



Runge Limited  
ABN 17 010 672 321

21 December 2010

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Dear Sirs

**Re: Securities Trading Policy**

In accordance with new Listing Rule 12.9, please find attached a copy of the Securities Trading Policy of Runge Limited adopted by resolution of the Board on 4 June 2010.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ken Lewis", written in a cursive style.

**Ken Lewis**  
**Company Secretary**



# **RUNGE LIMITED**

**ACN 010 672 321**

## **SECURITIES TRADING POLICY**

**Adopted by the Board 30 October 2008**

**Amended by Resolution of the Board on 4 June 2010**

## Securities Trading Policy

### 1. PURPOSE

#### 1.1 Background

The Directors of Runge Limited (“**Runge**” or “**Company**”) believe that it is appropriate for Directors and employees of Runge and all Runge subsidiaries to hold Runge shares as it aligns their interest with those of other shareholders. Directors and other shareholders are encouraged to be long term holders of the Company’s shares. Care must be taken in the timing of any acquisition or disposal of securities of the Company.

#### 1.2 Objective

1.2.1 To ensure that the Directors and Employees do not inadvertently breach the insider trading provision of the Corporations Act 2001 when dealing in securities in the Company (including shares and options); and

1.2.2 To assist in maintaining market confidence in the trading of the Company’s securities.

#### 1.3 Scope

This document summarises the law relating to insider trading and sets out the trading policy on buying and selling ordinary shares, preference shares, debentures, convertible notes, options and derivatives created over the Company’s securities by third parties (such as warrants) (“**securities**”).

#### 1.4 Securities Covered

This policy is not limited to insider trading in the Company’s securities. It includes insider trading in the securities of other companies, that is, where you have possession of price sensitive information in those companies.

#### 1.5 Exclusions

This policy does not apply to any acquisition of securities as part of:

1.5.1 A new issue where the issue is available pro rata to all holders of securities of the relevant class;

1.5.2 A dividend reinvestment plan available to all shareholders; or

1.5.3 An executive or employee share option plan.

The policy will apply to any subsequent disposals of securities acquired under any of the above.

#### 1.6 Who does the trading policy apply to?

The Board of Runge has adopted this trading policy, which applies to all Directors, Officers, senior executives and employees of Runge and all Runge subsidiaries (“**Staff**”). It is important to remember that although this trading policy only applies to the persons specified above, the insider trading prohibitions apply to **all** persons (including members of your family).

#### 1.7 Further advice

This policy is only a summary of the relevant provisions contained in the Corporations Act and should not be relied upon as legal advice. If you have any doubts or questions regarding insider



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trading prohibitions or this trading policy, you should contact the Group General Counsel on Ph (07) 3100 7324, Fax (02) 93326300, Email [klewis@runge.com.au](mailto:klewis@runge.com.au)

It is your responsibility to decide if it is proper for you to buy or sell Runge Securities, and in doing so, you should take into consideration:

- (a) The law relating to insider trading (summarised below);
- (b) The position that you hold within the management structure of the Runge Limited Group; and
- (c) This policy.

## 2. INSIDER TRADING

### 2.1 Insider Trading Prohibition

If you are in possession of **price sensitive information** relating to Runge ("**inside information**"), the insider trading provisions of the Corporations Act make it illegal for you to:

- (a) apply for, buy, sell or deal in Runge's securities;
- (b) advise, procure or encourage another person to buy, sell or deal in Runge's securities; and
- (c) directly or indirectly pass on information to another person, if you know or ought reasonably to know that the person may use this information to buy, sell or deal in Runge's securities.

It does not matter how or in what capacity you become aware of the inside information. It does not have to be obtained from Runge to constitute inside information.

You cannot avoid the law by arranging for a member of your family or a friend to buy, sell or deal in Runge's securities, nor may you give "tips" of Runge's information to others, including customers.

### 2.2 Price Sensitive Information

**Price sensitive information** is information relating to Runge which is not **generally available** and if the information were known, would be likely to:

- (a) have a material effect on the price or value of Runge's securities; or
- (b) influence persons who commonly invest in securities in deciding whether or not to buy, sell or deal in Runge's securities.

Examples of **price sensitive information** include:

- (c) the financial performance of Runge against budget;
- (d) changes in Runge's actual or anticipated financial condition or business performance;
- (e) changes in the capital structure of Runge, including proposals to raise additional equity or borrowings;
- (f) proposed changes in the nature of Runge's business;
- (g) changes to Runge's Board of Directors or significant changes to the senior executive team;
- (h) entry into or termination of important agreements;
- (i) the intention of Runge to acquire or sell a business or important assets; or

- (j) a proposed dividend or other distribution, or a change in dividend policy; or
- (k) an unexpected liability.

Information will only be regarded as being **generally available** if:

- (l) it consists of readily observable matter, which requires the information to be directly observable in a "public arena" such as a judgment in court, a sufficiently detailed news story in a capital city newspaper, a media release or other published statement of the company; or
- (m) it has been brought to the attention of investors through an announcement to ASX, and a reasonable period has elapsed since the announcement.

Examples of possible readily observable matters are:

- (n) a change in legislation which will affect Runge's operations; or
- (o) a severe downturn in global or domestic economic activity.

### 2.3 Insider Trading Penalties

**Breach of the insider trading laws may expose you and/or members of your family and/or other persons you pass price sensitive information to.**

- (a) criminal liability – penalties include heavy fines and imprisonment; and
- (b) civil liability – you can be sued by another party or Runge for any loss suffered as a result of illegal trading activities.

**Breach of the law or this trading policy, or both, will also be regarded by Runge as serious misconduct which may lead to disciplinary action or dismissal.**

### 2.4 Dealing in securities of other companies

If you have information relating to any company which is not **generally available** (and if it were generally available, would be likely to have a significant effect on the price or value of securities) the same insider trading rules outlined above apply to buying and selling securities in that company. In the course of performing your duties as an **employee** of RUL, you may obtain **inside information** relating to another company in a variety of circumstances. Examples include, but are not limited to, the following:

- (a) another company may provide inside information about itself to RUL in the course of a proposed transaction;
- (b) another company with whom RUL is dealing may provide inside information about a third company; or
- (c) information concerning RUL or actions which may be taken by RUL (ie. a planned transaction or strategic change) could reasonably have an effect on a third party company.

Apart from the application of the insider trading rules to dealing in securities in other companies, **employees** are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

### 3. THE COMPANY'S TRADING POLICY

#### 3.1 What does this trading policy apply to?

This trading policy applies to all information relating to Runge's securities.

#### 3.2 General prohibitions

As outlined above, if you possess inside information concerning Runge's securities, you must not:

- (a) deal in Runge's securities or enter into an agreement to do so;
- (b) procure another person to do anything specified in paragraph (a); or
- (c) pass on that information to anyone who is likely to engage in the activities specified in paragraphs (a) or (b) above.

**These general prohibitions are overriding obligations and apply at all times, despite all other terms of this trading policy.**

#### 3.3 Trading in Runge securities

For all **Officers** and their **relatives** and Employees of Runge and their **relatives**, the Board of Runge has adopted the policy set out in Schedule A.

**Officers** are:

- (a) Directors;
- (b) Chief Financial Officer;
- (c) Chief Operating Officer;
- (d) Company Secretaries;
- (e) Members of the Global Leadership Group;
- (f) those persons who report directly to any Director or Member of the Global Leadership Group
- (g) all members of the Finance Group who have access to the Runge Limited Group financial information and performance; and
- (h) those Executive Directors, Senior Executives and Senior Management who attend the Management Meetings of Runge Limited on a permanent invitation basis..

For the purposes of this policy, a **relative** is a spouse (or equivalent) or a dependant of the Staff member or Officer or a company or other entity controlled by the Staff member or Officer. For the avoidance of doubt, a **relative** does not include a spouse (or equivalent) or dependant who is not controlled by the Staff member or Officer but acts on their own initiative without reference to the Staff member or Officer. In such cases, the Staff member or Officer should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if buying, selling or dealing occurs in the Company's securities.

Where there are additional restrictions under any Share Plans in operation, those restrictions will continue to apply to securities acquired under those Share Plans, in accordance with the rules of the relevant Plan.

## 4. PROHIBITIONS

### 4.1 Dealing in financial products issued over Runge securities by third parties

Directors, Officers and employees of Runge are not permitted to deal at any time in financial products designed to track, hedge or in any other way take a position associated with the future value of Runge's securities, including options, warrants, futures or other financial products issued over Runge securities by third parties such as banks and other financial institutions.

### 4.2 Limiting economic risk

Directors, Officers and employees of Runge are not permitted to enter into transactions in products associated with Runge's securities which operate to limit the economic risk of their security holding in Runge (eg hedging arrangements). This extends to any hedging arrangements or other such transactions in respect of rights under a Plan.

## 5. CONFIDENTIAL INFORMATION

You must treat all sensitive, non-public information ("**confidential information**") about Runge as confidential and belonging to Runge. You must not disclose confidential information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. You must avoid inadvertent or indirect disclosure of confidential information. Even within Runge, confidential information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential. Be careful that your conversations are not overheard in elevators, aeroplanes or other public places. Do not leave confidential information on conference tables, desks or otherwise unguarded.

## 6. EMPLOYMENT AND MONITORING OF COMPLIANCE

A copy of Runge's Securities Trading Policy will be distributed to all employees and Directors (present and future) and will also be available on Runge's website.

All new employees will be required to complete an "**Acknowledgment by Employee/Director**" (in the form of Schedule D) as part of their induction procedure. All new Directors will be required to provide this completed form to the Group General Counsel.

## 7. WHERE CAN I OBTAIN FURTHER INFORMATION?

If you have any doubt or questions in respect of this trading policy, you should contact the Group General Counsel.

**SCHEDULE A**

**TRADING POLICY**

Defined terms in this Schedule have the same meaning as those terms in the Company's Securities Trading Policy. The term "Officers" includes relatives of Officers. "Employees" means employees of the Company and its subsidiaries, other than Officers and includes relatives of Employees.

**1. No trading when in possession of inside information**

No person to whom this policy applies may deal in any security at any time if they have inside information.

**2. Short trading**

Officers and Employees must not buy and sell securities of Runge within a 30 day period under any circumstances.

**3. Dealings within trading windows**

The following are the designated trading windows of the Company:

Between 24 hours and 45 days after release of Runge's half-yearly or annual results to the ASX.
Between 24 hours and 45 days after Runge's Annual General Meeting.
During the period in which Runge has a prospectus or other disclosure document on issue under which people can subscribe for securities.

A person covered by this policy, including an Officer, may trade in securities during a trading window, BUT only if:

- (a) They have no inside information; and
- (b) The trading is not for short term or speculative gain.

Employees are not restricted to the windows outlined above in dealing in securities.

**4. Dealings during black out periods**

Officers are prohibited from trading in securities, except in exceptional circumstances, in the period between the close of books and the release of half-year or full-year financial results and at other times when the Company is aware of, or has under consideration, a market sensitive matter ("Blackout Period").

Officers may only dispose of securities during a Blackout Period where they are not aware of inside information and they are in severe financial difficulty or there are other exceptional circumstances and they have the prior written permission of the Clearance Committee.

**5. Dealings during other periods**

Officers may trade in securities at other times only if:

- (a) They are personally satisfied that they are not in possession of inside information;
- (b) They have received the prior written permission of the Clearance Committee.



## 6. Clearance Committee

- (a) The Clearance Committee will comprise the members of the HR & Remuneration Committee and the Group General Counsel but may comprise other members as determined by the Board from time to time.
- (b) The prior permission of the Clearance Committee must be sought by Officers for trading during the following periods as follows:
  - (i) Trading Outside of a Trading Window and outside of a Blackout Period - by submitting a "Share Trading Application" (included in Schedule B); and
  - (ii) Trading During a Blackout Period - by submitting a "Blackout Share Trading Application" (included in **Schedule C**)
- (c) The completed Schedule B or C must be emailed to the Clearance Committee via the Company Secretary at email address: [companysecretary@runge.com.au](mailto:companysecretary@runge.com.au).
- (d) The granting of permission for a Schedule B Application will not be unreasonably withheld having regard to the interests of the applicant and the interest of the Company. The Clearance Committee must be satisfied that the transaction would not be:
  - (i) contrary to law;
  - (ii) for speculative gain;
  - (iii) to take advantage of inside information; or
  - (iv) seen by the public, press, other shareholders or ASX as unfair.
- (e) Approval to trade may be given, for example:
  - (i) in cases of hardship where it can be shown that securities are to be sold to realise cash in a time of need; or
  - (ii) where securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs.

## 7. Blackout share trading application

In addition to the specified matters in clause 6 above, the Clearance Committee will only grant approval under exceptional circumstances during a Blackout Period, for example, the applicant is suffering severe financial difficulty or there are other exceptional circumstances.

## 8. Reporting and records

- (a) The Clearance Committee may seek the views of the Board and/or external legal advisers before providing their decision in relation to a Schedule B or C application. The Clearance Committee will endeavour to meet and reply to the applicant within 48 hours (excluding weekends and public holidays) of receiving a duly completed Schedule B or C Application.
- (b) If approval is given to a Schedule B or C Application, the trade must be completed within 5 business days of the approval
- (c) Directors must report any transactions at any time to the Group General Counsel within 24 hours of the transaction occurring.



- (d) All transactions by other Officers outside the trading window must also be **runge** reported to the Group General Counsel within 24 hours of the transaction occurring.
- (e) The Company Secretary must maintain a register of securities transactions for the purposes of this policy.
- (f) A summary of trading undertaken by Officers (if any) in accordance with approved Schedule B or C Applications will be tabled at each Board meeting.
- (g) The Group General Counsel will maintain a Register of Directors' Interests – details of any changes will be noted in Board Papers for the next Board Meeting.
- (h) Runge and its Directors will comply with ASX Listing Rules 3.19A and 3.19B concerning notifiable interests of directors.

## **9. Retiring officers**

In respect of Officers who retire from office or employment, it is recommended that they should only buy, sell or deal in Runge's securities after complying with the conditions outlined below:

- (a) where the retiring officer is aware of profit results of Runge - only after 24 hours from the time those profit results have been released to ASX; and
- (b) where the officer retires within a period of 45 days prior to the Annual General Meeting of the Company – only after 24 hours from the conclusion of the Annual General Meeting.



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**SCHEDULE B**

**SHARE TRADING APPLICATION**

**Trading outside of a Trading Window and Outside of a Blackout Period**

To: Chairman of the Clearance Committee  
(by email to [companysecretary@runge.com.au](mailto:companysecretary@runge.com.au) )

From: \_\_\_\_\_

Relative or Company name: \_\_\_\_\_

Notification: I or my relatives / company \* request permission to buy / sell / deal \*  
\_\_\_\_\_ (insert number and type of securities) in Runge

*\* Delete as appropriate*

I hereby declare that this dealing is not a result of access to, or receipt of price sensitive information as described in Runge's Securities Trading Policy and confirm that neither I, my relatives or any company I control are in possession of price sensitive information.

My Formal Job Title:

Person to Whom I Report

Signed: \_\_\_\_\_  
( applicant )

Date: \_\_\_\_\_

Reason for trading outside the window

\_\_\_\_\_  
\_\_\_\_\_

Approval: The Clearance Committee hereby permits / denies \* permission to trade as specified above.

*\* Delete as appropriate*

Trading must be completed within 5 working days of the date below.

Signed: \_\_\_\_\_  
(member of the Clearance Committee)

Date: \_\_\_\_\_



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**SCHEDULE C**

**BLACKOUT SHARE TRADING APPLICATION**

To: Chairman of the Clearance Committee  
(by email to [companysecretary@runge.com.au](mailto:companysecretary@runge.com.au) )

From: \_\_\_\_\_

Relative or Company name: \_\_\_\_\_

Notification: I or my relatives / company \* request permission to buy / sell / deal \*  
\_\_\_\_\_ (insert number and type of securities) in Runge

*\* Delete as appropriate*

I hereby declare that this dealing is not a result of access to, or receipt of price sensitive information as described in Runge's Securities Trading Policy and confirm that neither I, my relatives or any company I control are in possession of price sensitive information.

My Formal Job Title:

Person to Whom I Report

Signed: \_\_\_\_\_  
( applicant )

Date: \_\_\_\_\_

Reason for trading outside the window

\_\_\_\_\_  
\_\_\_\_\_

Approval: The Clearance Committee hereby permits / denies \* permission to trade as specified above.

*\* Delete as appropriate*

Trading must be completed within 5 working days of the date below.

Signed: \_\_\_\_\_  
(member of the Clearance Committee)

Date: \_\_\_\_\_



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**SCHEDULE D**

**ACKNOWLEDGEMENT BY EMPLOYEE / DIRECTOR**

I have read and understood the document entitled Securities Trading Policy – Runge Limited (“**Trading Policy**”) and agree to be bound by and to comply with the Trading Policy as amended or replaced from time to time.

Signature:.....

Name:.....

Business Unit:.....

Dated: .....

**Please return completed form to the Human Resources Department**