

Board Nomination Committee Report

1. Background to BNC Process for 2021

Under the Charter of the Board Nomination Committee (“BNC”), it is responsible for:

- identifying necessary and desirable director competencies;
- considering candidates standing for election or re-election at any general meeting of the Company; and
- making non-binding recommendations to shareholders in relation to the election or re-election of such candidates.

2. Board Nomination Committee Composition

There was a change introduced to the Charter of the BNC relating to the composition of the BNC which applied for the first time in 2021. Previously, the Chair of the BNC was nominated directly by the Secretary of the Department of Agriculture, Water and the Environment. This was replaced by a person elected by the BNC itself following an executive search.

The BNC for 2021 comprised 5 members, three of whom were independent of the AWI Board, and two who were current, unconflicted Non-Executive Directors. The BNC comprised:

- 1) Samantha Hogg, Independent Chair, appointed by the BNC following an executive search
- 2) Noel Henderson, current AWI Board Member not seeking re-election
- 3) James Morgan, current AWI Board Member
- 4) Simon Cameron, Independent member nominated by the Woolgrower Industry Consultation Panel
- 5) Michael Thomas, Independent member from an international executive search firm (Heidrick and Struggles)

3. Selection Process

There were 3 avenues for persons to be put forward as candidates standing for election or re-election. These were –

- Retiring and rotating incumbent directors. In each director election cycle, one-third of the board rounded up must retire and are eligible to stand as candidates again. In 2021, one of those incumbent directors to retire did not elect to stand again. This was Colette Garnsey. The other 2 retiring directors have chosen to stand again, and they are Jock Laurie and Don Macdonald.
- Persons who received a written nomination from more than 99 eligible shareholders. In 2021, there were 4 persons who will stand for election after having successfully completed this process. They are Michael Field, Sydney Lawrie, Charles Olsson and Steven Read.
- Persons put forward directly by the BNC on the basis of skills to supplement existing skills on the board. The BNC undertook an executive search for specific skills and identified Georgia Hack as a candidate based on that search. Later, the BNC elected to also advertise for suitable skills based candidates, and a potential candidate was interviewed by the BNC from this route.

The BNC considered each of the 8 persons outlined above by assessing their curricula vitae, interviewing them and reviewing the outcome of background checks.

4. Interviews

In assessing each candidate, the BNC considered the skills set out in the BNC Charter, being:

- Corporate governance;
- the Australian wool growing industry;

Board Nomination Committee Report

- The wool processing industry in Australia and overseas;
- Product promotion and retail marketing;
- Domestic and international market development and international trade;
- Research and Development and commercialisation of R&D outcomes;
- Conservation and management of natural resources;
- Oversight and administration of research and development;
- Finance and business management;
- Executive management of a corporation; and
- Science.

The BNC analysed the gaps which would follow with the 3 board members retiring; diversity issues with skills, gender, geographic location, the experience and knowledge of the wool industry and of the organisation; and the likely contribution to the Board of the candidates. The BNC members were also cognisant of balancing board continuity, succession planning and loss of intellectual capital with “fresh eyes” and new ideas.

At the conclusion of the interviews, 4 candidates were considered to be the most suitable for re-election or election, having regard to:

- (a) the combination of Directors that will, in its view, best ensure that the Board collectively has an appropriate balance of skills and experience in the areas determined by the Committee in accordance with the BNC Charter and the skills identified in the Company’s board skills matrix.
- (b) Board diversity; and
- (c) the Board’s succession plan and renewal needs.

They have each been identified as **recommended**.

The BNC believes that Georgia Hack would add most to the skills base of the AWI Board and move towards addressing the area of need identified in the Board’s annual review. The three others have individual but equally valued strengths from which the Board would benefit.

Whilst all of the other 4 candidates had diverse skills and experience relevant to the wool industry, none of them were regarded as being as suitable as the recommended candidates.

5. Background Checks

All candidates had standard police and bankruptcy background checks performed. No concerns were identified.

6. Nominations

The BNC is pleased to nominate the following four candidates for your consideration (in alphabetic order). The BNC is unanimous in recommending these nominations. A summary of the BNC’s assessment is provided below.

It should be noted that these persons bring a diverse balance of skills, experience and gender to the role.

- Georgia Hack
- Jock Laurie
- Don Macdonald
- Steven Read

Board Nomination Committee Report

1. Georgia Hack (New candidate)

Experience:

Georgia Hack is an experienced retail marketing and business professional.

Her work career has included marketing responsibility at brands such as Witchery, Country Road and Mimco. Her current role at David Jones has oversight responsibility for the marketing team.

Key Skills: Senior marketing leader with extensive marketing and brand experience, and broad global contacts in the retail and fashion spheres.

BNC Comment: Georgia Hack brings wide cross sector experience including in branding and marketing, strategy and specialist areas such as digital and media, public relations and creative. In addition, she has worked with Woolmark and understands that side of the business. These skills supplement the skills on the board, particularly having regard to the retirement of Director Colette Garnsey after the 2021 AGM.

She is RECOMMENDED

2. Jock Laurie (Current Director, seeking re-election)

Experience:

Mr Laurie and his family operate a farming business that consists of wool, lamb, beef and grain on properties at Walcha, Bendemeer and Gunnedah. Mr Laurie has been actively involved in agricultural policy and advocacy since 2000. He spent four years as President of the NSW Farmers Association and two and a half years as President of the National Farmers Federation. During this period, he gained experience and training in both corporate governance and as a director. Through his role at the National Farmers Federation, he was exposed to international trade negotiations that are very important to the profitability of Australian agriculture.

Mr Laurie has long term experience in the agriculture industry, and also 10 years of board and agricultural policy experience. He aims to direct his skills at driving profitability in the wool industry.

Key Skills: Government relations; deep knowledge of AWI operations; a pro-active approach to stakeholder issues; strong leadership skills.

BNC Comment: Jock Laurie has been a strong contributor to the AWI board since his election in 2015. He was elected as Chair of the Board following the resignation of Colette Garnsey from that role earlier in 2021. He aims to foster relationships with industry stakeholders and Government.

He is RECOMMENDED

3. Don Macdonald (Current Director, seeking re-election)

Experience:

Don Macdonald has been involved in the wool industry since 1975, as a wool classer, shearer, wool advisor and auctioneer, wool broker and grower. He has extensive knowledge and experience in all aspects of domestic wool harvesting and marketing.

Board Nomination Committee Report

Key Skills: Extensive stakeholder engagement; sound understanding of fibre advocacy issues.

BNC Comment: Don Macdonald has developed long standing and enduring relationships with the grower sector and the exporting and early stage processing sector both domestically and internationally. He engages widely with wool industry participants as a function of his business interests.

He is RECOMMENDED

4. Steven Read (New candidate)

Experience:

Steven Read is currently the CEO of Michell Wool, a longstanding privately owned Adelaide based business dealing with wool growers, operating wool processing plants in Australia and China and exporting/marketing wool globally. Steven has a broad background in agri-business with a particular focus on the wool industry.

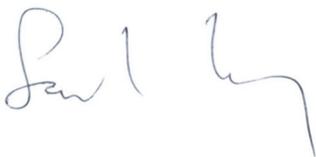
Key Skills: Diverse agri-business career; long experience in all aspects of wool processing; Market development experience in a broad range of countries covering Europe, Middle East, Subcontinent, Americas, Far East and China.

BNC Comment: Steven Read has in-depth knowledge of the wool supply chain; wool processing; the wool industry in China; and broad knowledge of wool industry stakeholders.

He is RECOMMENDED

7. Conclusion

The BNC is satisfied the recommended persons are suitably qualified for appointment based on their expertise in one or more of the key skills identified. The BNC is confident that each of them if elected, will bring to the Board of AWI a high-level of skills, experience and commercial pragmatism. The BNC believes that they would best ensure that the Board collectively has an appropriate balance of skills and experience in the areas determined by the Committee in accordance with the BNC Charter.



Samantha Hogg
Chair,
AWI Board Nomination Committee
5th October 2021