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Atlas Group Holdings Limited Employee Share Acquisition Plan Plan Rules

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Atlas Group Holdings Limited Employee Share Acquisition Plan Plan Rules

1 Introduction

1.1 Overview

The purpose of the Atlas Group Holdings Limited (**Company**) Employee Share Acquisition Plan is to increase employee incentive and motivation by providing employees with the opportunity to participate in a tax effective way in the growth of the Company.

1.2 Acquisition scheme

The Plan allows employees to participate, at the invitation of the Company, in a scheme for the acquisition of Shares in the Company. Shares provided under the Plan may be existing Shares or new Shares. In the case of existing Shares the Company may contribute all or part of the purchase price. In the case of issues of new Shares the Company may issue the Shares at a discount to the prevailing market price. The Plan will be conducted as a non-discriminatory employee share scheme open to all permanent full-time and part-time employees under which employees may elect to acquire Shares in the Company with a Market Value not exceeding \$1,000 each year (or such other amount as may be exempt from inclusion as assessable income). There is no tax payable on the acquisition of these Shares.

2 Definitions and interpretation

2.1 Definitions

In these Rules:

ASX means the Australian Stock Exchange Limited;

Board means the board of directors of the Company or a committee appointed by the Board;

Company means Atlas Group Holdings Limited ABN 22 098 674 545;

Employee means a person employed by a Group Company or other person the Board in its absolute discretion determines to be an Employee for the purposes of the Plan;

Group Company means each of:

- (a) the Company; and
- (b) the subsidiaries of the Company;

Holding Lock has the meaning given to the term "holding lock" in the Listing Rules;

Listing Rules means the official listing rules of the ASX from time to time in force as they apply to the Company;

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Market Value of Shares means the weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the day upon which the Market Value is to be determined;

Participant means an Employee who acquires Shares under the Plan;

Plan means the Atlas Group Holdings Limited Employee Share Acquisition Plan as set out in these Rules as altered or added to under Rule 9;

Restricted Share means a Share acquired under the Plan subject to restrictions under Rule 7;

Share means a fully paid ordinary share in the capital of the Company; and

Tax Act means the *Income Tax Assessment Act 1997* (Cth) incorporating by reference the *Income Tax Assessment Act 1936* (Cth).

2.2 Interpretation

In these Rules, headings are only for convenience and do not affect interpretation and, unless the context requires otherwise:

- (a) the singular number includes the plural and the other way around;
- (b) words of one gender include the other genders;
- (c) a reference to any legislation includes any amendment to that legislation, any consolidation or replacement of it, and any subordinate legislation made under it;
- (d) a reference to a provision in any legislation includes a reference to a provision in any amendment, consolidation or replacement of that legislation which, in the opinion of the Board, corresponds with the first mentioned provision;
- (e) an expression defined in section 9 of the *Corporations Act* has the same meaning as in that section;
- (f) if any provision in these Rules is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions is not affected or impaired; and
- (g) if the day on or by which something must be done is not a business day in the place where it must be done, it may be done on the next business day.

3 Eligibility

3.1 Basic eligibility requirements

Subject to Rule 3.2, a person is only eligible to acquire Shares under the Plan if he or she is:

- (a) an Employee at the date of allotment of those Shares; and
- (b) has satisfied the criteria the Board from time to time decides for participation in the Plan.

3.2 Changing eligibility status

The Board may change the eligibility status of any individual Employee or group of Employees for the purposes of this Plan.

3.3 Refusal

The Company reserves the right to refuse participation in the Plan in whole or in part for any particular Employee or group of Employees, even if the eligibility criteria and other steps have been satisfied for participation.

4 Invitation and application

4.1 Invitation

An invitation to participate in the Plan may:

- (a) be made by the Company at any time;
- (b) be in any form;
- (c) relate to a specified number or specified value of shares; and
- (d) be on any conditions (including performance conditions) or subject to any restrictions,

as the Board decides.

4.2 Maximum benefit permitted

The Market Value of Shares allocated under the Plan must not exceed \$1,000 (or such other amount as may be exempt from inclusion as assessable income), for each Employee in any given financial year.

4.3 Application

An application to join the Plan must be made in accordance with the instructions which accompany the invitation or in any other way the Board decides.

4.4 Personal nature

An invitation is not transferable and an Employee may only apply for the Shares in his or her name and not on behalf of another person.

4.5 Legal constraints

Despite any other Rule, the Board may exclude a person from acquiring Shares under the Plan if it appears to the Board that doing so would contravene these Rules, the Listing Rules or any law of a jurisdiction in which an Employee resides at the time of the issue of an invitation to participate in the Plan or would give rise to unreasonable regulatory requirements for the Company.

5 Allocations of Shares

5.1 Shares acquired by a Participant

- (a) Shares may be acquired by or on behalf of Participants by purchasing Shares on the ASX or by the Company issuing Shares.
- (b) Shares acquired by the Participant under the Plan will:

- (1) be ordinary shares;
- (2) be acquired as fully paid;
- (3) be registered on the register nominated by the Company;
- (4) rank equally with all existing Shares from the date of acquisition in respect of all rights issues, bonus share issues, dividends and other distributions to, or entitlements of, holders of existing Shares made or declared after acquisition; and
- (5) be subject to any restrictions or other conditions as determined by the Board.

5.2 Advice to Participants

Each Participant will be advised of the number of Shares that have been acquired by him or her.

5.3 Transaction costs

The Company is authorised, but not required to bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the acquisition of Shares under the Plan.

5.4 Listing

The Company must, at its expense, apply for official quotation on the ASX of any Shares acquired under the Plan which are not already quoted on the ASX within the time required by the Listing Rules.

6 Shares - Holding Lock

6.1 Restrictions

The Company may implement any procedure it considers appropriate to restrict the Participant from dealing with any Shares acquired by a Participant for as long as those Shares are Restricted Shares.

6.2 Holding Lock

Without limiting Rule 6.1, for as long as a Share is a Restricted Share, each Participant:

- (a) agrees that the share will be subject to a Holding Lock; and
- (b) undertakes not to request (or allow another person to request) removal of the Holding Lock.

7 Restriction on disposal of Shares

7.1 No disposal

A Participant must not dispose of any Shares acquired under the Plan while they are Restricted Shares.

7.2 Restriction Period

A Share acquired by a Participant under the Plan will be a Restricted Share until the earlier of:

- (a) the end of the period of 3 years (or any other period the Board decides, having regard to the taxation implications) commencing at the time the Participant acquires the Share; and
- (b) the time when the Participant ceases to be an Employee.

7.3 Takeovers

Notwithstanding other provisions of Rule 7, if a takeover bid is made or other formal scheme is proposed for the acquisition of some or all of the Shares a Participant may, if:

- (a) acceptance of the bid or scheme is recommended by the directors of the Company; and
- (b) the directors of the Company resolve to end the restriction on sale of the Shares under the Plan for the purpose of transfer to the bidder,

accept on such terms the Participant decides in respect of some or all of the Shares registered in his or her name.

8 Employees bound by rules

Employees who purchase Shares under the Plan are bound by these Rules.

9 Administration of the Plan

9.1 Board administration

The Board will administer the Plan.

9.2 Board powers

The Board may:

- (a) delegate to any person for the period and on the terms it decides the exercise of any of its powers or discretions under the Plan;
- (b) decide on appropriate procedures for administering the Plan, including the form of application forms and other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
- (d) subject to the Listing Rules and Rule 9.4, amend, add to or waive any provision of the Plan (including this Rule 9.2), or any restriction or other condition relating to any Shares allocated under the Plan; and
- (e) waive any breach of a provision of the Plan.

9.3 Non-residents of Australia

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Shares allocated under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to the employer of the Participant in relation to the Shares. Any additional rule must conform to the basic principles of the Plan.

9.4 Limitation on amendments

The Board must not make any amendment to the provisions of the Plan, or to any restriction or other condition relating to any Shares allocated under the Plan, which reduces the rights of Participants in respect of Shares allocated to them before the date of the amendment. However, this Rule 9.4 does not apply to an amendment made primarily:

- (a) to comply with present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
- (b) to correct any manifest error; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:
 - (1) adverse rulings from the Commissioner of Taxation;
 - (2) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

9.5 Board's Discretion

The Board has absolute and unfettered discretion:

- (a) to act or refrain from acting under these Rules or concerning the Plan or any Shares allocated under the Plan; and
- (b) in exercising any power or discretion concerning the Plan or any Shares allocated under the Plan.

10 Duties and taxes

The Company:

- (a) is not responsible for any duties or taxes which are or may become payable on the transfer, allotment or issue of Shares under the Plan or any other dealing with the Shares (except to the degree it accepts those costs in accordance with Rule 5.3); and
- (b) may make any withholding or payment which it is required by law to make in connection with the Plan or the Shares.

11 No compensation or damages

11.1 Terms of employment not affected

- (a) The rights and obligations of a Participant under the terms of his or her employment by a Group Company are not affected by his or her participation in the Plan.
- (b) These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Participant and his or her employer.

11.2 No right to compensation

No Participant has any right to compensation or damages as a result of the termination of his or her employment by a Group Company for any reason, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.

12 Maximum Number of Shares

12.1 Total maximum number of Shares

The aggregate number of:

- (a) Shares issued and for the time being subject to the terms of this Plan and each other employee incentive plan of the Company; and
- (b) unissued Shares to which options or performance rights granted and for the time being outstanding under any employee or executive incentive plan of the Company,

must not exceed 7.5% of the issued shares of all classes of the Company.

12.2 Individual's maximum number of Shares

The total number of Shares acquired by an Employee under this Plan or any other employee or executive share or option plan of the Company must not exceed 5% of the issued share capital of the Company.

13 Notices

A notice or other communication under or concerning the Plan is validly given:

- (a) by an employer to an Employee or Participant, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile at his or her place of work or sent electronically to the addressee's nominated email address; and
- (b) by an Employee or Participant to his or her employer if delivered or sent by prepaid post addressed to the company secretary at the employer's registered office (or any other address the Board specifies).

A notice or other communication sent by post from within Australia will be treated as received 48 hours after it was posted. A notice or other communication sent by post from outside Australia will be treated as received 7 days after it was posted.

14 Governing law

The Plan is governed by the laws of Victoria and the Commonwealth of Australia.