GADENS
LAWYERS

Employee Share Option Plan

Real Brand Holdings Limited

GADENS LAWYERS
Level 13
77 Castlereagh St
Sydney NSW 2000

T +61 2-99314852
F +61 2-99314888
Ref GDA 2440337

1. Defined meanings

Words used in this document and the rules of interpretation that apply are set out and explained in the definitions and interpretation Rule at the back of this document.

2. Rules

This document sets out the Rules of the Company's Employee Share Option Plan.

3. Commencement of the Plan

The Plan commences on the day that approval for introduction of the Plan is first given by the Board, such date being 9 December 2004.

4. The Plan

4.1 Options

(a) Subject to Rule 6 the Company may issue up to 2 million Options over the term of the Plan, namely 31 December 2008.

(b) The Options are issued for $nil consideration.

(c) The Expiry Date of the Options is 31 December 2008.

(d) The Options are non-transferable.

4.2 Exercise Price

(a) The Board will specify the proposed Exercise Price of each Option at the time of making an Offer to an Eligible Employee.

(b) Without limiting the ways in which the Exercise Price may be specified in paragraph (a) above, the Exercise Price may include:

(i) a fixed amount;

(ii) the Market Price of a Share on the date the Offer is made under Rule 5.1;

(iii) the Market Price of a Share on the date the Options are granted;

(iv) the Market Price of a Share on a specified date which is after the date the Options are granted; or

(v) a percentage above the amount in sub paragraphs (ii), (iii) or (iv).

4.3 Eligibility

(a) The Company may only make an Offer to an Eligible Employee.

(b) Eligibility to participate in the Plan under Rule 4.3(a) does not confer a right to participate in the Plan.

4.4 Determination of Offers

The Board may in its absolute discretion make Offers of Options to Eligible Employees of the Group to which the Board has resolved that the Plan shall for the time being apply. In determining which Eligible Employees will receive Offers, and which Eligible Employees will not, the Board may have regard to any matters which it considers relevant, including, without limitation:

(a) the Eligible Employee's length of service with the Group;

(b) the contribution to the Group which has been made by the Eligible Employee;

(c) the potential contribution of the Eligible Employee to the Group;

(d) any misconduct or wilful default by an Eligible Employee;

(e) whether the Eligible Employee will continue to be an employee of the Group at or soon after the time of issue of the Options;

(f) taxation implications for the Group, the Eligible Employee and/or other Eligible Employees participating in the Plan; and

(g) securities and/or employment laws.

4.5 Deemed Eligible Employees

The Board may in accordance with Rule 4.6 or Rule 4.7 authorise a Casual Employee or Consultant of the Group to participate in the Plan and such person is deemed to be an Eligible Employee for the purposes of the Plan.

4.6 Casual Employees

To qualify as a Casual Employee and be eligible to be deemed an Eligible Employee under Rule 4.5, a person must:

(a) not be a Non-Executive Director of the Company;

(b) have been in employment with the Company for more than 1 year; and

(c) be an employee whom the Company regards as equivalent to either a full-time or a part-time employee.

4.7 Consultant

To qualify as a Consultant and be eligible to be deemed an Eligible Employee under Rule 4.5, a person must:

(a) not be a Non-Executive Director of the Company;

(b) have worked for the Company for more than 1 year; and

(c) have received 80% or more of their income in the preceding year from the Company.

4.8 Number of Options Offered

The number of Options Offered to an Eligible Employee is the number determined from time to time by the Board in its absolute discretion.

4.9 Liability of Eligible Employee

(a) An Eligible Employee is not liable to make any payment to the Company in respect of Options issued to the Eligible Employee under the Plan.

(b) No brokerage, commission, stamp duty or other transaction costs will be payable by the Eligible Employee in respect of any allotment or transfer of Options under the Plan.

4.10 Terms of issue

Options must be issued on the terms of these Rules, the Corporations Act and the Listing Rules, and any additional terms as the Board considers appropriate (not being inconsistent with these Rules) and each Eligible Employee will be taken to have agreed to be bound by:

(a) these Rules;

(b) any additional terms imposed under this Rule; and

(c) the constitution of the Company from time to time,

on acceptance of any Offer of Options under this Plan.

5. Offer and Acceptance

5.1 Offers

(a) The Board may from time to time make Offers in writing to Eligible Employees inviting them to take up Options under the Plan.

(b) Each Offer made by the the Board shall:

(i) specify the number of Options;

(ii) the terms and conditions of the issue of the Options the subject of the Offer; and

(iii) have attached an Acceptance Form and copy of these Rules.

5.2 Acceptance

(a) To accept an Offer made by the Board under the Plan the Eligible Employee must send a completed Acceptance Form to the Company.

(b) The Acceptance Form must be received by the Company within the period for acceptance of the Offer.

5.3 Effect of Acceptance

An Acceptance Form does not create a binding contract to grant Options. After acceptance, the Board may in its absolute discretion determine:

(a) not to grant the Options specified in the Offer; or

(b) grant Options which differ in number or their terms from that specified in the Offer.

6. Restriction on Offer of Options

The Board shall not Offer or issue Options to any Eligible Employee in accordance with the Plan if:

(a) the total number of Shares the subject of Options which are both unexercised and unexpired; and

(b) the total number of Shares issued as a result of the exercise of Options,

would exceed 5% of the total number of Shares on issue as at the time of the proposed Offer or issue.

7. Cessation of employment

7.1 Lapse of Options

Any Options issued pursuant to the Plan will be allotted on the condition that the whole of the Options issued to an Eligible Employee automatically lapse and are forfeited if that Eligible Employee:

(a) voluntarily resigns from employment with the Company otherwise than to take up employment with a Related Body Corporate of the Company;

(b) is dismissed from employment with the Company for any one or more of the following reasons:

(i) wilful misconduct bringing disrepute on the Company or a Related Body Corporate;

(ii) repeated disobedience, after prior written warning;

(iii) incompetence in the performance of any duties for which the Eligible Employee was employed, after prior written warning;

(iv) fraud or any other dishonesty in respect of the property or affairs of the Company or a Related Body Corporate; or

(v) any other reason, based on which the Board believes it is fair and reasonable that the Options lapse and are forfeited.

GADENS LAWYERS

7.2 Exceptions

(a) Options issued to an Eligible Employee will not lapse and be forfeited where an Eligible Employee ceases employment with the Company in the following circumstances:

(i) death or total permanent disability (as that term is recognised by Statute);

(ii) retirement;

(iii) redundancy; or

(iv) any other circumstances on the basis of which the Board believes it is fair and reasonable that the Eligible Employee retains his or her right to exercise the Options.

(b) Should an Eligible Employee, in the opinion of the Board, satisfy the requirements of Rule 7.2(a) the Eligible Employee will have a period of 6 months to exercise the Option from the date the Company receives notice of the specified event and acknowledges in writing that such event satisfies the requirements of Rule 7.2(a).

7.3 Dividends and voting rights

Participants who are holding an Option issued pursuant to the Plan have no rights or entitlements to participate in dividends declared by the Company or rights to vote at meetings of the Company until that Option is exercised.

8. Taxation

Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Employees.

9. Listing Rules

The terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

10. Takeovers

10.1 Offer

Unless the Board, when granting an Option, in its absolute discretion determines otherwise, the terms of this Rule 10 in relation to takeovers are included in the Offer as terms on which the Options are granted.

10.2 Takeover bid

If a takeover bid is made for the Shares then, at any time during the Takeover Period:

(a) The Company may give the Holder not less than 21 days written notice of the intention of the Company to cancel one or more of the Options with effect from the expiry of the Takeover Period;

GADENS LAWYERS

(b) The Company may, at any time after expiry of that notice and during the Takeover Period, cancel the number of Options in respect of which it gave notice under paragraph (a) by giving the Holder a written notice to that effect.

10.3 Exercise of Option

If a takeover bid is made for the Shares then, at any time during the Takeover Period, the Holder may exercise each Option at the Exercise Price, despite the fact that either it is then outside the exercise period specified in the Offer or a performance criteria specified in the Offer has not been satisfied.

10.4 Interpretation

For the purposes of Rules 10.2, 10.3 and this Rule 10.4:

(a) "the Takeover Period" is the period from the start of the Offer Period until one month after the end of the Offer Period;

(b) any expression used in Rules 10.2, 10.3 and this Rule 10.4 which is given a particular meaning in the context of Chapter 6 of the Corporations Act has the same meaning as in those provisions.

11. Administration of the Plan

11.1 Administration

The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for the operation of the Plan which are consistent with these Rules.

11.2 Powers of the Board

(a) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising that power or discretion, under any fiduciary or other obligation to any other person.

(b) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and on such conditions as the Board may determine to a committee or any one or more persons, who need not be or include Directors.

(c) Every exercise of discretion by the Board (or its delegate) and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive and binding.

12. Rights of Participants

Nothing in these Rules:

(a) confers on any employee the right to receive any Options;

(b) confers on any employee the right to continue as an employee of the Group;

(c) affects any rights which any corporation in the Group may have to terminate the employment of any employee; or

(d) may be used to increase damages in any action brought against any corporation in the Group in respect of the termination of the employment of any employee of any corporation in the Group.

13. Amendment of these Rules

13.1 Amendment

Subject to Rules 13.2 and 13.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 13).

13.2 Restrictions on amendment

No amendment of the provisions of these Rules is to reduce the rights of any Eligible Employee in respect of Options issued to the Eligible Employee under the Plan prior to the date of the amendment, other than an amendment introduced primarily:

(a) for the purposes of complying with or conforming to present or future laws governing or regulating the maintenance or operation of the Plan or like plans;

(b) to correct any manifest error or mistake;

(c) to enable contributions or other amounts paid by a member of the Group in respect of the Plan to qualify as tax deductions for that entity;

(d) to enable the Eligible Employee or their employer to reduce the amount of tax or impost that may otherwise be payable by the Eligible Employee or their employer in relation to the Plan, including under the *Fringe Benefits Tax Assessment Act* 1986 and the *Income tax Assessment Acts* of 1936 and 1997, or any other similar legislation in any jurisdiction outside Australia;

(e) for the purpose of enabling the Eligible Employees generally (but not necessarily each Eligible Employee) to receive a more favourable taxation treatment in respect of their participation in the Plan; or

(f) to enable the Company to comply with the Corporation Act or the Listing Rules or any similar legislation or requirements in any jurisdiction outside Australia.

13.3 Listing Rules

Any amendment of these Rules must be made in accordance with and in the manner stipulated (if any) by the Listing Rules.

13.4 Retrospective effect of amendment

Subject to the provisions of this Rule 13, any amendment made under Rule 13.1 may be given retrospective effect, as specified in the written instrument or resolution by which the amendment is made.

14. Termination of Plan

(a) The Plan may be terminated at any time by resolution of the Board and notification thereof to the ASX.

(b) Termination of the Plan does not affect the rights of the Holders of unexpired Options previously granted under the Plan.

15. Register of Option Holders

The required information in relation to all Options must be entered in the Register of Option Holders maintained by the Company under sections 168 and 170 of the Corporations Act.

16. Notices

Any notice regarding Options issued under the Plan will be sent to the address of the Holder as recorded in the register of members maintained by the Company or the Share Registry.

17. Governing Law

The Plan is governed by, and is to be construed and take effect in accordance with, the laws of New South Wales.

18. Definitions and interpretation

18.1 In these Rules, the following words and expressions have the meanings indicated unless a contrary intention appears:

Acceptance Form means a form to accept Options Offered under the Plan in the form annexed to these Rules at Annexure A with any amendment or modification determined from time to time by the Board;

ASX means the Australian Stock Exchange Limited (ACN 008 624 691);

Board means all or some of the Directors acting as a board of the Company;

Casual Employee means a person who satisfies the criteria in Rule 4.6;

Company means Real Brand Holdings Limited (ACN 110 005 822);

Consultant means a person who satisfies the criteria in Rule 4.7;

Corporations Act means the Corporations Act 2001 (Cth);

Director means a director of the Company;

Eligible Employee means all permanent full time and permanent part time employees of the Group (as defined in section 139GB of the *Income Tax Assessment Act* 1936) employed in Australia, including a director of a body corporate in the Group who holds on a permanent full time or permanent part time basis salaried employment in a body corporate which is in the Group and any person deemed to be an Eligible Person under Rule 4.5;

Exchange means the ASX in its role as the national stock exchange;

Exercise Price means the price determined by the Board under Rule 4.2;

Expiry Date means 31 December 2008;

Group means the Company and its subsidiaries;

Holder means the holder of an Option issued under the Plan;

Listing Rules means the official listing rules of the Exchange;

Market Price means, in relation to a particular date, the weighted average market price per Share (weighted by reference to volume) during five consecutive trading days on the ASX ending on the day before the particular date;

Non-executive Director means a Director who does not hold a position of executive employee with the Company;

Offer means an offer in writing made by the Board to an Eligible Employee to take up Options under the Plan made in accordance with Rule 5;

Option means an option to subscribe for a Share in accordance with the Rules;

Plan means the AP Blue Investments Employee Share Option Plan established in accordance with the Rules;

Related Body Corporate has the same meaning as that given to it in the Corporations Act;

Register of Option Holders means the register referred to in Rule 15;

Rules means the rules of the Real Brand Holdings Limited Employee Share Option Plan; and

Share means a fully paid ordinary share in the Company;

Statute means any Act of Parliament of either the State of New South Wales or the Commonwealth of Australia;

Takeover Period has the meaning given to it in Rule 10.4(a).

18.2 In these Rules, unless the context otherwise requires:

(a) rule and sub-rule headings are for reference purposes only;

(b) the singular includes the plural and vice versa;

(c) words denoting any gender include all genders;

(d) reference to a person includes any other entity recognised by law and vice versa;

(e) where a word or phrase is defined its other grammatical forms have a corresponding meaning;

(f) any reference to a party to this document includes its successors and permitted assigns;

GADENS LAWYERS

(g) any reference to any agreement or document includes that agreement or document as amended at any time;

(h) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;

(i) the expression **at any time** includes reference to past, present and future time and the performance of any action from time to time;

(j) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally;

(k) an agreement, representation or warranty on the part of two or more persons is for the benefit of them jointly and severally;

(l) reference to an exhibit, annexure, attachment or schedule is a reference to the corresponding exhibit, annexure, attachment or schedule in this document;

(m) reference to a provision described, prefaced or qualified by the name, heading or caption of a rule, subrule, paragraph, schedule, item, annexure, exhibit or attachment in this document means a cross reference to that rule, subrule, paragraph, schedule, item, annexure, exhibit or attachment;

(n) when a thing is required to be done or money required to be paid under this document on a day which is not a Business Day, the thing must be done and the money paid on the immediately preceding Business Day; and

(o) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated;

(p) a reference to a Listing Rule includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of that Listing Rule; and

(q) a reference to a person includes a reference to the person's executors, administrators and successors, a legal personal representative, a firm or a body corporate.

GADENS LAWYERS

Annexure A Acceptance Form

REAL BRAND HOLDINGS LIMITED
ACN 110 005 822

Employee Share Option Plan

Application for Options

I ____ of ______________

____

hereby apply for ______________ Options with an issue price of $nil to subscribe for an equal number of Shares in the capital of the Company at an exercise price of $ __________ per Share.

I agree that upon issue of those Options I shall hold those Options and deal with them only in accordance with the terms and conditions of the Employee Share Option Plan of the Company (a copy which is attached), subject to and in accordance with the constitution of the Company.

Dated this______________day of ______________ 200___

Signed: ____________________________________

Name: ____________________________________