

100% NZ
GROWER
OWNED



CHANGE THE GAME

Strength through innovation

Vision

To be the leading innovative sales and marketing company for New Zealand strongwool.



From the
Chief Executive

A New Era for Online Wool Trading

The independent Natural Fibre Exchange's (NFX) first live trading event on 22nd May attracted a strong cross section of New Zealand's major wool buyers with 96% of the wool on offer sold.

As a founding shareholder along with Alliance Group, Wools of New Zealand and its partners are pleased with the initial response by the market.

Managed by CRA International (CRA) a global leader in online trading platforms, the NFX offers a transparent, independent online trading platform for natural fibres. CRA's other trading platforms for agricultural products include Global DairyTrade, Almond and Cranberry Auctions.

Building on the WNZ weekly tender, the NFX has been developed as a platform to connect buyers with sellers, providing transparent market based reference prices and an efficient and convenient selling mechanism for wool and on a longer term basis, other natural fibres.

Our overriding focus however remains on the **development of customer-led contracts and innovations that create longer term value for your wool.**

Nonetheless, we are excited about the potential for adding efficiency and value to the buying and selling process and we look forward to additional industry support as we progress.

Selling Process via the NFX Platform:

- The NFX platform is about 'price discovery'
- By electing your wool to be sold via the NFX you enable WNZ to act on your behalf and set the starting price
- Your wool will be sold if a bid is received at or above the starting price
- The NFX platform and the Tender will initially operate on alternate weeks, with the next NFX trading event taking place on Tuesday 5th June, at 2.00 p.m. and fortnightly thereafter
- Sending your wool into WNZ will not change – the Direct-2-Scour process is still to be used
- Growers can elect for their wool to go onto the NFX platform by writing 'NFX' on the 'Other' line under Sales Platform Choice when completing the Specification Sheet. Please note that updated 'Specification Sheet Booklets' are being developed
- On the Tuesday prior to the NFX trading event Grower Liaison's will contact their

growers regarding wool to be presented on the NFX platform

- On the Thursday prior to the NFX trading event details of lots to be sold will be sent to CRA by WNZ
- On the Thursday prior to the NFX trading event the start price (valuation) will be emailed to the grower with no contact from the Grower Liaison.
- The following Tuesday the NFX trading event commences at 2.00 p.m.
- On the Wednesday following the trading event, a Sales Invoice will be sent to Growers with follow up from their Grower Liaison
- Growers will receive payment 14 days from the date the wool is sold on the NFX platform
- Charges will be the same as they are currently through the tender sales option.

For more information visit the NFX Information Website:
www.naturalfibreexchange.com

About the NFX Platform:

- NFX is an online trading platform for selling and buying wool established by New Zealand wool and slipe entities similar to the GDT platform
- NFX is unique to New Zealand in that it represents an independent entity aimed at:
 - Connecting buyers and sellers efficiently
 - Discovering objectively-determined trusted, fair reference prices
 - Providing trusted and transparent market information for both buyers and sellers.

Each seller provides to CRA:

- List and specs of lots the seller will offer for sale
- Starting price for each lot
- List of buyers allowed to bid on the seller's lots.
- NFX Bidding Website Opens Sunday 2.00 p.m. for Bidders to log in to **view** the lots offered and starting prices.

Advantages of the NFX Platform:

- Ensures efficient price discovery for all lots, benefitting both sellers and buyers
- A bidder can ensure they win the lots they want – as long as they keep bidding on the lots
- The only reason a bidder would not win a particular lot is the bidder chooses not to pay the price that another bidder is willing to pay
- Sellers can be assured that bidders have every opportunity to bid on the lots that bidders want to buy

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Regards,
Rosstan



**From the
Chairman**

Share Offer to Growers

From the Wools of New Zealand capital raise in 2012/13 Wools of New Zealand grower shareholders committed to supporting the company through the Wool Market Development Commitment (WMDC) for the first five years through to June 2018.

Accordingly, the final WMDC invoices will soon be sent out.

In March WNZ registered an offer to grower shareholders to increase their shareholding in the company. Existing grower-shareholders who are up to date and current with payments to the WMDC when it finishes at end June 2018 will be eligible for additional shares in the company based on one additional share for every dollar of WMDC paid since inception. It's part of ensuring that the people who are responsible for our success are acknowledged and rewarded for their belief and commitment to the company they created.

The Board would also encourage any grower shareholders who are in arrears with their WMDC to engage with Wools of New Zealand and discuss how they can catch up to ensure their eligibility for additional shares in June 2018.

Regards,
Mark Shadbolt



Please contact your regional Grower Liaison (GL) directly if you wish to discuss anything.

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