

GROWER UPDATE

#129 - 3rd July 2020



NEW CHAIR FOR WOOLS OF NEW ZEALAND

Who would have imagined 2020 would turn out quite like this? The Covid19 pandemic has thrown the world into the new and unknown. For New Zealand, our trade routes and supply chains are disrupted, customers and buyers are rethinking their priorities and choices as they face health and economic uncertainty, and in New Zealand we're facing our own business continuity issues, job losses, and a complete re-think of how we

keep our economy functioning to support our population.

Here at Wools of New Zealand (WNZ) we have had to readjust our thinking to suit the 'new normal' way of working and communicating with our Partners. The focus over the past few months has been to re-orientate our strategic direction. This being said we have the following to update you on.

James Parsons was elected as Chair of WNZ by the Board at its June board meeting. James is a recognised industry leader, well known for his past Chairmanship of Beef + Lamb NZ and The New Zealand Meat Board, and service on other Industry Boards. James joined the WNZ Board in November 2019 after being elected by growers at the 2019 AGM. A beef and sheep farmer located in Northland, he understands well the industry challenges from a grass roots perspective. Coupled with his strong governance credentials, James brings skills in international trade, building strong partnerships, grower engagement and just as importantly developing a strong and positive board and organisational culture.

Interim Chair Rebecca Smith created the vacancy when she stepped down from her role of Chair and remains on the Board as a valued Director. During her Chairmanship she led the organisation through a considerable period of change necessary to reset the skills and capability for growth in the current team. Most importantly this included leading the recruitment of new CEO John McWhirter in February of this year.

John McWhirter is a highly experienced CEO. Prior to joining WNZ he led Hellers Limited, a multimillion-dollar company located in Australia and NZ. He brings experience in building supply chains, products, brands and developing strong consumer loyalty. Previous roles include, positions with PGG Wrightson, Tegel and Mars Inc.

'The Board recognised specific skills John has in turning primary produce into consumer goods. Crossbred wool prices have been through a period of decline for the last decade and Covid19 has seen

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prices crash to an all-time low,' said James Parsons. 'Yet, WNZ research shows that the price the consumer pays has not changed and woollen products are still considered premium products. We recognise that the current state of the industry is unsustainable at current price levels. The wool sector, of which WNZ is a part, to date has not delivered to growers. John's experience with international supply chains and WNZ's international representatives and strong partnerships in market make it well placed to try some new initiatives. John and I are looking forward to getting out and engaging with growers to discuss these.'

Mark Shadbolt has decided to step down from the WNZ Board. We would like to take this opportunity to thank Mark for his profound and significant contribution to the industry and the organisation. There is no question that WNZ would not exist without Mark's foresight, tenacity, passion and drive. We wish Mark all the very best with the next stage of his life. Earlier this year Lucy Griffiths also stepped down from the Board due to family commitments. Lucy was a great contributor to the Board bringing perspectives that enriched discussion and debate. She remains a strong advocate for the work of WNZ, supporting our engagement with growers in the Wairarapa where she lives with her husband and young family.

The Board currently comprises James Parsons, Craig Hickson, Rebecca Smith and Ian Marshall. Ian Marshall also Chairs the Audit and Risk Committee. Grower-Appointed Directors should always exceed the number of Board Appointed Directors. The constitution states that Grower Appointed Directors must be greater than Board Appointed Directors, but currently an equal balance exists. The Board will discuss at its next meeting, how to address this through to the November AGM when Grower Director elections occur.

Lastly, CEO John McWhirter would like to thank shareholders and supporters for their support over the past few months and for the sound advice received from many through Zoom calls.

Despite the extremely challenging trading environment the wool sector is experiencing, the Board are confident and excited about where we will take WNZ in the next stage of its commercial journey.

James Parsons is readily available to shareholders and supporters and can be reached on 021 206 3208