AUSTRALIAN WOOL INDUSTRY REACHES CONSENSUS ON CHANGES TO AWI CONSTITUTION

*Tuesday, 19 March 2019*

**The board of Australian Wool Innovation (AWI) and woolgrower representative groups have reached consensus on the company’s response to five recommendations of the Government-commissioned Review of Performance (ROP) that involve proposed changes to AWI’s constitution relating to AWI’s democratic election model.**

AWI Chairman Colette Garnsey said an extensive consultation process – run through AWI’s existing Industry Consultative Committee (ICC) – had allowed woolgrowers to identify, agree and ultimately support alternative methods of addressing the intent of the five ROP recommendations while protecting the democratic nature of the director election model and shareholder rights.

“Reaching this outcome would not have been possible without the cooperation of the Minister for Agriculture and Water Resources, the Hon. David Littleproud, his department and woolgrower representative groups,” Ms Garnsey said.

“The AWI board is grateful for the industry leadership shown in working through this process.

“As a result of this consensus agreement, AWI will no longer be required to hold the extraordinary general meeting (EGM) that had been scheduled for early 2019. The remaining proposed changes to the AWI constitution, in response to the ROP, will be put to shareholders at the 2019 and 2020 annual general meetings. This was deemed to be in the best interests of Australian woolgrowers.

“The consultation process has been extremely productive and conducted with a spirit of goodwill by all parties, including WoolProducers Australia, the Australian Wool Growers Association, Broad wool breeds, Australian Superfine Wool Growers' Association, Australian Association of Stud Merino Breeders, Pastoralists & Graziers Association of Western Australia, Birchip Cropping Group, Flinders Ranges Merino and the Don Brown Ewe Competition.”

AWI continues to proactively address and implement the intent of all 82 recommendations included in the ROP.

Ms Garnsey said AWI recognised that five of the ROP recommendations would require an earlier vote of AWI’s woolgrower shareholders at an EGM because they involved changes to the company’s democratic election model – unless a consensus alternative could be reached with the industry.

“The outcome of the consultations has addressed the intent of the five recommendations, while also protecting shareholders’ democratic rights and hence has removed the need for AWI to resolve these at the proposed EGM,” Ms Garnsey said.

“AWI will work with the Department of Agriculture Water and Resources to make the necessary changes to AWI’s ROP Implementation Plan and formalise all remaining constitutional changes at AWI’s 2019 and 2020 AGMs.”

The endorsed changes affect the following recommendations:

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| **Issue** | **ROP recommendation(s)** | **Consensus** |
| Changes to the Board Nomination Committee | Rec 1.12.3 | An alternative BNC model has been agreed. |
| The requirement for all board nominees to have 100 shareholder signatures | Rec 1.10.4, Rec 1.11.3 | This has been retained. |
| The use of proxies at shareholder meetings | Rec 1.12.1 | AWI will improve transparency relating to proxy voting. |
| Board independence | Rec 1.9.10, Rec 1.9.1 | AWI will improve reporting relating to the testing of director independence. |
| Director tenure | Rec 1.9.1 | This recommendation is still in consultation and will be resolved at or before AWI’s 2020 AGM. |

**About AWI**
AWI is a not-for-profit company that invests in research and development (R&D), and marketing to increase the long-term profitability of Australian woolgrowers.

AWI is funded primarily through a wool levy paid by woolgrowers and a matching contribution from the Federal Government for eligible R&D activities that are capped at 0.5 per cent of the value of gross national value of wool production.

For more information on the Review of Performance visit [rop.wool.com](http://rop.wool.com/)

**About the Industry Consultative Committee**
AWI’s ICC enables the company to formally consult with woolgrower representative organisations, allowing them to provide feedback on priorities from their members, and for AWI to report on its performance and plans. These priorities guide AWI’s investment and activities.

The ICC comprises the president or delegates of the following woolgrower representative organisations: Australian Association of Stud Merino Breeders, Australian Superfine Wool Growers' Association, Australian Wool Growers Association, WoolProducers Australia, Pastoralists & Graziers Association - Western Australia and a non-Merino breed representative.

**Ends**

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