



ATLAS GROUP HOLDINGS LIMITED
ACN 098 674 545

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Atlas Group Holdings Limited (the "Company") will be held in the Banking Chamber – Theatrette, 147 Collins Street, Melbourne Victoria, on Monday 20 November 2006 at 10:30am.

ITEMS OF BUSINESS

Financial Statements and Reports

To receive and consider the Financial Statements for the Company for the year ended 30 June 2006, together with the Directors' Report, the Independent Auditor's Report and the Remuneration Report as set out in the Annual Report which has been sent to members.

RESOLUTIONS TO BE CONSIDERED

Election of directors

1. Mr Richard Grellman retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
2. Mr Kym Godson retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
3. Mr Graeme Pettigrew was appointed as a director by the Board to fill a casual vacancy since the last meeting and being eligible, offers himself for election as a director.

Information regarding the candidates can be found in the accompanying Explanatory Notes.

Approval of Performance Rights Plan Rules and issue to Dr Martin Foreman, Managing Director and CEO

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

4. That the Atlas Performance Rights Plan ("PRP"), the principle terms of which are set out in the Explanatory Notes to this Notice of Meeting, the grant of performance rights to acquire shares in the Company and the issue, transfer or acquisition of shares under the PRP, is approved for all purposes including for the purposes of the *Corporations Act 2001* and so as to qualify as an exception to Rule 7.1 of the ASX Listing Rules.
5. That approval is given under Rule 10.14 of the ASX Listing Rules for the issue to or acquisition by Dr Martin Foreman of up to 450,000 performance rights under the Atlas Performance Rights Plan on the terms and conditions described in the Explanatory Notes to this Notice of Meeting.

A summary of the PRP rules and details of the proposed offer of performance rights to Dr Martin Foreman are set out in the accompanying Explanatory Notes.

A voting exclusion, the details of which are set out in the Explanatory Notes, applies to each of these resolutions.

Adoption of the Remuneration Report for the year ended 30 June 2006

To consider and put to a non-binding vote the following resolution:

6. That the Remuneration Report required by section 300A of the *Corporations Act 2001* as set out in the Directors' Report of the Company, for the year ended 30 June 2006 be adopted.

Details in relation to the remuneration resolution are set out in the accompanying Explanatory Notes.

BY ORDER OF THE BOARD

David Cleland

Company Secretary

27 September 2006

EXPLANATORY NOTES

Election of directors

The Company's Constitution and the ASX Listing Rules require that an election of directors be held each year and that each director be re-elected at least every three years. Casual vacancies which are filled during the year must also stand for election at the next meeting of the Company.

1. Re-election of Mr Richard Grellman

Mr Richard Grellman, FCA, is a non executive director. He was first elected as a director in February 2003.

Mr Grellman brings significant accounting and finance skills to the Company, having had 32 years experience in the accounting profession. He was a partner at KPMG from 1982 to 2000. In addition, he has extensive experience as Chairman of a number of boards including the Board and Council of the NSW Motor Accidents Authority, Trafalgar Corporate Group Limited, Cryosite Limited and the Board of Mission Australia. He is also a director of AMP Limited and the Chairman of the Company's Audit and Risk Committee as well as a member of the Company's Nominations & Remuneration Committee.

Your Board unanimously recommends you vote in favour of the re-election of Mr Grellman. The Chairman intends to vote undirected proxies in favour of the resolution.

2. Re-election of Mr Kym Godson

Mr Kym Godson, Dip Tech (Bus Admin), FAICD, FAIM, is a non executive director and founding director of the Company having been appointed in November 2001.

Mr Godson is an experienced public company director and has extensive experience in the management of industrial businesses, particularly within the steel industry. He was the Managing Director and CEO of the Company until his retirement in July 2005. Mr Godson was also the Managing Director of Atlas Steels Limited for five years until its takeover by Email Limited. During that period Atlas experienced strong growth and development. Prior to this he held general management roles within several different operations of the ACI/Acmil/PGH group.

Your Board unanimously recommends you vote in favour of the re-election of Mr Godson. The Chairman intends to vote undirected proxies in favour of the resolution.

3. Election of Mr Graeme Pettigrew

Mr Graeme Pettigrew, FPNA, FAIM, FAICD, is a non executive director.

Mr Pettigrew was appointed as a director by the Board on 24 April 2006 to fill a casual vacancy when Mr Wavish resigned to take up an executive role with Myer.

Mr Pettigrew is an experienced company director. A former Chief Executive Officer of CSR Building Products Pty Ltd, he has extensive experience in manufacturing, supply and distribution in the building products industry both in Australia and Asia. Previously he was the Managing Director of Chubb Australia Limited and Wormald Security Australia Pty Limited and involved in the manufacturing, contracting and service industries.

He has been appointed as a member of the Company's Audit and Risk Committee and the Company's Nominations & Remuneration Committee.

Your Board unanimously recommends you vote in favour of the election of Mr Pettigrew. The Chairman intends to vote undirected proxies in favour of the resolution.

Performance Rights Plan

4. Approval of Performance Rights Plan Rules

Shareholders are asked to re-approve the rules of the Performance Rights Plan ("PRP"). The PRP operates as the Company's long term incentive scheme for executive directors and senior executives. The rules of the PRP were last approved by shareholders on 12 May 2003 and no changes to the rules are proposed.

Although shareholder approval is not required to issue performance rights to senior executives, the Board is strongly committed to best practice corporate governance and therefore believes shareholders should be fully informed of, and have the opportunity to vote on, the Company's long term incentive arrangements with its senior executives. As such, shareholder approval is also sought for the issue of securities under the PRP for the purposes of and as an exception to Rule 7.1 of the ASX Listing Rules. As such, if shareholders approve Resolution 4, any shares which are issued under the PRP in the next three years will be disregarded in calculating the Company's share issue capacity under the 15% limit contained in Rule 7.1 of the ASX Listing Rules.

Copies of the PRP rules are available on the Company's website at www.atlasgroup.com.au or by contacting the Company Secretary on (03) 9272 9999 or by email to comsec@atlasmetals.com.au. A copy will also be tabled at the meeting and initialled by the Chairman for identification purposes.

Summary of Terms

Under the PRP rules, eligible executives identified by the Board from time to time may be granted performance rights on terms and conditions as determined by the Board. Participation of executive directors in the PRP is subject to shareholder approval under the ASX Listing Rules.

A performance right is an entitlement to a performance share subject to satisfaction of certain performance criteria as determined by the Board. A performance share ranks equally and has the same rights as the ordinary shares of the Company. The performance criteria applicable to the proposed offer of performance rights to Dr Martin Foreman are described below in the Explanatory Notes in relation to Resolution 5.

On satisfaction of the performance criteria the performance rights vest and the participant may elect to exercise the rights, usually by paying the exercise price. Upon exercise, the Company must issue the relevant shares to the participant or purchase the shares on market. The Company will apply for any shares issued to a participant to be listed on the ASX.

If the relevant performance conditions (as determined by the Board and set out in the letter of offer to the participant) are not satisfied within the time frame provided, usually 3 years, the performance right will lapse. In addition, the PRP rules provide that:

- a performance right is not transferable other than with the consent of the Board or by force of law (such as on death or bankruptcy of a participant). Where a participant purports to transfer a performance right other than in these circumstances, the performance right immediately lapses;
- where a participant ceases to be employed by the Company or a company within the group because of death or disability, all unvested performance rights immediately vest unless the Board determines otherwise;
- where a participant ceases to be employed by the Company or a company within the group because of resignation or redundancy prior to satisfaction of the performance conditions, any unvested performance rights may vest at the Board's discretion, having regard to the relevant performance criteria and in accordance with the rules;
- if a participant is found guilty of fraud or misconduct, the Board may determine that any performance rights held by the participant immediately lapse, that any performance shares held by the participant must be returned to the Company and, that if a participant has sold performance shares, the proceeds of sale are payable to the Company;
- in the event of a reorganisation of capital, a participant's performance rights may be adjusted, as set out in the PRP rules. The PRP rules also set out what will happen to the participant's entitlements in the case of a capital event (for example a takeover or scheme of arrangement) or if the Company conducts a rights issue or bonus issue. In general, participants will not receive any advantage or disadvantage from such an adjustment.

Previous Issues

The following shares have been allocated under the PRP since the PRP was last approved:

	2003	2004	2005
Executives	1,550,000	255,000	600,000
Directors	1,505,000	-	2,500,000
Lapsed	(3,055,000)	(75,000)	-
Total			3,280,000

Voting Exclusion Statement

The Company will disregard any votes cast on **ordinary resolution 4** by any executive director of the Company being Dr Martin Foreman and Mr Malcolm Mitchell, or any of their associates except where any such vote 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 where any such vote 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.

Your Board unanimously recommends you vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

5. Approval to issue 450,000 performance rights to Dr Martin Foreman, Managing Director and CEO, under the PRP

Shareholders are asked to approve the issue to or acquisition by Dr Martin Foreman of a maximum of 450,000 performance rights under the rules of the PRP. Under Rule 10.14 of the ASX Listing Rules, a director of a Company may only participate in an employee incentive scheme with the approval of ordinary shareholders.

Details of the PRP rules are discussed above in the Explanatory Notes for Resolution 4. Details of the proposed offer to Dr Foreman under these rules are discussed below. The performance rights which are proposed to be issued to Dr Foreman, will have substantially the same terms and conditions as previous issues of performance rights.

Performance Criteria

The PRP has been designed to align the remuneration received by executive directors and senior executives with the creation of shareholder wealth. Under the PRP rules, the Board has determined a relative Total Shareholder Return (TSR) as the performance criteria for the PRP and the offer to Dr Foreman. TSR measures the total return on investment of a share taking into account both capital appreciation of the share price and dividend income. In order to assess the performance hurdles for each issue, the TSR growth of the Company from the effective date of grant of each issue, in this case 1 July 2006, is compared to the TSR growth of all companies in the ASX Small Industrials Index and the Company's relative performance is determined. The Board is of the view that the use of a relative TSR based hurdle best aligns reward for executives with shareholder return.

The performance rights will be divided into three equal tranches with the first tranche being tested against the performance condition on or about 30 June 2007. The second and third tranches will be tested against the performance conditions on or about 30 June in 2008 and 2009 respectively. In each case the exact test date will be determined having regard to the administrative convenience of calculating the TSR on that date.

Vesting

Staggered vesting occurs if the Company is ranked at or above the 50th percentile as follows:

Company's TSR Ranking	Entitlement
0 – 49th percentile	Nil
50th – 60th percentile	50% of performance rights vest
61st – 70th percentile	65% of performance rights vest
71st – 80th percentile	75% of performance rights vest
81st – 90th percentile	90% of performance rights vest
91st - 100th percentile	100% of performance rights vest

Any performance rights which do not vest as a result of the relevant performance condition not being satisfied, will be re-tested at the time the next tranche is tested, against the performance condition applicable to that tranche. Any performance rights that remain unvested following the testing date related to the third anniversary of the issue will immediately lapse. Unvested performance rights may also lapse or vest if Dr Foreman ceases employment with the Company in the circumstances described in the Explanatory Notes for Resolution 4.

If a performance right vests, Dr Foreman may elect to exercise the right by paying the exercise price to the Company. Dr Foreman has up to 10 years from the date of grant of the performance rights to exercise the rights, provided he remains employed by the Company. If Dr Foreman ceases to be employed by the Company or a group company, all vested rights will lapse if not exercised within three months and any unvested rights will either lapse or vest as determined by the PRP rules and the Board as discussed above.

Price

The performance rights which the Company proposes to issue to Dr Foreman have an exercise price of \$0.70, being the volume weighted average price of the shares of the Company over the five trading days to and including 30 June 2006.

Issues since last approval

For the purposes of ASX Listing Rule 10.15, both Dr Foreman and Mr Mitchell are executive directors of the Company and therefore able to participate in the PRP. There is no loan in relation to the acquisition of the performance rights. Subject to shareholder approval, the performance rights will be issued to Dr Foreman immediately after the Annual General Meeting. Details of the total performance rights issued since the PRP rules were last approved are set out above in the Explanatory Notes to Resolution 4. The following performance rights have been issued under the PRP since the last approval under Rule 10.14 of the ASX Listing Rules (although at this stage none of the relevant performance hurdles have been met).

Date	Dr Martin Foreman	Exercise Price
23 November 2005	2,500,000	\$1.15

Your Board unanimously recommends you vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

Voting Exclusion Statement

The Company will disregard any votes cast on **ordinary resolution 5** by any executive director of the company being Dr Martin Foreman and Mr Malcolm Mitchell, or any of their associates except where any such vote 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 where any such vote 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.

Remuneration Report

6. Adoption of the Remuneration Report for the year ended 30 June 2006

The Annual Report for the year ended 30 June 2006 which has been sent to shareholders contains a Remuneration Report setting out the Company's remuneration policy and reports the remuneration arrangements in place for executive directors, non executive directors and senior executives. The Annual Report is also available on the Company's website at www.atlasgroup.com.au.

At the meeting there will be a reasonable opportunity for discussion of the Remuneration Report. The report includes:

- an explanation of the Board's policies in relation to the nature and level of remuneration of directors and executives;
- a discussion of the link between directors and executives' remuneration and the Company's performance;
- details of any element of the remuneration of directors and executives that is dependent upon the satisfaction of a performance condition; and
- details of the total remuneration (as well as a categorised break-down of its components) of each director of the Company and the senior executives of the Company and the group.

Your Board unanimously recommends you vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

VOTING INSTRUCTIONS

Members may vote at the Annual General Meeting by:

- Attending in person or appointing a proxy (for individuals and joint holders)
- Appointing a proxy or corporate representative (for companies)

Attending in Person

Please present the Proxy Form accompanying this Notice at the registration desk at the meeting to assist with registration.

Proxies

Pursuant to Section 249X of the Corporations Act, if you are entitled to attend and vote at the Annual General Meeting, you may appoint a proxy to vote on your behalf if you cannot attend in person. Your proxy does not have to be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

Individuals or companies who wish to appoint a proxy must use the Proxy Form accompanying this Notice and deposit it with Link Market Services, the Company's share registry by no later than 10:30am EST, Saturday 18 November 2006 via one of the methods set out in the Proxy Form. In the case of shares jointly held by two or more persons, all holders must sign the Proxy Form.

To be effective, an Appointment of Proxy Form and the original (or a certified copy) of the power of attorney or any other instrument under which it is signed, must be received by Link Market Services by 10:30am EST on Saturday 18 November 2006.

You may appoint the Chairman of the Meeting as your proxy by completing the Proxy Form.

Your appointed proxy/proxies should present a copy of the completed Proxy Form/s accompanying this Notice at the registration desk on the day of the meeting.

Corporate Representatives

A Company that has appointed a corporate representative to vote on its behalf at the meeting must either forward evidence of the appointment to the Company's share registry, Link Market Services, or present evidence of the appointment at the registration desk on the day of the meeting. A Company's appointed representative should also present a copy of the Proxy Form accompanying this Notice at the registration desk on the day of the meeting.

The Proxy Form is enclosed with this Notice.



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