

**Australian Wool Innovation Limited**  
**ABN 12 095 165 558**

## **CHARTER OF THE COMMITTEES OF THE BOARD**

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# CHARTER OF THE COMMITTEES OF THE BOARD

## 1. INTRODUCTION

- 1.1 This Charter governs the roles, responsibilities, composition and membership of the committees (**Committees**) of the board of directors of the Company (**Board**).
- 1.2 The operation of the Committees is also governed, where applicable, by the Constitution of the Company.
- 1.3 The Board has established a Finance and Audit Committee, a Remuneration and Appointments Committee, and a Science and Welfare Committee.
- 1.4 The Board will establish additional Committees and disband existing Committees as required and as the Board sees fit for the good corporate governance of the Company.

## 2. OBJECTIVES

- 2.1 The purpose of each Committee is set out in item 1 of each of Schedule 1, Schedule 2 and Schedule 3.

## 3. COMPOSITION

### 3.1 Members

- 3.1.1 The Committees must only consist of non-executive directors. The Committees must have a minimum of three members, with the majority of members being independent directors.
- 3.1.2 The members of the Committees will be appointed and removed by the Board as the Board sees fit and for the good corporate governance of the Company.

### 3.2 Expertise

- 3.2.1 Members of each Committee must have an appropriate level of understanding of general principles of corporate governance, including knowledge of the Australian Stock Exchange Limited's (**ASX**) Principles of Good Corporate Governance and Best Practice Recommendations (**Corporate Governance Principles**).
- 3.2.2 Each member of the Committees must also have the specific expertise set out in item 2 of each of Schedule 1, Schedule 2 and Schedule 3.

### **3.3 Chairperson and Secretary**

- 3.3.1 The Board will appoint a chairperson to each Committee (**Chair or Chairman**). The Chairman must not be the chairperson of the Board.
- 3.3.2 The Company Secretary or Secretaries, who has been so appointed under the *Corporations Act 2001*, will act as secretary of each Committee (**Secretary**).

## **4 MEETINGS**

### **4.1 Frequency**

- 4.1.1 The Committees will meet as frequently as required but must, at a minimum, meet twice per financial year.
- 4.1.2 The Secretary must call a meeting of a Committee if requested to do so by any member of a Committee.

### **4.2 Agenda and notice**

- 4.2.1 The Secretary will be responsible, in conjunction with respective Committee Chairman, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Committee Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 5 business days before the meeting unless a shorter period is consented to by all members of the Committee.

### **4.3 Quorum**

- 4.3.1 A quorum for Committee meetings will be at least two members, save that one of the members of the quorum must be an independent director.

### **4.4 Minutes**

- 4.4.1 The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable.
- 4.4.2 The minutes shall be kept in the same manner and to the same standard as the minutes for Board meetings.
- 4.4.3 Each director of the Company is entitled to a copy of the minutes of any Committee meeting upon request.

## **4.5 Attendance**

- 4.5.1 Each Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members.
- 4.5.2 Each director of the Company may attend any Committee meeting as an observer.

## **5 POWERS**

### **5.1 Access**

- 5.1.1.1 Each Committee has the rights of access set out in item 3 of each of Schedule 1, Schedule 2 and Schedule 3.

### **5.2 Investigations**

- 5.2.1 Each Committee has the power:
  - 5.2.1.1 to conduct any investigations it considers necessary relating to the objectives of the Committee; and
  - 5.2.1.2 seek explanations and additional information from any source it considers appropriate including current and former employees of the Company and contractors of the Company.
- 5.2.2 Each Committee has the power to engage any independent experts, including legal and accounting experts, that it requires to help it fulfil its duties. Costs associated with this will be borne by the Company.

## **6 RESPONSIBILITIES**

- 6.1 The Committees have the responsibilities set out in item 4 of each of Schedule 1, Schedule 2 and Schedule 3.

## **7 REPORTING**

### **7.1 Reporting to the Board**

- 7.1.1 Each Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.
- 7.1.2 The report must also include the matters set out in item 5 of each of Schedule 1, Schedule 2 and Schedule 3 (if any).

7.1.3 Each Committee must report to the Board at any time that the Board requests such a report.

## **7.2 Annual Report**

7.2.1 Each Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to that Committee's area of responsibility.

## **7.3 Public availability of materials**

7.3.1 The Committees must ensure that a copy of this Charter is made publicly available on the Company's website in a clearly marked corporate governance section.

## **8 REVIEW OF THE CHARTER**

8.1 This Charter will be maintained to the standard of good corporate governance required by the Australian Stock Exchange Limited for listed entities, to the extent that those requirements are applicable to the Company.

8.2 This Charter shall be reviewed annually and revised by the Board as required.

## SCHEDULE 1 - FINANCE AND AUDIT COMMITTEE

### 1. OBJECTIVES

1.1 The purpose of the Finance and Audit Committee is to:

1.1.1 assist the Board in managing its responsibilities relating to all financial, legal and compliance matters;

1.1.2 ensure the Company's financial controls are working effectively;

1.1.3 monitor and guide the Company's approach to risk management;

1.1.4 provide the Board with advice and recommendations in relation to the internal and external audit functions;

1.1.5 developing policy direction for the Company's intellectual property portfolio to ensure the Company:

(a) where applicable earns money from commercialisation of the Company's intellectual property to contribute to funding of research and marketing activities; and

(b) focuses on opportunities and issues arising for intellectual property from all research and development and innovation projects funded in whole or in part by the Company.

1.2 The Company's intellectual property includes any:

1.2.1 copyright;

1.2.2 design, patent, trademark, semiconductor, circuit layout or plant breeder rights (whether registered, unregistered or applied for);

1.2.3 trade, business, Company or domain name; and

1.2.4 know how, inventions, processes, confidential information (whether in writing or recorded in any form);

and any other proprietary, licence or personal rights arising from intellectual activity in the Company's business, industrial, scientific or artistic fields.

### 2. EXPERTISE

2.1 Each member of the Finance and Audit Committee must be able to read and understand financial statements and have an appropriate level of understanding of the nature of intellectual property and its role in the Company's future.

- 2.2 At least one member of the Committee is to have financial experience and expertise.
- 2.3 The Committee may at anytime at the Company's expense call upon for technical advice an independent professional advisor or advisers.

### **3. ACCESS**

- 3.1 The Finance and Audit Committee has unrestricted access to management, internal and external auditors and all Company records for the purpose of carrying out its responsibilities under this Charter.
- 3.2 The Finance and Audit Committee must be provided with all necessary access to the internal audit function without the presence of management (but not necessarily in the absence of the Secretary).
- 3.3 The Finance and Audit Committee will meet with external auditors, in the absence of management (but not necessarily in the absence of the Secretary), as often as required, but not less than once a year.
- 3.4 The Finance and Audit Committee may meet with the Company's external intellectual property advisers, in the absence of management (but not necessarily in the absence of the Secretary) as often as required.
- 3.5 The Finance and Audit Committee has the authority to retain independent expert consultants as and when it may so choose to do to advise it on any aspect of carrying out its Objectives and Responsibilities. The Company will pay for the cost of the provision of such expertise to the Committee. The Committee, at its sole discretion, may share such a consultant's report with management.

### **4. RESPONSIBILITIES**

#### **4.1 Risk oversight and management policies**

- 4.1.1 The Finance and Audit Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies that set out the roles and respective accountabilities of the Board, the Finance and Audit Committee, management and the internal audit function.
- 4.1.2 The policies should cover the areas of oversight, risk profile, risk management, compliance and control and assessment of effectiveness.

#### **4.2 Risk management and risk profile**

- 4.2.1 The Finance and Audit Committee is responsible for:
  - 4.2.1.1 providing the Board with advice and recommendations regarding the establishment and implementation of:

- a risk management system; and
  - a risk profile for the Company that describes the material business risks (including financial, non-financial and legal risks) which the Company faces;
- 4.2.1.2 providing a summary of the risk management and oversight policies to the Board which should be disclosed by AWI under Recommendation 7.1 of the Corporate Governance Principles;
- 4.2.1.3 reviewing the effectiveness of the Company's implementation of the risk management system at least once a year; and
- 4.2.1.4 regularly reviewing and updating the Company's risk profile.
- 4.2.2 The Finance and Audit Committee is responsible for ensuring that the appropriate senior managers have established and implemented a system for identifying, assessing, monitoring and managing material business risk throughout the organisation. The system is to include the Company's internal compliance and control systems.

### **4.3 Internal audit function**

- 4.3.1 The Finance and Audit Committee is responsible for establishing an internal audit function whose purpose is to analyse the effectiveness of:
- 4.3.1.1 the Company's risk management and internal compliance and control system; and
- 4.3.1.2 the implementation of the Company's risk management system, including the Company's internal compliance and control system.

### **4.4 Internal Auditors**

- 4.4.1 The responsibilities of the Finance and Audit Committee include:
- 4.4.1.1 reviewing the results and effectiveness of the internal audit programs;
- 4.4.1.2 recommending the scope of the internal audit for Board approval;
- 4.4.1.3 reviewing and approving the appointment and dismissal of senior internal audit executives or internal audit contractors;
- 4.4.1.4 ensuring the internal audit function is independent of the external auditor;
- 4.4.1.5 ensuring that the internal audit function has all necessary access to management and the right to seek information and explanations;

- 4.4.1.6 receiving summaries of all reports to management prepared by internal audit, the management response and the recommendations of internal audit;
- 4.4.1.7 ensuring no unreasonable management or other restrictions are placed on the internal auditors; and
- 4.4.1.8 ensuring the internal auditors are adequately resourced.

## **4.5 External Auditors**

4.5.1 The responsibilities of the Finance and Audit Committee include:

- 4.5.1.1 providing a link between the external auditors and the Board;
- 4.5.1.2 reviewing the performance and independence of the external auditors;
- 4.5.1.3 where the external auditors provide non-audit services to AWI assess whether the provision of those services has compromised the auditor's independence;
- 4.5.1.4 reviewing procedures for the selection and appointment of external auditors;
- 4.5.1.5 reviewing and providing recommendations on the rotation of external audit engagement partners;
- 4.5.1.6 recommending the appointment, remuneration and terms of engagement of the external auditors;
- 4.5.1.7 recommending the scope of the external audit for Board approval;
- 4.5.1.8 reviewing and providing oversight of audit reports prepared and issued by the external auditors;
- 4.5.1.9 ensuring that no unreasonable management or other restrictions are placed on the external auditors;
- 4.5.1.10 determining what non-audit services are to be provided by the external auditor and his/her firm; and
- 4.5.1.11 providing the Board with advice and recommendations in relation to all aspects of the external audit function.

## **4.6 Review of Financial Reports**

4.6.1 Duties of the Finance and Audit Committee include:

- 4.6.1.1 reviewing financial statements for accuracy, adequacy and clarity and ensuring they reflect a true and fair view as a basis for recommendation to and adoption by the Board;
- 4.6.1.2 reviewing financial statements for adherence to accounting standards and policies and the *Corporations Act 2001*;
- 4.6.1.3 reviewing accounting policies adopted and any changes made to them;
- 4.6.1.4 reviewing management processes supporting external reporting;
- 4.6.1.5 discussing any significant matters arising from the audit, management judgements and accounting estimates with management and internal and external auditors;
- 4.6.1.6 reviewing, and where necessary challenging, the actions and judgment of management in relation to all financial reports; and
- 4.6.1.7 reviewing the external audit report and ensuring management properly addresses the external auditor's recommendations.

#### **4.7 Intellectual Property**

- 4.7.1 The Finance and Audit Committee is responsible for providing the Board with advice and recommendation in relation to the following specific objectives:
  - 4.7.1.1 Developing appropriate intellectual property agreements to ensure the Company maximises the commercialisation of its intellectual property;
  - 4.7.1.2 Developing policy direction in respect of the intellectual property management plan which supports the IP policy;
  - 4.7.1.3 Ensuring management conducts awareness, education and training for all staff in relation to IP as necessary; and
  - 4.7.1.4 Ensuring management values the Company's intellectual property in accordance with relevant Australian accounting standards.

#### **4.8 Commercialisation**

- 4.8.1 The Finance and Audit Committee is responsible for providing the Board with advice and recommendations to establish policies focusing on:
  - 4.8.1.1 Achieving commercial success from appropriate research and development and innovation projects and returning this benefit to shareholders; and

**4.8.1.2** Endeavouring to engage commercial partnerships in research and development and innovation at an early project stage to ensure that the product or process under development has the best opportunity of reaching commercial exploitation.

## **5. REPORTING TO THE BOARD**

5.1 The report must also include, at a minimum:

- 5.1.1 an assessment of whether the Company's external reporting is consistent with the information and knowledge of the finance and audit committee and whether it is adequate for the needs of the Company's shareholders;
- 5.1.2 an assessment of the management processes which support external reporting;
- 5.1.3 assessment of the performance and independence of the external auditors and, given the provision by the external auditors of any non-audit services, whether the independence of the external auditors has been maintained;
- 5.1.4 the results of the Finance and Audit Committee's review of risk management and internal compliance and control systems; and
- 5.1.5 a recommendation to the Board in relation to approving and signing the Company's annual report, directors' report and directors' declaration.

## SCHEDULE 2 - REMUNERATION AND APPOINTMENTS COMMITTEE

### 1. OBJECTIVES

1.1 The purpose of the Remuneration and Appointments Committee is to provide the Board with advice and recommendations which enable the Board to:

#### 1.1.1 Remuneration

- (a) set in place remuneration policies which are designed to attract and retain senior managers and directors with the expertise to enhance the performance and growth of the Company and the promotion of the Company's corporate governance practices; and
- (b) ensure that the level and composition of remuneration packages are fair, reasonable and adequate and, in the case of executive directors and senior managers, display a clear relationship between the performance of the individual and the performance of the Company;

#### 1.1.2 Appointments

- (a) identify nominees for directorships of the Company and other key executive appointments;
- (b) recommend the appointment of the CEO and his/her direct reports to the Board; and
- (c) periodically review the skills base of the Board ensure that effective induction and education procedures exist for new Board appointees and key executives.

#### 1.1.3 Performance

- (a) ensure that appropriate procedures exist to assess and review the performance of the Chairman, directors, senior executives, Board committees and the Board as a whole.

## **2. EXPERTISE**

2.1 Members of the Remuneration and Appointments Committee must have an appropriate level of understanding of:

2.1.1 the disclosure requirements under the *Corporations Act* 2001 and other regulations or agreements in respect to executive and director remuneration;

2.1.2 the complexities involved in negotiating and determining executive remuneration packages and the terms and conditions of employment that exist in the market place;

2.1.3 issues under workplace relations laws and contract law generally; and

2.1.4 the Corporate Governance Principles; particularly Principle 8, Recommendations 1.2 and 2.5.

## **3. ACCESS**

3.1 The Remuneration and Appointments Committee has unrestricted access to management through the CEO or the CEO's delegate, and to all Company records and all other sources for the purpose of carrying out its responsibilities under this Charter.

3.2 The Remuneration and Appointments Committee may meet with the Company's remuneration and appointments' advisers, in the absence of management (but not necessarily in the absence of the Secretary), as often as required.

## **4. RESPONSIBILITIES**

### **4.1 Remuneration and Workplace Relations Issues**

#### **4.1.1 Executive Remuneration Policy**

(a) The Remuneration and Appointments Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of an executive remuneration policy that:

(i) is designed to attract, maintain and motivate directors and senior management with the aim of enhancing the performance, long-term growth and corporate governance of the Company; and

(ii) clearly sets out the relationship between the individual performance and remuneration.

- (b) The Remuneration and Appointments Committee must review the remuneration policy and other relevant policies on an ongoing basis and recommend any necessary changes to the Board.
- (c) The Remuneration and Appointments Committee is also responsible for providing the Board with advice and recommendations regarding the Company's policies on recruitment, retention, termination and all other workplace relations issues.

## 4.2 Executive Remuneration Packages

- 4.2.1 The Remuneration and Appointments Committee is responsible for reviewing and providing recommendations to the Board with respect to the remuneration packages of senior management and executive directors.

## 4.3 Non-executive remuneration

4.3.1 The Remuneration and Appointments Committee is responsible for providing advice to the Board with respect to non-executive directors' fee based remuneration.

4.3.2 The remuneration packages of non-executive directors should generally be fee based and the Remuneration and Appointments Committee must ensure that:

- (a) there is a clear distinction between the structure of non-executive directors' and executive directors' remuneration; and
- (b) non-executive directors do not:
  - (i) participate in remuneration schemes designed for executive directors; or
  - (ii) receive options, bonus payments or retirement benefits other than statutory superannuation.

## 4.4 Termination payments

4.4.1 The Remuneration and Appointments Committee is responsible for providing advice and recommendations to the Board on the Company's termination and redundancy policies and the payments made to outgoing directors and senior managers. These payments must be agreed in advance and must contain clearly defined provisions regarding the consequences of early termination. The termination payments of the Company's chief executive officer must always be agreed in advance.

## 4.5 Appointments

4.5.1 Nomination, appointment and removal

- (a) The RAC is responsible for:
  - (i) identifying specific individuals for nomination for directorship and key executive roles; and
  - (ii) providing advice and recommendations to the Board with respect to the appointment and removal of directors and key executives; and
  - (iii) providing advice and recommendations to the Board with respect to the contractual arrangements between the Company and each director, or his or her nominee, in relation to the director's appointment.

4.5.2 Board composition: the RAC is responsible for ensuring that the Board is of a size and composition that allows for:

- (i) decisions to be made expediently;
- (ii) a range of different perspectives to be put forward regarding issues before the Board;
- (iii) a range of different skills, including in terms of experience and education, to be brought to Board deliberations; and
- (iv) Board decisions to be made in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

## **5. OTHER GENERAL DUTIES OF THE RAC INCLUDE:**

- 5.1 monitoring and advising management and the Board on the policies and procedures of the Company relating to its employees and contactors,
- 5.2 monitoring statutory compliance with workplace hours and regulations,
- 5.3 advising the Board on the directors and officers liability insurance, indemnity of directors, access by ex directors to the records of the Company and like matters,
- 5.4 review and evaluation of the performance of the Board and its individual directors,
- 5.5 monitoring the implementation of an effective induction process and continuing education in Australia for new Board appointees and key executives,
- 5.6 monitoring of any notice and provision of information relating to the election of directors

## **6. REPORTING TO THE BOARD**

- 6.1 No additional requirements

## **7. ADDITIONAL REQUIREMENTS**

- 7.1 No member of the RAC will be directly responsible for providing advice or recommendations concerning the level or composition of his or her remuneration to the Board.
- 7.2 The RAC has the right to seek internal and external advice, at the expense of the Company, when it considers such advice necessary in order to fulfil its responsibilities.
- 7.3 Monitoring on an ongoing basis the time required from non-executive directors to carry out directors to carry out their duties and responsibilities to the Company and report to the Board.
- 7.4 Monitoring and providing the Board with advice on director competencies, enhancement of director competences, enhancement of director competences, succession planning, appropriate balance of skill and experience on the Board to ensure Board effectiveness.

## SCHEDULE 3 – SCIENCE AND WELFARE COMMITTEE (SWC)

### 1. OBJECTIVES

- 1.1 The objectives of the Science and Welfare Committee are to:
- 1.1.1 assist the Board by providing direction and detailed oversight of institution and maintenance of a research governance framework that meets the requirements in the Australian Code for responsible conduct of scientific research
  - 1.1.2 assist the Board by providing direction and detailed oversight of effective integration of the on and off farm R&D programmes into an integrated outcome based “farm to fashion” research and development programme,
  - 1.1.3 assist the Board in the detailed oversight of the companies investment in all on *and off* farm research projects, including relative merit assessment “across the board” of all current and future projects and allocation of research resources and funding,
  - 1.1.4 make recommendations to the Board on future investments in on and off farm investment,
  - 1.1.5 approve any and all communication strategies pertaining to the companies investments in on and off farm investments,
  - 1.1.6 review, audit and recommend to the board for approval all past, current and future integrated on and off farm projects, in which the company has invested and may invest,
  - 1.1.7 endeavour to ensure that the relevant aspects of projects being reviewed by the committee are referred to other relevant board committees. For example finance, budget and audit issues to the Finance and Audit Committee consistent with that Committees charter.

### 2. STRATEGIC RESEARCH AND DEVELOPMENT MANAGEMENT

- 2.1 The SWC is responsible for providing the Board with advice and recommendations at least annually, regarding research and development objectives for the company.
- 2.2 The SWC is responsible for oversight of the process of commissioning research and / or inviting research groups to submit research and development

proposals to the company and then assessing those proposals in accordance with best-practice principles to meet the company's objectives

- 2.3 Ensuring that work does not commence on new projects without proper contracts and necessary approvals being in place
- 2.4 Reviewing and developing and providing detailed oversight of the companies research, development and innovation investments programme
- 2.5 Identifying woolgrowers, wool users and wool pipeline research needs.

### **3. EXPERTISE**

- 3.1 Each member of the Science and Welfare Committee must have a good understanding of methodologies, practices and standards applied to research, development and delivery and a commitment to best practice for R&D for the wool industry's benefit.
- 3.2 At least one member of this committee is to be a qualified scientist in a relevant, related field or a veterinarian, and
- 3.3 The Committee may at any time, at the Company's expense, retain independent professional advisor or advisors to assist the Committee with its objectives.

### **4. ACCESS TO THE COMPANY**

- 4.1 The Science and Welfare Committee has unrestricted access to the Company's management through the CEO or the CEO's delegate, the company's external advisors, consultants and auditors and the company's records, with or without presence of management (but not necessarily in the absence of a Secretary). It is the duty of the Committee to exercise this power responsibly, in line with the demarcation between the role of the Executive and the Board.

### **5. REPORTING TO THE BOARD**

- 5.1 No additional requirements to those in Rule 7 in the Charter.

## SCHEDULE 4 – BOARD NOMINATION COMMITTEE

### 1. ROLE AND RESPONSIBILITIES

- 1.1 The Board Nomination Committee is responsible for recommending to the Board, for the purpose of communicating to shareholders, necessary and desirable director competencies and identify those candidates with the necessary competencies standing for election at any general meeting of the Company.

### 2. APPOINTMENT AND COMPOSITION OF THE BOARD NOMINATION COMMITTEE

- 2.1 The Board must appoint a Board Nomination Committee no later than four (4) months prior to the date of the Annual General Meeting of the Company in each Board election year ('Election Year').
- 2.2 The Board Nomination Committee is to consist of five (5) persons appointed by the Board fulfilling the following criteria:
- (a) Two (2) independent non-executive Directors of the Company; and
  - (b) Three (3) persons who are not Directors of the Company.
- 2.3 No person who is a candidate for re-election as a Director may be appointed as a member of the Board Nomination Committee.
- 2.4 No member of the Board Nomination Committee, whilst they remain a member of the Committee, may be nominated for election as a Director of the Company.
- 2.5 The members of the Board Nomination Committee must appoint one member of the Committee as Chairperson to preside at each meeting of the Committee.
- 2.6 A member of the Board Nomination Committee holds office until the Board acts in accordance with rule 2.1 in the next Election Year, or until that member otherwise resigns or becomes otherwise incapable of fulfilling the role.
- 2.7 In the event a member of the Board Nomination Committee resigns or becomes otherwise incapable of fulfilling their role, the Board will appoint a person to replace that member as soon as practicable following notification of the resignation or incapacity.

### 3. FUNCTIONS OF THE COMMITTEE

- 3.1 The Board Nomination Committee is to:

- 3.1.1 Identify necessary and desirable director competencies having regard to the skills and experience of the current Directors of the Company who are not standing for re-election at the relevant general meeting ('Continuing Directors'), the nature of the business and affairs of the Company, the strategic plan of the Company, and the following skills:
- (a) Corporate governance;
  - (b) Wool growing;
  - (c) Wool processing;
  - (d) Product promotion and retail marketing;
  - (e) Domestic and international market development and international trade;
  - (f) R&D, technology, technology transfer, commercialisation and adoption of R&D and innovation;
  - (g) Conservation and management of natural resources;
  - (h) Administration of research and development; and
  - (i) Finance and business management.
- 3.1.2 Assess the curriculum vitae of candidates nominated to be re-elected or elected to the office of Director at general meetings of the Company and choose from those nominees those persons who 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 3.1.1 above.
- 3.1.3 In acting under part 3.1.2, the Committee may contact candidates nominated for election in order to obtain further information if required.
- 3.1.4 Provide a report to the Board, for dissemination to shareholders of the Company, no later than a date nominated by the Board and communicated to the Committee, including:
- (a) Each nominee's qualifications and experience, details of relationships between the nominee and the Company / Board members, and other directorships held; and
  - (b) A statement of how, in the Committee's opinion, the appointment of each nominee as a Director would (or would not) result in the Board having an appropriate balance of director competencies as determined in accordance with 3.1.1.

If the Board asks for further information in relation to a report, the Committee must comply with the request in a timely manner.

- 3.2 The members of the Board Nomination Committee are entitled to fees and allowances as determined by the Board.

#### **4. EXPERTISE**

- 4.1 Members of the Board Nomination Committee must have:

- 4.1.1 A thorough knowledge of:

- (a) the duties and responsibilities of directors and officers; and
- (b) the nature of the wool industry and the strategic plan and intent of the Company; and

- 4.1.2 an appropriate level of understanding of:

- (a) board procedures and operations; and
- (b) the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, in particular Recommendation 2.4.

- 4.2 The Committee may at any time at the Company's expense call upon for technical advice an independent professional adviser or advisers.

#### **5. REPORTING TO THE BOARD**

- 5.1 No additional requirements to those in Rule 7 of the Charter and as otherwise set out in this Schedule 4.