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TERMS AND CONDITIONS OF THE

RUNGE LIMITED

(ACN 010 672 321)

\$1,000 TAX EXEMPT SHARE PURCHASE PLAN



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TERMS AND CONDITIONS OF THE

RUNGE LIMITED

(ACN 010 672 321)

\$1,000 TAX EXEMPT SHARE PURCHASE PLAN RULES

The terms and conditions of the Runge Limited \$1,000 Tax Exempt Share Purchase Plan are as follows:

1. DEFINITIONS

The following terms have these meanings unless contrary to or inconsistent with the context:

“ASIC” means Australian Securities and Investments Commission.

“ASX” means Australian Stock Exchange Limited.

“Board of Directors” or “Board” means the board of directors of the Company from time to time.

“Business Day” means a day other than Saturday, Sunday or public holiday in Sydney, New South Wales.

“Company” means Runge Limited ACN 010 672 321.

“Corporations Act” means the Corporations Act, 2001 (Cth).

“Diluted Ordinary Share Capital” means the total of the following:

- (a) all Shares;
- (b) all Plan Shares issued under this Plan;
- (c) all options issued by the Company; and
- (d) all other convertible issued securities,

as at the relevant date of the issue of Plan Shares under this Plan.

“Eligible Employee” means an Employee whom the Remuneration Committee determines is eligible to participate in the Plan.

“Employee” means any person employed by the Company or any of its Subsidiaries (if any) and includes an executive director.

“Financial Year” means 1 July to 30 June.

“Issue Price” means the issue price (if any) of the Shares issued under the Plan and determined in accordance with Rule 5.3.

“Listing Rules” means the official listing rules of ASX.

“Participant” means an Eligible Employee who accepts an invitation to participate in the Plan in accordance with Rule 5.5.

“Plan” means the Runge Limited \$1,000 Employee Share Purchase Plan, as set out in these Rules.

“Plan Shares” means Shares acquired under the Plan.

“Relevant Requirements” means the performance and/or other criteria (if any) which are determined by the Board and notified to the Eligible Employee with an offer under Rule 5.3, and which are required to be met before Shares will be issued. Such requirements may be reduced (if at all) or waived in whole or in part at any time by the Remuneration Committee and such change shall be notified to the Participant.

“Remuneration Committee” means any person or persons appointed by the Board of Directors to administer the Plan, and in the absence of such person or persons being appointed, means the Board.

“Rules” means the rules governing the operation of this Plan set out in this instrument (including without limitation, any schedule) as amended from time to time.

“Security Interest” means a mortgage, charge, pledge, lien or other encumbrance of any nature.

“Share Registry” means a secretariat or share registry of the Company nominated by the Board.

“Shares” means fully paid ordinary shares in the capital of the Company, or the ordinary shares into which fully paid ordinary shares are reconstructed from time to time.

“Subsidiary” has the meaning given to that term in Division 6 of the Corporations Act.

“Tax Act” means the Australian Income Tax Assessment Acts of 1936 and 1997 as amended, rewritten or replaced from time to time.

“Withdrawal Notice” means a duly completed and executed request for permission to withdraw some or all of the Plan Shares held by the Company for the benefit of the Participant in accordance with Rule 7.6.

2. INTERPRETATION

In these Rules, unless contrary to or inconsistent with the context:

- (a) headings are for convenience only and do not affect the interpretation of these terms and conditions;
- (b) the singular includes the plural and vice versa;
- (c) the word "person" includes a firm, body corporate, unincorporated association and governmental authority;
- (d) a reference to any statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

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- (e) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) an agreement, representation or warranty on the part of or in favour of two or more persons binds or is for the benefit of them jointly and severally;
- (h) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (i) a reference to a currency is a reference to Australian currency unless otherwise indicated;
- (j) a reference to a time is a reference to the time in Sydney, Australia; and
- (k) an expression defined in, or given a meaning for the purposes of, the Corporations Act has the same meaning where used in these terms and conditions.

3. PURPOSE

- 3.1 The Plan is called the Runge Limited \$1,000 Tax Exempt Share Purchase Plan.
- 3.2 The Runge Limited \$1,000 Tax Exempt Share Purchase Plan provides Eligible Employees of the Company and its Subsidiaries (if any) with an opportunity to acquire an ownership interest in the Company.
- 3.3 The Plan will commence on the date determined by the Board.

4. PLAN OPERATION

- 4.1 The Plan shall be operated in accordance with these Rules that bind the Company and its Subsidiaries (if any), the Remuneration Committee and each Participant.
- 4.2 Shares acquired under the Plan shall be held subject to these Rules.
- 4.3 The Board may from time to time and in accordance with these Rules offer Eligible Employees the opportunity to participate in the Plan. By accepting that offer, such Eligible Employees shall become Participants.
- 4.4 A Participant's rights and obligations under the Plan are conditional on Shares being registered in the Participant's name. Prior to having Shares registered in their name, a Participant has no right or beneficial interest in any Shares or other property acquired for the purposes of the Plan.

5. HOW THE PLAN WORKS

- 5.1 The Board may from time to time, invite an Eligible Employee to participate in the Plan. Such invitations may be made to persons who are already Participants and more than one invitation may be made to the same person.
- 5.2 The Plan must be operated on a non-discriminatory basis within the meaning of that expression in section 139GF of the Tax Act and all offers of Shares to Eligible Employees

must be made on a non-discriminatory basis in accordance with section 139GF of the Tax Act.

- 5.3 Each such invitation shall be in writing, signed by a director or the secretary of the Company, and shall:
- (a) specify the number of Shares being offered to the Eligible Employee;
 - (b) specify the Issue Price (if any) of each Share being offered and required to be paid by the Eligible Employee;
 - (c) specify any Relevant Requirements (if any) applicable to the Shares being offered;
 - (d) specify the time within which the invitation may be accepted by the Eligible Employee; and
 - (e) contain such other matters as the Board may from time to time determine.
- 5.4 The Issue Price (if any) of each Plan Share shall be determined in the sole discretion of the Board. Where no amount is payable by a Participant for Shares offered to them under the Plan, the acquisition of those Shares will be funded by the Company from its own funds or by a Subsidiary (if any) making a non-refundable contribution to the Company.
- 5.5 An Eligible Employee who has received an invitation to participate in the Plan may accept that invitation by sending an acceptance to the secretary of the Company. An acceptance shall be in such form as the Board or the Remuneration Committee may from time to time determine.
- 5.6 An acceptance shall be effective only if:
- (a) it is received by the secretary of the Company within the period stipulated in the invitation given under Rule 5.5 for acceptance;
 - (b) it is accompanied by a cheque (or some other form of payment that the Board may determine from time to time is acceptable) for the subscription monies (if any) in respect to that number of Shares to be issued multiplied by the Issue Price (if any) for those Shares; and
 - (c) it is accompanied by such other documents as the Board or the Remuneration Committee may from time to time determine.
- 5.7 Subject to the terms of the invitation, when an invitation has been duly accepted, the Shares applied for by the Participant shall be allotted by the Company to the Participant and issued fully paid.
- 5.8 After Shares have been allotted under Rule 5.7, the Company will promptly make application for official quotation of the Shares on the ASX and will use reasonable endeavours to ensure the Shares are officially quoted.
- 5.9 Subject to these Rules, all Plan Shares shall rank equally with all existing Shares with effect from the date of their issue, including (to the extent applicable) rights to dividends, participation in rights issues and bonus issues, and voting.

6. SHARES THE SUBJECT OF THE PLAN

6.1 Shares acquired by Participants under this Plan will either be:

- (a) acquired for that purpose by or on behalf of the Company in the ordinary course of trading on the ASX (where the Shares are quoted on the ASX at the date of issue) or from other purchases; or
- (b) issued by the Company to the Participant.

6.2 The total number of Shares that shall be reserved for issuance under this Plan and any other employee share schemes in the Company shall not exceed five (5%) of the Diluted Ordinary Share Capital in the Company as at the date of issue of the relevant Plan Shares under the Plan, subject to adjustment for changes in capitalisation of the Company as provided in Rule 6.3.

6.3 If any change is made to the terms of Shares subject to the Plan (whether by reason of reorganisation, merger, consolidation, recapitalisation, rights issues, share split, combination of shares, exchange of shares, change in corporate structure, or otherwise), then appropriate adjustments shall be made to the maximum number of Shares subject to and reserved under this Plan without any action by the Board.

6.4 No Shares may be offered under the Plan in jurisdictions in which qualifications or other regulatory requirements are applicable until such qualifications have been obtained or such other requirements have been satisfied.

6.5 The aggregate of the market value of the Shares acquired under the Plan by a Participant (determined as at the time of its acquisition under section 139FA of the Tax Act) must not in any Financial Year in respect to a Participant exceed \$1,000.

6.6 The Board may elect not to offer Shares to Eligible Employees who are resident outside of Australia if it determines that the offers may be illegal or it would be impracticable to do so and the Board may formulate special terms and conditions, in addition to those set out in these Rules, to apply to Eligible Employees resident outside Australia.

7. RESTRICTIONS ON DEALING WITH SHARES

7.1 Unless otherwise determined by the Board when making an invitation or where required by law, a Participant must not:

- (a) sell, transfer or create a Security Interest or declare a trust in respect of Plan Shares;
- (b) take measures designed to have the same economic effect as a sale or transfer of Plan Shares or the creation of a Security Interest in respect of Plan Shares; or
- (c) otherwise deal with Plan Shares,

until the earlier of:

- (a) the end of the period of three years after the time of acquisition of the Plan Shares; and
- (b) the time when the Participant ceased or first ceased to be an Employee of the Company or any of its Subsidiaries (if any),

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referred to as the “Restricted Period”.

- 7.2 The Board is entitled to make such arrangements as it considers necessary to enforce the restrictions described in Rule 7.1 and the Participant must comply with such arrangements.
- 7.3 Other than as provided by these Rules, the Board will retain possession of any certificates for Plan Shares that have been issued (if applicable) or make arrangements with the Company’s Share Registry to ensure, that whilst the Plan Shares remain subject to the Plan, Participants cannot sell or otherwise deal in the Plan Shares until the Restricted Period applicable to the Plan Shares has expired.
- 7.4 Upon the expiration of the Restricted Period in respect to any Plan Shares:
- (a) all restrictions on those Plan Shares as set out in Rule 7.1 will lapse; and
 - (b) a Participant will be entitled to submit a Withdrawal Notice to the Company.
- 7.5 The Board is entitled to approve the withdrawal of Plan Shares from the Plan without a Withdrawal Notice being lodged by a Participating Employee at any time after expiration of the Restricted Period applicable to the relevant Plan Shares.
- 7.6 The Withdrawal Notice must specify the following:
- (a) name of the Participant;
 - (b) address of the Participant; and
 - (c) the number of Plan Shares held by the Company on behalf of the Participant to be withdrawn from the Plan.
- 7.7 A Participant must not lodge a Withdrawal Notice in respect of any Plan Shares if it would breach or may result in a breach of the insider trading provisions of the Corporations Act and any approval of the Withdrawal Notice may be withheld by the Board where the Board in its reasonable opinion forms the view that such approval is not appropriate at that time.

8. NO FORFEITURE OF PLAN SHARES

The Plan does not contain any conditions that could result in a Participant forfeiting ownership of Plan Shares acquired under it.

9. BENEFICIARY

- 9.1 The Participant must designate in writing delivered to the Remuneration Committee at or about the date of allocation of Shares to the Participant under the Plan, a beneficiary to receive a payment of Shares under the Plan in the event of the Participant’s death.
- 9.2 The Participant may also designate a contingent beneficiary to receive payments under the Plan if the primary beneficiary designated under Rule 9.1 does not survive the Participant.
- 9.3 The Participant may designate more than one person as the Participant’s beneficiary or contingent beneficiary in which case:
- (a) no contingent beneficiary would receive any payment unless all of the primary beneficiaries predeceased the Participant; and

- (b) the surviving beneficiaries in any class shall share in any payments in proportion to the percentages of interest assigned to them by the Participant relative to the percentage of interests held by all survivors in that class.

9.4 The Participant may change his or her beneficiary or contingent beneficiary in a writing delivered to the Remuneration Committee at any time before the Participant's death. Unless the Participant states otherwise in such writing any change in beneficiary or contingent beneficiary will automatically revoke such prior designations of the Participant's beneficiary or of the Participant's contingent beneficiary as the case may be under this Plan.

9.5 In the event a Participant does not designate a beneficiary or no designated beneficiary survives the Participant, the Participant's beneficiary shall be the Participant's surviving spouse if the Participant is married at the time of his or her death and not subject to a court-approved agreement or court decree of separation, or otherwise to the Participant's estate.

9.6 If a beneficiary who is receiving or is entitled to receive payments under this Rule 8, dies after the Participant's death but before all the payments of Shares have been made then any payment of Shares will be paid as soon as practicable in a single payment to such beneficiary's estate and not to any contingent beneficiary the Participant may have designated.

10. VARIATION AND TERMINATION OR SUSPENSION OF THE PLAN

10.1 Subject to the Listing Rules and Rule 10.2, the Board may amend or modify or vary any of these Rules (including this Rule 10) or waive or vary the application of any of the Rules in relation to any Participant, at any time by resolution of the Board.

10.2 No addition, amendment or variation to these Rules may be made if it would reduce the rights of any Participant subject to the Participant giving his or her prior written consent to the addition, amendment or variation, unless the amendment was introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) for the purpose of complying with the Listing Rules, Corporations Act, any other Australia laws, applicable foreign laws, or a requirement, policy or practice of ASIC or other foreign or Australian regulatory body; or
- (c) to correct any manifest error or mistake.

10.3 Subject to Rules 10.1 and 10.2, any amendment made pursuant to Rule 10.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

10.4 The Board may terminate or suspend the operation of the Plan at any time by resolution of the Board.

11. OTHER INCENTIVE SCHEMES

11.1 The Board is not restricted to using the Plan as the only method of providing incentive rewards to Employees. The Board may approve and introduce other incentive schemes.

- 11.2 Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme of the Company unless the terms of this Plan or that scheme provide otherwise.

12. RELATIONSHIP OF COMPANY AND PARTICIPANTS

- 12.1 These Rules:

- (a) do not confer on any Participant the right to continue as an Employee;
- (b) do not form part of and are not incorporated into any contract of employment of the Participant with the Company or its Subsidiaries (if any) unless expressly stated and does not confer directly or indirectly on the Participant any legal or equitable right whatsoever against the Company or its Subsidiaries (if any);
- (c) do not affect any rights which the Company may have to terminate the employment of that Employee. No Participant shall have any rights to compensation or damages in consequence of the termination of his or her employment for any reason whatsoever in so far as those rights arise from his or her ceasing to have rights under the Plan as a result of such termination; and
- (d) may not be used to increase damages in any action brought against the Company in respect of that termination.

- 12.2 Neither the Company or its Subsidiaries (if any), its directors or employees, the Remuneration Committee, nor the members of the Remuneration Committee, shall be liable for anything done or omitted to be done by such person or any other such person with respect to the price, time, quantity or other conditions and circumstances of the acquisition, purchase, custody or sale of Plan Shares or with respect to any fluctuations in the market value of Plan Shares unless such act or omission constitutes wilful misconduct on such person's part.

- 12.3 In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Plan Shares under the Plan and in the exercise of any power or discretion in respect thereof any decision made by the Remuneration Committee under this Plan shall be binding on the Participant.

13. NOTICES

Any notice or direction given under these Rules is validly given if it is handed to the Eligible Employee or Participant concerned or posted by ordinary prepaid post to the person's last known address or given in such other manner as the Board determines.

14. ADVICE

Eligible Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

15. PLAN ADMINISTRATION

- 15.1 The Board and the Remuneration Committee may make regulations for the operation and administration of the Plan that are consistent with these Rules.

- 15.2 Where these Rules provide for a determination, interpretation, decision, approval or opinion of the Board or the Remuneration Committee, such determination, interpretation, decision, approval or opinion shall be in its absolute discretion.
- 15.3 Any decision made by the Board or the Remuneration Committee in accordance with Rule 15.2, shall be binding on the Participant.
- 15.4 Any power or discretion which is conferred on the Board or the Remuneration Committee by these Rules may be exercised in the interests or for the benefit of the Company, and the Board or the Remuneration Committee (as the case may be) is not, in exercising any such power or discretion under any fiduciary or other obligation to any other person.
- 15.5 The decision of the Board or the Remuneration Committee as to the interpretation, effect or application of these Rules will be final.
- 15.6 The Board may delegate such functions and powers as it may consider appropriate, for the efficient administration of the Plan, to the Remuneration Committee.
- 15.7 The Board and the Remuneration Committee may take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules.

16. GENERAL

- 16.1 The entitlements of the Participants and these Rules are subject to the Company's constitution, the Listing Rules, the Corporations Act and any other applicable laws.
- 16.2 Notwithstanding any provisions of these Rules, no Shares may be issued, assigned or dealt with under the Plan, if in doing so the Company would be in breach of, or would cause its Subsidiaries (if any) to be in breach of:
- (a) any provision of the Foreign Acquisitions and Takeovers Act 1975 (Cth);
 - (b) any undertaking given by the Company to the Foreign Investment Review Board at the request of the Foreign Investment Review Board from time to time;
 - (c) the Corporations Act;
 - (d) any class order issued by ASIC;
 - (e) any provision of the Listing Rules; or
 - (f) any other applicable law.
- 16.3 For the purposes of Rule 16.2, references to the Foreign Acquisitions and Takeovers Act mean the relevant Act as it may be amended or modified or replaced by another act dealing with similar subject matter.

17. DUTIES AND TAXES

The Company is not responsible for any duties or taxes which may become payable in connection with the issue and allotment of Plan Shares under this Plan.

18. DATA PROTECTION

By participating in the Plan, each Participant consents to the collection, use and dealing by, and disclosure to, the Company of personal data provided by the Participating Employee pursuant to their participation in the Plan.

19. GOVERNING LAW

This Plan and the rights of the Participants under the terms and conditions of the Plan shall be governed by the laws of New South Wales.

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RUNGE LIMITED LETTERHEAD

[Date]

[Employee Name]
[Address]

Dear [Employee Name]

**RUNGE LIMITED \$1,000 TAX EXEMPT SHARE PURCHASE PLAN –
INVITATION TO PARTICIPATE**

In recognition of your performance and contribution to Runge Limited (the “Company”) and its Subsidiaries (if any) over the past review period, we are pleased to offer you the opportunity to acquire an ownership in the Company by offering you fully paid ordinary shares in the capital of the Company (“Shares”) in accordance with the terms and conditions of the Runge Limited \$1,000 Tax Exempt Share Purchase Plan (“Plan”).

Terms used in this invitation that are not defined herein shall have the meaning as specified in the rules of the Plan.

The Offer

The terms of this offer are set out in the table below:

Number of Shares you are being offered	[insert number of shares]
Issue Price	[insert]
Relevant Requirements	Not applicable to offer

[Under this offer you are not required to pay any subscription monies for the Shares.]

Acceptance of Offer

If you wish to accept this invitation to Participate in the Plan and the offer to subscribe for Shares in the Company, please complete the Application for Shares **enclosed** with this letter and return to the secretary of the Company at the address below by [insert date]:

Company Secretary
Runge Limited
Level 17
345 Queen Street
BRISBANE QLD 4000

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Thank you for your support and efforts whilst employed by Runge Limited. We look forward to your continued contributions to the Company.

If you have any questions in relation to this invitation, please contact [**insert details**].

Yours sincerely

Director
On behalf of Runge Limited

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RUNGE LIMITED

(ACN 010 672 321)

\$1,000 TAX EXEMPT SHARE PURCHASE PLAN

APPLICATION FOR SHARES

To the Company Secretary

I, _____ refer to the Company's invitation to participate in the Runge Limited \$1,000 Tax Exempt Share Purchase Plan (the "Plan") dated _____ ("Invitation").

I am an Employee of the Company or its Subsidiary and I acknowledge that I have read and understand the terms and conditions of the Plan that accompanied the Invitation.

I would like to accept the Invitation to subscribe for _____ fully paid Shares in the Company in accordance with the terms and conditions of the Invitation and the Plan.

I have enclosed the subscription monies (if any) that I am required to pay in relation to the Shares that I am subscribing for being an amount of _____ (i.e. number of Shares applied for multiplied by the Issue Price per Share as set out in my Invitation).

Address of Employee:

Tax File Number:

Signature:

Date:

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