

## Online trading platform for natural fibres, starting with wool

- Online Trading Event platform ("Information Website" and "Bidding Website") providing direct access to buyers for marketable wool types
- Price discovery through regular Trading Events, similar to
  GlobalDairyTrade (GDT) Tuesdays, 2:00pm NZT
- "Natural Fibre Exchange" is registered and owned by Wools of New Zealand Ltd (WNZ) and Alliance Group NZ, who have teamed with the Trading Manager of the platform, CRA International, world experts in trading platforms with 100% success rate for other industry platforms including GDT, Ocean Spray Cranberries, and energy sectors



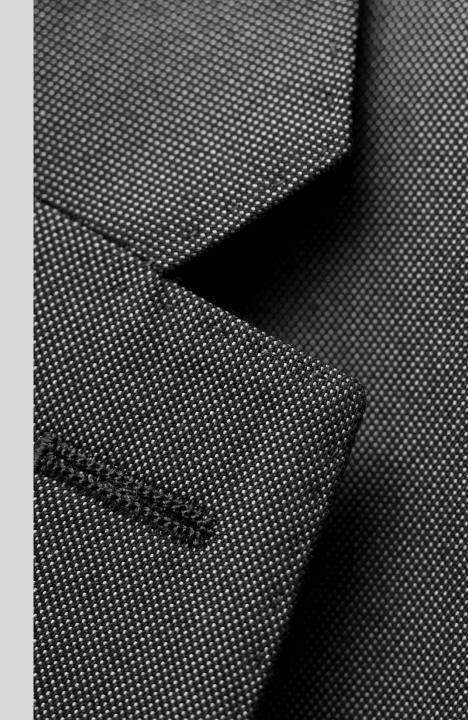
### Bringing together buyers and sellers across the globe

- Direct access to product from sellers
- Selling at a market-based equilibrium price deriving fair value and price discovery
- NFX Bidding Website enables competitive and fair marketplace
- No additional fees charged by NFX, over the purchase price, for buyers transacting on the platform
- Additional commercial terms, e.g., shipping, to be arranged directly
  with the seller
- Wool sold in orderly and timely fashion opportunities to create
  efficiencies in the supply chain and bring industry costs down



# Independent governance and operation

- NFX set up as a separate and independent trading entity
- NFX governance sets the Trading Event Rules and Participation
  Agreement, with controls in place to uphold them and to comply with anti-trust guidelines
- CRA operates the Information Website and Bidding Website as a service provider, ensuring independence and confidentiality of seller and buyer information
- NFX provides a transactional service, and seller and buyer relationships remain



# Simultaneous multi-round ascending-price Trading Event

- Prior to a Trading Event, each seller specifies their wool parcels and may provide testing and certification
- Each seller may chose to set a "bid limit" on the amount of wool that
  can be purchased by each buyer
- All parcels of wool for a Trading Event are on offer simultaneously over multiple rounds of bidding
- In each bidding round, buyers bid on their desired parcels of wool,
  bidding prices at or above the minimum price for each lot
- At the end of each round, high bids are disclosed and all buyers can bid again in the next round to become the highest buyer
- After a round in which there are no more bids for any of the lots, the buyers holding the high bids in the previous round win the lots



### **CRA** operates the Information Website and Bidding Website

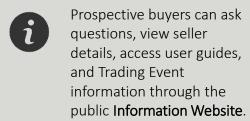


#### Joining the Platform and Connecting Buyers and Sellers

**Pre-Trading Event** 

**Trading Event** 

#### Post-Trading Event





CRA advises sellers of new CRA buyers on the platform.

> CRA invoices the seller-joining fee, if applicable, on behalf of NFX.

Sellers and buyers need to establish a commercial relationship prior to the Trading Event. This is managed outside the Bidding Website.

CRA runs webinars and mock events to educate prospective participants.



Sellers determine what product (greasy or scoured) will be offered, volume, and who can bid on their lots.



Through bid limits, sellers can specify for each buyer the lots they can bid on and the maximum amount they can purchase.



Sellers set a starting price for each lot.



2 days before the Trading **Event**, CRA opens the Bidding Site and buyers see all information about the Trading Event.

CRA

CRA administers the **Trading Event** and manages any buyer queries. Each Trading Event lasts typically a couple of hours.



Buvers can customise their Bidding Website to see lots relevant only to them.



Buyers bid round by round, submitting the price they are willing to pay for each lot. They must bid in every round – they cannot reenter the **Trading Event** or enter late.



Sellers can monitor the Trading Event for their lots in real time (but bidders remain anonymous to the seller).

CRA

CRA provides information to successful sellers and buyers and a post-event report to NFX.



Sellers invoice customers directly and arrange logistics as per their commercial arrangements.

CRA invoices sellers the Trading CRA Event transaction fee (c/kg of volume sold) and manages this on behalf of NFX. There are no fees for buyers.



Trading Event results are published on the Information Website.









**CRA** 



Thank you