

Corporate Governance Statement

The main corporate governance policies, practices and processes for the Hellaby Holdings Group are:

Role of Shareholders

- To appoint members to the board of directors in general meeting.
- To receive and consider interim and annual reports, financial statements and audit reports.
- To consider and if acceptable approve major transactions and such other matters as required by statute, company's constitution and/or on the referral from the board of directors.
- To evaluate the performance of the board of directors and the company.

Role of Board of Directors

- To enhance the value of Hellaby Holdings' shares and returns thereon relative to sharemarket trends and economic conditions.
- To evaluate investment business opportunities on an ongoing basis.
- To undertake the stewardship responsibilities of the company.
- To appoint the chief executives of the operating businesses.
- To discharge the duties and responsibilities of directors as embraced under statute and common law, and in accordance with the company's constitution and the standards required of public listed companies.

Role of Management

- To discharge directives of the board of directors in a professional and timely manner.
- To manage the business affairs of the group effectively and to maximise the operational performance relative to the business environment.
- To fully inform the board of directors of all relevant matters.
- To comply with statutory requirements, including health and safety, resource management and building acts.

Role of External Auditor

- To audit the financial statements of the company and group in accordance with generally accepted auditing standards in New Zealand.
- To report on its findings to the shareholders of the company.

Auditor Independence

- The company requires its external auditor to maintain independence in accordance with best practice based on the International Federation of Accountants ("IFAC") guidelines.
- The company precludes its external auditor from undertaking a role not permitted under IFAC regulations, auditing their own work, or functioning as management.

Board of Directors

W.J. Falconer	Non-executive Chairman
D.M.J. Houldsworth	Executive Director
P.A. Byrnes	Non-executive Director
R.W. Carter	Non-executive Director
H. Green	Non-executive Director
J.M. Williamson	Non-executive Director

Mr. J.M. Williamson was appointed to the Hellaby Board of Directors on 6 May 2005

Mr. W.B. Capp retired from the Hellaby Board of Directors on 8 July 2005 after 17 years service.

Messrs. Falconer and Williamson are independent directors.

Messrs. Byrnes, Carter and Green are associated with the Hugh Green Trust, beneficial owner of 30.3% shareholding in Hellaby Holdings Limited.

Mr. Houldsworth is the Managing Director of Hellaby Holdings Limited.

Directors remuneration and other benefits for year ended 30 June 2005

	Directors Fees \$000	Salary & Bonus \$000
W.J. Falconer	60	-
D.M.J. Houldsworth	-	632
P.A. Byrnes	30	-
W.B. Capp	30	-
R.W. Carter	30	-
H. Green	30	-
J.M. Williamson	5	-

Retirement Payment:

Mr. W.B. Capp retired as a director of the Company on 8 July 2005 after 17 years service and, in accordance with the Company's Constitution and with the approval of the Hellaby Board, has received a retirement payment of \$90,000.

Financial Assistance:

A loan of \$500,000 provided to David Houldsworth in October 1998 on commercial terms has been fully repaid. No other financial assistance to directors, spouses or dependants, or to related parties has been given.

Directors and Officers Shareholding

	30.6.05 Shares	30.6.04 Shares
Directors		
W.J. Falconer	440,000	440,000
D.M.J. Houldsworth	-	-
P. A. Byrnes	-	-
W.B. Capp	-	-
R.W. Carter	-	-
H. Green	-	-
J.M. Williamson	-	-
Officers		
T Dwerryhouse	-	-
D.G. Mannix	-	-

Holdings by associated parties:

- P.A. Byrnes, R.W. Carter and H. Green are associated with the Hugh Green Trust, beneficial owner of 15,234,485 shares (30.3%)
- W.B. Capp's family superannuation fund holds 63,000 shares (0.1%)
- R.W. Carter's family trust holds 244,985 share (0.5%)
- D.M.J. Houldsworth's investment company, Bentwood Investments Limited, holds 115,000 shares (0.2%)
- T. Dwerryhouse's family trust companies, Highbury Holdings Limited and and Highbury Land Limited, jointly hold 1,100,000 shares (2.2%)
- D.G. Mannix's family trust holds 6,000 shares (0.01%)

Dealings in Hellaby Shares by Directors, Officers & Related Parties

15 November 2004

Transfer of 115,000 shares by the Houldsworth Family Trust to Bentwood Investments Limited, a company beneficially owned by David Houldsworth, at \$6.21 per share.

Disclosure of Shareholding Interests by Directors, Officers & Related Parties

W.J. Falconer

- Shares in Energy Intellect Limited
110,000 shares acquired December 1997 at a cost of \$1.00 per share

R.W. Carter

- Shares in New Zealand Wool Services International Limited
20,000 shares acquired March 2000 at a cost of 21 cents per share
100 shares acquired December 2002 at a cost of 20 cents per share
5,420 shares acquired March 2004 at a cost of 50 cents per share
9,480 shares acquired April 2005 at a cost of 52 cents per share

D.M.J. Houldsworth

- Shares in New Zealand Wool Services International Limited
12,888 shares acquired March/June 2005 at a cost of 46 cents per share

Employees remuneration and other benefits of \$100,000 or more for year ended 30 June 2005

Remuneration Range	Number of Employees	
	Hellaby Holdings	Subsidiaries
\$520,000 - \$530,000	-	1
\$360,000 - \$370,000	-	1
\$350,000 - \$360,000	-	1
\$290,000 - \$300,000	1	-
\$280,000 - \$290,000	-	1
\$270,000 - \$280,000	-	1
\$240,000 - \$250,000	-	1
\$220,000 - \$230,000	-	1
\$210,000 - \$220,000	-	1
\$200,000 - \$210,000	-	2
\$190,000 - \$200,000	-	4
\$160,000 - \$170,000	-	2
\$150,000 - \$160,000	-	2
\$130,000 - \$140,000	-	2
\$120,000 - \$130,000	-	3
\$110,000 - \$120,000	-	5
\$100,000 - \$110,000	-	6

Largest Shareholdings (at August 2005)

	Shares	%
Castle Investments Limited	15,234,485	30.3
Custodial Services Limited	1,411,466	2.8
Highbury Holdings Limited	1,000,000	2.0
Accident Compensation Corporation	644,128	1.3
Asset Custodian Nominees Limited	471,242	0.9
Investment Custodial Services Limited	464,012	0.9
WJ Falconer	440,000	0.9
Forbar Custodians Limited	388,326	0.8
Citibank Nominees (New Zealand) Limited	264,199	0.5
First NZ Capital Custodians Limited	245,857	0.5
RW Carter Family Trust	234,985	0.5
Guardian Trust Investment Nominees Limited	171,579	0.3
J & D Sands Limited	167,000	0.3
National Nominees New Zealand Limited	160,833	0.3
TEA Custodians Limited	150,000	0.3
Embar Holdings Limited	140,000	0.3
AMP Superannuation Tracker Fund	123,600	0.2
Hubbard Churcher Trust Management Limited	119,967	0.2
Bentwood Investments Limited	115,000	0.2
JB Wilkinson	115,000	0.2
Amalgamated Dairies Limited	111,819	0.2
Regent Holdings Limited	106,000	0.2
WR Berry	100,000	0.2
Highbury Land Limited	100,000	0.2
	22,479,498	44.7

Substantial Security Holders (at September 2005)

	Shares	%
Hugh Green Capital Limited		
Castle Investments Limited	15,234,485	30.3
Hugh Green Capital Limited is beneficially owned by the Hugh Green Trust		

Range of Holdings (at August 2005)

	Number of Shareholders	Number of Shares Held	% Shares Held
Under 2,000	6,165	3,685,824	7.3
2,000 -5,000	1,937	5,651,324	11.2
5,000 -10,000	879	5,479,507	10.9
10,000 -50,000	620	9,878,145	19.6
50,000 -100,000	30	2,022,598	4.0
Over 100,000	24	22,479,498	44.7
	9,655	49,196,896	97.8
Treasury Stock	-	1,114,406	2.2
	9,655	50,311,302	100%

