

GROWER UPDATE

#118 - 4 November 2018



**FROM REBRECCA SMITH,
CHAIR**

WNZ GROWER-APPOINTED DIRECTOR POSITIONS

Due to increased interest in grower representation on the WNZ Board of Directors, the WNZ Board has elected to increase the number of grower-appointed directors from three (3) to four (4) in accordance with Clause 18.1 (b) of the WNZ Constitution. An ordinary resolution to increase the number of Directors will be put to the AGM on Monday 18 November 2019.

This is a positive signal and demonstrates renewed engagement in the opportunity to increase returns for wool. The voice of growers on the WNZ Board is critical and further diversifies the views, skills and capability required to steer our business to success.

Mark Shadbolt, as grower-appointed director, is due to retire by rotation in accordance with the Constitution and offers himself up for re-election.

James Parsons has been nominated as grower-appointed director and, subject to ratification, will fill the newly elected position of director on the WNZ Board.

Please see short bios for both Mark and James below:

Mark Shadbolt



Mark is a founding director of WNZ and served as Chairman from establishment through to July 2019. His long-term objective is to see wool as an important financial contributor to the sheep industry and, most importantly, to enhance WNZ shareholders' returns and grow the value of Wools of New Zealand.

Mark continues to focus on many market driven opportunities, develop and grow relationships, and secure stable supply agreements. He spends considerable time communicating directly with growers to build WNZ into a successful sales and marketing company alongside continuing to engage with the industry throughout the supply chain to develop stronger commercial outcomes.

“Wools of New Zealand has had successes in its short life since being commercialised by grower shareholders, examples being the lambswool contract, now in its eighth year over a broader range of wool, and the five-year contract with bedding partners supplying a range of wool under certifications. The value-add contracts are the exemplar model of the crossbred wool industry providing volume and value

opportunities. The focus and break through required is to secure similar supply agreements for the majority of the crossbred wool clip in the 36+ micron space”

This is a key strategic focus of WNZ and Mark personally. As demonstrated Mark is committed, determined and passionate to the shareholders of Wools of New Zealand.

James Parsons



Hailing from Northland, James and his wife Janine with their staff, farm a hill country sheep and beef property north of Dargaville. They breed high performance facial eczema tolerant Coopworth rams for farming clients across the North Island.

James is a 2008 Nuffield Farming Scholar and known to many farmers for his service as a director and subsequently Chairman of Beef + Lamb NZ (B+LNZ) and the NZ Meat Board between 2009 and 2018. Also, he served on the Top Energy Ltd board until 2018 and in June last year joined the board of OSPRI.

Along with strong governance skills, James brings strengths in international trade, supply chain design, and building organisational culture and shareholder loyalty. In his time with B+LNZ the organisation achieved 85% support from farmers in the 2015 Commodity Levy Referendum (up from 51.5% support in 2009). James also understands the harvesting end of the supply chain well, spending 6 years as a professional shearer, after shepherding in the South Island and studying at Lincoln University.

“I’ve been saying for years wool is a wonderful product it just needs to be rediscovered. I am now sick of saying that, so I’ve offered my services to do something about it,” says James. “Wool is a tough business today. To succeed Wools of NZ needs an engaged shareholder base, highly efficient and focused team and some real wins in the marketplace. I look forward to serving fellow shareholders in pursuit of that endeavour.”

An Ordinary Resolution will be put to the vote at the WNZ AGM on Monday 18 November to increase the number of grower-appointed directors from three (3) to four (4). If you are not attending the AGM and wish to vote, please email your vote to the Board Secretary, Avril Jordan, who will present all votes from eligible shareholders at the AGM. Alternatively, you can ask the Chair to proxy vote for you by advising Avril Jordan of this via email on avril.jordan@woolsnz.com

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

Date and Time:

Monday 18 November 2019 at 12.00pm

To be held at:

Mt Peel Ltd, 957 Otapiri Mandeville Road, Mandeville

Farm Tour prior to AGM from 9.00am – 11.30am
Light lunch provided 11.30am – 12.00pm prior to AGM commencing

Agenda

1. Apologies
2. Presentation of the Annual Report and Accounts
3. Chairman of Directors Report
4. Executive Report
5. Appointment of Auditors
6. Election of Directors
7. General Business
8. Close of meeting

Annual Report

The Company Annual Report for the period ended 30 June 2019 has been posted on the WNZ website <http://www.ourwool.co.nz/> and is available for viewing. If shareholders require a printed hard copy version of the Annual Report they are asked to contact Avril Jordan on avril.jordan@woolsnz.com or telephone 0800 OURWOOL (0800 687 9665) (copies are available free of charge). The Company has not prepared a concise annual report for the same period.

Appointment of Auditor

The Company will call for the appointment of KPMG New Zealand as auditors by way of an ordinary resolution.

Directors Elections

The Company will call for the number of grower-appointed directors to be increased from three (3) to four (4) in accordance with Clause 18.1 (b) of the WNZ Constitution by way of ordinary resolution.

Proxy Forms

If you are unable to attend the meeting you are invited to register your vote by proxy. Proxy forms are available from the WNZ website <http://www.ourwool.co.nz/> or by telephone 0800 OURWOOL (0800 687 9665). Completed proxies can be emailed to avril.jordan@woolsnz.com or posted to Wools or New Zealand, PO Box 16819, Christchurch 8441. To be effective, proxies need to be received by the Company no later than 5.00pm Wednesday 13 November 2019.

Notes

Resolutions

An ordinary shareholders' resolution is one that is approved by a simple majority (more than half) of the Company's shareholders who are entitled to, and do, vote on the matter.

Proxies

Any shareholder entitled to attend and vote at the AGM may vote either by being present in person or by proxy. A proxy must be appointed by a written notice signed by the shareholder, which must state whether the appointment is for a particular meeting, or for a specified term not exceeding 12 months. A proxy need not be a shareholder of the Company but is entitled to attend and be heard as if the proxy were a shareholder.

Shareholders Questions and Discussion

Shareholders may submit in writing questions to be considered at the AGM. Written questions should be emailed to avril.jordan@woolsnz.com to be received no less than 48 hours prior to the AGM. The Company reserves the right not to address any questions that, in the Board's opinion, are not reasonable to address in the context of an AGM.

GROWER MEETINGS

During the month of November WNZ are hosting two customers in New Zealand and we will have them speak at some grower meetings throughout the country. This is a great opportunity for you to come and listen to what WNZ is doing with these customers and how you can support your company.

There will be more overseas visitors over the next few months and we will endeavour to cover other regions throughout the season. This will give all growers the opportunity to hear directly from the market.

Bedding Companies

Tuesday 5 November 2019

11.00am – 1.30pm

Hunterville – woolshed of James Kilmister, 657 Aldworth Road

Thursday 7 November 2019

5.00pm – 7.00pm

Gore – Heartland Hotel Croydon, 100 Waimea Street

Lambswool Company

Friday 15 November 2019

10.30am – 12.30pm

Masterton – woolshed of Sully Alsop, 579 Stronvar Road

Monday 18 November 2019 - Wools of New Zealand AGM

9.00am – 11.45am

Farm tour prior to AGM, Nicole and Logan Evans, 967 Otapiri Mandeville Road

12.00pm – 2.00pm

AGM - Mandeville – woolshed of Nicole and Logan Evans, 967 Otapiri Mandeville Road

Monday 18 November 2019

5.30pm – 7.30pm

Palmerston – Waihemo Lodge Hotel, 13 Runbrake Street

RSVPs for meetings to be sent to Avril Jordan at

avril.jordan@woolsnz.com

2020 Standard Lambswool Contract

Specifications

- Length: 2-3" (50-75mm)
- Micron: 28-31.5
- Colour: 2.0 max
- VM: 0.2 max

Price

- Tier 1 - \$6.00/kg clean (28-30 mic; 0.0 VM; 0.0-1.0 Y-Z)
- Tier 2 - \$5.70/kg clean (30.1-31.0 mic; or 0.1 VM; or 1.1-1.5 Y-Z)
- Tier 3 - \$5.40/kg clean (31.1-31.5 mic; or 0.2 VM; or 1.6-2.0 Y-Z)

Payment

- 50% 60 days after wool accepted into contract
- 50% 180 days after wool accepted into contract

2020 Standard Higher Colour Lambswool Contract

There is also some volume remaining in the Standard High Colour Lambswool Contract.

Please see following revised prices.

Specifications

- Length: 2-3" (50-75mm)
- Micron: 28-31.5
- Colour: 4.0 max
- VM: 0.2 max

Price

- Tier 1 - \$5.00/kg clean
(28-30 mic; 0.0 VM; up to-3.0 Y-Z)
- Tier 2 - \$4.80/kg clean
(30.1-31.0 mic; or 0.1 VM; or 3.1-3.5 Y-Z)
- Tier 3 - \$4.60/kg clean
(31.1-31.5 mic; or 0.2 VM; or 3.6-4.0 Y)

Payment

- 50% 60 days after wool accepted into contract
- 50% 180 days after wool accepted into contract

STAY IN TOUCH

Our team are always ready to help. Your best bet is to talk to your local Grower Liaison but you can find all of us at www.woolsnz.com/contact-us