NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Amalgamated Holdings Limited (the **"Company"**) will be held at the State Ballroom, State Theatre, 49 Market Street, Sydney, New South Wales on Friday 20 October 2006 at 10:00am (Sydney time).

ORDINARY BUSINESS

Annual Report

1. To receive and consider the financial statements of the Company and its controlled entities (collectively the "**Group**") and the reports and declarations of the directors and of the auditor for the year ended 30 June 2006.

Remuneration Report

2. To adopt the remuneration report for the year ended 30 June 2006.

   Note – the vote on this resolution is advisory only and does not bind the directors or the Company.

Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

3. "That Mr. Thomas C Ford being a director who retires by rotation, in accordance with rule 63 of the Constitution, and being eligible, is re-elected as a director of the Company."

4. "That Ms. Meredith Hellicar being a director who retires by rotation, in accordance with rule 63 of the Constitution, and being eligible, is re-elected as a director of the Company."

SPECIAL BUSINESS

To Amend the Constitution to Renew the Proportional Takeover Provisions for a Further Three Years

5. To consider and, if thought fit, pass the following resolution as a special resolution:

   "That the Constitution of the Company is amended in the manner as set out in the Explanatory Notes to the Notice of Meeting, such that Clause 109 of the Constitution is renewed with effect from 23 October 2006 for a period of 3 years."

Approval and Adoption of the Amalgamated Holdings Limited Executive Performance Share Plan and Executive Performance Share Plan Trust Deeds

Resolutions 6 and 7 deal with the adoption of the Executive Performance Share Plan and the award of shares to Mr. David C Seargeant, an executive who is also a director of the Company.

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

   "That the Executive Performance Share Plan and Executive Performance Share Plan Trust Deeds, copies of which are submitted to the meeting and signed by the Chairman for the purpose of identification and the material terms of which are summarised in the Explanatory Notes to the Notice of Meeting, be approved and adopted."

Award of Shares to the Executive Director under the Executive Performance Share Plan

7. Subject to resolution 6 being passed, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the shareholders approve for all purposes, including ASX Listing Rule 10.14, the award of up to 100,000 fully paid ordinary shares in the Company to the Managing Director, Mr. David C Seargeant, such shares to be awarded pursuant to the Amalgamated Holdings Limited Executive Performance Share Plan, details of which are set out in the Explanatory Notes to the Notice of Meeting."

Voting exclusion statement:
As required by the ASX Listing Rules, the Company will disregard any votes cast on resolution 7 by Mr. Seargeant and any associate of Mr. Seargeant. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board:

Greg Dean

GREG DEAN
Company Secretary
Sydney, 15 September 2006

EXPLANATORY NOTES

ORDINARY BUSINESS

ITEM 1 – ANNUAL REPORT

The *Corporations Act 2001* requires that the reports of the directors and the auditor and the financial statements of the Company (together, the "**Annual Report**") be laid before the Annual General Meeting. The *Corporations Act 2001* does not requires a vote of shareholders at the Annual General Meeting on such reports or statements.

Shareholders will be given the opportunity to ask questions of the Board of directors and the auditor in relation to the Annual Report at the Annual General Meeting.

ITEM 2 – REMUNERATION REPORT

The remuneration report is set out on pages 30 to 37 of the 2006 Annual Report. It is also available on the Company's internet site (**www.ahl.com.au**). The report:

> explains the structure of, and rationale behind the Group's remuneration practices and the link between the remuneration of senior executives and the Group's performance;

> sets out remuneration details for each director of the Company and for each member of the Group's senior executive team during the year; and

> makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including the executive director.

A reasonable opportunity will be provided for discussion regarding the remuneration report at the meeting.

The vote on the remuneration report is advisory only, and does not bind the directors or the Company. Nevertheless, the Nomination and Remuneration Committee will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company and Group.

ITEMS 3 AND 4 – RE-ELECTION OF DIRECTORS

Mr. Thomas C Ford

Mr. Thomas C Ford, a non-executive director, retires by rotation in accordance with the Constitution. Rule 63 of the Constitution states that no director (except the Managing Director) shall remain in office for a period in excess of three years without being submitted for re-election. A profile of Mr. Ford is included in the 2006 Annual Report.

Ms. Meredith Hellicar

Ms. Meredith Hellicar, a non-executive director, retires by rotation in accordance with the Constitution. Rule 63 of the Constitution states that no director (except the Managing Director) shall remain in office for a period in excess of three years without being submitted for re-election. A profile of Ms. Hellicar is included in the 2006 Annual Report.

The Board has reviewed the performance of Mr. Ford and Ms. Hellicar and confirmed its support of their re-election as directors of the Company.

ITEM 5 – TAKEOVER APPROVAL PROVISIONS

At a general meeting of the Company held on 28 November 1991, Clause 109 of the Company's Constitution was adopted, in its original form, by shareholders of the Company. Clause 109 was subsequently amended and renewed for further successive three-year periods at general meetings of the Company held on 17 November 1994, 20 November 1997, 16 November 2000 and again on 23 October 2003.

The provisions prohibit the registration of transfers of shares acquired under a proportional takeover bid unless a resolution is passed by shareholders approving the bid. As provided in Clause 109, the provisions cease to have effect on the third anniversary of their last renewal unless renewed. Accordingly, it is appropriate to consider renewing the takeover approval provisions by reinserting Clause 109, in the form attached, in the Constitution of the Company at the forthcoming Annual General Meeting.

What is a proportional takeover bid?

A proportional takeover bid is one in which a bidder offers to buy only a proportion of each shareholder's shares in the target company. This can result in control being transferred to the bidder without shareholders having the chance to sell all their shares. It also means a bidder can obtain control of a company without paying appropriate consideration for gaining such control.

To deal with this possibility, the *Corporations Act 2001* permits a company to require its shareholders to consider a resolution to approve a proportional takeover bid before the bid is accepted, by setting out appropriate provisions in its constitution. The Company wishes to renew existing provisions in its Constitution for the reasons set out in these explanatory notes.

Effect of the provisions

If Clause 109 is renewed and a proportional takeover bid is subsequently made for a class of shares in the Company, the directors will be required to convene a general meeting of shareholders in that class to vote on a resolution to approve the proportional takeover bid or to conduct a postal ballot to approve the proportional takeover bid. The resolution must be passed more than 14 days before the last day of the bid period. The bidder and any of its associates will be excluded from voting.

If the resolution is rejected by shareholders, then the bid will be deemed to be withdrawn and registration of any transfer of shares resulting from the proportional bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with the other provisions of the Company's Constitution.

If no resolution is voted on by the 14th day before the last day of the bid period, then the resolution approving the proportional bid will be deemed to have been approved.

If renewed, Clause 109 will expire after three years, unless further renewed by shareholders by a special resolution.

Reasons for proposing resolution

The *Corporations Act* 2001 permits the inclusion and renewal of proportional takeover approval provisions in a company's constitution.

The directors consider that shareholders should continue to have the opportunity to vote on a proposed proportional takeover bid. Without the provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without shareholders having the opportunity to dispose of all their shares or dispose their shares for an adequate control premium. The provisions give shareholders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed individual shareholders can make a separate decision as to whether they wish to accept the offer for their shares.

Present acquisition proposals

As at the date of this explanatory statement, none of the directors is aware of a proposal by a person to acquire or to increase the extent of a substantial interest in the Company.

Review of the advantages and disadvantages of the proportional takeover approval provisions during the period they have been in effect

During the period since 28 November 1991, in which proportional takeover provisions such as Clause 109 has been in effect, there have been no proportional takeover bids made for the Company and the clause has therefore not been activated.

Potential advantages and disadvantages

The provisions of Clause 109 enable the directors to ascertain the views of shareholders on a proportional takeover bid. Apart from this, there is no specific advantage or disadvantage for directors, as directors, in renewing the proportional takeover approval provisions.

The potential advantages of the proportional takeover provisions for shareholders of the Company are:

> the provisions ensure that all shareholders (other than the bidder and its associates) will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed;

> the requirement for shareholder approval should ensure that the terms of any future proportional bids are structured to be attractive to a majority of independent shareholders;

> the provisions may help shareholders avoid being locked in as a minority; and

> knowing the view of the majority of shareholders may help individual shareholders assess the likely outcome of a proportional takeover bid and to decide whether to accept or reject that offer.

The potential disadvantages of the proportional takeover provisions for shareholders of the Company are:

> the takeover approval provisions may make a proportional takeover bid more difficult to achieve and therefore proportional bids may be discouraged;

> this in turn may reduce opportunities which shareholders may have to sell some of their shares at an attractive price to persons securing control of the Company and may reduce an element of takeover speculation from the Company's share price; and

> the provisions arguably constitute an additional restriction on the ability of shareholders to deal freely with their shares.

The directors consider the potential advantages for shareholders outweigh the potential disadvantages and that renewal of Clause 109 as proposed in the resolution is in the best interests of shareholders.

The directors recommend that you vote in favour of the resolution.

The provisions of Clause 109 to be renewed are as set out below:

"Takeover approval provisions"

109.1 Notwithstanding the provision of Clauses 21 and 22 but only to the extent permitted by the SCH Business Rules, the registration of any transfer of shares giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid in accordance with the Law is prohibited unless and until an approving resolution to approve that takeover bid is passed, or taken to be passed in accordance with Clause 109.2 to 109.8.

109.2 If offers in respect of shares in the Company have been made under a proportional takeover bid in accordance with the Law, the directors must ensure that an approving resolution to approve the takeover bid is voted on in accordance with this Clause 109 before the approving resolution deadline, being the day that is the fourteenth day before the last day of the bid period.

109.3 The directors may determine whether the approving resolution is voted on:

(a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of Clauses 109.4 to 109.6 as if it was a general meeting of the Company convened and conducted in accordance with this Constitution and the Law with such modifications as the directors determine the circumstances require; or

(b) by means of a postal ballot conducted in accordance with the following procedure:

(i) a notice of postal ballot paper must be sent to all persons holding shares included in the class of shares in respect of which offers under the proportional takeover bid are made not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the directors determine the circumstances require.

(ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot.

(iii) the notice of postal ballot must contain the text of the proposed approving resolution and the date for closing of the ballot and may contain any other information the directors consider appropriate.

(iv) each ballot paper must specify the name of the person entitled to vote.

(v) a postal ballot is only valid if the ballot paper is duly completed and:

(A) if the person entitled to vote is an individual, signed by the member or a duly authorised attorney; or

(B) if the person entitled to vote is a corporation, executed under seal, two directors or a director and secretary or under the hand of a duly authorised officer or duly authorised person.

(vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority (if any) under which the ballot paper is signed or a copy of that power or authority certified as a true copy by statutory declaration is or are received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the registered office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot.

(vii) a person may revoke a postal ballot vote by notice in writing to be received by the Company before the close of business on the date for closing of the postal ballot.

109.4 Subject to Clause 109.5, the only persons entitled to vote on the resolution are those persons who, as at the end of the day on which the first offer under the proportional takeover bid was made are registered in the books of the Company as the holder of shares in the class in respect of which the bid is made. Each person who is entitled to vote is entitled to one vote for each such share held by that person at that time.

109.5 The bidder or an associate of the bidder (as defined in the Law) under the proportional takeover bid is not entitled to vote on the approving resolution.

109.6 If the approving resolution is voted on in accordance with this Clause 109 then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50% and otherwise is taken to have been rejected.

109.7 If no approving resolution to approve a proportional takeover bid has been voted on as at the end of the approving resolution deadline, being the day before the day that is the fourteenth day before the last day of the bid period, then an approving resolution to approve the proportional takeover bid is taken to have been passed in accordance with this Clause 109.

109.8 Nothing in this Clause 109 authorises the Company to interfere with the takeover procedures under the SCH Business Rules.

109.9 This Clause 109 ceases to have effect on the day three years after the later of its adoption or last renewal."

ITEM 6 – APPROVAL AND ADOPTION OF THE AMALGAMATED HOLDINGS LIMITED EXECUTIVE PERFORMANCE SHARE PLAN AND EXECUTIVE PERFORMANCE SHARE PLAN TRUST DEEDS

Following a review of the Company's remuneration practices, the directors have resolved that the Company should cease to offer executive staff the opportunity to participate in the Management Share Option Plan (the **"Option Plan"**). The Option Plan was approved by shareholders on 16 November 1995. On the basis of professional advice, the directors have determined that a suitable equity plan should be established to replace the Option Plan as a long-term incentive for executive staff.

The Company proposes the establishment of the Amalgamated Holdings Limited Executive Performance Share Plan (the **"Plan"**). The Plan is designed to provide an incentive for executives to achieve above average performance over the medium to long-term in the Group's businesses, which will be reflected in higher Group earnings and growth rates. Under the proposed Plan the directors of the Company will be able to make an award of fully paid ordinary shares in the Company at no cost to the executives. The shares will remain in the possession of the trustee of the Plan pursuant to the provisions of the Amalgamated Holdings Limited Executive Performance Share Plan Trust Deeds (the **"Trust Deed"**) and will not vest in the executive until the performance criteria specified by the Board at the time of the award of the shares have been achieved. The criteria to apply to the initial award of shares is identified below in point 4.

The directors of the Company currently expect that they will make awards of shares under the Plan at intervals between one and three years. The directors will instruct the trustee of the Plan to subscribe for, or to buy the shares on the share market with monies provided by the Company. Until the shares are vested the executive will have certain limited entitlements in relation to those shares. The rules that apply to the award of shares are set out in the Plan.

Summary of the Amalgamated Holdings Limited Executive Performance Share Plan

The following is a summary of the major provisions of the rules of the Plan:

1. **Eligibility:** Executives, including the Managing Director and other executives of Amalgamated Holdings Limited and its subsidiary companies will be eligible to participate in the Plan as determined by the Board in its absolute discretion. No shares may be granted to any director of the Company without the express prior approval of Amalgamated Holdings Limited shareholders.

2. **Award:** The Board may from time to time, and in its absolute discretion, award shares to executives in accordance with the terms and conditions of the Plan, the Trust Deed and any applicable law. The shares will not vest with the executives unless and until the performance criteria specified by the Board at the time of the award of the shares are satisfied. The expected performance criteria for the initial award of shares are detailed below in paragraph 4. Until the performance criteria are satisfied the shares will be held by the trustee of Amalgamated Holdings Limited Executive Performance Share Plan Trust (the **"Trustee"**) and will be liable to be forfeited.

3. **Trustee:** The Board will from time to time instruct the Trustee to subscribe for, or purchase shares with money provided by the Company. The shares will be held by the Trustee until the shares have vested with the particular executive subsequent to satisfaction of the performance criteria and an application for release has been accepted by the Company.

4. **Performance Criteria:** The Board will stipulate in an award of shares to the executive the performance criteria (or the **"performance hurdles"**) that must be satisfied before the shares vest with the executive. It is the current intention of the Board that each award will be divided into equal portions with each portion being subject to a different performance hurdle. The performance hurdles will be based on earnings per share (**"EPS"**) and Total Shareholder Return (**"TSR"**) growth of Amalgamated Holdings Limited as determined by the Board over a three-year period (the **"Performance Period"**).

The extent to which the performance hurdles have been met will be assessed by the Board at the expiry of the Performance Period. The performance hurdles for the initial awards of performance shares to executives to be made in the financial year ended 30 June 2007 will be based on Amalgamated Holdings Limited's EPS and TSR growth over the Performance Period of the three years from 30 June 2006 (being the **"Base year"**) to 30 June 2009. The hurdles are as follows:

EPS hurdle

The EPS hurdle requires that the Group's EPS growth for the Performance Period must be greater than the target set by the Board. The EPS hurdle was chosen as it provides evidence of the Group's growth in earnings.

The hurdle is as follows:

(a) if annual compound EPS growth over the Performance Period is less than 8% no shares will vest with the executives;

(b) if annual compound EPS growth over the Performance Period is equal to 8%, but less than 12%, the proportion of performance shares vesting (and attaching to this performance hurdle) will be increased on a pro-rata basis between 50% and 100%; or

(c) if annual compound EPS growth over the Performance Period compared to the Base Year is equal to or greater than 12%, all of the performance shares awarded (and attaching to this performance hurdle) will vest with the executive.

TSR hurdle

The TSR hurdle requires that the growth in the Company's TSR must be at or above the median of the Company's comparator group. The comparator group is S&P/ASX 200 (excluding trusts, infrastructure groups and mining companies). Growth in TSR is defined as share price growth and dividends paid and reinvested on the ex-dividend date (adjusted for rights, bonus issues and any capital reconstructions) measured from the time of issue over the Performance Period.

The TSR performance hurdle was chosen as it is widely recognised as one of the best indicators of shareholder value creation. The comparator group for TSR purposes has been chosen as it represents the group with whom the Company competes for shareholders' capital.

The hurdle is as follows:

(a) if annual compound TSR growth over the Performance Period is less than the 51st percentile of the comparator group no shares will vest with the executives;

(b) if annual compound TSR growth over the Performance Period is equal to the 51st percentile of the comparator group but less than the 75th percentile of the comparator group, the proportion of performance shares vesting (and attaching to this performance hurdle) will be increased on a pro-rata basis between 50% and 100%; or

(c) if annual compound TSR growth over the Performance Period is equal to or greater than the 75th percentile of the comparator group, all of the performance shares awarded (and attaching to this performance hurdle) will vest with the executive.

The Board retains discretion to vary the performance hurdles and criteria.

5. **Satisfaction of Performance Criteria:** The Board must be satisfied in its absolute discretion that the performance criteria have been satisfied. Once it is and once it has issued the eligible executive with what is described as a vesting notice, the shares will vest in the executive and will be held by the Trustee on behalf of the executive pursuant to the terms of the Trust Deeds.

If the executive is an Australian resident for tax purposes, the vested shares will continue to be held by the Trustee for a period of up to 10 years subject to certain disposal restrictions unless and until the executive makes a successful application to the Board for the shares to be sold or transferred at the Board's direction.

If the executive is not an Australian resident for tax purposes the executive must give the Company a request for the vested shares to be sold or transferred at their direction. If the non resident executive does not give the Company an application for release, the Board at its absolute discretion may determine how the vested shares are to be sold, transferred or otherwise disposed of and may give the Trustee such direction as it determines to give effect thereto. The non-resident executive will be entitled to the net proceeds from the sale of any vested shares by the Trustee.

6. **Entitlements:** The eligible executive will be entitled to the following share entitlements immediately upon the award of the performance shares to them:

(a) income derived from the shares including dividends;

(b) the right to participate in any dividend reinvestment plan or bonus share plan operated by Amalgamated Holdings Limited in respect of all shares held on the executive's behalf;

(c) the right to receive notices of every general meeting of Amalgamated Holdings Limited and any documents which accompany such notice; and

(d) the right to direct the Trustee to vote on the executive's behalf (to the extent permitted by law) in respect of the executive's shares by way of written notice to the Trustee not less than 72 hours before any general meeting of Amalgamated Holdings Limited.

7. **Disposal Restrictions:** Once the Board determines that relevant performance criteria have been met and gives the executive a vesting notice, the vested shares of executives who are Australian residents for tax purposes will continue to be held by the Trustee until the earlier of:

(a) the date the executive ceases to be an employee of the Company or a related company;

(b) the date the Board, in its absolute discretion, approves an application by the executive for the vested shares to be sold by the Trustee or, transferred to the executive; or

(c) the 10th anniversary of the date the shares were awarded to the executive.

8. **Trustee may withhold:** In the event the Board in its absolute discretion approves an executive's application for release of shares, the Trustee may withhold a portion of the sale proceeds or the appropriate number of vested shares, whichever is applicable to satisfy all costs and charges incurred by the Trustee and all tax liabilities required to be withheld by it or a related company, including any taxes or other levies required to be withheld in relation to the vesting of an award or transfer of shares to the eligible executive under the Plan.

9. **Forfeiture:** Unless and until the shares vest with the executive on satisfaction of the performance criteria, the shares will be subject to certain forfeiture conditions. Unless otherwise determined by the Board, the executive will forfeit the shares if:

   (a) the Board determines the executive has committed any act of fraud or defalcation or gross misconduct in relation to the affairs of the Company or an associated company;

   (b) the conditions to which an award of shares is subject have not been satisfied within the relevant time period; or

   (c) the executive's employment with the Company or associated company is terminated.

   The Board may in its absolute discretion determine that any forfeited shares are to be sold, transferred or otherwise disposed of and may give the Trustee such directions as it determines to give effect thereto including how any proceeds from the sale of the forfeited shares are to be applied. An executive shall have no rights to the proceeds from any sale, disposal or dealing in the forfeited shares.

10. **Consideration:** An executive will not be required to make any payment whatsoever for any shares awarded.

11. **Termination:** The Plan may be terminated or suspended at any time by a resolution of the Board. The Board shall, in respect of any outstanding awards of shares, determine in its absolute discretion that either such awards shall lapse or performance criteria to which the shares are subject be varied on such terms as the Board may determine.

12. **Amendment:** The Plan may be amended by resolution of the Board, provided there is no reduction of rights of executives in respect of shares awarded under the Plan, except where the amendment is to:

   (a) comply with or conform to relevant present or future State, Territory or Commonwealth legislation;

   (b) correct a manifest error or mistake; or

   (c) enable the Company to comply with the *Corporations Act* 2001, the ASX Listing Rules or any other applicable law.

   The Plan allows for rules to be adopted that provide for the grant of awards on additional or modified terms in relation to participants in overseas jurisdictions to take account of local securities, exchange control or taxation laws or regulations or other applicable factors.

13. **Administration:** The Plan is administered by the Board.

14. **Maximum Shares:** The maximum number of shares awarded under the Plan is limited so that the total number of shares awarded under the Plan together with shares issued or allotted under any other employee incentive plan of the Company in any five year period must not exceed 5% of the shares of the Company.

   The 5% figure is the threshold which ASIC applies to prospectus relief for shares and options issued by a listed company under employee share and option plans.

15. **Non-resident executives:** The Plan applies both to Australian executives who receive salary or wages within the meaning of s136 of the *Fringe Benefits Tax Assessment Act 1986* (Cth)(**"resident executives"**) and to non-resident executives i.e. those executives who are, for taxation purposes, considered a resident of an overseas jurisdiction. The Board has an absolute discretion to award a non-resident executive rights rather than shares if it considers the award of shares has or may have an adverse consequence to the non-resident executive and/or to the Company.

Importance of Plan

The Plan enables the Company to grant shares to executives and senior managers of the Group, which vest upon the satisfaction of certain performance criteria. The Board considers the incentive to management under the Plan to be an important tool in attracting, motivating and retaining talented employees and executives.

For this reason, the directors are seeking shareholder approval of the Plan and the accompanying Trust Deeds. The Board intends that this Plan will replace the current Management Share Option Plan of the Company. Please note that no shares may be awarded to any director under the Plan without prior shareholder approval.

Copies of the Executive Performance Share Plan and Trust Deed are available upon request from the Company Secretary, at the Company's registered address at Level 10, 49 Market Street, Sydney NSW 2000

Each of the non-executive directors of the Company recommend this resolution to shareholders for the reasons set out in this explanatory statement.

ITEM 7 – ISSUE OF SHARES TO MR. DAVID SEARGEANT

The Amalgamated Holdings Limited Executive Performance Share Plan (the **"Plan"**) referred to in Resolution 6 is proposed to be adopted to provide an incentive for executives by awarding shares in the Company for no consideration, which vest with the particular executive once the agreed performance criteria have been met.

Any shares issued to directors require approval of shareholders under ASX Listing Rule 10.14 including shares issued under the Plan.

Only executive directors are eligible to participate in the Plan. The Company currently has one executive director – Mr. David Seargeant, Managing Director of the Company. The Board proposes that Mr. Seargeant participate in the Plan and be awarded shares up to the maximum number of shares identified in the resolution.

The performance criteria attaching to those shares will be the criteria set out in point 4 of the Explanatory Notes to Item 6 under the heading **Performance Criteria**. Details of Mr. Seargeant's remuneration for the year ended 30 June 2006 is included in the remuneration report of the annual report.

It is proposed Mr. Seargeant be awarded a total of up to 100,000 shares in accordance with the Plan. The Company shall award the shares no later than 19 October 2007.

Details of any shares awarded under the Plan to Mr. Seargeant will be published in each Company annual report, including the annual report that relates to the period in which awards have been made. That disclosure will be accompanied by a disclosure that such awards of shares were made pursuant to a meeting of shareholders in accordance with Australian Stock Exchange (**"ASX"**) Listing Rule 10.14.

No awards shall be made under the Plan to any other executive director or associate of the director until approval of such awards is made pursuant to a meeting of shareholders in accordance with ASX Listing Rule 10.14.

Each of the non-executive directors of the Company recommend this resolution to shareholders.

Pursuant to ASX Listing Rule 10.15.5 the Company will disregard any votes cast on Item 7 by Mr. Seargeant and any associate to Mr. Seargeant. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING ENTITLEMENTS

Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the Share Register at 7:00pm (Sydney time) on 18 October 2006. Accordingly, share transfers registered after that time will be disregarded in determining entitlement to attend and vote at the Annual General Meeting.

PROXIES

> A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company.

> A proxy may be an individual or body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

  > appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act 2001 (Cth); and

  > provides satisfactory evidence of the appointment of its corporate representative.

  If such evidence is not received at least 24 hours before the meeting, the body corporate (through its representative) will not be permitted to act as a proxy.

> On a poll, shareholders have one vote for every fully paid ordinary share held. On a show of hands, every person present and qualified to vote has one vote.

> Under the Corporations Act, if a shareholder appoints more than one proxy, neither proxy may vote on a show of hands, but both proxies will be entitled to vote on a poll.

> If a shareholder is entitled to cast two or more votes, they may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.. If it is desired to appoint two proxies, then an additional proxy form can be obtained from the share registry of the Company by telephoning 1300 855 080.

> A representative of a company attending the meeting must present satisfactory evidence of his or her appointment to attend on its behalf, unless previously lodged with the share registry of the Company.

The Proxy Form (see attached) (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a notarially certified copy of the authority) must be deposited at by the share registry of the Company, Computershare Investor Services Pty Limited, or by facsimile (03) 9473 2118, or the Company's Registered Office or by facsimile (02) 9373 6534 and must be received not later than 24 hours before the commencement of the meeting.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE MEETING

In accordance with the *Corporations Act 2001,* shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions about or to make comments on the management of the Group.

Similarly, a reasonable opportunity will be given to shareholders to ask the Group's external auditor, KPMG, questions relevant to:

(a) the conduct of the audit;

(b) the preparation and content of the Independent Audit Report;

(c) the accounting policies adopted by the Company and Group in relation to the preparation of its financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to KPMG if the questions are relevant to the content of the KPMG Independent Audit Report or the conduct of its audit of the Company or the Group's financial statements for the year ended 30 June 2006.

Relevant written questions for KPMG must be received no later than 5:00pm (Sydney time) on Friday 13 October 2006. A list of those relevant questions will be made available to shareholders attending the meeting. KPMG will either answer the questions at the meeting or table written answers at the meeting. If written answers are tabled, they will be made available to shareholders as soon as practicable after the meeting.

A question sheet has been provided to you with the material accompanying this Notice of Meeting. Please send any written questions for KPMG by no later than 5:00pm Sydney time on Friday 13 October to the Registered Office or Computershare at the addresses listed below.

AMALGAMATED HOLDINGS LIMITED
ABN 51 000 005 103
Registered Office
Level 10/49 Market Street
Sydney NSW 2000
Telephone: (02) 9373 6600
Facsimile: (02) 9373 6534

COMPUTERSHARE INVESTOR SERVICES PTY LIMITED
Level 2/60 Carrington Street
Sydney NSW 2000
GPO Box 242
Melbourne VIC 8060
Telephone: 1300 855 080
Facsimile: (03) 9473 2118

197GM11595

AHL AMALGAMATED HOLDINGS LIMITED
ABN 51 000 005 103

Proxy Form

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
VIC 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2118
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse) ☐

Securityholder Reference Number (SRN)

Appointment of Proxy

I/We being a member/s of Amalgamated Holdings Limited and entitled to attend and vote hereby appoint

☐ the Chairman of the Meeting (mark with an 'X') OR ☐

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Amalgamated Holdings Limited to be held at State Ballroom, State Theatre Basement, 49 Market Street Sydney NSW on 20 October 2006 at 10.00am and at any adjournment of that meeting.

Voting directions to your proxy - please mark X to indicate your directions

		For	Against	Abstain*
2	To adopt the remuneration report for year ended 30 June 2006	☐	☐	☐
3	To re-elect Mr Thomas C Ford as a Director	☐	☐	☐
4	To re-elect Ms Meredith Hellicar as a Director	☐	☐	☐
5	To amend the Constitution to renew the proportional takeover provisions for a further three years	☐	☐	☐
6	Approve and adopt the Executive Performance Share Plan and Executive Performance Share Plan Trust Deeds	☐	☐	☐
7	Approve the award of up to 100,000 fully paid ordinary shares to the Managing Director, Mr David C Seargeant	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name ____________ Contact Daytime Telephone ____________ Date / /

AHD 13PR

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How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at **www.computershare.com**.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 24 hours before the commencement of the meeting at 10.00am on 20 October 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON	Registered Office - State Theatre Building, Level 10 49 Market Street, Sydney NSW 2000 Australia
	Share Registry - Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000 Australia
BY MAIL	Registered Office - State Theatre Building, Level 10 49 Market Street, Sydney NSW 2000 Australia
	Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
BY FAX	61 3 9473 2118

AHL AMALGAMATED HOLDINGS LIMITED
ABN 51 000 005 103

QUESTIONS FROM SHAREHOLDERS

Your questions regarding matters relating to the Company or the Group that may be relevant to the 2006 Annual General Meeting are important to us. We invite you to use this form to submit any questions that you may have regarding the Annual General Meeting matters.

Please complete and return this form in the envelope provided along with the Proxy Form. Alternatively you can return the form via facsimile to the Registered Office on (02) 9373 6534. Please note that written questions for KPMG must be received no later than 5:00pm (Sydney time) on Friday 13 October 2006.

We will endeavour to address all questions of general interest to shareholders at the 2006 Annual General Meeting.

Shareholder's Name:

Address:

Shareholder Reference Number or Holder Identification Number:

Questions to Directors

All written questions to the Directors should be submitted no later than 24 hours before the commencement of the Annual General Meeting.

Questions to KPMG

All written questions to KPMG should be received no later than 5:00pm (Sydney time) on Friday 13 October 2006.

All Correspondence to:

AMALGAMATED HOLDINGS LIMITED
ABN 51 000 005 103
Registered Office
Level 10/49 Market Street
Sydney NSW 2000
Telephone: (02) 9373 6600
Facsimile: (02) 9373 6534

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