


CR 2005/98A - Addendum - Income tax: Qantas Deferred Share Plan - 2002 Performance Bonus Plan Rules

 This cover sheet is provided for information only. It does not form part of *CR 2005/98A - Addendum - Income tax: Qantas Deferred Share Plan - 2002 Performance Bonus Plan Rules*

 View the [consolidated version](#) for this notice.



Addendum

Class Ruling

Income tax: Qantas Deferred Share Plan – 2002 Performance Bonus Plan Rules

This Addendum amends Class Ruling CR 2005/98 to reflect additional information provided in relation to procedures adopted under the Qantas Code of Conduct and Ethics.

CR 2005/98 is amended as follows:

1. Paragraph 9

Omit:

- Qantas Deferred Share Plan – 2002 Performance Bonus Plan Rules (DSP Rules); and
- correspondence from Qantas Airways Limited dated 18 July 2005.

Substitute:

- Qantas Deferred Share Plan – 2002 Performance Bonus Plan Rules (DSP Rules);
- correspondence from Qantas Airways Limited dated 18 July 2005;
- Qantas Code of Conduct and Ethics; and
- correspondence from Qantas Airways Limited dated 19 June 2006 and 28 August 2006.

2. Paragraph 22

After the paragraph, insert:

22A. 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.

22B. Since 2002, a range of identified directors and executives (nominated employees) were required to provide prior written 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.

22C. 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.

22D. 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 44

After:

- the time when the holding lock period ceases to have effect; and

Insert:

- the time when any additional disposal restrictions cease to have effect, that are in effect or imposed on participating employees who are nominated employees, finance employees or expanded nominated employees, under the Qantas Code of Conduct and Ethics at the time the holding lock period expires, where those participating employees are, at that time, in possession of material, non-public information; and

4. Paragraph 45

Omit:

- the time the DSP right is exercised; or

Substitute:

- the time when any disposal restrictions on a DSP share (acquired on conversion by exercise of a DSP right) cease to have effect, that are in effect or imposed on participating employees who are nominated employees, finance employees or expanded nominated employees, under the Qantas Code of Conduct and Ethics at the time the DSP share is acquired, where those participating employees are, at that time, in possession of material, non-public information;

- if there are no disposal restrictions as outlined above, the time the DSP right is exercised; or

5. Paragraph 93

(a) After:

- the time when any restriction preventing disposal of the DSP share by the participating employee ceases (that is at the end of the holding lock period); and

Insert:

- the time when any additional disposal restrictions cease to have effect, that are in effect or imposed on participating employees who are nominated employees, 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 2 year holding lock period expires, in relation to participating employees who are nominated employees, finance employees or expanded nominated employees, and who, at that time are in possession of material, non-public information; and

(b) After the paragraph, insert:

93A. 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 expiry of the holding lock period and who subsequently acquire material non-public information at any time after the expiry of the holding lock period, 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).

6. Paragraph 94

Omit:

- the time when the participating employee exercises the DSP right; and

Substitute:

- the time when any disposal restrictions on a DSP share (acquired on conversion by exercise of a DSP right) cease to have effect, that are in effect or imposed on participating employees who are nominated employees, finance employees or expanded nominated employees, under the Qantas Code of Conduct and Ethics – Insider Trading Policy. This will only apply to restrictions imposed or in place at the

time the DSP share is acquired (on conversion by exercise of the DSP right), in relation to participating employees who are nominated employees, finance employees or expanded nominated employees, and who, at that time are in possession of material, non-public information;

- if there are no disposal restrictions that are in effect or imposed on participating employees who are nominated employees, finance employees or expanded nominated employees, under the Qantas Code of Conduct and Ethics – Insider Trading Policy, the time when the participating employee exercises the DSP right; and

7. Paragraph 95

Omit the paragraph; substitute:

95. The exercising of a DSP right occurs when it vests and the time when the DSP right is automatically converted to a DSP share by Qantas may be a cessation time.

95A. 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 a DSP share is acquired (on conversion by exercise of a DSP right) and who subsequently acquire material non-public information at any time after the DSP share is acquired, will not be considered to be subject to additional disposal restrictions for the purposes of determining when a cessation time occurs for a DSP right, under subsection 139CB(1).

This Addendum applies from the income year ended 30 June 2005.

Commissioner of Taxation

18 October 2006

ATO references

NO: 2005/18404

ISSN: 1445-2014

ATOlaw topic: Income Tax ~~ Assessable income ~~ employee share schemes
Income Tax ~~ Capital Gains Tax ~~ employee share schemes