

Adopted by the Board on 12 May 2003

**Atlas Group Holdings Limited  
ABN 22 098 674 545  
Performance Right Plan Rules**

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## **1 Definitions and Interpretation**

### **1.1 Definitions**

**ASX** means the Australian Stock Exchange Limited;

**Board** means the board of directors of the Company or a duly authorised committee of the Board;

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

**Eligible Executive** means a person who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan;

**Group Company** means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan;

**Listing Rules** means the official Listing Rules of the ASX as they apply to the Company from time to time;

**Participant** means a person who holds Performance Rights or Performance Shares from time to time;

**Performance Right** or **PR** means an entitlement to a Performance Share subject to satisfaction of performance criteria (if any) and the corresponding obligation of the Company to provide the Performance Share, pursuant to a binding contract made by the Company and an Eligible Executive in the manner set out in these rules;

**Performance Share** means a Share issued following vesting of a PR;

**Plan** means the Atlas Group Performance Right Plan as set out in these rules, subject to any amendments or additions made under rule 8;

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

**Subsidiary** has the meaning given in section 9 of the Corporations Act;

**Takeover Bid** has the meaning given in section 9 of the Corporations Act;

**Trade** means any dealing with a PR or a Performance Share (as the case may be), including but not limited to, a sale, transfer, assignment, trust, encumbrance, option, swap, any alienation of all or any part of the rights attaching to the PR or Performance Share, and includes any attempt to so deal; and

**Vesting Condition** means one or more conditions (including, but not limited to, performance criteria) which must be satisfied or circumstances which must exist before a PR vests, as determined by the Board.

### **1.2 Interpretation**

In the Plan, the following rules apply unless a contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of the Plan unless the context requires otherwise;
- (b) any reference in the Plan to any enactment or the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) any words denoting the singular include the plural and words denoting the plural include the singular;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning.

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## **2 Grant of Performance Rights**

### **2.1 Grant**

- (a) The Board may, from time to time, in its absolute discretion and only where the Eligible Executive continues to satisfy any relevant conditions imposed by the Board (which may include without limitation that the Eligible Executive continues to be an employee of a Group Company at the relevant time) grant PRs to the Eligible Executive upon the terms set out in the Plan and upon such additional terms and Vesting Conditions as the Board determines (which may include granting PRs in tranches).
- (b) Unless the Board determines otherwise, no payment is required for the grant of a PR.
- (c) An Eligible Executive to whom PRs are granted is not eligible to participate in the Atlas Group Holdings Limited Employee Share Acquisition Plan.
- (d) PRs will not be granted to an Eligible Executive if immediately before the grant of the PRs the Eligible Executive holds a legal or beneficial interest in more than 5% of the issued Shares.

### **2.2 Information to be provided to Eligible Executives**

The Board will advise each Eligible Executive of the following minimum information regarding PRs:

- (a) the number of PRs being offered (each entitling its holder to one Performance Share upon vesting of that PR);
- (b) the period or periods during which PRs may vest;
- (c) the dates and times when PRs lapse;
- (d) any amount that will be payable upon vesting of a PR;
- (e) any applicable Vesting Conditions; and

- (f) any other relevant conditions to be attached to the PRs or the Performance Shares (including for example, any restrictions on transfer of the Performance Shares).

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### **3 Transfer of Performance Rights**

- (a) A PR granted under the Plan is only transferable:
- (1) with the consent of the Board; or
  - (2) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) Where the Participant purports to transfer a PR other than in accordance with rule 3(a) the PR immediately lapses.

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### **4 Vesting of PRs**

#### **4.1 Vesting pre-conditions**

- (a) Subject to rules 4.3, 6 and 10.3, a PR granted under the Plan will not vest unless the Vesting Conditions advised to the Participant by the Board pursuant to rule 2.2 have been satisfied.
- (b) The vesting of a PR will constitute satisfaction of the condition precedent to performance of the Company's obligation to provide a Performance Share to the Participant under that PR pursuant to rule 5.1.
- (c) The vesting of any PR granted under the Plan will be effected in the form and manner determined by the Board, and, if an amount is payable on vesting of the PR, will be accompanied by payment of the relevant amount advised to the Participant by the Board pursuant to rule 2.2.

#### **4.2 Lapse of a Performance Right**

An unvested PR will lapse upon the earliest to occur of:

- (a) the date specified by the Board for the purposes of rule 2.2(c);
- (b) the PR lapsing in accordance with a provision of this rule 4;
- (c) the PR lapsing in accordance with rule 3(b);
- (d) failure to meet the PR's Vesting Condition in the prescribed period; or
- (e) the 10 year anniversary of the date of grant of the PR.

#### **4.3 Cessation of Employment of a Participant**

- (a) If a Participant ceases to be an employee of a Group Company before a PR has vested by reason of his or her death, disability, or other reason with the approval of the Board and at that time the Participant continues to satisfy any other relevant conditions imposed by the Board at the time of grant, all

PRs granted to the Participant will vest immediately, unless the Board determines otherwise.

- (b) If a Participant ceases to be an employee of a Group Company before a PR has vested by reason of resignation or bona fide redundancy, and at that time the Participant continues to satisfy any other relevant conditions imposed by the Board at the time of grant, the Board may determine the extent to which PRs granted to the Participant will vest (if any) where, in the Board's absolute discretion, pro rata performance is in line with the Vesting Condition applicable to those PRs over the period from the date of grant to the date of cessation of the Participant's employment.

#### **4.4 Ceasing to satisfy relevant conditions**

If the Participant ceases to be an employee of a Group Company for any reason other than one set out in rule 4.3 or ceases to satisfy any other relevant conditions imposed by the Board at the time of grant, all PRs held by the Participant will lapse.

#### **4.5 When employment ceases**

For the purposes of this Plan, a Participant will not be treated as ceasing to be an employee of a Group Company until such time as the Participant is no longer an employee of any Group Company. A Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a PR under the Plan will be treated for those purposes as not having ceased to be such an employee.

#### **4.6 Fraudulent or dishonest actions**

- (a) If, in the opinion of the Board, a Participant:
- (1) acts fraudulently or dishonestly; or
  - (2) is in breach of his or her obligations to any Group Company,
- then the Board may:
- (3) deem any unvested PRs of the Participant to have lapsed; and/or
  - (4) deem all or any Performance Shares held by the Participant to be forfeited – in which event the Participant is deemed to have agreed to sell his or her shares to the Company pursuant to an Employee Share Scheme Buy-Back (as defined in the Corporations Act) for no consideration or to other arrangements which will quarantine the Performance Shares until such time as the Company may buy-back or cancel those shares; and/or
  - (5) where any Performance Shares have been sold by the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company.
- (b) If, in the opinion of the Board, a Participant's PRs vest as a result of the fraud, dishonesty or breach of obligations of another person and, in the opinion of the Board, the PRs would not otherwise have vested, the Board

may determine that the PRs have not vested and may, subject to applicable laws, determine:

- (1) where Performance Shares have not been issued upon the vesting of a PR, that the PRs have not vested and reset the Vesting Conditions applicable to the PRs;
- (2) where Performance Shares have vested, that the Performance Shares are forfeited by the Participant (as described in rule 4.6(a)(4)) and may, at the discretion of the Board, reissue any number of PRs to the Participant subject to new Vesting Conditions in place of the forfeited Performance Shares; or
- (3) any other treatment in relation to PRs or Performance Shares to ensure no unfair benefit is obtained by a Participant as a result of such actions of another person.

#### **4.7 Refund of monies paid on lapse of a Performance Right**

Unless rule 4.6 applies, where a PR lapses, the Company will repay the Participant the price paid for the grant (if any) of the PR.

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## **5 Issue of Performance Shares**

### **5.1 Vesting of Performance Right**

The grantor of the PR must issue to, or procure the transfer to, the Participant or his or her personal representative (as the case may be) the number of Performance Shares in respect of which PRs have vested, within 7 days after a PR vests.

### **5.2 Performance Share ranking**

Any shares issued under the Plan upon vesting of a PR will rank equally in all respects with other Shares for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their allotment.

### **5.3 Listing of Shares on ASX**

The Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

### **5.4 Transfer restrictions**

- (a) Subject to any restrictions on transfer or other conditions imposed by the Board and notified in accordance with rule 2.2, a Participant is not entitled to Trade in the Performance Shares without the prior consent of the Board until the earlier to occur of:
  - (1) 2 years after the date of issue of the Performance Share; and
  - (2) the date of the Participant ceasing employment with a Group Company.

- (b) The Company may implement any procedure it considers appropriate to restrict a Participant from Trading in Performance Shares in accordance with rule 5.4(a) including arranging for a holding lock to be placed on the Performance Shares.
- (c) The Board must provide the Participant with details of any restrictions in accordance with rule 2.2(f).

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## **6 Takeover, Scheme of Arrangement and Winding-up**

### **6.1 Takeovers**

- (a) In the event that a person or its related bodies corporate acquires a relevant interest in more than 50% of the Shares pursuant to a Takeover Bid, all PRs granted (or that the Company is contractually obligated to grant) to an Eligible Executive will vest unless the Board determines otherwise, in its absolute discretion.
- (b) Any PR which the Board determines in accordance with rule 6.1(a) does not vest will automatically lapse, unless the Board determines otherwise.

### **6.2 Compromise or arrangement**

Where:

- (a) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
  - (b) any person becomes bound or entitled to acquire shares in the Company under:
    - (1) section 414 of the Corporations Act; or
    - (2) Chapter 6A of the Corporations Act;
  - (c) the Company passes a resolution for voluntary winding up; or
  - (d) an order is made for the compulsory winding up of the Company,
- all PRs granted (or that the Company is contractually obligated to grant) to an Eligible Executive will vest unless the Board determines otherwise, in its absolute discretion.

If no determination is made or if the Board determines that some or all of a Participant's PRs do not vest, those PRs will automatically lapse.

### **6.3 Acquisition of shares in Acquiring Company**

If a company (Acquiring Company) obtains control of the Company as a result of:

- (a) a Takeover Bid; or

- (b) a proposed scheme of arrangement between the Company and its shareholders.

and the Company, the Acquiring Company and the Participant agree, a Participant may, upon vesting of PRs, be provided with shares of the Acquiring Company or its parent in lieu of Performance Shares, on substantially the same terms and subject to substantially the same conditions as the Performance Shares, but with appropriate adjustments to the number and kind of shares subject to the PRs, as well as to any amount payable upon the vesting of the PR.

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## 7 Bonus Issues, Rights Issues and Reconstruction

If:

- (a) shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits; or
- (b) any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected,

the number of PRs (or Performance Shares which are subject to restrictions under rule 5.4(a)) to which each Participant is entitled, or any amount payable on vesting of the PRs, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

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## 8 Limitation on Grants

No PR may be granted pursuant to this Plan if such grant would result in the aggregate of the number of:

- (a) unissued Shares over which PRs have been granted under the Plan and are for the time being outstanding; and
- (b) Shares issued and for the time being subject to, or restricted under, the terms of the Plan or any other employee or executive share or incentive scheme operated by the Company,

exceeding 10% of the aggregate number of Shares then on issue.

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## 9 Amendments

### 9.1 Power to amend

Subject to rule 9.2 and the Listing Rules, the Board may at any time by resolution amend or add to ("amend") all or any of the provisions of the Plan, or the terms or conditions of any PR granted under the Plan.

### 9.2 Restrictions on amendments

Without the consent of the Participant, no amendment may be made to the terms of any granted PR which reduces the rights of the Participant in respect of that PR, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.

### 9.3 Notice of amendment

As soon as reasonably practicable after making any amendment under rule 9.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

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## 10 Miscellaneous

### 10.1 Rights and obligations of Participant

The rights and obligations of any Eligible Executive under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. These rules will not form part of and are not incorporated into any contract of any Eligible Executive (whether or not they are an employee of a Group Company). No Participant will have any rights to compensation or damages in consequence of the termination of their office, employment or other contract with a Group Company for any reason whatsoever in so far as those rights arise or may arise from their ceasing to have rights under the Plan as a result of such termination.

### 10.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:

- (1) determine appropriate procedures for administration of the Plan consistent with these rules; and
  - (2) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any PRs under the Plan and in the exercise of any power or discretion under the Plan.

### **10.3 Waiver of terms and conditions**

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Vesting Condition) in relation to any PRs granted to any Participant.

### **10.4 Dispute or disagreement**

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any PRs granted under it, the decision of the Board is final and binding.

### **10.5 Non-Australian residents**

When a PR is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to any Group Company in relation to the PR.

### **10.6 Communication**

Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile, in the case of a company to its registered office, and in the case of an individual to the individual's last notified address, or, where a Participant is a director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment. Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission.

### **10.7 Laws governing Plan**

The Plan and any PRs issued under it are governed by the laws of Victoria and the Commonwealth of Australia.