



BOARD NOMINATION COMMITTEE REPORT TO SHAREHOLDERS

This report is issued to all shareholders of Australian Wool Innovation Limited (AWI) eligible to vote on the election of Directors to be held at the AWI Annual General Meeting 2011.

BACKGROUND

Under the terms of the Statutory Funding Agreement 2010-2013 (SFA) between AWI and the Commonwealth of Australia, AWI established the Board Nomination Committee (Committee) in 2011.

The members of the Committee are:

Mr Jock Laurie (President of the National Farmers Federation), Committee Chairman
Mr Colin Bell (Executive Chairman of Bell Financial Group Ltd)
Mr William Wilson (General Manager Sales & Marketing, Australian Securities Exchange)
Mr Wal Merriman (AWI Chairman)
Mr Roger Fletcher (AWI Deputy Chairman)

SKILLS

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

The skills which could be strengthened on the AWI Board in the lead up to this election were identified and discussed by the Committee at its inaugural meeting in August 2011, by reference to the skills set out in the SFA and advice provided to the Committee by an external consultant engaged to assist in the skills assessment process. The area of “product promotion and retail marketing” was identified as a particular area in which the AWI Board skills could be further developed. Additionally, good corporate governance skills remain important in the selection criteria, as for any Board.

COMMITTEE ASSESSMENT

The Committee sets out below, for the benefit of eligible voting shareholders, its assessment of each of the five (5) nominated candidates.

Candidate	Committee Assessment
Ms Colette Garnsey Board Nominated Candidate	<ul style="list-style-type: none"> • Has a broad view of retail, and the diversity of her experience in women’s wear, men’s wear and interiors matches AWI’s current strategy • Answers the needs of the Board for skills in “product promotion and retail marketing” • Extensive executive management experience • Well respected in the retail industry
Mr Brian van Rooyen Board Nominated Candidate	<ul style="list-style-type: none"> • A professional director • Strong corporate governance and finance background through qualifications and long-term experience • Extensive experience and valuable contacts in early stage processing, topmaking, spinning and weaving. • 9 years experience with AWI and a continuing strong commitment to the wool industry
Mr David Webster Board Nominated Candidate	<ul style="list-style-type: none"> • Knowledge of China and changes in its commerce and economic position, being a significant market for AWI • Experience with AWI and its shareholders and stakeholders • Strong contribution to the AWI Finance and Audit Committee and knowledge of corporate governance
Mr Robert McBride Candidate nominated by at least 100 shareholders	<ul style="list-style-type: none"> • Good accounting qualifications and finance and business management experience • An active woolgrower with significant involvement in the industry • Has done extensive travel to gain a better understanding of wool processing and has an interest in R&D and wool marketing
Mr Alix Turner Candidate nominated by at least 100 shareholders	<ul style="list-style-type: none"> • Solid agri-political connections developed over a period of time in the wool industry • Well-known in the industry • Interest in supply chain management and efficiencies, and involvement in industry reform for over 40 years

