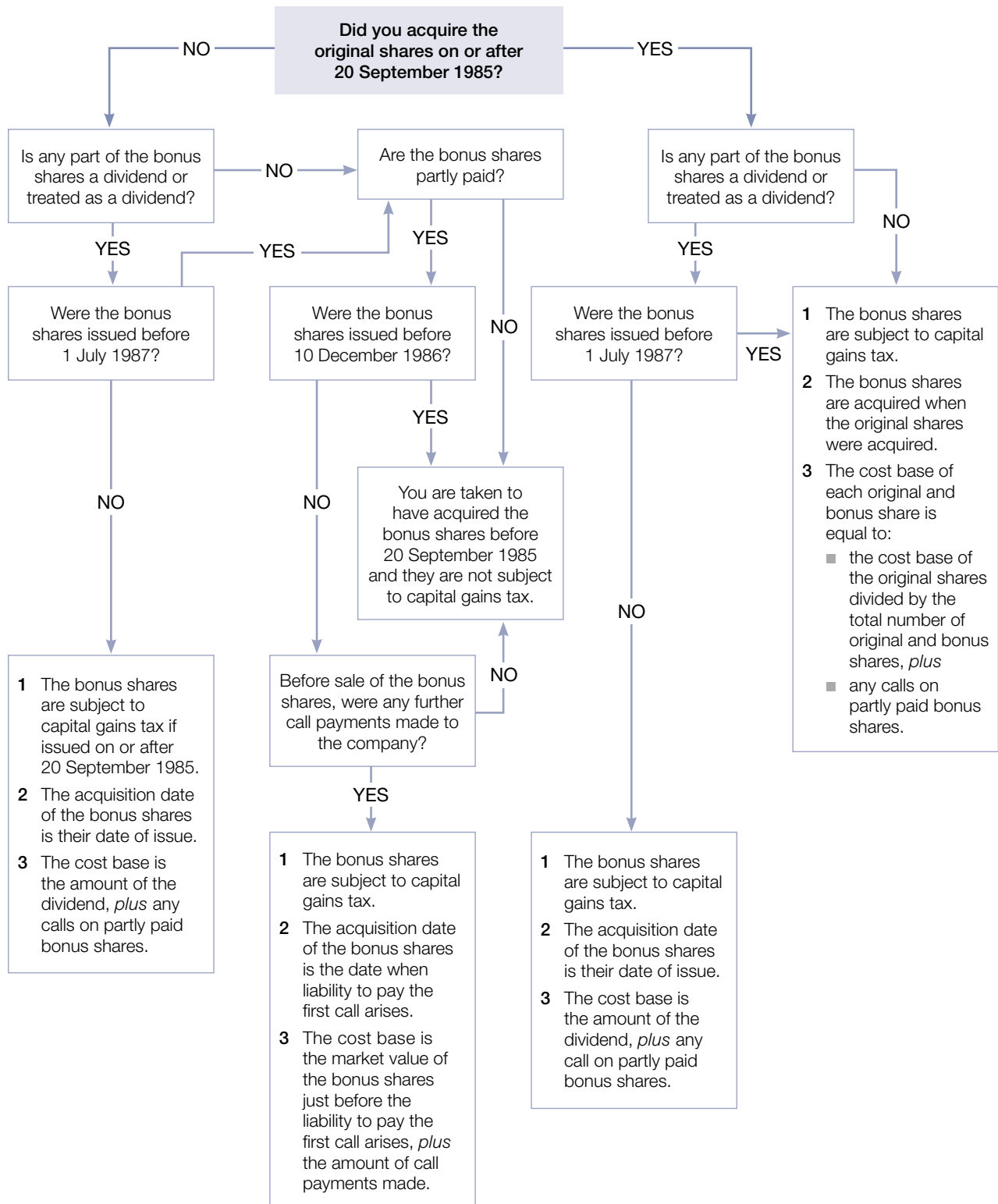
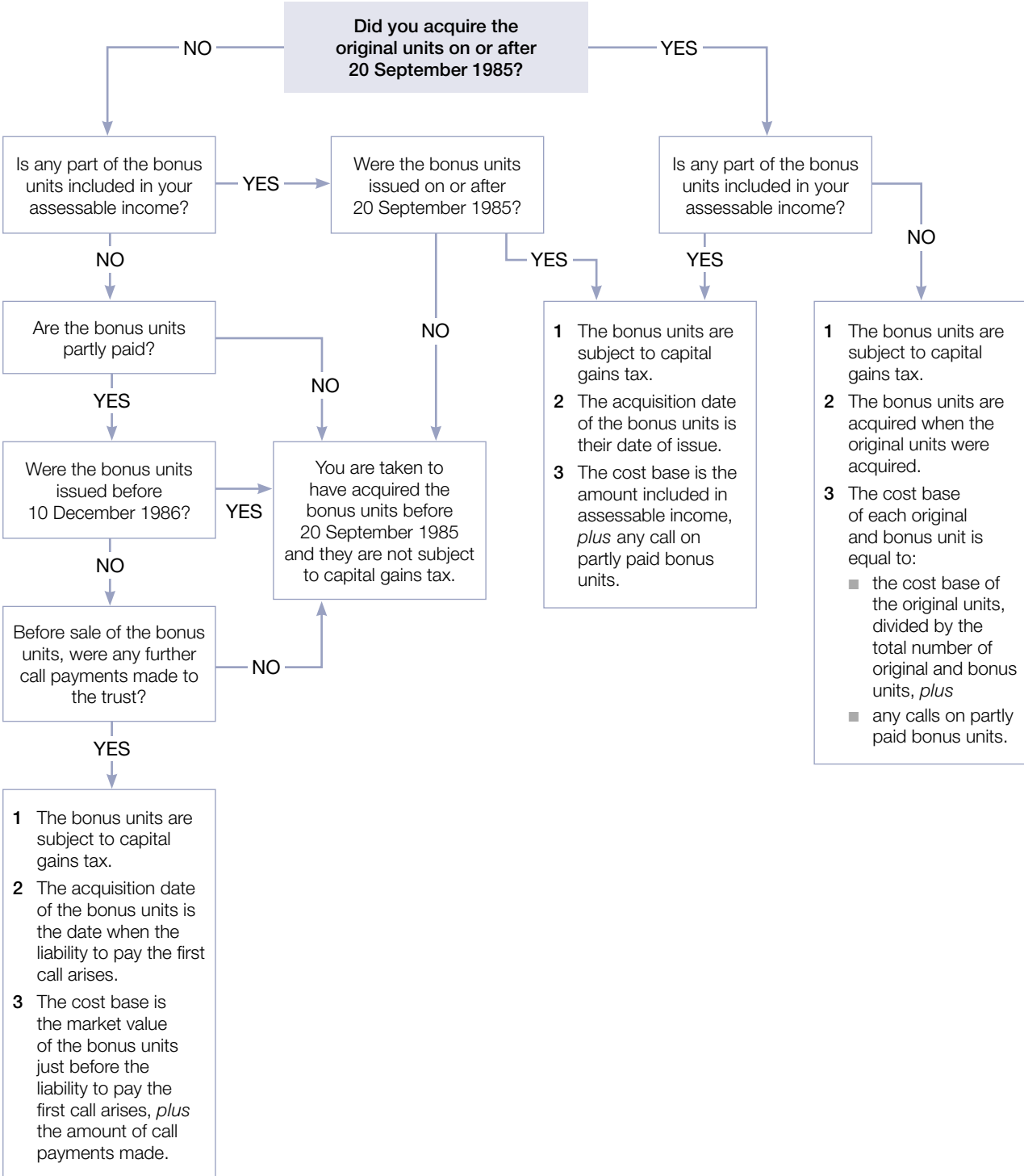


APPENDIX 3: Flowcharts

FLOWCHART 1 Treatment of **bonus shares** issued on or after 20 September 1985

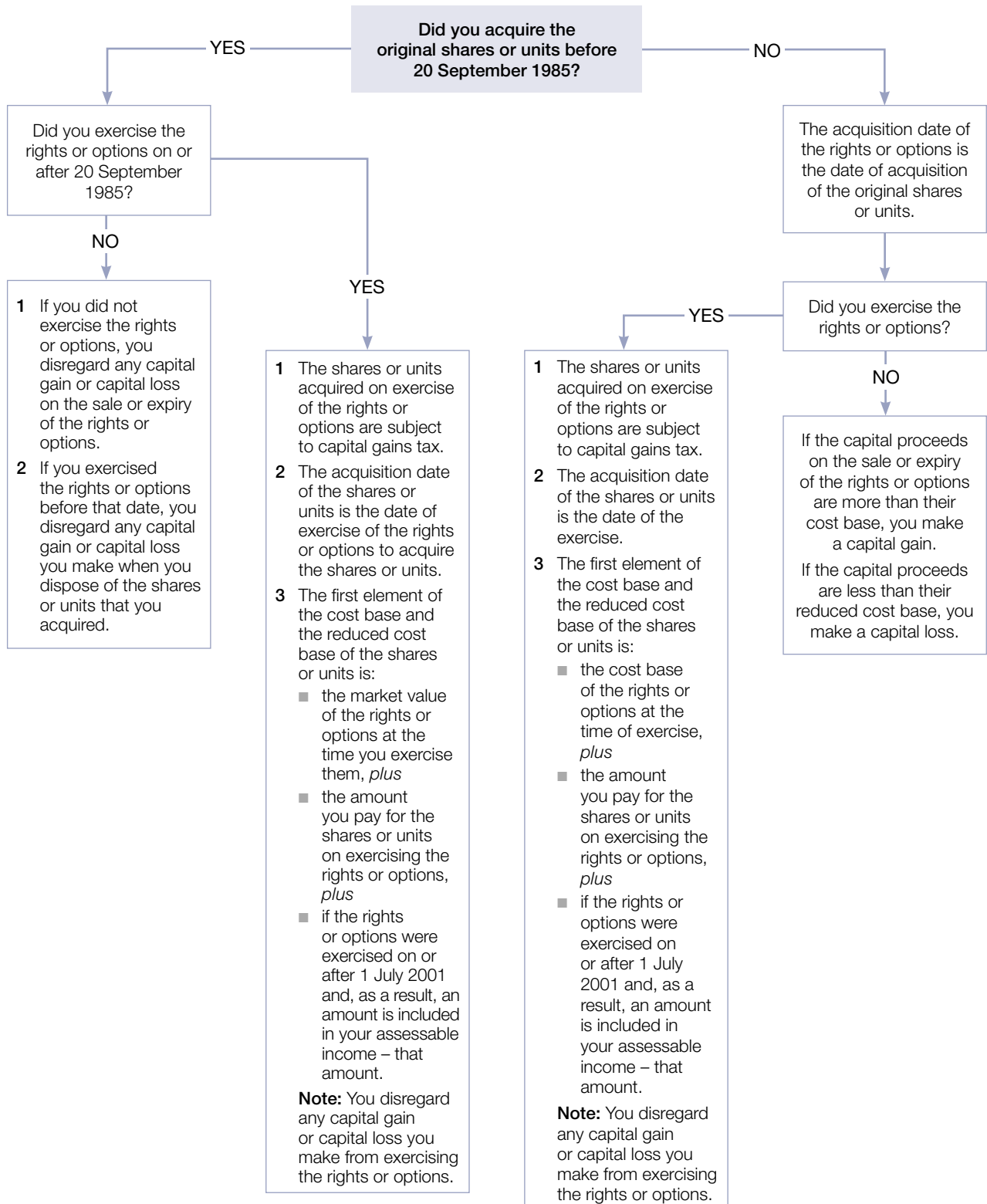


FLOWCHART 2



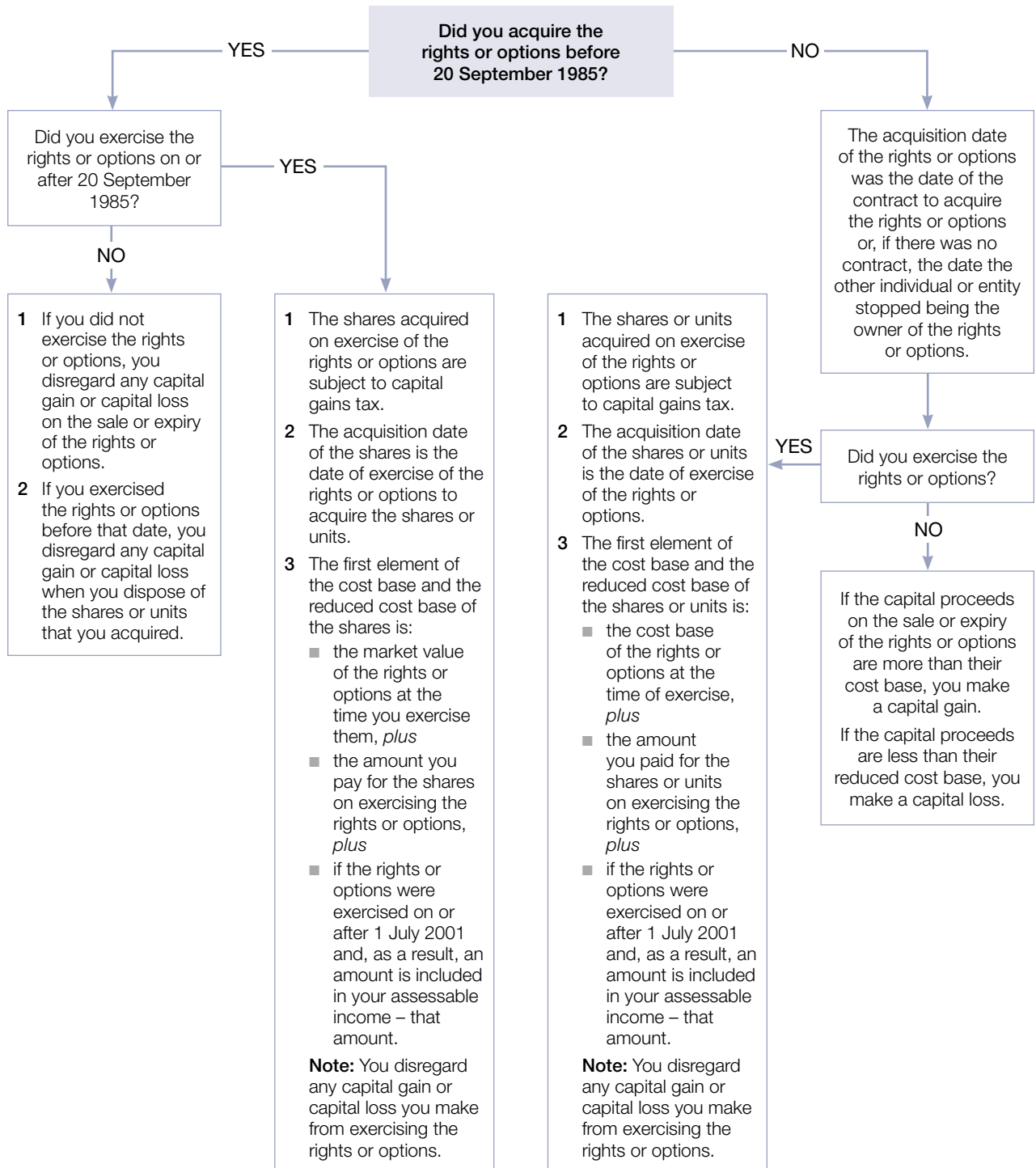
FLOWCHART 3 Treatment of rights or options:

- to acquire shares where the rights or options were issued directly to you by the company (but not under an employee share scheme) for no payment because you were a shareholder, or
- to acquire units where the rights or options were issued directly to you after 28 January 1988 by the trust for no payment because you were a unit holder.



FLOWCHART 4 Treatment of rights or options:

- to acquire shares where the rights or options were acquired by you from an individual or entity that acquired them as a shareholder in the company, or
- to acquire units where the rights or options were issued after 28 January 1988 and were acquired by you from an individual or entity that acquired them as a unit holder in the trust.

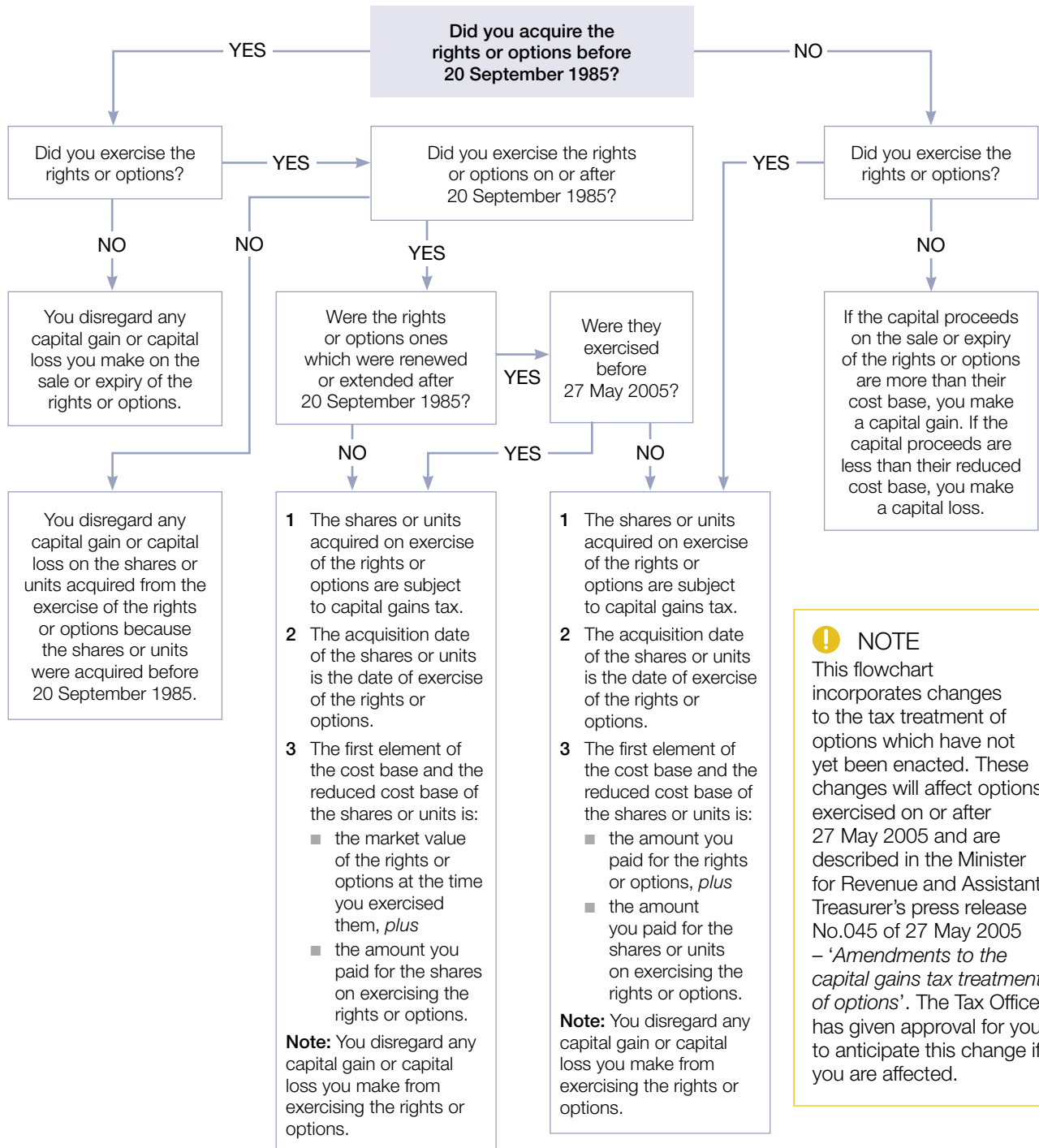


FLOWCHART 5

Treatment of rights or options to acquire shares or units:

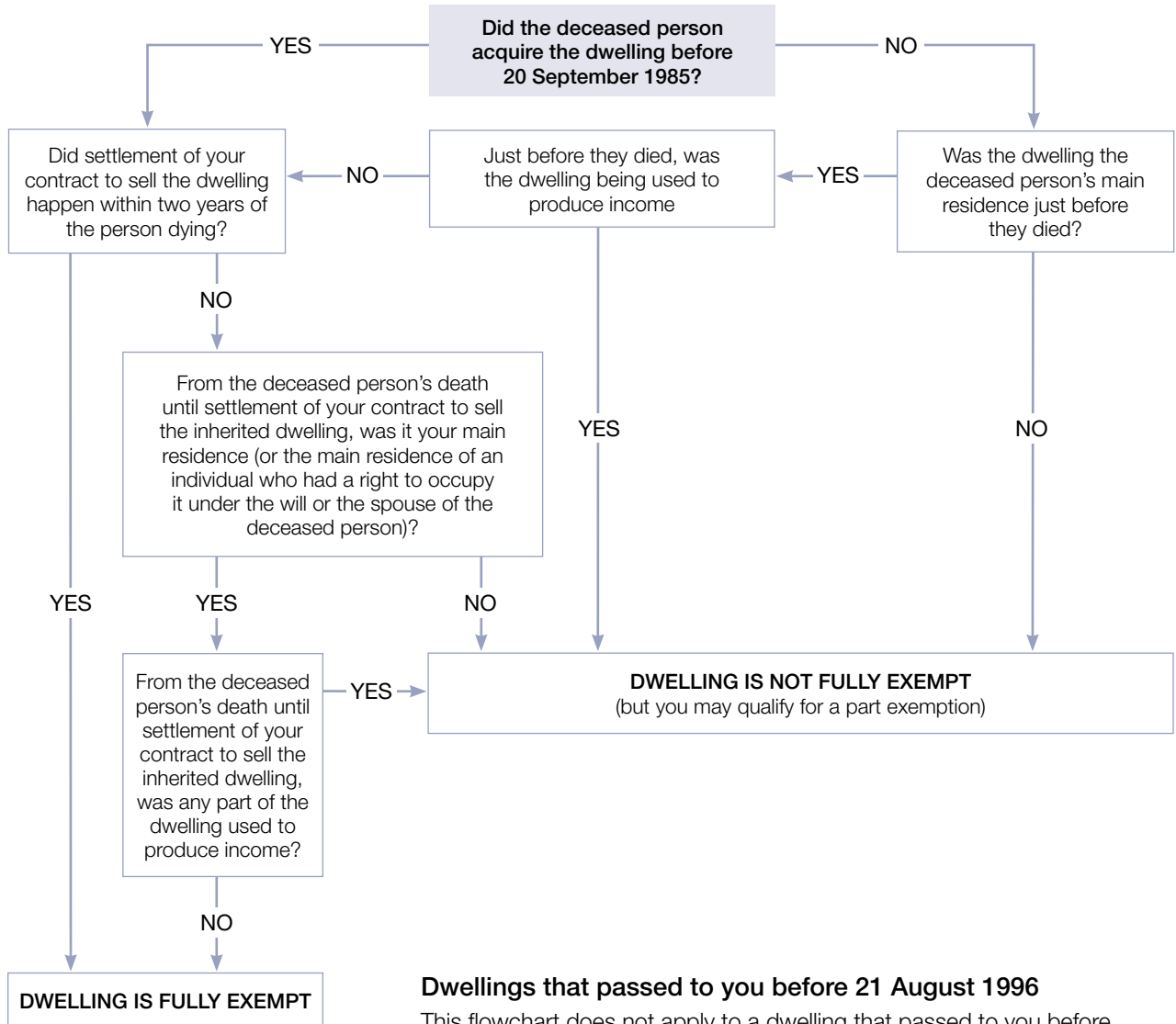
- you paid for and which were issued directly to you from the company (but not under an employee share scheme) or trust, or
- you acquired from an individual or entity that was not a shareholder or unit holder.

Note: This flowchart does not apply to rights or options for the issue of units by the grantor of the rights or options if they were exercised before 27 May 2005.



FLOWCHART 6 The capital gains tax (CGT) main residence exemption rules when you sell a dwelling you inherited.

Chapter 6 needs to be read with this flowchart.



Dwellings that passed to you before 21 August 1996

This flowchart does not apply to a dwelling that passed to you before 21 August 1996. Chapter 6 sets out the rules that apply in that situation.

Where the deceased person died before 20 September 1985

If the deceased person died before 20 September 1985, the dwelling is fully exempt when you sell it. However, if you made a major capital improvement to the dwelling on or after 20 September 1985 and have used it to produce assessable income it may be subject to CGT (see chapter 6).