

Corporate Governance Statement

The main corporate governance policies and practices 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 applicable, approve major transactions and such other matters as required by statute, the company's constitution, and/or matters 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 the company's 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 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 Auditors

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

Messrs Byrnes and Falconer are independent directors.

Messrs Carter and Green are associated with the Hugh Green Trust, beneficial owner of a 30.84% shareholding in Hellaby Holdings Limited.

Mr Williamson is the Chief Executive Officer and Managing Director of Hellaby Holdings Limited.

Directors' Remuneration and Other Benefits for Year Ended 30 June 2007

	Directors Fees \$000	Salary & Bonus \$000
W.J. Falconer	80	-
J.M. Williamson	40	-
P.A. Byrnes	40	-
R.W. Carter	40	-
H. Green	40	-
D.M.J. Houldsworth	-	911

Severance Payment:

Mr Houldsworth resigned as Managing Director of the Company with effect from 2 July 2007. In accordance with an agreement entered into between the Company and Mr Houldsworth, a severance payment of \$425,250 and payment in lieu of six months notice of \$255,150 has been paid to Mr Houldsworth. The severance payment has been expensed in the year ended 30 June 2007.

Financial Assistance:

No financial assistance to directors, their spouses or dependants, or to related parties has been given.

Directors and Officers Shareholding

	30.6.07 Shares	30.6.06 Shares
Directors		
W.J. Falconer	440,000	440,000
J.M. Williamson	-	-
P.A. Byrnes	-	-
R.W. Carter	-	-
H. Green	-	-
D.M.J. Houldsworth	-	-
Officers		
D.G. Mannix	-	-

Holdings by associated parties:

- R.W. Carter and H. Green are associated with the Hugh Green Trust, beneficial owner of 15,424,906 shares (30.84%)
- J.M. Williamson is associated with Haynes Investments (Aust) Pty Limited and Generator Investments No 1 Limited, which together hold 1,160,061 shares (2.32%)
- R.W. Carter family trusts hold 253,798 shares (0.5%)
- D.M.J. Houldsworth's investment company, Bentwood Investments Limited, holds 126,478 shares (0.3%)
- D.G Mannix's family trust holds 6,000 shares (0.01%)

Dealings in Hellaby Shares by Directors, Officers & Related Parties

6 October 2006

Allocation of 94,011 shares to Castle Investments Limited, a company beneficially owned by H. Green, under the company's dividend reinvestment plan, at \$4.71 per share.

Allocation of 4,047 shares to Bentwood Investments Limited, a company beneficially owned by D.M.J. Houldsworth, under the company's dividend reinvestment plan, at \$4.71 per share.

20 April 2007

Allocation of 3,294 shares to Bentwood Investments Limited, a company beneficially owned by D.M.J. Houldsworth, under the company's dividend reinvestment plan, at \$3.74 per share.

Year ended 30 June 2007

During the year Haynes Investments (Aust) Pty Limited and Generator Investments No 1 Limited, companies associated with J.M. Williamson, purchased on and off market, 1,160,061 shares at an average of \$4.09 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

Employees' Remuneration and Other Benefits of \$100,000 or More for Year Ended 30 June 2007

Remuneration Range	Number of Employees	
	Hellaby Holdings	Subsidiaries
\$910,000 - \$920,000	1	-
\$400,000 - \$410,000	-	1
\$350,000 - \$360,000	-	1
\$310,000 - \$320,000	-	1
\$270,000 - \$280,000	1	-
\$220,000 - \$230,000	-	1
\$210,000 - \$220,000	-	2
\$190,000 - \$200,000	-	5
\$180,000 - \$190,000	-	2
\$170,000 - \$180,000	-	4
\$160,000 - \$170,000	-	3
\$150,000 - \$160,000	-	4
\$140,000 - \$150,000	-	3
\$130,000 - \$140,000	-	3
\$120,000 - \$130,000	-	5
\$110,000 - \$120,000	-	10
\$100,000 - \$110,000	-	18
	2	63

Twenty Largest Shareholders (as at 10 August 2007)

	Shares	%
Castle Investments Limited	15,424,906	30.8
Accident Compensation Corporation (A/C NZCSD)	1,623,133	3.2
Custodial Services Limited	878,264	1.8
Asset Custodian Nominees Limited	684,523	1.4
Haynes Investments (Aust) Pty Limited	660,061	1.3
National Nominees New Zealand Limited (A/C NZCSD)	607,226	1.2
Generator Investments No 1 Limited	500,000	1.0
Highbury Holdings Limited	500,000	1.0
WJ Falconer	440,000	0.9
First NZ Capital Custodians Limited	414,218	0.8
NZ Guardian Trust Investment Nominees Limited (A/C NZCSD)	385,314	0.8
Custodial Services Limited	358,643	0.7
Investment Custodial Services Limited	303,067	0.6
Citibank Nominees (New Zealand) Limited (A/C NZCSD)	292,236	0.6
RW Carter Family Trust	243,438	0.5
Abned Nominees NZ Limited	184,183	0.4
J & D Sands Limited	167,000	0.3
Guardian Trust Investment Nominees (RWT) Limited (A/C NZCSD)	165,334	0.3
Forsyth Barr Custodians Limited	159,710	0.3
Bentwood Investments Limited	126,478	0.3
	24,117,734	48.2

In the above table, the shareholding of NZ Central Securities Depository Limited (NZCSD) has been re-allocated to the applicable members of NZCSD.

Spread of Shareholders (as at 10 August 2007)

	Number of Shareholders	Number of Shares Held	% Shares Held
Under 1,999	5,609	3,440,535	6.8
2,000 - 4,999	1,818	5,312,908	10.6
5,000 - 9,999	803	5,112,135	10.2
10,000 - 49,999	563	8,860,289	17.6
50,000 - 99,999	30	1,975,053	3.9
Over 100,000	31	25,307,856	50.3
	8,854	50,008,776	99.4
Treasury Stock		302,526	0.6
	8,854	50,311,302	100.0%

Twenty Largest Capital Noteholders (as at 10 August 2007)

	Shares	%
Custodial Services Limited	3,544,000	7.1
Forsyth Barr Custodians Limited	3,100,000	6.2
Forsyth Barr Custodians Limited	2,083,000	4.2
First NZ National Custodians Limited	2,066,000	4.1
Custodial Services Limited	1,735,000	3.5
Sterling Holdings Limited	1,058,000	2.1
Fletcher Building Educational Fund Limited	1,000,000	2.0
Asset Custodian Nominees Limited (A/C NZCSD)	613,000	1.2
Custodial Services Limited	550,000	1.1
LR & MA Idoine	500,000	1.0
Investment Custodial Services Limited	481,000	1.0
Rotorua Trust Perpetual Capital Fund Limited	450,000	0.9
University of Otago	400,000	0.8
Custodial Services Limited	345,000	0.7
F S Investments Limited	345,000	0.7
Forsyth Barr Custodians Limited	303,000	0.6
Palmer Oliver Holdings Limited	300,000	0.6
Forsyth Barr Custodians Limited	232,000	0.5
RH Pettigrew	225,000	0.5
Guardian Trust Investment Nominees Limited (A/C NZCSD)	220,000	0.4
	19,550,000	39.1

In the above table, the noteholding of NZ Central Securities Depository Limited (NZCSD) has been re-allocated to the applicable members of NZCSD.

Spread of Capital Noteholders (as at 10 August 2007)

	Number of Noteholders	Number of Notes Held	% Notes Held
5,000 - 9,999	209	1,129,000	2.3
10,000 -49,999	885	16,316,000	32.6
50,000 - 99,999	180	9,610,000	19.2
100,000 - 499,999	40	6,696,000	13.4
500,000 - 999,999	3	1,663,000	3.3
Over 1,000,000	7	14,586,000	29.2
	1,324	50,000,000	100.0%

Substantial Security Holders (as at 10 August 2007)

The following parties were substantial security holders in the company as at 10 August 2007:

	Shares	%
Hugh Green Capital Limited		
Castle Investments Limited	15,424,906	30.8

Hugh Green Capital Limited is beneficially owned by the Hugh Green Trust.

Stock Exchange Listing

The company's shares and capital notes are listed on the NZSX and NZDX, respectively.

Current NZX Waivers

NZX granted the following waivers dated 19 May 2006 in respect of the issue by Hellaby Holdings Limited of capital notes:

- Waiver from NZX Listing Rule 3.2(b) (trust deeds for debt securities) that the trust deed include a provision that the capital notes are to be repaid or made callable on demand on maturity without the holder having to give notice that repayment is required. The waiver has been granted on the condition that the offer document for the capital notes clearly discloses the terms of the capital notes so that the investors are aware of the prospect of rollover of the capital notes.
- Waiver from NZX Listing Rule 11.1.1 (right to transfer) to enable the transfer of capital notes only where both the transferee and transferor will hold a minimum amount of \$5,000 in capital notes following a transfer of capital notes.