13.10(e) a Director” in Rule 13.10(b) and replace it with the words “shall not”;
- (c) insert the following after the words “being considered” in Rule 13.10(b) “and shall not participate in the discussion concerning the matter”; and
- (d) delete the word “may” prior to the words “vote in respect of that matter” at the end of Rule 13.10(b) and replace it with the words “shall not”.

Amendment 47

Insert the following as the text of a new Rule 13.10(e) after Rule 13.10(d):

“(e) Where a Director has a material personal interest which the Law requires to be disclosed the Director shall not be present at the meeting, nor participate in the discussion concerning it nor vote in respect of it unless:

- (i) the Director has made appropriate disclosures under the Law; and

- (ii) appropriate approval has been given to the Director being present at the meeting of the Board, participating in the discussion concerning the matter and voting in respect of the matter.

Such approval must be expressed in a resolution passed by the Directors (without a material personal interest in the matter) that:

- (A) identifies the Director, the nature and extent of the Director's interest in the matter and its relation to the affairs of the Company; and
- (B) states that those Directors are satisfied that the interest should not disqualify the Director from voting or being present."

Amendment 48

To:

- (a) delete the word "under" in the first line of Rule 13.11(b) and replace it with the words "in a related body corporate of the Company or"; and
- (b) delete the word "under" in the last line of Rule 13.11(b) and replace it with the word "in".

Amendment 49

Delete the words "in any event" in the third line of Rule 14.1 and replace them with the words "if the Board so resolves at any time".

Amendment 50

To insert the following as the text of a new Rule 14.3 after Rule 14.2

"Managing Director Counted only for Certain Purposes

14.3 Rules 13.1(c) and 15.1(b) contain provisions as to when any Managing Director is, or is not, counted for certain purposes."

Amendment 51

To:

- (a) insert the word "; Quorum" at the end of the heading to Rule 15.1;
- (b) insert the following at the beginning of Rule 15.1(b):
- (c) "A quorum must be present at every meeting of the Board. Despite that provision, where the number of directors falls below the number required for a quorum the directors may act for the limited purpose of appointing a person (or persons) as a Director (or as Directors) so as to increase the number of Directors to a number sufficient to constitute a quorum. Any Director appointed under this Rule may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting if nominated under Rule 13.3(d), but is not to be taken into account in determining the number of Directors who are to retire by rotation at the meeting."; and
- (d) delete the words "two Directors form a quorum" after the words "determined by the Board," in the fourth sentence of Rule 15.1(b) and replace them with the words and numerals:
- (e) "a quorum shall comprise two persons but where there are more than 4 Directors, a quorum shall comprise the number of persons equal to the whole number nearest to, but in excess of, 50% of the number of Directors at the relevant time. Any Managing Director shall not be taken into account for the purpose of determining whether the number of Directors to constitute a quorum is satisfied."

Amendment 52

Insert the following as the text of a new Rule 15.1(c) after Rule 15.1(b) "Any director, or the Secretary, may call a meeting of the Directors."

Amendment 53

Insert the following as the text of a new Rule 15.1(d) after new Rule 15.1(c) "The period of notice in respect of a meeting shall be reasonable."

Amendment 54

Insert the following as the text of a new Rule 15.1(e) after new Rule 15.1(d) "A notice of a meeting must indicate the nature of the business to be dealt with at the meeting."

Amendment 55

Insert the words and numerals "to Rule 13.10(e) being observed and subject" prior to the words "to the Law" at the end of Rule 15.3(c).

Amendment 56

Insert the following as the text of a new Rule 15.6(c) after new Rule 15.6(b)

"Despite Rule 15.6(a) where a committee performs the function of an audit committee:

- (i) it must consist of not less than two directors;
- (ii) the Chairman of the Board must not act as the chairman of it; and
- (iii) any Managing Director must not be a member of it."

Amendment 57

Insert the following as the text of a new Rule 15.9 after new Rule 15.8

"Corporate Governance Policy

The Board must determine and publish a corporate governance policy on or before 30 June 2004. As and from that date the Company must have a corporate governance policy. That policy may be amended from time to time and the current policy at any time must be published. Publication by means of the Company's Website shall satisfy the requirements to publish under this Rule."

Amendment 58

To:

- (a) insert the words "sent by prepaid post addressed to the shareholder at the last address recorded in the records of the Company and, in addition, is, on the day of posting" prior to the words "exhibited in the Office" in Rule 17.3;
- (b) delete the numeral "48" in Rule 17.3 and replace it with the numeral "72"; and
- (c) delete the words "at the commencement of that period" in Rule 17.3 and replace them with the words and numerals "at the expiration of 72 hours after the envelope containing the notice is posted".

Amendment 59

Insert a new Rule 20 after Rule 19 headed "Website" and the following as the text of that new Rule 20 "The Company must use its reasonable endeavours to maintain a website at all times."

Amendment 60

- (a) To make such consequential amendments the Table of Contents of the Constitution as are appropriate to accurately reflect the contents of the Constitution as amended by the amendments set out under the respective headings Resolution 1 to Resolution 60 inclusive; and
- (b) To make all necessary setting out, punctuation and numbering changes which arise out of or are a consequence of the amendments set out under the respective headings Resolution 1 to Resolution 60 inclusive.

NOTES TO PROPOSED RESOLUTION

As the proposed amendments to the Constitution are substantial and many of the proposed amendments are dependent upon other amendments being made at the same time [for example the proposed amendment identified as "Resolution 31" is dependent upon the proposed amendment identified as Resolution 3 being made] the AMENDING RESOLUTION is being proposed as one (1) Special Resolution to amend the Constitution in the manner set out in the resolutions identified as Resolutions 1 to 60 inclusive. Amendments to this resolution from the floor of the meeting are prohibited by Law.

A copy of the Constitution, marked up to highlight the proposed amendments can be viewed on the AWI website, www.wool.com.au or can be obtained by dialling the AWI Helpline on 1800 070 099.

A table explaining the reasons for the various resolutions follows.

EXPLANATORY NOTES

Resolution Number	Resolution	Reason for the Resolution
Resolution 1	Insert the following definition in Rule 1.4 “Corporation has the meaning given in the Law”	The definition is included for clarity.
Resolution 2	Delete the definition of “Demerger” in Rule 1.4	The Demerger has already occurred.
Resolution 3	Insert the following definition in Rule 1.4 “Proxy or Other Authority means a proxy, a power of attorney, the appointment of a representative by a body corporate and any form of authority by which the person signing the proxy is empowered by the proxy ”	The current Constitution does not contain a definition of “Proxy or Other Authority”
Resolution 4	Insert the following definition in Rule 1.4 “related body corporate has the meaning given by law”	The definition is included for clarity. Resolution 30 proposes the inclusion of this phrase in Rule 12.7 and Resolution 46 proposes the inclusion of this phrase in Rule 13.11.
Resolution 5	Insert the following definition in Rule 1.4 “Wool Producing Business means a business which engages in, or will engage in, Taxable Wool Transactions”	The definition is included for clarity. The changes proposed in resolutions 7 to 12 involve the inclusion of this phrase in Rule 4.
Resolution 6	Delete the words “Additional Issues of Shares to Wool Levy Payers” in the heading to Rule 4.1 and replace it with the words “Issues of Shares	Minor drafting
Resolution 7	To: (a) insert a semi colon after the words “prescribe, of” in Rule 4.1(b)(ii); (b) move the words “the applicant’s Rolling Wool Levy Amount as at the date of application” in Rule 4.1(b)(ii) to a new Rule 4.1(b)(ii)(A) (c) replace the full stop at the end of new Rule 4.1(b)(ii)(A) with “;or”; and (d) insert the following as the text of a new Rule 4.1(b)(ii)(B) “the applicant being engaged in a Wool Producing Business”.	(a) Punctuation revisions (b) Formatting to incorporate the new Rule (c) Punctuation revisions (d) The Board may require evidence that that the applicant is engaged in a Wool Producing Business
Resolution 8	To: (a) delete the word “An” at the beginning of Rule 4.1(c) and replace it with the words “Subject to each of paragraph 4.1(b) and paragraph 4.1(e) an”; (b) insert a semi colon after the words “entitled to one share” in Rule 4.1(c); (c) move the words “if the applicant has a Rolling Wool Levy Amount of \$100 or more as at the date of application” in Rule 4.1(c) to a new Rule 4.1(c)(i); (d) replace the full stop at the end of Rule 4.1 (c)(i) with “;or”; and (e) insert the following as the text of the new Rule 4.1(c)(ii) “if the Board is satisfied the applicant is engaged in a Wool Producing Business”	(a) Punctuation revisions (b) Punctuation revisions (c) Formatting to incorporate the new Rule (d) Punctuation revisions (e) This section allows the Board to approve an application for a share if they satisfied that the applicant is involved in a Wool Producing Business
Resolution 9	To: (a) delete the words, numerals and symbols “paragraph 4.1(a)” from Rule 4.1(e) and replace them with “the Rule 4.1”; and (b) insert the following at the end of the Rule 4.1(e) “The Board may determine that an applicant is not entitled to a share”	(a) Punctuation revisions (b) This amendment clarifies that if satisfactory evidence is not presented to establish a share entitlement then the Board has the power not to grant the share.
Resolution 10	To insert the following text after the words “final and conclusive” in Rule 4.1(f) “except in the case of manifest error which comes to the attention of the Board, in which case the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors.”	The current constitution deems the Board’s decisions in relation to share entitlements to be “final and conclusive”. The amendment allows for the Board, if there is a manifest error, at its discretion, to reconsider its determination. The Board is under no obligation to do this, if the error is minor or inconsequential.
Resolution 11	Insert the following as the text of new Rule 4.1(i) “Nothing shall preclude an unsuccessful applicant making a subsequent application.”.	Provides clarification that unsuccessful applicants can re-apply.
Resolution 12	To: (a) insert the words “use reasonable endeavours to “ after the words “the Board must and before the words “notify the shareholders in Rule 4.2(a). (b) delete the words “certified mail” in Rule 4.2(a) and replace them with the words “pre-paid post”. (c) delete the numeral “21” in Rule 4.2(a) and replace it with “28”; (d) delete the words “shareholder’s receipt” in Rule 4.2(a) and replace them with the words “date of the posting “; (e) delete the numeral “21” in Rule 4.2(b) and replace it with “the said 28”; (f) delete the words “after receipt of the notice of determination” in Rule 4.2(b); (g) delete the numeral “21” in Rule 4.2(c) and replace it with “the said 28”; and (h) delete the words “of receipt of the notice of determination” in Rule 4.2(c).	This amendment is introduced to clarify and simplify what AWI needs to do when it believes a shareholder no longer satisfies the condition of paying at least \$100 levy over the previous 3 financial years to continue to be a shareholder. (a) The Board must use its “reasonable endeavours” to notify the shareholders of their determination. (b) The current constitution requires this notification to be sent by certified mail, the amendment changes this to pre-paid post. (c) The proposed amendment will allow shareholders 28 days to respond to a determination of the Board that they have a Rolling Wool Levy amount of less than \$100. (d) The 28 days begins from the date of posting. (e) The 28 days will commence from when the letter is sent. (f) Changes made to align with amendment in (c) (g) Changes made to align with amendment in (d) (h) Changes made to align with amendment in (d)

Resolution Number	Resolution	Reason for the Resolution
Resolution 13	<p>To:</p> <p>(a) Insert the following as the text of a new Rule 4.2(d) after Rule 4.2(c) "If at any time the Board determines that a shareholder has ceased to be engaged in a Wool Producing Business, the Board must use reasonable endeavours to notify the shareholder in writing sent by pre-paid post of the determination and invite the shareholder, if the shareholder believes that the shareholder is engaged in a Wool Producing Business, to provide such supporting evidence as the Board may prescribe from time to time for this purpose within twenty-eight (28) days after the date of the posting of the notice of determination.";</p> <p>(b) Insert the following as the text of a new Rule 4.2(e) after Rule 4.2(d): "If a shareholder provided evidence within the said twenty-eight (28) days and the Board determines that the shareholder is engaged in a Wool Producing Business no further action will be taken.";</p> <p>(c) Insert the following as the text of a new Rule 4.2(f) after new Rule 4.2(e) "If the shareholder does not provide evidence within the said twenty-eight (28) days of the Board, in its discretion confirms its determination that the shareholder has ceased to be engaged in a Wool Producing Business the shareholder's share will be immediately transferred to the Nominee Company for no consideration."</p> <p>(d) As a consequence of the above amendments, renumber Rule 4.2(d) as Rule 4.2(g);</p> <p>(e) Delete the words, numerals and symbols "paragraph 4.2(c)" in renumbered Rule 4.2(g) and replace them with "paragraphs 4.2(c) or 4.2(f)"</p> <p>(f) As a consequence of the above amendments, renumber Rule 4.2(e) as Rue 4.2(h); and</p> <p>(g) Delete the words, numerals and symbols "paragraph 4.2(c)" in renumbered Rule 4.2(h) and replace them with "paragraphs 4.2(c) or 4.2f)"</p>	<p>This amendment is introduced to clarify and simplify what AWI needs to do when it believes a shareholder, who has previously satisfied the Board that he/she is engaged in a Wool Producing Business, is no longer engaged in the business and therefore no longer meets the criteria to continue to be a shareholder.</p> <p>The proposed amendments set out the same requirements as are imposed on Levy payer shareholders.</p> <p>Amendments (d) – (g) are as a consequence of the above amendments and involve renumbering and deleting words and numerals.</p>
Resolution 14	<p>Insert the following at the end of Rule 4.4(f) "For the avoidance of doubt it is noted the reference to "first" in the Register as between joint holders present personally or duly authorised representative, proxy or attorney, not simply the first in the Register."</p>	<p>There has been confusion surrounding the phrase "first in the register" This amendment is included for the purposes of clarification.</p>
Resolution 15	<p>Delete the words, symbols and numerals "For the purposes of paragraph 12.1(b)" in Rule 5.1 and replace them with "Despite any provision of this Constitution the".</p>	<p>Rule 5.1 sets out the voting rights for the Nominee Company. The amendment clarifies that despite provisions in the Constitution the Nominee Company holds no voting entitlements.</p>
Resolution 16	<p>To:</p> <p>(a) delete the word "fix" in Rule 5.2(a)(i) and replace with the word "determine"</p> <p>(b) delete the words "beginning with the Financial Year completed prior to the date of Demerger" at the end of Rule 5.2(a)(i) and replace them with the words "and notify each shareholder, of that Return Date as soon as reasonably possible after the date of the Board's determination, in such a manner as the Board determines is reasonable and appropriate.";</p> <p>(c) insert the following as the text of a new Rule 5.2(a)(ii) "the Board must make its determination before the end of each relevant Financial Year";</p> <p>(d) as a consequence of the above amendments, renumber Rule 5.2(a)(ii) as Rule 5.2(a)(iii)</p> <p>(e) as a consequence of the above amendments, renumber Rule 5.2(a)(ii) as Rule 5.2(a)(iv).</p>	<p>(a) Change in wording</p> <p>(b) The proposed amendment obliges the Board to notify shareholders of the Return Date. The current Constitution has no such requirement.</p> <p>(c) The Board will be required to set the Return date before the end of each relevant financial year</p> <p>(d) Renumbering due to other amendments</p> <p>(e) Renumbering due to other amendments</p>
Resolution 17	<p>To:</p> <p>(a) delete the words "after Demerger and again" in Rule 5.3(a);</p> <p>(b) delete the words "ending on or after the date of Demerger" in Rule 5.3(a);</p> <p>(c) delete the words "or if there is a difficulty estimate" in Rule 5.3(a)</p> <p>(d) insert the words "and/or obtained" prior to the words and numerals "under Rule 5.2" in Rule 5.3(c)</p> <p>(e) insert the following at the end of Rule 5.3(c) "The Board must determine the voting entitlements of each shareholder on that basis.";</p> <p>(f) insert the following as the text of a new Rule 5.3(d) after Rule 5.3(c) "The Board must make its determinations under this Rule 5.3 not later than thirty five (35) days before the Annual General Meeting of the Company which first occurs after the relevant Return Date and must notify each Shareholder of the shareholder's entitlements as soon as reasonably possible after the date of the Board's determination, in such a manner as the Board determines to be reasonable and appropriate."</p>	<p>(a) The Demerger has already occurred</p> <p>(b) As above</p> <p>(c) The deletion of this phrase requires the Board to "determine the Rolling Wool Levy Amount for each shareholder", the current phrasing allows the Board, if there is a difficulty, to estimate the amount.</p> <p>(d) Allows the Board to "obtain", rather than just "receive" information to determine the Rolling Wool Levy Amount.</p> <p>(e) The Board will determine the voting rights on this basis set out in (e)</p> <p>(f) The amendment requires the Board to</p> <ul style="list-style-type: none"> • determine the shareholder's entitlements at least 35 days prior to the AGM • notify each shareholder of their voting entitlements as soon as reasonably possible • determine the manner of notification

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Resolution Number	Resolution	Reason for the Resolution
	<p>(g) as a consequence of the above mentioned amendments, renumber Rule 5.3(d) as Rule 5.3(e)</p> <p>(h) delete the words “A determination” at the beginning of renumbered Rule 5.3(e) and replace them with the word “Determinations”;</p> <p>(i) delete the word “is” after the words and numerals “Rule 5.3” in renumbered Rule 5.3(e) and replace it with the word “are”;</p> <p>(j) insert the words except in the case of manifest error which comes to the attention of the Board, in which case the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors” after the word “conclusive” in renumbered Rule 5.3(e); and</p> <p>(k) delete the word “determination” at the end of renumbered rule 5.3(e) and relace it with “determinations”</p>	<p>(g) Renumbering due to the inclusion of new rules</p> <p>(h) Punctuation changes due to proposed amendments</p> <p>(i) Punctuation changes due to proposed amendments</p> <p>(j) The inclusion of these words allows the Board, at its discretion, to reconsider their decisions in the case of manifest error. They are not obliged to do this is if it is a minor error or inconsequential.</p> <p>(k) Punctuation changes due to proposed amendments</p>
Resolution 18	Insert the following as text of a new Rule 5.4(c) after Rule 5.4(b) “Any payment under paragraph (b) is subject to the Law.”	Paragraph (b) refers to payments in “good faith of remuneration” to employees and providers of goods or services and payment of interest. The proposed amendment clarifies that these payments made under this section are “subject to the law”.
Resolution 19	<p>To:</p> <p>(a) insert the following at the beginning of Rule 8.1(b) “A shareholder may make written application to the Board for the permission of the Board to the transfer of any share prior to the transfer being effected and may provide evidence of the basis of its application. The Board must within 35 days of the receipt of any application inform the applicant, in writing, of whether or not the Board grants its permission to the transfer of the share.” ;</p> <p>(b) delete the words “After the Demerger the” in Rule 8.1(b) and replace them with the word “The”;</p> <p>(c) delete the words “may in its discretion” in Rule 8.1(b) and replace them with the words “must”;</p> <p>(d) insert the words “, to the extent it reasonably determines appropriate”, after the words “if the Board is satisfied” in Rule 8.1(b)</p> <p>(e) delete the words “Note: for example, the Board may permit the transfer of a share from parents to a child if the child takes over the parents’ wool growing business” at the end of Rule 8.1(b)</p> <p>(f) delete the words “wool growing business” in Rule 8.1(b) and replace them with the words “Wool Producing Business”</p>	<p>(a) The amendment sets out the procedure for the transfer of shares;</p> <ul style="list-style-type: none"> • The shareholder must make a written application to the Board for permission to transfer • The shareholder may be required to provide evidence • The Board must inform the applicant within 35 days of receipt if permission is granted <p>(b) The phrase is unnecessary as the Demerger has already occurred</p> <p>(c) The Board “must” permit the transfer of the shares if they are satisfied that the Second person has taken over the Wool Producing Business.</p> <p>(d) However, for the transfer to occur the Board must also be satisfied “to the extent it deems reasonably appropriate” that the second person has taken over the Wool Producing Business.</p> <p>(e) The example is no longer required</p> <p>(f) The change in wording ensures consistency with the changes in Rule 4. The amendment will only be made if prior amendments approved.</p>
Resolution 20	Insert the words “except in the case of manifest error which comes to the attention of the Board, in which case the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors” after the word “absolute” at the end of the first sentence in Rule 8.3(b)	The current Constitution deems the Board’s decision to be “absolute”. The amendment proposes some scope for appeal in cases of “manifest error”.
Resolution 21	<p>To:</p> <p>(a) insert the words “, to the extent the Board reasonably determines is appropriate,” after the words “satisfaction of the Board” in Rule 9.2</p> <p>(b) delete the word “may” after the words “by operation of law” in Rule 9.2 and replace it with the word “must”; and</p> <p>(c) delete the following words from the end of Rule 9.2 “The Board has the same rights to refuse to register the transmittee as if the transmittee was the transferee named in a transfer presented for registration.”</p>	<p>(a) The amendments clarifies that the Board will determine what is an appropriate level of satisfaction</p> <p>(b) The amendment removes the ambiguity and requires that the transmittee must be registered as a holder in respect of the securities or may choose to transfer the securities.</p> <p>(c) This amendment will only be made if the prior proposed amendments are made.</p>
Resolution 22	<p>To:</p> <p>(a) insert the following at the beginning of Rule 10.1 “The company must convene and conduct each annual meeting in accordance with the Law. The Board must fix and publish the date for each annual general meeting by no later than 90 days preceding the date for which it is fixed. The Board may publish the date in the manner it determines providing in so doing it acts reasonably. Publication by means of the Company’s website and by means of advertisements in such rural newspapers and other newspapers of general circulation as the Board may determine shall be sufficient.”; and</p> <p>(b) insert the words “provided the notice complies with the Law” prior to the full stop at the end of the first sentence of Rule 10.2</p>	<p>(a) the proposed amendment clarifies the Board’s and AWI’s legal responsibilities in convening an AGM. Specifically the amendment will require the Board to determine and publicise the date for the AGM no later that 90 days preceding the date for which it is fixed.</p> <p>(b) The current Constitution allows the Board to provide notice of the meeting in a form and manner that it sees fit. The proposed amendment provides the additional requirement that it comply with the law.</p>
Resolution 23	Insert the following words at the end of Rule 11.1: “Nothing in this Rule will abrogate the right, conferred by the Law, on any shareholder, to give notice of a resolution to be moved at a general meeting.	Rule 11.1 states that except with the approval of the Board, with permission of the Chairman or under the law, no person may move at any meeting either any resolution or any amendment of any resolution.

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		The addition of this text clarifies that whilst resolutions cannot be moved at a general meeting, shareholders still have the right to give notice of a resolution, which they wish to be raised at the general meeting.
Resolution 24	Delete the word "All" at the beginning of Rule 11.2 (a) and replace it with "Sixty Percent (60%) of all"	The proposed amendment will only require 60% of all shareholders or 50 shareholders to constitute a quorum for a meeting.
Resolution 25	To: <ul style="list-style-type: none"> (a) insert the words "Subject to the Law" after the heading "General conduct of meeting" in Rule 11.5 and prior to rule 11.5(a) (b) delete the word "The" at the beginning of Rules 11.5(a), (b) and (c) and replace each with the word "the"; (c) delete the full stop at the end of the rules 11.5(a), (b) and (c) and replace each with a semi colon; (d) delete the word "At" at the beginning of the last sentence of Rule 11.5(b) and replace it with the words, "Subject to any right conferred on the shareholders, by the Law, to ask questions, address the Chairman or make comments concerning the management of the Company, at"; (e) insert the word "and" after the semi colon at the end of Rule 11.5(c); and (f) delete the word "Any" at the beginning of Rule 11.5(d) and replace it with the word "any" 	<ul style="list-style-type: none"> (a) The amendment reinforces that the rules are subject to law as well as the conditions set out in the section (b) Minor grammatical changes (c) Minor formatting changes (d) The proposed amendment clarifies that the restrictions set out in Rule 11.5(b) are subject to the rights conferred on shareholders by the Law. (e) Minor formatting changes (f) Grammatical changes
Resolution 26	Insert the following words at the end of Rule 11.7(c) "For the avoidance of doubt, if the chairman is a shareholder the Chairman does not have a second or casting vote."	The rule states, "in the case of an equity of votes, the resolution is lost." The proposed amendment provides a clear statement that if the Chairman is a shareholder he/she does not have a second or casting vote.
Resolution 27	To: <ul style="list-style-type: none"> (a) delete the word "may" after the words "The result of the poll" in Rule 11.8(c) and replace it with the word "must"; (b) delete the words "in the manner and at the time" in Rule 11.8(c) and replace them with the words "as soon as reasonably possible"; (c) insert a full stop after the words and symbols "meetings of afterwards)" in Rule 11.8(c); and (d) delete the word "as" after "meeting or afterwards.)" and replace it with the words "The announcement must be made in the manner". 	<ul style="list-style-type: none"> (a) The proposed amendment requires AWI to announce the results of a poll under Rule 11.8. The current Constitution states that the results "may" be announced. (b) The amendment elucidates the requirements for the timing of the announcement. The proposed amendment states that it must be "as soon as reasonably possible", this will replace the vague statement "at the time the Chairman considers appropriate". (c) Punctuation revisions due to the amendments in Resolution 27 (b) (d) Minor drafting due to the amendments in Resolution 27 (b)
Resolution 28	To: <ul style="list-style-type: none"> (a) insert the following words prior to the full stop at the end of Rule 12.3(b) "and it is received at least 48 hours before the relevant meeting or adjourned meeting in respect of which it is given." (b) delete the words "may be completed by the Secretary on the authority of the Board and the Board may authorise on completion of the proxy by the insertion of the name of any Director as the person in whose favour the proxy is given" at the end of Rule 12.3(c) and replace them with the words "shall be invalid"; (c) delete the words "at the Office" in the third last line of Rule 12.3(d) (d) delete the words "at the Office" in the second last line of Rule 12.3(e); (e) insert the following words prior to the full stop at the end of Rule 12.3(e), or is received in accordance with Rule 12.8"; and (f) delete the words "at the Office" in the second last line of Rule 12.4(b) 	<ul style="list-style-type: none"> (a) Creates an additional requirement for the appointment of proxies. In addition to the form of appointment being in accordance with the Law the proposed amendment will require the form to be received at least 48 hours before the relevant meeting. (b) The current Constitution allows the Secretary to complete, incomplete proxy forms by inserting any of the Director's names. The proposed amendment declares that incomplete proxy appointment forms will be deemed invalid. (c) Removes the requirement for Company Proxy forms to be received "at the Office". The rules regarding receipt are set out in Resolution 32 (d) Removes the requirement for electronic lodgement of proxies to be received "at the Office". The rules regarding receipt are set out in Resolution 32 (e) The amendment is dependent upon the approval of Resolution 32 (f) Removes the requirement for the notice in writing of death, mental incapacity, and revocation of the proxy, transfer or POA to be received "at the Office".
Resolution 29	Insert the words ", and where the Law obliges it to do so just," after the words "The Board may" at the beginning of rule 12.5	The amendment clarifies that in situations where the Law obliges the Board to issue a form or proxy with any notice of general meeting, it must do so. The current Constitution states that the Board 'may' issue the proxy forms.
Resolution 30	To: <ul style="list-style-type: none"> (a) delete the words "produced for inspection at the Office or any other place the Board may determine" in Rule 12.6 and replace them with the word "received"; and (b) insert the words "at least 48 hours before the first meeting at which the attorney is to act on behalf of the shareholder" prior to the full stop at the end of the second sentence of Rule 12.6 	<ul style="list-style-type: none"> (a) The current Constitution requires the executed power of attorney or proof of the power of attorney to be produced for inspection by the Board. The amendment will only require the POA to be "received" by the Board, with evidence of proper execution. (b) The POA and evidence of proper execution must be received 48 hours before the first meeting where the attorney will act.
Resolution 31	Insert the following as the text of a new Rule 12.7 after Rule 12.6: "Representatives of Shareholders A shareholder which is a body corporate may in accordance with the Law, by a document, appoint an individual as a	The proposed amendment will allow a shareholder who is a body corporate to appoint someone to represent them and exercise their powers at any meeting. For this to occur; <ul style="list-style-type: none"> • They must be appointed by a document

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	representative to exercise all or any of the powers the body corporate (as a shareholder) may exercise at any meeting of the Company. The document effecting the appointment must be received at least 48 hours before the relevant meeting at which the representative is to act on behalf of the shareholder.”	<ul style="list-style-type: none"> • The document must be received 48 hours prior to the meeting where the representative is to act • The current Constitution does not address the issue of body corporate representatives
Resolution 32	<p>Insert the following as the text of a new Rule 12.8 after new Rule 12.7 “Receipt of Proxy or Other Authority</p> <p>A Proxy or Other Authority is received by the Commonwealth when it is received at any of the following:</p> <ul style="list-style-type: none"> (a) the Company’s registered office; (b) a fax number at the Company’s registered office; (c) a place, fax number or electronic, address specified for the purpose in the notice of the relevant meeting.” 	This resolution provides an explanation of when a proxy or other authority is “received” This amendment is made for the purpose of enabling elements of Resolution 28.
Resolution 33	<p>To:</p> <ul style="list-style-type: none"> (a) delete the word “three” in Rule 13.1(a) and replace it with the words and symbols “five (“minimum”)”. (b) insert the words and symbols (“maximum number”) after the word “ten” in Rule 13.1(a). (c) insert the following as the text of a new Rule 13.1(c) after Rule 13.1(b) “For the purpose of calculating the requisite number of Directors: <ul style="list-style-type: none"> (i) any Managing Director shall not be taken into account for the purpose of satisfying the requirement for the minimum number; and (ii) any Managing Director shall be taken into account for the purpose of calculating the maximum number.” 	<ul style="list-style-type: none"> (a) The amendment increase the minimum number of Directors from 3 to 5 (b) The phrase “maximum number” is included for clarification; the maximum number of Directors will remain at 10. (c) The amendment sets out that the MD is not to be counted in the minimum number, but must be included in the maximum number count.
Resolution 34	<p>To:</p> <ul style="list-style-type: none"> (a) move the following text from Rule 13.3(a) to a new Rule 13.3(b): “A Director (other than a Managing Director under Rule 14.2) must retire from office at the conclusion of the third annual general meeting after which the Director was elected or re-elected. Any Director who retires at a meeting (whether under this Rule or otherwise) and seeks re-election at the meeting retains office until the dissolution or adjournment of the meeting.” (b) delete the “A” from the beginning of new Rule 13.3(b) and replace it with the words “Despite any other provision a”; (c) delete the words “dissolution or adjournment: in new Rule 13.3(b) and replace it with the words “the earliest to occur of re-election and the conclusion”; (d) as a consequence of the above amendments, renumber Rule 13.3(b) as Rule 13.3(c); and (e) insert the words “to be” after the words and symbols “agreement between them)” in renumbered Rule 13.3(c). 	<ul style="list-style-type: none"> (a) Formatting revisions – the current Rule 13.3(a) is divided into two parts (b) The proposed amendment clarifies that despite other provisions a Director (other than an MD under Rule 14.2) must retire from office at the conclusion of the third annual general meeting. (c) The phrase is included to provide clarification (d) Re numbering as a result of amendments (e) Additional two words
Resolution 35	<p>To:</p> <ul style="list-style-type: none"> (a) as a consequence of the above amendments, renumber Rule 13.3(c) as Rule 1.3(d); (b) insert the word “and” at the end of renumbered Rule 13.3(d)(i); (c) delete the reference to “(A)” in renumbered Rule 13.3(d)(ii); (d) insert a semi colon after the word “nominated” in the first line of renumbered Rule 13.3(d)(ii)(A); (e) move the words “by the Board; or” from the first line of renumbered Rule 13.3(d)(ii) into a new Rule 13.3(d)(ii)(A) (f) delete the renumbered Rule 13.3(d)(ii)(B); (g) delete the renumbered Rule 13.3(d)(ii)(C); (h) insert the following as the text of a new rule 13.3(d)(ii)(B) “by mean of a written nomination signed by in excess of 99 shareholders (or such lesser number (if any) as may be prescribed by the Law:” and (i) insert the word “eligible” before the word “shareholders” in Rule 13.3(d)(ii)(B) (j) insert the following as text at the end of Rule 13.3(d)(ii)(B) “An eligible shareholder is a shareholder with an entitlement to vote under the provisions of Rule 5.3.” (k) insert the words “in writing” after the word “nomination” in renumbered Rule 13.3(d)(iii). 	<ul style="list-style-type: none"> (a) renumbering as a consequence of other amendments (b) additional one word as a consequence of re-formatting (c) reformatting (d) reformatting (e) reformatting (f) deleted as a consequence of other amendments -see (h) (g) deleted as a consequence of other amendments – see (h) (h) The current Constitution states that a person is eligible for election to the office of Director if there is a vacancy and the person is nominated <ul style="list-style-type: none"> (A) by the Board (B) the person’s nomination is accepted by the Board (C) the person is nominated by 5% in number of the shareholders <p>The proposed amendments, as set out above, delete (B) and (C) and re-draft (B) so that a person can be nominated by means of;</p> <ul style="list-style-type: none"> • a written nomination • signed in excess of 99 shareholders (or such lesser number (if any) as may be prescribed by the Law). (i) The amendment proposes that only “eligible” shareholders be allowed to nominate. The purpose of this being to ensure that the vote is relevant to those still involved in the industry. (j) The statement clarifies who is an “eligible shareholder” (k) The person must consent to the nomination in writing

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Resolution 36	To: (a) delete the words and numerals "30 business" in renumbered Rule 13.3(d)(iv) and replace them with "42"; (b) delete the words and numerals "40 business" in renumbered Rule 13.3(d)(iv) and replace them with "60" (c) delete the words "unless the nominee has been recommended by the Board for election, in which case the notice is required to be left at the Office at least 28 days before the meeting" at the end of renumbered Rule 13.3(d)(iv); and (d) renumber Rule 13.3(d) and Rule 13.3(e)	(a) The proposed amendments states that the nominations and consent must be received by the Company not less than 42 days before the meeting (b) Nominations and consent will not be received by the company more than 60 days before the meeting. The amendments provide a time frame of 18 days. The current Constitution only allows for 10. (c) Deleted as a consequence of other amendments (d) Renumbering as a consequence of other amendments
Resolution 37	Renumber Rule 13.3(e) as Rule 13.3(f)	Renumbering as a consequence of other amendments
Resolution 38	To: (a) delete the word "The" and the beginning of renumbered rule 13.3(f) and replace it with the words "Subject to the Law, the"; (b) delete the word "may" after the words "the Board" in the word "shall"; (c) insert the words ",from time to time," after the word "determine" in the first line of renumbered Rule 13.3(f) (d) delete the words "publish rules" in renumbered Rule 13.3 (f) and replace them with the words "shall publish the rules"; (e) insert the following rules after the first sentence of renumbered Rule 13.3(f) "Publication by means of the company website is sufficient."; (f) delete the word "and" prior to the words "the application of the rules and procedures" in renumbered Rule 13.3(f) and replace it with the words "must be reasonable. The decision of the Board as to"; and (g) insert the words, "in the absence of manifest error. "Prior to the words "final and conclusive" at the end of the renumbered Rule 13.3(f) (h) insert as text at the end of Rule 13.3(f) "In the event that a manifest error comes to the attention of the Board, the Board may, but is not obliged to, in its discretion reconsider its determination and make a substitute determination. The Board has no obligation to reconsider inconsequential or minor errors."	(a) The Amendment reinforces that the rule is subject to the Law (b) The amendment removes the subjective element of the Rule and requires the Board to act (c) The amendment provides a flexible time frame for the Board to comply with the requirement. (d) Grammatical changes as consequence of previous amendments (e) The amendment deems that publication of the rules and procedures governing the election of Directors on the company website. (f) The amendment requires that the Board's application of the rules and procedures be "reasonable" (g) The current Constitution states that the Board's decisions will be "final and conclusive". The amendment provides scope for an appeal on the grounds of "manifest error" (h) In the case of manifest error, it is at the Board's discretion to reconsider its determination.
Resolution 39	Insert the following as the text of a new Rule 13.3(g) after renumbered Rule 13.3(f): "The Rules and procedures may be changed by resolution of Directors, from time to time, providing not less than 75% of the directors at the time of the passing of the resolution, vote in favour of the resolution."	The current Constitution does not refer to changing the Rules and procedures. The proposed amendment will require that any changes made must be supported of 75% of the Directors.
Resolution 40	Insert the following as the text of the new Rule 13.3(h) after new Rule 13.3(g): "No resolution to alter the Rules and procedures may be passed less than 90 days prior to any annual general meeting."	As with Resolution 39, this amendment is creating guidelines for changing the Rules and procedures. Under the proposed amendment the Rules and procedures cannot be modified less than 90 days prior to any annual general meeting.
Resolution 41	To: (a) delete the word "on" at the beginning of Rule 13.4(a)(i) and replace it with the words "on the Board so resolving, provided that the Board may only so resolve where"; (b) delete the word "being" after the word "Director" in Rule 12.4(a)(i) and replace with "is"; (c) delete the word "where" after the words "leave of absence from the Board" in Rule 13.4(a)(i) and replace it with the word "and"; (d) insert as the text of a new Rule 13.4(a)(iii) after Rule 13.4(a)(ii) the words "on the Director dying;" and (e) as a consequence of the above amendments, renumber Rule 13.4(a)(iii) as rule 13.4(a)(iv) and Rule 13.4(a)(v).	(a) The current Constitution states that the office of a Director is terminated if the Director is absent from meetings during a period of 3 consecutive months without leave of absence and without giving particulars of the absence to the Secretary. The amendment states that the Board must resolve to terminate the office of director based on these grounds. The termination is not automatic. (b) Word change due to the proposed amendments (c) Word change due to the proposed amendments (d) The occasion of a directors death was not addressed in the current constitution, the proposed amendment rectifies this. (e) Renumbering as a consequence of other amendments
Resolution 42	To: (a) insert the words ",unless the Board resolves otherwise," after the word "subsidiaries" in Rule 13.5; and (b) insert the following words at the end of Rule 13.5 "A director whose office is terminated under this Rule is not to be taken into account in determining the number of Directors who are to retire by rotation at any annual general meeting."	(a) Rule 13.5 relates to Directors who are employees of AWI. The rule states that if the Director's employment ceases then the office of Director is terminated. The proposed amendment grants the Board the power to resolve that they should retain the office of a Director. (b) Under the proposed amendment, if a director is terminated under this rule, they will not be included in determining the number of Directors who are to retire at the AGM.
Resolution 43	Insert the following words at the end of Rule 13.7 "Such extra remuneration must be reasonable."	Rule 13.7 relates to the remuneration of Directors for extra services. The proposed amendment requires this remuneration to be "reasonable"

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Resolution 44	Insert the following words at the end of Rule 13.8 "Any amount payable under this Rule must be approved in the manner determined by the Board."	Rule 13.8 allows Directors to be remunerated for reasonable travel costs, accommodation and other expenses incurred whilst they attend to business of the Company. The proposed amendment requires these expenses to be approved in a manner determined by the Board.
Resolution 45	Delete the letter "a" at the beginning of Rule 13.10(a) and replace it with the words "Providing a Director has made appropriate disclosures under the Law, a".	The current Constitution allows Directors to enter into a contract with a AWI as a vendor, purchaser or otherwise. The proposed clarifies that if this does occur, the Director must make appropriate disclosure under the Law.
Resolution 46	To: <ul style="list-style-type: none"> (a) delete the words "Except where a Director is constrained by the Law" at the beginning of Rule 13.10(b) and replace them with the word and numerals "Subject to Rule 13.10(e)"; (b) delete the word "may" after the words and numerals "Rule 13.10(e) a Director in Rule 13.10(b) and replace it with the words "shall not"; (c) insert the following after the words "being considered" in Rule 13.10(b) "and shall not participate in the discussion concerning the matter"; and (d) delete the word "may" prior to the words "vote in respect of that matter" at the end of Rule 13.10(b) and replace it with the words "shall not". 	<ul style="list-style-type: none"> (a) The amendment is dependent upon the approval of Resolution 47 (b) The proposed amendment will prohibit Directors from being present at Board meetings while a matter in which they have an interest is discussed. (This amendment will also be subject to the proposed new Rule in Resolution 46) (c) The Director will also be excluded from discussion concerning the matter in which they have an interest (d) The current Constitution states that the Director "may" vote in respect of the matter. The proposed amendments removes this ambiguity and states that the Director "shall not" vote.
Resolution 47	Insert the following as the text of the new Rule 13.10(e) after Rule 13.10(d): <ul style="list-style-type: none"> (e) where a Director has a material personal interest which the law requires to be disclosed the Director shall not be present at the meeting, nor participate in the discussion concerning nor vote in respect of it unless: <ul style="list-style-type: none"> (i) the Director has made appropriate disclosures under the Law; and (ii) appropriate approval has been given to the Director being present at the meeting of the Board, participating in the discussion concerning the matter and voting in respect of the matter. <p>Such approval must be expressed in a resolution passed by the Directors (without a material personal interest in the matter) that:</p> <ul style="list-style-type: none"> • identifies the Director, the nature and the extent of the Director's interest in the matter and its relation to the affairs of the Company; and • states that those Directors are satisfied that the interest should not disqualify the Director from voting or being present." 	<p>The proposed rule relates to matters, which arise in which a Director has a "material personal interest". The amendment states that if the interest is required to be disclosed by Law, then the Director cannot be present at the meeting or participate in discussions.</p> <p>However, there is an exception to this rule. If the necessary disclosure is made and Board approval has been given then the Director can attend the meetings, partake in the discussions and vote.</p> <p>The rule also sets out the procedure that must be followed to gain this approval.</p> <p>This amendment is also made for the purpose of enabling elements of Resolution 46.</p>
Resolution 48	To: <ul style="list-style-type: none"> (a) delete the words "under" in the first line of Rule 13.11(b) and replace it with the words "in a related body corporate of the Company or"; and (b) delete the word "under" in the last line of Rule 13.11(b) and replace it with the word "in". 	<ul style="list-style-type: none"> (a) The proposed amendment will allow Directors to hold any office or position in a related body corporate or company. The current Constitution allows Directors to be involved with corporations promoted by AWI or company's in which AWI has an interest. (b) Word change
Resolution 49	Delete the words "in any event" in the third line of Rule 14.1 and replace them with the words "if the Board resolves at any time".	<p>Rule 14.1 deals with the appointment of a Managing Director or Chief Executive Officer and the conclusion of this employment. The current Constitution states that the employment as MD ends if the MD ceases to hold office as a Director.</p> <p>The proposed removes the automatic nature of this rule and states that the Board must resolve that the employment of the MD ceases if he/she ceases to hold office as a Director.</p>
Resolution 50	(A) To insert the following as the text of a new Rule 14.3 after Rule 14.2 2.2 Managing Director Counted only for Certain Purposes Rules 13.1(c) and 15.1(b) contain provisions as to when any Managing Director is, or is not, counted for certain purposes.	The amendment is provided for clarification and refers to the sections relating to minimum number of Directors and quorum numbers.
Resolution 51	To: <ul style="list-style-type: none"> (a) insert the word "Quorum" at the end of the heading to Rule 15.1; (b) insert the following at the beginning of Rule 15.1(b): "A quorum must be present at every meeting of the Board. Despite that provision, where the number of directors falls below the number required for a quorum the directors may act for the limited purpose of appointing a person (or persons) as a Director (or as Directors) so as to increase the number of Directors to a number sufficient to constitute a quorum. Any Director appointed under this Rule may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting if nominated under Rule 13.3(d) but it is not taken into account in determining the number of Directors who are to retire by rotation at the meeting."; and 	<ul style="list-style-type: none"> (a) One word added for clarification (b) The current Constitution sets the number of Directors needed for a quorum at 2. The proposed amendment will do the following; <ul style="list-style-type: none"> • Clarify that there must be a quorum at each Board meeting • It provides the power to appoint a Director to ensure that they quorum is met. • This newly appointed Director would hold office until the AGM, at this time they are eligible for election if nominated. • This Director is not counted in the required retiring number

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	(c) delete the words “two Directors form a quorum” after the words “determined by the Board,” in the fourth sentence of Rule 15.1(b) and replace them with the words and numerals: “a quorum shall comprise two persons but where there are more than 4 Directors, a quorum shall comprise the number of persons equal to the whole number nearest to, but in excess of, 50% of the number of Directors at the relevant time Any Managing Director shall not be taken into account for the purpose of determining whether the number of Directors to constitute a quorum is satisfied ”	(c) The amendment also requires that if there are more than four directors then the quorum is the whole number nearest to, but in excess of 50% of the Directors. At present the AWI Board consists of 7 directors. Under the current Constitution only two Directors are required for a quorum. The amendments will raise this to 4. The amendment also prohibits the MD from being counted as part of the quorum.
Resolution 52	Insert the following as text of a new Rule 15.1(c) after Rule 15.1(b) “Any director, or the Secretary, may call a meeting of the Directors.”	Resolutions 52, 53 & 54 all deal with procedures relating to Board meetings. These resolutions have been proposed to clarify the situation. The resolution establishes who is able to call a Meeting of Directors.
Resolution 53	Insert the following as the text of a new Rule 15.1(d) after new Rule 15.1(c) “The period of notice in respect of a meeting shall be reasonable.”	The proposed amendment requires that the notice of the meeting is reasonable.
Resolution 54	Insert the following as the text of a new Rule 15.1(e) after new Rule 15.1(d) “A notice of a meeting must indicate the nature of the business to be dealt with at the meeting.”	The notice of a meeting must indicate the nature of business to be dealt with.
Resolution 55	Insert the words and numerals “to Rule 13.10(e) being observed and subject” prior to the words “to the Law” at the end of Rule 15.3(c)	The Rule relates to voting at Board meetings. The amendment seeks to include a reference to the new text in 13.10(e) The amendment can only be made if Resolution 47 is passed.
Resolution 56	Insert the following as the text of a new Rule 15.6(c) after new Rule 15.6(b) (a) “Despite Rule 15.6(a) where a committee performs the function of an audit committee: (i) it must consist of not less than two directors; (ii) the Chairman of the Board must not act as the chairman of it; and (iii) any Managing Director must not be a member of it.”	Under this provision this audit committee must have not less than 2 Directors, the Chairman cannot act as the chairman of it and the MD cannot be a member.
Resolution 57	Insert the following as the text of a new Rule 15.9 after new Rule 15.8 2.3 “Corporate Governance Policy The Board must determine and publish a corporate governance policy on or before 30 June 2004. As and from that date the Company must have a corporate governance policy. That policy may be amended from time to time and the current policy at any time must be	Under the amendment the Board will be required to determine and publish a Corporate Governance Policy.
Resolution 58	To: (a) insert the words “sent by prepaid addressed to the shareholder at the last address recorded in the records of the Company and, in addition, is, on the day of posting” prior to the words “exhibited in the Office” in Rule 17.3. (b) delete the numeral “48” in Rule 17.3 and replace it with the numeral “72”; and (c) delete the words “at the commencement of that period” in Rule 17.3 and replace them with the words and numerals “at the expiration of 72 hours after the envelope containing the notice is posted”.	(a) Rule 17.3 relates to service of notices and the situation where the shareholder is not know at the registered address. The amendment clarifies that notice is considered to be given if the notice is sent by pre paid post, addressed to the shareholder at the last recorded address. (b) In addition, the notice must be exhibited in the office for a period of 72 hours. The current requirement is only 48 hours. (c) The proposed amendment states that the notice is taken to be served, 72 hours after the envelope is posted or until the Shareholder informs AWI of a registered place of address.
Resolution 59	Insert a new Rule 20 after Rule 19 headed “Website” and the following as the text of that new Rule 20 “The Company must use its reasonable endeavours to maintain a website at all times.”	The amendment expresses a general intent to maintain a website.
Resolution 60	(a) To make such consequential amendments to the Table of Contents of the Constitution as are appropriate to accurately reflect the contents of the Constitution as amended by the amendments set out under the respective headings Resolution 1 to Resolutions 60 inclusive; and (b) To make all necessary setting out, punctuation and numbering changes which arise out of or are a consequence of the amendments set out under the respective headings Resolution 1 to Resolution 60 inclusive.	(a) The amendment seeks to change the contents page to reflect the renumbering of rules, pages etc (b) The amendments seeks approval for all setting out, punctuation and numbering changes

By order of the Board
 Company Secretary
 Dated 21 October 2003

