

AUSTRALIAN WOOL INNOVATION LIMITED: ABN 12 095 165 558
NOTICE OF ANNUAL GENERAL MEETING

Program Outline

AWI'S ANNUAL GENERAL MEETING 2008

Wednesday 19 November 2008

2pm Australian Western Daylight Saving Time

(4pm Australian Eastern Daylight Saving Time)

Belmont Park Racecourse
Victoria Park Drive (Off Graham Farmer Freeway)
Burswood, Perth
Western Australia

9.30am Registration commences

10.00am AWI Wool Forum

Topics:

- Challenges and opportunities for Australian Merino wool
- Woolgrower productivity and sustainability
- Sheep technologies to meet the challenges
- Brand strategy – repositioning Australian Merino
- Market driven innovation
- The AWI global network

Lunch provided

2.00pm AGM commences

For more information about the program visit www.woolinnovation.com.au/2008agm or call 1800 070 099.

For more information about the AGM contact:

Link Market Services on 1800 113 373

AWI Company Secretaries Les Targ, Chris Chapman or Sally Palmer on (02) 8295 3100



LETTER FROM THE AWI CHAIRMAN

Dear Shareholder

I am pleased to provide you with this notice and strongly encourage you to attend the Australian Wool Innovation Limited (AWI) Annual General Meeting (AGM) at 2.00pm on 19 November at Belmont Park Racecourse, Victoria Park Drive (off Graham Farmer Freeway), Burswood, Perth, Western Australia.

The AGM is an opportunity for you to vote for Directors of the Board of the Company and to hear an update on all AWI activities, including the highly successful relaunch of the Woolmark along with our Superior Merino and Australian Merino brands.

In the global product development and marketing area AWI's core business has been to provide knowledge, innovation and marketing support to business-to-business partners with the aim of increasing the demand for Australian Merino wool. The AWI Board's strategy involves working closely with key decision makers in global clothing markets and targeting innovations towards the end consumer.

In the past year the AWI Board has also invested in on-farm research aimed at increasing productivity and reducing costs, measures to maintain healthy and productive animals, enhancing growers' natural resources, and initiatives to improve the numbers, quality and productivity of shearers and wool handlers.

Immediately before the AGM, starting at 10.00am, with registration at 9.30am, there will be an AWI forum that will report on the programs and initiatives of AWI over the past 12 months and provide an insight into the strategies to build a solid future for Australian Merino wool.

AWI is the company that invests your levies to build demand for Australian Merino wool and improve on-farm productivity. I encourage you to attend the AGM to see how your levy is being invested and have your say on the future direction of the Company. If you can't attend then I encourage you to complete and return your proxy voting form to Link Market Services before 2pm Western Australian daylight savings time (4pm Australian eastern daylight savings time), on Monday 17 November 2008

Yours sincerely,



Brian van Rooyen
Chairman
15 October 2008

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Company is to be held at the Belmont Park Racecourse, Victoria Park Drive (off Graham Farmer Freeway), Burswood, Perth on Wednesday 19 November 2008, commencing at 2pm Australian Western Daylight Saving Time (4pm Australian Eastern Daylight Saving Time).

ANNUAL GENERAL MEETING AGENDA

Ordinary business to be transacted

1. Consideration of Reports

To receive and discuss the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2008.

2. Election and re-election of Directors

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 To elect as a Director Dr John Keniry AM, 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.
- 2.6 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.
- 2.7 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.
- 2.8 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.
- 2.9 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.
- 2.10 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.

Note - Item 2

The order in which the candidates appear in this notice of meeting has been independently determined by Link Market Services Limited by means of a random number generation tool.

Although ten (10) candidates are standing for election to the office of director, a maximum of five (5) candidates may be elected in accordance with the Company's constitution. As the number of candidates exceeds the number of positions available this item cannot be decided on a show of hands. Accordingly, pursuant to AWI's Rules, the Chairman will call a poll (secret ballot) in relation to this item at the meeting.

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. You may only vote for a maximum of five candidates. Voting for more than five candidates will render your vote invalid.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Proxies

A shareholder of the Company entitled to attend and vote at the Annual General Meeting has the right to appoint a proxy.

A proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is to exercise.

If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise half of the votes.

A Form of Proxy accompanies this Notice of Annual General Meeting. For the appointment of a proxy to be effective for a meeting, the following documents must be received by Link Market Services Limited, by post (using the reply-paid envelope enclosed) or fax to (02) 9287 0309 or by delivery to its offices at Level 12, 680 George Street, Sydney, New South Wales 2000, by 2pm Australian Western Daylight Saving Time (4pm Australian Eastern Daylight Saving Time) on Monday 17 November 2008:

- (i) the Appointment of Proxy form properly completed and signed; and
- (ii) if the Appointment of Proxy form is signed by the appointor's attorney, the authority under which the Proxy form was signed or a certified copy of the authority.

Shareholders may alternatively submit their proxy instructions electronically via the Share Registry Service at www.linkmarketservices.com.au. Once on the website, shareholders should click on 'Proxy Voting' from the left hand menu bar and then choose 'Australian Wool Innovation' from the 'Company Name' drop down list.

Enquiries should be directed to Link Market Services on 1800 113 373.

Les Targ
Chris Chapman and
Sally Palmer
Company Secretaries
as authorised by the Board of Directors

Dated 15 October 2008

EXPLANATORY NOTES

ITEM 1 – CONSIDERATION OF REPORTS

To receive and discuss the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2008.

ITEM 2 – ELECTION AND RE-ELECTION OF DIRECTORS

In accordance with the Constitution (Rule 13.3(a)) two Directors Dr Chris Abell, and Mr Brian van Rooyen will retire. Each of the directors has satisfied the requirements to be eligible for, and is seeking re-election.

In accordance with the Constitution (Rule 13.2) three Directors Mr Ken Boundy, Ms Robyn Clubb, and Dr John Keniry AM who were appointed by the Board during the year to fill a casual vacancy and being eligible, offers themselves for election.

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. This nomination has been certified by the Company Secretaries as satisfying the AWI Constitution and "Rules and Procedures governing the election of Directors" ("the Rules").

Short biographical details and notes for each of the candidates follows. The respective biographies and notes were provided by the candidates; Australian Wool Innovation Limited has not sought to verify the accuracy of or edit these statements.

CANDIDATES' BIOGRAPHIES AND NOTES

Dr Meredith Sheil MBBS. FRACP. PH.D.

Paediatrician, Medical and Veterinary Research Scientist
Director of Research and Development "Animal Ethics" Pty Ltd
Honorary Associate University of Sydney Veterinary School

I am a paediatrician, with over 20 years experience working in intensive medicine and research with children. I am also a commercial woolgrower who, since developing Tri-Solfen in 2004 has amassed extensive experience dealing with the mulesing issue at all levels. I am an advocate of responsible, relevant and productive research.

The industry needs a fresh and positive change of leadership.

If elected I will use all my skills to;

- 1: Improve research governance - to ensure science is well chosen and conducted responsibly for the immediate benefit of grassroots growers.
- 2: Protect mulesing as long as necessary, to ensure that woolgrowers can do what is best for their sheep, regardless of the date.
- 3: Educate international retailers and consumers - to break the influence of radical animal rights groups and promote the welfare credentials of Australia's wool growers to the world.
- 4: Increase demand for wool through well managed, strategic marketing and promotion.

Research must focus on what is right for the welfare of woolgrowers, as well as their sheep.

Mr Laurence Modiano

Forty-three years old, I am an international wool trader and processor who has spent his whole working career at G. Modiano Limited, a company set up by my father in 1957. We are a respected name in the wool industry and have consistently been in the list of top ten buyers of Australian wool in recent years.

Wool is not an essential commodity. It is an expensive fibre which deserves professional marketing to explain its unique qualities. Better education and promotion are our only chances of increasing sales of wool.

I would reduce the structure and overheads of AWI.

I propose a smaller board with five directors: woolgrowing, finance, retail, marketing, science. What matters is not who you know, but what you know.

I would spend more money on better marketing in the cold and affluent Northern Hemisphere.

EXPLANATORY NOTES (CONTINUED)

I would invest in apparel product development to make merino garments more appealing to a wider range of customers.

I would target retailers, design students, fashion designers, journalists and consumers. These are the people whose influence we need to win over. To do this AWI needs to employ younger, fresher talent.

As the AWI director living closest to the consumer market I would have firsthand experience of policy success and failure.

Mr George B S Falkiner (B.Com) OPM. Harvard. Bus. School

Mr Falkiner is the Principal and Managing Director of Haddon Rig P/L, an extensive cropping and grazing property in Central Western NSW and home to the world renowned Peppin merino Stud.

"I have focused the Haddon Rig stud to ensure that over 300 professional woolgrowers remain at the forefront of the sheep Industry – breeding to meet market demands internationally and instigating specific technologies and practices to deliver that promise.

Haddon Rig's own bloodline wool marketing group proved the effectiveness of co-operation and communication throughout the pipeline and focusing on the end consumer, and the value of stringent quality control and direct marketing initiatives to gain maximum returns for a consistent quality product.

As a member of NSW Government Agricultural Ministerial Advisory Committee; a past Board member of Sothebys auction house and George Brown electronics, I stand by my reputation as a straight shooter and intend to lend my full support to uniting the board.

I am determined that AWI will become highly competitive and cost efficient in marketing the Australian wool clip with value for dollar in R and D and results delivered quickly and cost effectively to commercial advantage."

Mr Brian van Rooyen

Mr van Rooyen is currently the Chairman of Australian Wool Innovation Limited and Australian Country Spinners Pty Ltd. He is a Director of the Australian Wool Testing Authority Ltd and Power Farming New Zealand Ltd. Mr van Rooyen is a former Director of Visionglow Global Ltd, New Zealand Wool Testing Authority Ltd, Norwellan Textiles Ltd, Woolstock Australia Ltd and Bruck Textiles Pty Ltd. He is a past President of the Australian Wool Processors Council and a past member of the CSIRO Textiles, Clothing and Footwear Sector Advisory Committee.

Mr van Rooyen has 40 years experience in the textile industry from spinning through to weaving and knitting with product sales direct to retailers in North America, Europe and Asia.

Mr van Rooyen stands for:

- Independent and professional directors
- Sound corporate governance
- Acting always in the best interests of all Australian Woolgrowers

Dr John Keniry AM, BSc, PhD., FRACI, FTS, FAICD

Dr John Keniry is one of Australian agribusiness's most experienced and respected company directors and brings successful global business experience to the AWI Board.

Among his many public and private sector directorships, he is Chair of Ridley Corporation Limited, Biosignal Limited, The Institute for Trade Skills Excellence, the Sheep Industry Innovation CRC and the Pork CRC.

Following his appointment to the Board of AWI in late April this year, Dr Keniry was appointed chair of AWI's Alternatives to Mulesing Committee in September. He is also a member of the Board's Remunerations and Appointments Committee.

He is a board member also of the Australian Farm Institute and the NSW Environment Protection Authority and chairs the Science Advisory Council for the NSW Minister for Primary Industries.

Dr Keniry chaired WoolPolls 2000, 2003 and 2006 and the 2005 Commonwealth Review of the Live Animal Export Industry. He was a director of Woolstock Australia Limited.

Among other previous roles, Dr Keniry is a past president of the Australian Chamber of Commerce and Industry, former Chair of the Australian Wine and Brandy Corporation and of the Australian Pesticides and Veterinary Medicines Authority.

John and Dianne Keniry and family own a mixed farming and fine wool property in central western NSW.

EXPLANATORY NOTES (CONTINUED)

Mr David Webster

I have worked my entire life committed to farming. Wool has been the largest proportion of our enterprise until some six years ago. From this point wool failed to be competitive for land use, declining rapidly in production.

AWI Negatives

- Failure to be honest and transparent.
- AWI has become dysfunctional and lost credibility
- The PETA court case was a disastrous outcome at huge expense, confidence plummeted across all sections of industry.
- The squandering of hundreds of millions of dollars on court cases and projects that could never result in financial benefit for wool growers this has resulted in an explosion of Bureaucracy.
- Overhead expenditure is now a major problem.
- Spending huge amounts of money on public relation exercises to try and make themselves look good.

The Solutions:

1. I believe farmers should have the right to farm without undue interference.
2. I support wool growers who will mules until there is a clear alternative irrespective of the 2010 time line and I strongly support live export.
3. The AWI Board and staff have to be a team to achieve and return confidence. A team in conflict is not A TEAM.
4. AWI must urgently refocus its activities creating competition and market re-entry for wool. The price paid for wool at the farm gate will decide the whole industry's future.
5. I have no fear in making the necessary hard decisions.

Mr Will Roberts

I live at "Victoria Downs" Morven, Queensland. We own and operate a merino stud and commercial sheep operation. Our area was once full of sheep, with the down turn in the industry and trouble with wild dogs, we are now one of the few running sheep. I am aware of problems that have beset our industry. For people to want to be part of our industry, we need them to be more profitable.

I am currently President of the Australian Association of Stud Merino Breeders. In that role I have travelled to every State in Australia at least once a year. This is the most important way to keep in touch with members and issues that may be confronting them. The Board of AWI have let themselves down by not consistently communicating personally with the people they are in place to serve. How can they know what research and development work the industry needs if they don't have contact with woolgrowers?

As a wool grower I previously supported the need for more professional people to be part of our Board, but we need to keep the balance right. The more I have become involved in making decisions for our Industry I have come to believe that it is essential that the Board majority is made up of people with direct links to wool growing.

Mr Ken Boundy M.Agr.Sc.; MBA; FAICD; FAIST

Ken Boundy is a professional director who built an early career during the 1970s and '80s as a leading agricultural scientist in Victoria.

Since that time, he has enjoyed a distinguished second career in international businesses.

Ken started his working life as a research agronomist at Victoria's Rutherglen Research Institute and was later a State Regional Director of Agriculture.

Private sector roles in Melbourne, Singapore and Sydney in the international wine, food and building materials industries followed.

Ken's most recent full time position was as managing director of Tourism Australia Limited where he successfully oversaw the organisation's transition from a public sector body to a business marketing Australia to the world.

The 'partnership' model developed at Tourism Australia is complementary to AWI's new approach to international wool marketing.

Ken believes that the demand potential for Australian merino wool through more focused and aggressive marketing is 'enormous'.

He believes agri-politics have no place at AWI and he intends to work strongly as an independent to deliver optimum 'bang for the buck' for all woolgrowers.

He offers key skills including past industry-to-industry marketing success and sound governance and judgement in the boardroom.

EXPLANATORY NOTES (CONTINUED)

Dr Chris Abell Dipl Mech Eng, BE (Hons), PhD

Dr Abell stands for re-election as a Director of AWI on the platform of;

- Sound Corporate Governance
- Independent and Professional Directors free of vested interests
- Acting always in the best interests of all Australian woolgrowers.

He supports the balanced investment of woolgrower levy funds in both critical on-farm R & D and innovation and market support for Australian wool.

Ms Robyn Clubb BEc (ANU), CA,F.Fin, MAICD

I am standing for election because the combination of my broad corporate experience in the financial services industry, and background and ongoing interest in Australian agriculture, can provide a specific and complementary set of skills for a board directing an international wool business. With over 20 years of working in finance, I have skills in areas such as corporate advisory, corporate lending, banking, funds management and international ventures (New Zealand, China, and UK).

My current working life is a mixture of farming (cattle and fruit) and company directorships (both government and private) with a strong agricultural bias including Elders Rural Bank, Beef CRC, the Rice Marketing Board of NSW, and the Royal Agricultural Society of NSW.

I understand the responsibility as a director to effectively allocate grower levies, government funding and other AWI funds in a disciplined and transparent manner. Whilst vigorously promoting wool to key parties, ongoing innovation in all segments of the supply chain is a key element in the long-term sustainability of the industry.

I joined the AWI Board because I believe wool is a product that is beautiful, enduring, versatile, and environmentally friendly and will always be fashionable – great attributes for any product. Delivering on increased demand for wool in a disciplined and focused manner is what AWI must do. This is the end goal to which I believe I can make a significant contribution as a director of AWI.

The respective biographies and notes were provided by the candidates; Australian Wool Innovation Limited has not sought to verify the accuracy of or edit these statements.

LM Targ, CM Chapman and S Palmer

Company Secretaries

Dated 15 October 2008

AUSTRALIAN WOOL INNOVATION LIMITED

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Share registry

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