

CHAIRMAN: We will now move on, and as it is not legally necessary to vote on Agenda Item 1, the meeting will now move to the second item of business on the Notice of Meeting: the election and re-election of directors.

On the agenda are 10 motions dealing with the election and re-election of Directors and I will deal with each in turn.

I apologise to you all for the laborious legalistic nature of this but unfortunately we have to comply with the law and we have to go through this word for word in the manner in which I am about to.

As I mentioned earlier, 10 candidates are standing for election to the office of Director, and there are only five positions available. As required by the Rules and Procedures Governing the Election of Directors, I will be calling for a poll for each of the motions.

I would now like to quote from Rule 7 from AWI's Rules and Procedures for the Election of Directors:

"If the number of candidates exceeds the number of vacancies, then the following system will apply. The Chairman will call for a poll, and 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. The candidate or candidates (where there is more than one vacancy) with the greatest number of votes will be elected until all vacancies have been filled. The remaining candidate or candidates will be excluded. If a shareholder votes in favour of the appointment of more candidates than the number of vacancies, such vote will be invalid."

So that's a very, very important point to note. Five "FOR's" only.

"A candidate must receive more votes approving their election as a director than not approving their election as a director, to be elected."

I have asked the Returning Officer, Mr Leigh Bull of Link Market Services, the Executive in charge of the Company's share register, to conduct the polling for all the motions for election of directors. In accordance with Rule 11.8(a) of the Constitution of the Company, I have the right to make final determinations on any dispute as to the admission or rejection of a vote.

The poll for all 10 motions will be conducted at the conclusion of the moving and discussion of each motion, in the order in which they appear on the Notice of Meeting and Agenda paper posted to shareholders.

In accordance with the Constitution, two Directors, Chris Abell and myself are required to retire and have offered ourselves for re-election.

In accordance with the Constitution, three Directors, Ken Boundy, Robyn Clubb and John Keniry, who were appointed by the Board during the year under clause 13.2 of the Company's constitution to fill casual vacancies and who, being eligible, offer themselves for election.

In addition to these candidates, nominations to the office of director have been received from Mr George Falkiner, Mr Laurence Modiano, Mr Will Roberts, Dr Meredith Sheil and Mr David Webster.

These nominations have been certified by the Company Secretaries as satisfying the Company's Constitution and Rules for the election of directors.

Please note that the order in which the candidates appear on the Notice of Meeting and on the Proxy Form was independently determined by Link Market Services by drawing names from a ballot.

In respect of Resolution 2.4, my re-election as Director, the board has appointed Kevin Bell to act as Chairman of the Meeting for this Resolution and therefore Kevin will exercise any open votes held by the Chairman of the Meeting for this resolution.

The first motion to be put concerns the election of a director. Dr Meredith Sheil offers herself for election.

I will now put motion 2.1 to the meeting. That is:

To elect as a Director Dr Meredith Sheil, who has been nominated in accordance with rule 13.3(d) of the Company's constitution and, having consented, offers herself for election.

Is there any discussion?

Thank you.

The second motion to be put concerns the election of a director. Mr Laurence Modiano offers himself for election.

I will now put motion 2.2 to the meeting. That is:

To elect as a Director Mr Laurence Modiano, who has been nominated in accordance with rule 13.3(d) of the Company's constitution and, having consented, offers himself for election.

Is there any discussion?

GEORGE WARD SHAREHOLDER, NEW SOUTH WALES: Chairman is Laurence Modiano here?

MR LAURENCE MODIANO: Yes, I'm here.

CHAIRMAN: He's right next to you, George. George, if I didn't know you better, I'd have thought that had been staged.

CHAIRMAN: The third motion to be put concerns the election of a director. Mr George Falkiner offers himself for election.

I will now put motion 2.3 to the meeting. That is:

To elect as a Director Mr George Falkiner, who has been nominated in accordance with rule 13.3(d) of the Company's constitution and, having consented, offers himself for election.

Is there any discussion?

Thank you.

MR KEVIN BELL: I will now - thank you.

The fourth motion to be put concerns the re-election of a director, Mr Brian van Rooyen, a director since 2002, who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

I will now put motion 2.4 to the meeting. That is:

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.

Is there any discussion?

Thank you. I'd now like to hand the meeting back to the Chairman of the Company, Brian van Rooyen.

CHAIRMAN: Thank you, Kevin.

The fifth motion to be put concerns the election of a director, Dr John Keniry AM, who offers himself for election.

I will now put motion 2.5 to the meeting. That is:

To elect as a Director Dr John Keniry, who was appointed by the Board during the year under clause 13.2 of the Company's constitution to fill a casual vacancy and who, being eligible, offers himself for election.

Is there any discussion?

Thank you.

The sixth motion to be put concerns the election of a director. Mr David Webster offers himself for election.

I will now put motion 2.6 to the meeting. That is:

To elect as a Director Mr David Webster, who has been nominated in accordance with rule 13.3(d) of the Company's constitution and, having consented, offers himself for election.

Is there any discussion?

Thank you.

The seventh motion to be put concerns the election of a director. Mr Will Roberts offers himself for election.

I will now put motion 2.7 to the meeting. That is:

To elect as a Director Mr Will Roberts, who has been nominated in accordance with rule 13.3(d) of the Company's constitution and, having consented, offers himself for election.

Is there any discussion?

Thank you.

The eighth motion to be put concerns the election of a director. Mr Ken Boundy offers himself for election.

I will now put motion 2.8 to the meeting. That is:

To elect as a Director Mr Ken Boundy, who was appointed by the Board during the year under clause 13.2 of the Company's constitution to fill a casual vacancy and who, being eligible, offers himself for election.

Is there any discussion?

Thank you.

The ninth motion to be put concerns the re-election of a director. Dr Chris Abell, a director since 2002, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

I will now put motion 2.9 to the meeting. That is:

To re-elect as a Director Dr Chris Abell, 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.

Is there any discussion?

Thank you.

The tenth and final motion to be put concerns the election of a director. Ms Robyn Clubb offers herself for election.

I will now put motion 2.10 to the meeting. That is:

To elect as a Director Ms Robyn Clubb, who was appointed by the Board during the year under clause 13.2 of the Company's constitution to fill a casual vacancy and who, being eligible, offers herself for election.

Is there any discussion?

Thank you.

A poll will now be conducted on each of motions 2.1 to 2.10 and I ask the Returning Officer, Mr Leigh Bull to outline the polling procedure. And can we have the power on that microphone, please?

MR LEIGH BULL: I found the switch, Chairman.

Thank you, Chairman. As the Chairman has stated, the poll will be conducted on each of the 10 motions before the meeting as detailed in the Notice of Meeting and the explanatory notes sent to all shareholders.

Upon registering at the meeting today, voting shareholders and proxy holders will have been provided with a yellow voting card. Shareholders and proxy holders should vote using the yellow cards and should vote for up to five candidates by placing a mark - a tick or a cross - in the for, F-O-R, box, the against box, or the abstain boxes on the voting card.

You can vote for FOR up to five candidates but you cannot vote in the for column for more than five candidates, otherwise your vote will be ruled invalid. Could you please now cast your vote and hand your voting card to my staff as they walk around the auditorium. If

you've got any questions, I'm happy to answer those or if you've got trouble with your voting card, please ask my staff as you move around.

Thank you.

CHAIRMAN: Is there anybody who has not cast their votes? Okay.

Ladies and gentlemen, just to reiterate, has everybody cast their votes, before I close the poll?

Okay. I believe that those persons who wish to vote on the polls on motions 2.1 through 2.10 have now done so. If there is any person present who has not yet had their completed voting card collected by the Link Market Services staff, will you please raise your hand.

I now declare the polls on motions 2.1 through to 2.10 closed.

I would like to advise the meeting that I have cast the open votes appointed to me as Chairman of the Meeting and Dr Bell has voted on resolution 2.4. Both of us have voted for the incumbent directors.

In accordance with Rule 11.6 of the Company's Constitution, I now adjourn this meeting while the votes are counted. It is anticipated that this process could take up to 1 hour due to the large number of candidates and the complexities of the voting process. I will re-convene the meeting as soon as the votes have been counted to declare the outcome of the poll.

So if you would like to have a cup of tea, if you go down the escalators, tea and coffee are available and refreshments and as soon as we have advice from Link that the polls have been counted, we will advise you and reconvene the meeting. Thank you.

[MEETING ADJOURNED]

[MEETING RECONVENED]

CHAIRMAN: Ladies and Gentlemen, I now re-convene the Annual General meeting.

The Returning Officer has made out his report in respect of the polls on resolutions 2.1 through to 2.10 and I will ask him to read out the results of the polls. Mr Bull.

MR LEIGH BULL: Thank you, Mr Chairman.

In relation to resolution 2.1, there were 189,892 votes in favour and 93,505 against.

In relation to resolution 2.2, there were 199,293 votes in favour of the resolution and 91,353 against.

In relation to resolution 2.3, there were 174,811 votes in favour of the resolution and 98,943 against.

In relation to resolution 2.4, there were 185,006 votes in favour of the resolution and 82,371 against.

In relation to resolution 2.5, there were 162,519 votes in favour of the resolution and 83,984 against.

In relation to resolution 2.6, there were 179,587 votes in favour of the resolution and 98,428 against.

In relation to resolution 2.7, there were 169,717 votes in favour of the resolution and 99,690 against.

In relation to resolution 2.8, there were 157,957 votes in favour of the resolution and 85,820 against.

In relation to resolution 2.9, there were 155,050 votes in favour of the resolution and 89,779 against.

And in relation to resolution 2.10, there were 158,664 votes in favour of the resolution and 86,074 against.

Thank you, Chairman.

CHAIRMAN: Thank you, Mr Bull.

I will now formally declare the results of the poll.

I declare resolution 2.1 carried.

I declare resolution 2.2 carried.

I declare resolution 2.3 carried.

I declare resolution 2.4 carried.

I declare resolution 2.5 lost.

I declare resolution 2.6 carried.

I declare resolution 2.7 lost.

I declare resolution 2.8 lost.

I declare resolution 2.9 lost.

And I declare resolution 2.10 lost.

I congratulate Mr George Falkiner, Mr Laurence Modiano, Dr Meredith Sheil and Mr David Webster on their election to the office of director of Australian Innovation Limited and I would also like to thank Mr Will Roberts for participating in this election process.

I would also like to thank my fellow directors who were not successful today, Ms Robyn Clubb, Mr Ken Boundy, and Dr Chris Abell and Dr John Keniry for their support and contribution over the last few months, in the case of three, and to Dr Abell for his long-serving commitment to the industry and for his assistance.

I look forward to working with the new directors and I now advise that that concludes the business of the meeting.

I now invite you to join the AWI Board and staff for drinks and refreshments.

And I now close this Annual General Meeting of Australian Wool Innovation Limited and thank you for your attendance.
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