

CR 2005/100A - Addendum - Income tax: Qantas Deferred Share Plan - 2004 Performance Share Plan Rules

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Addendum

Class Ruling

Income tax: Qantas Deferred Share Plan – 2004 Performance Share Plan Rules

This Addendum amends Class Ruling CR 2005/100 to reflect additional information provided in relation to procedures adopted under the Qantas Code of Conduct and Ethics.

CR 2005/100 is amended as follows:

1. Paragraph 9

Omit:

- Qantas Deferred Share Plan – 2004 Performance Share Plan Rules (DSP Rules); and
- Correspondence from Qantas Airways Limited dated 8 July 2005.

Substitute:

- Qantas Deferred Share Plan – 2004 Performance Share Plan Rules (DSP Rules);
- correspondence from Qantas Airways Limited dated 8 July 2005;
- Qantas Code of Conduct and Ethics; and
- correspondence from Qantas Airways Limited dated 19 June 2006 and 28 August 2006.

2. Paragraph 20

After the paragraph, insert:

20A. The applicant has advised that various procedures introduced since 2002 have been implemented under the Code of Conduct and Ethics – Insider Trading Policy. The procedures are intended to restrict the sale of Qantas securities by participating employees who are in possession of material, non-public information. Material, non-public information is information that could or would be likely to influence persons in deciding to buy or sell Qantas securities.

20B. Since 2002, a range of identified directors and executives (nominated employees) were required to provide written prior notice of intent to sell Qantas securities and make a statement that they were not at that time in possession of material, non-public information.

20C. From February 2006, a range of identified Qantas group finance staff (finance employees) are required to obtain approval to sell Qantas securities. Approval is subject to the non holding of material, non-public information.

20D. From July 2006, a revised process that applies to an expanded range of identified directors, executives and senior staff (expanded nominated employees) requires them to seek formal approval from the CEO (or his delegated nominee) to sell Qantas securities. The request for approval must state that at the time they do not believe they are in possession of material, non-public information.

3. Paragraph 35

Omit the second bullet point; substitute:

- the later of:
 - the time when the holding lock on any DSP share is removed by the Board;
 - the time when any additional disposal restrictions cease to have effect, that are in effect or imposed on participating employees who are nominated employees or finance employees, under the Qantas Code of Conduct and Ethics. This will only be the case where any additional disposal restrictions applied at the time the holding lock on any DSP share was removed by the Board:
 - from 1 July 2005 in respect of up to one-half of the DSP shares acquired;
 - in relation to participating employees who are nominated employees or finance employees; and
 - who, at that time, are in possession of material, non-public information;
 - the time when any additional disposal restrictions cease to have effect, that are in effect or imposed on participating employees who are finance employees or expanded nominated employees, under the Qantas Code of Conduct and Ethics. This will only be the case where any additional disposal restrictions

applied at the time the holding lock on any DSP share was removed by the Board:

- from 1 July 2006 in respect of up to one-half of the DSP shares acquired;
 - in relation to participating employees who are finance employees or expanded nominated employees; and
 - who, at that time, are in possession of material, non-public information; and
- the time when any forfeiture conditions cease to have effect;

4. Paragraph 63

(a) Omit the second bullet point; substitute:

- the later of:
 - the time when the holding lock on any DSP share is removed, where the Board on request by a participating employee, exercises its discretion in accordance with paragraph 18 of this Ruling;
 - the time when any additional disposal restrictions cease to have effect, that are in effect or imposed on participating employees who are nominated employees or finance employees, under the Qantas Code of Conduct and Ethics – Insider Trading Policy. This will only apply to additional restrictions imposed or in place at the time the 10 year holding lock on any DSP share is removed by the Board:
 - from 1 July 2005 in respect of up to one-half of the DSP shares acquired;
 - in relation to participating employees who are nominated employees or finance employees; and
 - who, at that time, are in possession of material, non-public information;
- the time when any additional disposal restrictions cease to have effect, that are in effect or imposed on participating employees who are finance employees or expanded nominated employees, under the Qantas Code of Conduct and Ethics – Insider Trading Policy. This will only apply to additional restrictions imposed or in place at the time the 10 year

holding lock on any DSP share is removed by the Board:

- from 1 July 2006 in respect of up to one-half of the DSP shares acquired;
 - in relation to participating employees who are finance employees or expanded nominated employees; and
 - who, at that time, are in possession of material, non-public information; and
- the time when any forfeiture condition ceases to have effect on a DSP share;

(b) After the paragraph, insert:

63A. Participating employees who are nominated employees, finance employees or expanded nominated employees, and who are not in possession of material, non-public information at the time of the removal of the holding lock on a DSP share by the Board and who subsequently acquire material non-public information at any time after the removal of the holding lock, will not be considered to be subject to additional disposal restrictions for the purposes of determining when a cessation time occurs under subsection 139CA(2).

This Addendum applies from the income year ended 30 June 2006.

Commissioner of Taxation

18 October 2006

ATO references

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