

Australian Wool Innovation Limited

ABN 12 095 165 558

Notice of Annual General Meeting

Program Outline

AWI Information Forum and Annual General Meeting 2004

19 November 2004

The Bell Tower Convention Centre, The Bell Tower Inn, 1845 Sturt Street, Ballarat, Victoria

8.30am Registration

9.00am **Information Forum**

Welcome – Dr Kevin Bell, AWI Director

9.10am Presentations:

Creating opportunities to improve on-farm productivity – Ian Rogan, AWI General Manager, Wool Production

Embracing innovation on-farm – AWI grower networks – Fiona Chisholm, AWI General Manager, Information and Education

Shearing – investing in new technology and people – George Waldthausen, AWI Program Manager, Wool Harvesting

10.30am Morning Tea

11.00am Presentations continue:

Trade development in China – Pascal Senkoff, AWI General Manager, Trade

Opportunities and challenges for wool – Steven Brender, Managing Director, DPK Australia Pty Ltd

Driving innovative wool products to retail – Eric Finnie, AWI General Manager, Textiles

12.30pm Lunch and displays

2.00pm **Annual General Meeting commences**

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

Letter from the Chairman

Dear Shareholder

The past year has been a significant one for your company, Australian Wool Innovation Limited (AWI).

You, the shareholders, reaffirmed your commitment to research, development and innovation (RDI) at WoolPoll 2003; we recruited highly credentialed wool industry experts to head up the company's RDI portfolios; and we sharpened the investment focus of both the on-farm and off-farm portfolios.

Caution was exercised in the first five months of the financial year, with future income not assured until after the WoolPoll 2003 result in November. However with the support of the majority of woolgrowers we moved forward with a revised five year strategic plan.

The revised strategic plan – developed with extensive industry consultation – includes greater investment in marketing new wool products to retailers while maintaining our efforts in providing opportunities for woolgrowers to improve on-farm productivity.

The RDI investment of your levies is now split about equally between the on-farm and off-farm portfolios.

As a shareholder, you can again have your say about the performance and direction of your company at the AWI Annual General Meeting (AGM) on Friday 19 November 2004 in Ballarat, Victoria.

As outlined in this Notice of Meeting, shareholders will be asked to:

- consider the financial report of the company, the Directors report and the auditor's report, for the financial year ended 30 June 2004; and
- vote on the election of Directors, as outlined in this Notice of Meeting and Explanatory Notes.

If you are unable to attend the meeting, I encourage you to vote by proxy, either via post, fax or the Internet.

For those shareholders that are able to attend, an AWI information forum for woolgrowers will be held in the morning prior to the formal AGM proceedings.

Presentations at the forum will give woolgrowers an insight into how their wool levy is being invested to build the demand for Australian Merino wool and provide woolgrowers with opportunities to increase on-farm productivity.

I look forward to your participation.

Yours sincerely



Ian McLachlan AO

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Company is to be held at The Bell Tower Inn, 1845 Sturt Street, Ballarat, Victoria on Friday 19 November 2004, commencing at 2.00pm Australian Eastern daylight saving time.

Annual General Meeting Agenda

Ordinary business to be transacted

1. Consideration of Reports

To receive and discuss the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2004.

2. Election and re-election of Directors

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

- (a) To re-elect as a Director Mr Hugh Nivison, 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.
- (b) To re-elect as a Director Mr David Boyd, 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 elect as a Director Mr Walter Bruce Merriman, who has been nominated in accordance with Rule 13.3(d) of the Company's Constitution and, having consented, offers himself for election.
- (d) To elect as a Director Ms Kathy Walker-Shaw, who has been nominated in accordance with Rule 13.3(d) of the Company's Constitution and, having consented, offers herself for election.
- (e) To re-elect as a Director Mr Brian van Rooyen, 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.
- (f) To elect as a Director Mr Martin Peter Nivison Oppenheimer, who has been nominated in accordance with Rule 13.3(d) of the Company's Constitution and, having consented, offers himself for election.

Note – Item 2

The order in which the candidates appear in this notice of meeting has been independently determined by ASX Perpetual Registrars Limited by means of a random number generation tool.

Although six candidates are standing for election to the office of director, a maximum of three candidates may be elected in accordance with the Company's constitution. As the number of candidates exceeds the number of positions available this item cannot be decided on a show of hands. Accordingly, the Chairman intends to call a poll in relation to this item at the meeting.

Each shareholder may vote in favour of the appointment of as many candidates as they approve of up to and including the number of vacancies. You may only vote for a maximum of three candidates. Voting for more than three candidates will render your vote invalid.

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 or 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 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) 8614 2909 or by delivery to its offices at Level 4, 333 Collins Street, Melbourne Victoria 3000, at least 48 hours before the meeting, i.e. 2.00pm Australian Eastern daylight saving time on 17 November 2004:

- (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.

Shareholders may alternatively submit their proxy instructions electronically via the Share Registry Service at www.asxperpetual.com.au

Company Secretary

Dated 18 October 2004

Explanatory Notes

Item 1 – Consideration of Reports

To receive and discuss the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2004.

Item 2 – Election and re-election of Directors

In accordance with the Constitution (Rule 13.3(a)) three Directors, **Mr Hugh Nivison**, **Mr David Boyd**, and **Mr Brian van Rooyen** will retire. Each of the directors have satisfied the requirements to be eligible for, and are seeking re-election.

Nominations to the office of Director have been received from **Mr Walter Bruce Merriman**, **Ms Kathy Walker-Shaw** and **Mr Martin Peter Nivison Oppenheimer**. These nominations have been certified by the Company Secretaries as satisfying the AWI Constitution and Rules for election of Directors. The Board has resolved that these nominations and their consents have been properly made.

Short biographical details for each of the candidates follows. The respective biographies and notes were provided by the candidates; Australian Wool Innovation Limited has not sought to verify the accuracy of these statements.

Candidates' biographies and notes

Mr Hugh Nivison B.V.Sc.

Mr Nivison is a current AWI Board Member with special responsibilities on the Remuneration & Appointments Committee, Intellectual Property Committee and Falkiner Memorial Field Station Committee.

Since election to the AWI Board two years ago, Mr Nivison has been an active member of the Board led by Ian McLachlan. This team of Directors has instituted a much higher standard of corporate governance, appointed a highly skilled executive, improved relationships with research providers and driven AWI to deliver real profitability improvements to Australian wool producers. Focussing on increasing the demand for Australian wool and decreasing the cost of production have been priorities for Mr Nivison during his term.

Mr Nivison is the joint Managing Director of Mirani Pty Ltd, a fine wool stud and commercial wool production business. Mr Nivison is a Board Member of the Australian Sheep Industry CRC, Chair of UNE Rural Properties and an Australian Rural Leadership Program graduate. Mr Nivison is also a registered veterinary surgeon.

In current and former roles, Mr Nivison has helped focus research efforts on delivering outcomes that improve the bottom line of Australian wool producers. Mr Nivison is keen to continue this effort on behalf of the shareholders of AWI.

Mr David Boyd

Mr Boyd is an AWI Board Director and a member of the Finance and Audit Committee.

He is the Chairman and CEO of Clyde Agriculture, one of Australia's largest woolgrowers and a major producer of cotton, lamb, wheat and beef. He is a Director of Clyde's parent company John Swire & Sons Pty Ltd.

Mr Boyd is a former General Manager-Rural of Dalgety, now Landmark. He is a former Board Member of Wool International and a former Deputy Chairman of cotton grower body, Cotton Australia. He is a former Director of the Australian Wool Exchange and a past member of the CSIRO TCF Advisory Committee. He is a Trustee of the McGarvie Smith Institute.

Since election to the AWI Board, Mr Boyd has advocated the need to ensure shareholders' levy funds are spent where they will have a real impact on building demand for wool and in gaining productivity improvements. He strongly believes that the future of the wool industry lies in making wool more attractive to the marketers of branded garments and in lowering (in real terms) on farm unit costs of production.

He offers himself for re-election.

Mr Walter Bruce Merriman

Wal's forthright, no-nonsense style ensures accessibility to woolgrowers, hundreds of whom he meets annually travelling Australia to shows, sales and meetings.

Well-known as having the good of the industry at heart, Wal also has the ear of European and Asian buyers and manufacturers and is regularly updated by them on their requirements.

Managing director of Merryville, he oversees extensive commercial pastoral interests giving him broad farming and grazing experience.

Wal has served on several industry boards, including National Woolgrower Forum, Major Woolgrowers Group and AWI's Wool Advisory Group and is past-president of both NSW and Australian Stud Merino associations.

Wal's belief that Merino wool must, especially in the face of competition from other fibres, be more extensively and professionally marketed, has encouraged his nomination.

He is concerned that the current promotion model is unworkable and that the Task Force report was flawed on this subject. He believes The Woolmark Company will never have the funds for this role, that AWI is on a production-driven track, and with the only available funds being woolgrower levies, he aims to ensure that funds become available for effective promotion.

Wal will bring fearless advocacy to addressing the inefficiencies he sees in the current system, while applying a grassroots, industry-savvy perspective.

Ms Kathy Walker-Shaw

Support and encouragement has been forthcoming from many woolgrowers over the years and I feel it is now time to offer my retailing and marketing knowledge to the AWI Board. I understand the retailers and consumers perception of wool, and I know this perception needs to change.

On my travels I speak to hundreds of people about wool, and wool products. I believe wool to be a versatile, but misunderstood fibre. I believe we can change this attitude with an education campaign offering practical advice and product information, promoting awareness of wool as a natural fibre with unique qualities.

I founded my company Knitwear With Style in 1992.

Manufacturing in Australia, the KWS brand of fine merino knitwear for men and women.

My aim, should I be elected, is to raise the profile of wool through programmes targeted at key industry stakeholders and the consumer. I have 12 years experience in the retail sector specialising in wool products.

We are all working towards the same goal and are integral parts of an interdependent team. I am confident that together we can create a more sustainable and profitable industry for growers, processors, manufacturers and retailers, and overall ensure a greater demand for wool.

Mr Brian van Rooyen

Mr van Rooyen is Deputy Chairman of the AWI Board, with special responsibilities as Finance & Audit Committee Chairman, and Remuneration & Appointments Committee member.

He is currently the Chief Executive Officer of Australian Country Spinners Pty Ltd, which is a large spinner of Australian wool, both in Australia and China. Mr van Rooyen has extensive downstream wool processing experience, from spinning to knitting and weaving, and is now involved in selling directly to Chinese retailers.

Mr van Rooyen is a Director of both the Australian Wool Testing Authority Ltd and the New Zealand Wool Testing Authority Ltd. Mr van Rooyen is a former Director of Norwellan Textiles Ltd, Woolstock Australia Ltd and Bruck Textiles Pty Ltd. He is a past President of the Australian Wool Processors Council and a past member of the CSIRO Textiles, Clothing and Footwear Sector Advisory Committee.

Since his election to the Board of AWI two years ago, Mr van Rooyen has been very involved in the drive to improve the standard of corporate governance, the appointment of a highly skilled executive team and the drive to deliver real improvements in profitability to Australian wool producers, through increased demand for Australian wool and lowering the cost of production.

Mr Martin Peter Nivison Oppenheimer

At 44 years of age, Martin Oppenheimer is a woolgrower and sheep breeder from New England, NSW with 24 years experience. At 21 he started his own farming business. For the past 20 years Martin has been a partner in Petali Pastoral Co, and company Director of Petali Holdings Pty Ltd.

Currently his business runs 10,000 fine wool merinos, merino seedstock for wool and meat, beef steer backgrounding, plus off farm interests.

Martin was educated at The King's School, Sydney and University of New England, Armidale. Further education has included Wool Classing, Sheep Classing and Workplace training. Martin is a graduate of the Executive Development Program for Primary Producers.

Activities and experience during the past 10 years include; wool supply management, wool processing to garment stage, high production pasture systems, farmer education delivery, MLA sheep programs, active involvement in

research and development programs, and a strong emphasis on product marketing.

Martin has a history of innovation, marketing and lateral thinking. He is standing for the Board of Australian Wool Innovation to direct the focus of the company to demand building and product marketing of new and existing wool products and markets.

The current AWI Strategic Plan has identified key areas to build demand and improve wool products. Despite this only one third of funding has been allocated to these programs. Martin will work to correct this imbalance and ensure these key areas receive the increased funding and greater effort that they require.

Company Secretary
Dated 18 October 2004

Australian Wool Innovation Limited

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