



1. INTRODUCTION

This 2009 Corporate Governance Statement (the “Statement”) sets out the key corporate governance principles adopted by the directors in governing Amalgamated Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “AHL” or the “Group”) and reflects the corporate governance policies and procedures which applied during the financial year ending 30 June 2009.

The Company continues to monitor and review its corporate governance policies and procedures.

2. APPROACH TO CORPORATE GOVERNANCE

2.1 Framework and approach to corporate governance and responsibility

The Board has the responsibility for ensuring AHL is properly managed so as to protect and enhance shareholders’ interests in a manner that is consistent with AHL’s responsibility to meet its obligations to all stakeholders. For this reason, the Board is committed to maintaining the highest standards of corporate governance across the Group. The Board believes that corporate governance is about having a set of values and behaviours that underpin AHL’s everyday activities and which ensures transparency, risk management, accountability, value creation, fair dealing and protection of the interests of stakeholders. Consistent with this belief, the Board’s approach is to consider corporate governance within the broader framework of corporate responsibility and regulatory oversight.

2.2 Compliance with the Corporate Governance Principles and Recommendations

The Australian Securities Exchange (“ASX”) has issued the ASX Listing Rules which require listed companies to include in their annual report a statement disclosing the extent to which they have followed the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (the “Recommendations”) in the reporting period. Listed companies must identify the Recommendations that have not been followed and provide reasons for the company’s decision. A table outlining the compliance, or otherwise, to the Recommendations has been included in section 10 of this Statement.

The corporate governance page of the Company’s website (www.ahl.com.au) contains most of the documents which are referred to in this Statement. The Statement, charters, code and various policies are regularly reviewed to take account of any recent changes in the law and governance practices.

If a shareholder does not have access to the internet, they may contact the Company Secretary for copies of the document.



3. BOARD

3.1 Role and responsibilities of the Board

The Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders, as well as its employees, customers and the community. Its primary responsibilities are:

- providing input into, reviewing and approving the corporate and divisional strategic plans;
- making decisions in relation to matters of a sensitive, extraordinary or strategic nature;
- providing advice and counsel to management on a periodic and ad hoc basis;
- ensuring best practice corporate governance;
- appointing and where appropriate removing the Managing Director and approving succession plans;
- ratifying the appointment and, where appropriate the termination of the direct reports to the Managing Director;
- monitoring the performance of the Managing Director and senior management and approving remuneration policies and practices for such Managing Director and senior management;
- enhancing and protecting the reputation of the Group;
- reporting to shareholders;
- ensuring appropriate compliance frameworks and controls are in place and are operating effectively;
- approving and monitoring the effectiveness of and compliance with policies governing the operations of the Group;
- monitoring compliance with regulatory requirements and ethical standards;
- monitoring the integrity of internal control and reporting systems;
- monitoring strategic risk management systems, including review of processes for identifying areas of significant business risk, including those associated with legal compliance obligations, monitoring risk management policies and procedures, oversight of internal controls and review of major assumptions used in the calculation of significant risk exposure;
- reviewing and approving business plans, the annual budget and financial plans, including available resources and major capital expenditure initiatives;
- monitoring and assessing management's performance in achieving any strategies and budgets approved by the Board;
- approving decisions concerning the capital of the Company, including capital restructures;
- reviewing and approving annual and half-yearly statutory accounts and other reporting and monitoring financial results on an ongoing basis; and
- determining dividend policy and declaring dividends.

The Board operates in accordance with the principles set out in the Board Charter. The Board Charter details the Board's purpose, role, responsibilities and functions. A copy of the Board's Charter is available from the Company's website or upon request from the Company Secretary.

The Board has delegated responsibility for operation and administration of the Company and Group to the Managing Director and executive management. Responsibilities are delineated by formal authority delegations. Senior executives reporting to the Managing Director have their roles and responsibilities defined in position descriptions.



3.2 Board processes

To assist in the execution of its responsibilities, the Board has in place an Audit Committee and a Nomination and Remuneration Committee. These Committees have charters which are reviewed on a regular basis. Other Board Committees may be appointed from time-to-time to deal with issues associated with the conduct of the Group's various activities.

Recommendation 2.4 of the Recommendations states that the Board should establish a nomination committee. The Board has determined that any recommendations required by a nomination committee are undertaken, as required, by the Nomination and Remuneration Committee.

The full Board holds at least 10 scheduled meetings each year, including strategy meetings. Unscheduled meetings are arranged as necessary to address any specific significant matters that may arise. Site visits are arranged on a regular basis to improve directors' understanding of the Group's locations and operations.

The agenda for meetings is prepared in conjunction with the Chairman, Managing Director and Company Secretary. Standing items include the Managing Director's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in Board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

3.3 Composition of the Board

The composition of the Board is determined using the following principles:

- the Board should comprise of a majority of non-executive independent directors;
- the Board should comprise of directors with a broad range of relevant expertise; and
- the same individual should not exercise the role of Chairman and Managing Director.

The Chairman of the Board is a non-executive director. There is a Managing Director, who is also the Chief Executive Officer. It is standard practice to have six non-executive directors, the majority of whom are deemed to be independent under the principles set out below. The composition of the Board is reviewed periodically by the Chairman and the other directors to ensure that the Board has an appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Nomination and Remuneration Committee identifies suitable candidates with the appropriate expertise and experience and makes a recommendation to the Board. The Board then appoints the most suitable candidate who must then stand for election at the next general meeting of shareholders. Non-executive directors must stand for re-election each three years. The terms and conditions of the appointment and the retirement of directors, including the Managing Director, are first considered by the Nomination and Remuneration Committee and then recommended for determination by the Board. A formal letter of appointment is provided to all incoming non-executive directors.



The Board considers that individually and collectively the directors bring a level of skill, knowledge and experience that enables the Board to discharge its responsibilities effectively. Further information on the skills, experience and expertise of the directors has been included in section 9.1 of this Statement.

Details of the number of Board meetings and the attendance of the directors have been included in section 9.2 of this Statement.

3.4 Directors' independence

The Board has considered specific principles in relation to a director's independence. The Board has determined that an independent director is a director who is not a member of management (a non-executive director) and who:

- is not a substantial shareholder of the Company or does not have a material beneficial interest in a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or Group, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal or employee of a material professional advisor or a material consultant to the Company or Group;
- is not a material supplier or customer of the Company or Group, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- must have no material contractual relationship with the Company or Group other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In forming this view, the Board has considered and determined that "material", in this context, to be where any director related business relationship has represented, or is likely in the future to represent, the lesser of at least 10% of the relevant segment's or the director related business's revenue. The Board considered the nature of the relevant industries' competition, and size and nature of each director related business relationship, in arriving at this threshold.

Two directors of the Company are also directors of Carlton Investments Limited ("Carlton"), which is a substantial shareholder of the Company. Carlton is a publicly listed company. Carlton's main activity is the holding of a wide portfolio of listed investments. The Board has considered the question of independence of the director of Carlton who does not have a substantial beneficial shareholding in his own right. The Board has concluded that, as the nature of Carlton's business is in no way similar to the businesses of the Group, the sole holding of a directorship in Carlton should not impact on the ability and willingness of a director to effectively review and challenge the performance of management and exercise independent and objective judgement for the benefit of all shareholders of the Company.



3.5 Chairman and Managing Director

The Chairman is responsible for leading the Board, ensuring that Board activities are organised and effectively conducted and for ensuring directors are properly briefed for meetings. The Managing Director is responsible for implementing Group strategies and policies.

Recommendation 2.2 of the Recommendations states that the Chairman should be an independent director. The Chairman, Mr AG Rydge, is not considered an independent director due to the substantial shareholding clause. Mr Rydge was previously Chairman and Managing Director of the Company until retiring from the position of Managing Director on 31 December 2001. The Board has determined that the chairmanship of Mr Rydge is of significant benefit to the Company and the Group due to his long standing contribution to, and association with, the Company and extensive knowledge of the film, hospitality, leisure and tourism industries. Mr Rydge has been a non-executive Chairman since 1 January 2002.

3.6 Conflict of interest

In accordance with the *Corporations Act 2001* and the Company's Constitution, directors give standing notice on appointment of any interest that could potentially conflict with that of the Company or Group and must keep the Board advised of any changes. Where the Board believes a significant conflict of interest exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

3.7 Director education

The Company has a process to educate new directors about the nature of the business, current issues, corporate strategy and the Company's expectations of directors. All directors are made aware of their rights to access employees, information and resources. Directors are encouraged to visit facilities of the Group and meet with management to gain a better understanding of business operations.

3.8 Independent professional advice

Each director has the right of access to all relevant Company information and to the Group's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Group's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the Board.

3.9 Directors' Retirement Plan

The Directors' Retirement Plan (the "Plan") was suspended in May 2003 and directors appointed to the Board after that date are not entitled to participate in the Plan.

Eligible directors in office prior to the suspension of the Plan in May 2003 are able to participate in the Plan. Subject to the *Corporations Act 2001*, those eligible directors with more than three years service receive a retirement lump sum based on the length of service and the average of the fees paid. The benefit is capped at a maximum lump sum per eligible director of \$165,000.



The Chairman and Managing Director are not eligible to participate in the Plan.

The total accrued retirement benefits for non-executive directors other than superannuation, and further details on directors' remuneration, are disclosed within the Remuneration Report.

4. AUDIT COMMITTEE

4.1 Role and responsibilities of the Audit Committee

The Audit Committee Charter sets out its roles and responsibilities. Its primary responsibilities are:

- to review and monitor the financial integrity of the Group's financial reports and statements;
- to review the adequacy and integrity of the Group's risk management framework and system of internal control and the monitoring of the various control processes;
- to ensure compliance with relevant laws, regulations and statutory obligations;
- to review and approve the internal and external audit work plans; and
- to review significant accounting changes or reporting issues.

The Committee reviews the performance of the external auditors on an annual basis and meets with them during the year to discuss a number of matters including the external audit plan, proposed fees for audit work to be performed, half year and annual reporting and other matters as necessary. The Audit Committee, in scheduled sessions at the end of each meeting, without the presence of management, addresses questions to the external auditors and Group Internal Audit Manager on matters relating to the Committee's responsibilities.

The Committee is responsible for making recommendations to the Board concerning the appointment of the external auditor including remuneration and other terms of the auditor's engagement. The Committee reviews and ensures that the level of any non-audit work carried out by the external auditor is compatible with maintaining audit independence, taking into account the guidelines which it has set. The current practice, subject to amendment in the event of legislative change, is for the rotation of the engagement partner to occur every five years, with the most recent rotation having taken place in August 2006.

The Board receives the minutes and regular updates from the chairman of the Committee, and reviews and approves the charter of the Committee. A copy of the Audit Committee Charter is available from the Company's website or upon request from the Company Secretary.



4.2 Composition of the Audit Committee

The Audit Committee consists of a minimum of three non-executive directors, the majority of whom are independent, and is chaired by an independent director who is not the Chairman of the Board. All Committee members are familiar with finance and accounting procedures.

The members of the Audit Committee during the year were:

- AJ Clark (Chairman) – independent non-executive director;
- RM Graham – independent non-executive director; and
- AG Rydge – non-executive director.

Other directors who are not members of the Committee are invited to attend meetings. The Managing Director, Director Finance & Accounting, Company Secretary, Group Internal Audit Manager and external auditors are invited to attend Committee meetings. Other executives may be invited to Committee meetings at the discretion of the Committee.

The Audit Committee meets at least four times per year. Details of the number of Committee meetings and the attendance of the Committee members has been included in section 9.2 of this Statement.

5. NOMINATION AND REMUNERATION COMMITTEE

5.1 Role and responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee Charter sets out its roles and responsibilities. Its primary responsibilities are to advise the Board on matters including:

- the composition, remuneration and performance evaluation of the Board;
- the appointment of the Managing Director;
- succession plans for the position of Managing Director; and
- the remuneration strategy for the Managing Director and other senior executives.

The Committee also acts as a nomination committee and reviews the need for appointment of new directors for recommendation to the Board and shareholders for approval.

The Board receives the minutes and regular updates from the chairman of the Committee, and reviews and approves the charter of the Committee. A copy of the Nomination and Remuneration Committee Charter is available from the Company's website or upon request from the Company Secretary.



5.2 Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of a minimum of three non-executive directors, the majority of whom are independent, and is chaired by an independent director who is not the Chairman of the Board.

The members of the Nomination and Remuneration Committee during the year were:

- AJ Clark (Chairman) – independent non-executive director;
- RM Graham – independent non-executive director; and
- AG Rydge – non-executive director.

Other directors who are not members of the Committee are invited to attend meetings. The Managing Director and Company Secretary are invited to attend Committee meetings. Other executives may be invited to Committee meetings at the discretion of the Committee.

The Nomination and Remuneration Committee meets at least two times per year and further as required. Details of the number of Committee meetings and the attendance of the Committee members has been included in section 9.2 of this Statement.

6. PERFORMANCE AND REMUNERATION

6.1 Board Performance and Remuneration

The Board reviews its performance annually to ensure that individual directors and the Board as a whole work efficiently and effectively in achieving their functions set out within the Charter. The Chairman annually assesses the performance of individual directors and meets privately with each director to discuss this assessment and any ideas for improvement. At this same time, directors are able to provide feedback on the performance of the Chairman. The Board as a whole discusses and analyses its own performance during the year.

The Board also has in place an annual process to review its performance as well as the performance of the Committees of the Board. Each Director completes a performance evaluation questionnaire. The questionnaire covers topics including:

- the Board's role;
- composition and effectiveness;
- procedures and practices;
- behaviours;
- Board administration; and
- the conduct of the Chairman.



Directors are requested to provide comment and feedback and to evaluate each area by providing a rated response to various questions. The results of the performance evaluation are collated by the Company Secretary and submitted to the Nomination and Remuneration Committee for review. A summary of the results are then submitted to the full Board. The Board evaluation process was last completed in August 2009. The results of the performance evaluation form the basis of an action plan designed to address performance improvement opportunities.

The Group's remuneration philosophy and details of the current remuneration arrangements are outlined within the Remuneration Report which forms part of the directors' report for the year ended 30 June 2009. The Remuneration Reports confirms that the structure of non-executive director remuneration is separate and distinct from senior executive remuneration.

The Remuneration and Nominations Committee is responsible for recommending to the Board fees applicable to Non-Executive Directors. Non-Executive Directors may also be reimbursed for their expenses properly incurred as a Director, or in the course of their duties. Non-Executive Directors are also encouraged to own shares in the Company. The Non-Executive Directors do not participate in any other short or long term incentive schemes.

The maximum aggregate amount of fees that may be paid to all non-executive directors each year is capped at \$1.1 million, which was approved by shareholders at the 2007 Annual General Meeting of shareholders. The Board maintains a fee buffer to give it sufficient flexibility to plan its structure in advance of specific needs that may arise. The total fees paid to non-executive directors during the reporting period was \$712,000.

Information regarding the Directors' Retirement Plan has been included at section 3.9 of this Statement, and disclosed within the Remuneration Report.

6.2 Executive Performance and Remuneration

Each year the Board, with the assistance of the Managing Director, and the Nomination and Remuneration Committee, undertakes a formal process of reviewing the performance of senior executives. The measures generally relate to the performance of the Group, the performance of the senior executive's division or department and the performance of the senior executive individually.

The Nomination and Remuneration Committee and the Board review the performance of the Managing Director. The Managing Director is not present at the Nomination and Remuneration Committee or Board meetings when his own performance and remuneration is being considered.

For senior executives, the Managing Director conducts interviews with each executive and provides comments and feedback in relation to the senior executive's performance. A formal review process occurs for each employee with nominated supervisors conducting the performance review. The formal review process occurs annually and was completed in June 2009.

Further details on the assessment criteria for the Managing Director and senior executive remuneration (including equity-based share plans) are disclosed within the Remuneration Report.



6.3 Remuneration Report

The Remuneration Report is set out with, and forms part of, the directors' report for the year ended 30 June 2009.

7. RISK MANAGEMENT

7.1 Risk profile and oversight of the risk management system

The Board oversees the establishment, implementation and annual review of the Group's risk management and internal control systems. Management has established and implemented the systems for identifying, assessing, monitoring and managing material operational, financial reporting, internal controls and compliance risks for the Group.

The systems and processes implemented to manage material risks include:

- risk management framework;
- clearly defined management responsibilities and organisational structure;
- delegated limits of authority;
- treasury and accounting controls and reconciliations;
- comprehensive management reporting systems;
- budgeting and strategic planning processes;
- segregation of duties;
- physical security over the Group's assets;
- appropriate policies and procedures that are widely disseminated to, and understood by, employees; and
- risk management and internal audit functions.

Divisional Managing Directors and other senior executives complete and sign off on an annual Directors' Risk Management Questionnaire. The operational and other compliance risk management procedures have also been assessed and found to be operating efficiently and effectively. All risk assessments cover the whole financial year and the period up to the signing of the annual financial report for all material operations in the Group. The annual Directors' Risk Management Questionnaire for the year ending 30 June 2009 was completed in July 2009.

As well as the Directors' Risk Management Questionnaire, matters relating to the business risk and risk management system are analysed and discussed as part of the annual strategic planning process. The Board provides assistance to management in the development and maintenance of processes to minimise and mitigate business risks.

A summary of the Risk Management Policy is available from the Company's website or upon request from the Company Secretary.

7.2 Financial reporting

The Managing Director and the Director Finance & Accounting have declared, in writing to the Board that the financial reports of the Company and Group are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The declarations for the year ending 30 June 2009 were received in August 2009.



7.3 Internal Audit

The Group Internal Audit Manager assists the Board in ensuring compliance with internal controls and risk management programs by regularly reviewing the effectiveness of compliance and control systems. The Audit Committee is responsible for approving the program of internal audit visits to be conducted each year and the scope of the work to be performed at each location.

7.4 Code of Conduct and Ethical Standards

The Company has a Code of Conduct and Ethical Standards ("Code"), which has been endorsed by the Board and applies to all directors and Group employees. The Code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code encapsulates that all directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they refer any issues arising from their employment.

The Board reviews the Code regularly and processes are in place to promote and communicate the Code's contents. The Code is available from the Company's website or upon request from the Company Secretary.

7.5 Whistleblowing Policy

The Company has a Whistleblowing Policy for the Australian operations. The policy is designed to support and protect any employees who reports non-compliant, suspicious or unethical conduct by other employees of the Group, regardless of seniority of those involved in the alleged conduct. The Whistleblowing Policy formalises the Company's commitment to protect the confidentiality and position of employees wishing to raise serious matters that affect the integrity of the Company and Group.

The Board reviews the Whistleblowing Policy regularly and processes are in place to promote and communicate the Whistleblowing Policy's contents. The Whistleblowing Policy is available from the Company's website or upon request from the Company Secretary.

7.6 Legal Compliance Training

All senior management personnel are required to complete legal compliance training at least once every two years. The training covers such topics as:

- contract fundamentals;
- issues relating to the *Trade Practices Act 1974*;
- employment contracts, termination and redundancy;
- harassment and discrimination;
- workplace relations;
- occupational health and safety obligations; and
- corporate policies (including limits of authority and share trading).



7.7 Dealing in Company shares by directors and employees

The Constitution allows directors to acquire shares in the Company. However, it is the policy of the Company that directors only buy or sell shares in the Company in the six-week period immediately following any price sensitive announcement including the half year and full year results, and the Annual General Meeting. Purchases outside of this period must receive the prior approval of the Board. This policy is subject to the overall restriction that persons may at no time deal in any securities when they are in possession of price sensitive information. This policy is also applicable to employees of the Group and the policy is outlined within the Code.

All directors have entered into written agreements to notify the Company Secretary when they buy or sell shares in the Company. In accordance with the provisions of the *Corporations Act 2001* and the ASX Listing Rules, the Company Secretary advises the ASX of any transactions conducted by directors in shares in the Company. This information is also reported to the Board.

Each senior executive is requested, on an annual basis, to provide information regarding the financial arrangements (including margin loans) attached to their personal holdings of shares in the Company. In addition, each senior executive has provided an undertaking to advise the Company Secretary of any subsequent change regarding the financial arrangements (including margin loans) attached to their personal holdings of shares. This information is reported to the Board.

The Group has instituted prohibitions on employees from using derivatives or entering into transactions that operate, or are intended to operate, to limit the economic risk of security holdings over unvested performance shares issued under the Group's long term incentive scheme.

8. COMMUNICATION AND ENVIRONMENT

8.1 Continuous Disclosure Policy

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's shares, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure Policy operates as follows:

- the Chairman, Managing Director, Director Finance & Accounting and Company Secretary are responsible for interpreting the Continuous Disclosure Policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered and all senior executives must follow a set process, which involves monitoring all areas of the Group's internal and external environment. The Company considers it has complied with all of its continuous disclosure obligations;
- the Annual Report is distributed to all shareholders who have requested to receive a copy. The Board ensures that the Annual Report contains disclosures required by the *Corporations Act 2001* and the ASX Listing Rules;



8.1 Continuous Disclosure Policy (continued)

- the full texts of notices of meetings and associated explanatory material are placed on the Company's website;
- the Chairman's address is presented at the Annual General Meeting and subsequently distributed by mail to all shareholders;
- the half year report contains summarised financial information and a review of the operations of the Group during the period. The report is sent to all shareholders (unless a shareholder has specifically requested not to receive the document); and
- notification is made to the ASX of any other significant matters regarding the Group in accordance with the ASX Listing Rules.

All of the above information, including that of the previous three years, is made available on the Group's website within one day of public release.

8.2 Shareholders and the Annual General Meeting

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to shareholders as single resolutions and in plain English. Shareholders are requested to vote on the appointment and maximum aggregate amount of fees that may be paid to all non-executive directors, the granting of performance shares to the Managing Director and changes to the Constitution.

The external auditor attends the Annual General Meeting to answer shareholder questions about the conduct of the audit and the preparation and content of the Independent Audit Report. The meeting is held in Sydney and shareholders can attend in person or send a proxy as their representative. Unless indisposed, all current directors and senior executives attend the meeting, along with the external auditor.

A copy of the Constitution is available to any shareholder who requests it.

8.3 Environmental Reporting Systems

The Group's operations are subject to various environmental regulations under Commonwealth, State or Territory and other applicable legislation.

The Group has an established environmental reporting system for its environmentally sensitive businesses, which monitors compliance with existing environmental regulations and new regulations as they are enacted. The recreational and other ancillary activities conducted by those businesses are subject to various licences and legislation issued under environmental laws that apply in each respective location. The Board has a responsibility to ensure that robust systems are in place to manage the assets in a sustainable and responsible manner and to ensure that the activities of each business are conducted in compliance with legislation.



8.3 Environmental Reporting Systems (continued)

The reporting system is documented in a legal compliance manual and includes procedures to be followed should an incident occur which may adversely impact the environment. The directors are not aware of breaches of any applicable legislation during the year, which are material in nature and have no reason to believe that any possible legal or remedial action would result in a material cost or loss to the Group.

9. DIRECTORS' QUALIFICATIONS AND ATTENDANCE AT MEETINGS

9.1 Directors' Qualifications, experience and independent status

Alan Rydge

Age 57. Non-executive Chairman, Board member since 1978, Chairman of Directors since 1980, Audit Committee member and Nomination and Remuneration Committee member.

Experience

A company director with 30-plus years experience in the film, hospitality, leisure and tourism industries. Joined the Greater Union group in 1971 and was formerly the Group Managing Director.

Directorships

Mr Rydge is also a director of the listed company, Carlton Investments Limited (appointed 1980, chairman since 1980). In addition, Mr Rydge is chairman of Alphoeb Pty Limited and Enbear Pty Limited.

Anthony Clark AM, FCA, FAICD

Age 70. Independent non-executive director, Board member since 1998, Audit Committee member and Nomination and Remuneration Committee member.

Mr Clark is chairman of the Audit Committee and Nomination and Remuneration Committee and is the lead independent director.

Experience

A company director with 40-plus years accounting, audit, consulting and finance related experience. Mr Clark previously practised as a Chartered Accountant.

Directorships

Directorships of other listed companies, held during the last three years, include:

- Carlton Investments Limited (appointed 2000);
- Cumnock Coal Limited (appointed director and chairman 2001 and resigned 2007);
- Ramsay Health Care Limited (appointed 1998); and
- Telstra Corporation Limited (appointed 1996 and resigned 2005).

In addition, Mr Clark was previously the deputy chairman of Tourism Australia (resigned December 2006).



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

Peter Coates AO

Age 63. Independent non-executive Director and Board member appointed 10 July 2009.

Experience

A company director with 40-plus years' senior executive experience in the mining and commodities industries. Mr Coates' experience includes exposure to domestic and international business practices, mergers and acquisitions and the development of industry leading workplace reporting and governance standards for numerous joint venture partnerships and companies listed in Australia and the United Kingdom. Former non-executive chairman of Xstrata Australia Pty Limited and chief executive of Xstrata Coal.

Directorships

Directorships of other listed companies, held during the last three years, include:

- Downer EDI Limited (appointed 30 October 2008);
- Minara Resources Limited (appointed 1 April 2008 and chairman on 9 May 2008); and
- Santos Limited (appointed 18 March 2008 and deputy chairman 10 December 2008).

Mr Coates was past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association and member of the APEC 2007 Business Consultative Group, the Prime Minister's Emission Trading Task Group and NSW Minerals Ministerial Advisory Council. Mr Coates is currently a member of the Business Council of Australia.

Thomas Ford FAICD

Age 70. Independent non-executive director and Board member since 1993.

Experience

A company director and Investment Banker with 40-plus years of banking and finance related experience. Previous directorships include Resolute Mining Limited and Australian Pipeline Trust.

Directorships

Directorships of other listed companies, held during the last three years, include:

- Resolute Mining Limited (appointed 2001); and
- Australian Pipeline Trust (appointed 1999 and resigned 2004).

In addition, Mr Ford is a director of Australian Jockey Club Limited and chairman of Resimac Limited.



Robert Graham *BE Sydney, MBA Harvard, FAICD*

Age 72. Independent non-executive director, Board member since 1990, Audit Committee member and Nomination and Remuneration Committee member.

Experience

A company director with 40-plus years experience as a management consultant and senior executive. Former group general manager and director of Consolidated Press Holdings Limited and managing director of Samuel Taylor.

Directorships

Mr Graham was a former director of the Australian Institute of Company Directors (1998 - 2001).

Meredith Hellicar *BA, LLM (Hons), FAICD*

Age 55. Ms Hellicar resigned as a director on 23 April 2009. Prior to resignation, Ms Hellicar held the position of independent non-executive director and Board member having been appointed in September 2003.

Experience

A company director with 20-plus years senior executive experience in the telecommunications, resources, logistics, legal services and financial services sectors. Former managing director TNT Logistics Asia, chief executive officer of Corrs Chambers Westgarth and managing director of InTech Financial Services Limited. Previous directorships include Southern Cross Airports Group, HLA Envirosiences, AurionGold Limited, NSW Treasury Corporation, HCS Limited and the NSW Environment Protection Authority.

Directorships

Directorships of other listed companies, held during the last three years, include:

- AMP Limited (appointed 2003 and resigned April 2009); and
- James Hardie Industries NV (appointed 2001 and resigned 2007).

In addition, Ms Hellicar held was a director of the Garvan Institute Foundation (resigned April 2009).

Richard Newton *BBus (Marketing), FAICD*

Age 49. Independent non-executive director and Board member since 2008.

Experience

A company director with 20-plus years senior executive experience in property investment and development, specifically in hotel operations.

Directorships

Mr Newton held the following positions during the year:

- chairman of Capricorn Village Joint Venture, WA;
 - director of Carlton Football Club;
 - director of Mobileworld Communications Pty Limited (Crazy John's); and
 - director of Selpam (Australia) Pty Limited (managing director appointed May 1990 and resigned November 2007 and appointed chairman December 2007) and a director of various companies wholly owned by Selpam (Australia) Pty Limited.
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AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

David Seargeant

Age 59. Managing Director, Board member since 2001 and appointed Managing Director in January 2002.

Experience

Managing Director with 30-plus years experience in the hospitality and leisure industries. Former managing director of Rydges Hotels group (1988 - 2002) and the Greater Union group (2000 - 2002).

Directorships

Mr Seargeant held the following directorships during the year:

- director of Tourism Training Australia; and
- director of Atlab Holdings Pty Limited (resigned September 2008).

Explanation of Abbreviations and Degrees: **AM** Member in the Order of Australia; **AO** Officer in the Order of Australia; **BA** Bachelor of Arts; **BBus (Marketing)** Bachelor of Business (Marketing); **BE Sydney** Bachelor of Engineering, The University of Sydney; **Dip Law (Syd)** Diploma of Law, The University of Sydney; **FAIB** Fellow of The Australian Institute of Bankers; **FAICD** Fellow of The Australian Institute of Company Directors; **FCA** Fellow of The Institute of Chartered Accountants in Australia; **LLM (Hons)** Master of Laws (Honours); and **MBA Harvard** Master of Business Administration, Harvard University.

9.2 DIRECTORS' ATTENDANCE AT MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

	Directors' meetings		Audit Committee meetings		Nomination and Remuneration Committee meetings	
	Entitled to attend	Attended	Entitled to attend	Attended	Entitled to attend	Attended
AG Rydge	11	11	4	4	4	4
AJ Clark	11	11	4	4	4	4
PR Coates ^(a)	–	–	–	–	–	–
TC Ford	11	11	–	–	–	–
RM Graham	11	11	4	4	4	4
RG Newton	11	11	–	–	–	–
M Hellicar ^(b)	9	8	–	–	–	–
DC Seargeant ^(c)	11	11	4	4	3	3

(a) PR Coates was appointed 10 July 2009.

(b) M Hellicar resigned 23 April 2009.

(c) Attended Committee meetings by invitation.

During the financial year, Directors also visited various sites to improve their understanding of the Group's site locations and operations.



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS		Reference	Comply
Recommendation 1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	3.1	Yes
Recommendation 1.2	Companies should disclose the process for evaluating the performance of senior executives.	6.2	Yes
Recommendation 1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.		
	Guide to reporting on Principle 1		
	The following material should be included in the corporate governance statement in the annual report:		
	<ul style="list-style-type: none">an explanation of any departure from Recommendations 1.1, 1.2 or 1.3	–	Not applicable
	<ul style="list-style-type: none">whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.	6.2	Yes
	A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section.	3.1	Yes
Recommendation 2.1	A majority of the board should be independent directors.	3.3, 9.1	Yes
Recommendation 2.2	The chair should be an independent director	3.5, 9.1	No
Recommendation 2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	3.3	Yes
Recommendation 2.4	The board should establish a nomination committee.	3.2	Yes
Recommendation 2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	6.1	Yes



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS		Reference	Comply
Recommendation 2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.		
	Guide to reporting on Principle 2		
	The following material should be included in the corporate governance statement in the annual report:		
	<ul style="list-style-type: none">the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report	3.3, 9.1	Yes
	<ul style="list-style-type: none">the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds	3.4, 9.1	Yes
	<ul style="list-style-type: none">the existence of any of the relationships affecting the independent status of a director and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships	3.4	Yes
	<ul style="list-style-type: none">a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company	3.8	Yes
	<ul style="list-style-type: none">the period of office held by each director in office at the date of the annual report	9.1	Yes
	<ul style="list-style-type: none">the names of members of the nomination committee and their attendance at meetings of the committee, or where a company does not have a nomination committee, how the functions of a nomination committee are carried out whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed	5.2, 9.2	Yes
	<ul style="list-style-type: none">an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.	3.3	Yes
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	<ul style="list-style-type: none">a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors	3.3	Yes
	<ul style="list-style-type: none">the charter of the nomination committee or a summary of the role, rights, responsibilities and membership requirements for that committee	5.2	Yes
	<ul style="list-style-type: none">the board's policy for the nomination and appointment of directors.	3.3	Yes



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS		Reference	Compliance
Recommendation 3.1	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none">the practices necessary to maintain confidence in the company's integritythe practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholdersthe responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	7.4, 7.5	Yes
Recommendation 3.2	<p>Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and discuss the policy or a summary of that policy.</p>	7.4, 7.7	Yes
Recommendation 3.3	<p>Companies should provide the information indicated in the Guide to reporting on Principle 3.</p> <p>Guide to reporting on Principle 3</p> <p>An explanation of any departure from Recommendations 3.1, 3.2 or 3.3 should be included in the corporate governance statement in the annual report.</p> <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none">any applicable code of conduct or a summarythe trading policy or a summary.	–	Not applicable
		7.4	Yes
		7.7	Yes
Recommendation 4.1	<p>The board should establish an audit committee.</p>	3.2, 4.1, 4.2	Yes
Recommendation 4.2	<ul style="list-style-type: none">The audit committee should be structured so that it:consists only of non-executive directorsconsists of a majority of independent directorsis chaired by an independent chair, who is not chair of the boardhas at least three members.	4.2	Yes
Recommendation 4.3	<p>The audit committee should have a formal charter.</p>	4.1	Yes



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS

		Reference	Compliance
Recommendation 4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.		
	Guide to reporting on Principle 4		
	The following material should be included in the corporate governance statement in the annual report:		
	<ul style="list-style-type: none">the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee, or, where a company does not have an audit committee, how the functions of an audit committee are carried out	4.2, 9.1, 9.2	Yes
	<ul style="list-style-type: none">the number of meetings of the audit committee	4.2, 9.2	Yes
	<ul style="list-style-type: none">explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4.	–	Not applicable
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	<ul style="list-style-type: none">the audit committee charter	4.1	Yes
	<ul style="list-style-type: none">information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.	4.1	Yes



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS		Reference	Compliance
Recommendation 5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	8.1	Yes
Recommendation 5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.		
	Guide to reporting on Principle 5 An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement in the annual report.	–	Not applicable
	The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available, ideally by posting them to the company's website in a clearly marked corporate governance section.	8.1	Yes
Recommendation 6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	8.1, 8.2	Yes
Recommendation 6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.		
	Guide to reporting on Principle 6 An explanation of any departure from Recommendations 6.1 or 6.2 should be included in the corporate governance statement in the annual report.	–	Not applicable
	The company should describe how it will communicate with its shareholders publicly, ideally by posting this information on the company's website in a clearly marked corporate governance section.	8.1, 8.2	Yes



AMALGAMATED HOLDINGS LIMITED
2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS		Reference	Compliance
Recommendation 7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	7.1	Yes
Recommendation 7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	3.1, 4.1, 7.1, 7.2, 7.3	Yes
Recommendation 7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	7.2	Yes
Recommendation 7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.		
	<p>Guide to reporting on Principle 7</p> <p>The following material should be included in the corporate governance statement in the annual report:</p> <ul style="list-style-type: none"> • explanation of any departures from Recommendations 7.1, 7.2 7.3 or 7.4 • whether the board has received the report from management under Recommendation 7.2 • whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3. <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> • a summary of the company's policies on risk oversight and management of material business risks. 	– 7.1 7.2 7.1	Not applicable Yes Yes Yes



AMALGAMATED HOLDINGS LIMITED

2009 CORPORATE GOVERNANCE STATEMENT

10. RECOMMENDATIONS		Reference	Compliance
Recommendation 8.1	The board should establish a remuneration committee.	3.2, 5.1, 5.2	Yes
Recommendation 8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	6.1, 6.2	Yes
Recommendation 8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.		
	<p>Guide to reporting on Principle 8</p> <p>The following material or a clear cross-reference to the location of the material should be included in the corporate governance statement in the annual report:</p> <ul style="list-style-type: none"> the names of the members of the remuneration committee and their attendance at meetings of the committee, or where a company does not have a remuneration committee, how the functions of a remuneration committee are carried out the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors an explanation of any departures from Recommendations 8.1, 8.2 or 8.3. <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> the charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements for that committee a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes. <p>The company should describe how it will communicate with its shareholders publicly, ideally by posting this information on the company's website in a clearly marked corporate governance section.</p>	5.2, 9.1, 9.2 3.9, 6.1 –	Yes Yes Not applicable
		5.1 7.7	Yes Yes
		8.1, 82	Yes