

RUNGE LIMITED

ACN 010 672 321

Margin Loan Policy

Adopted by the Board on 27 June 2008



Margin Loan Policy for Directors and Senior Executives

1 Purpose

- 1.1 This policy sets out the Margin Loan Policy for Directors and Senior Executives of Runge Limited ACN 101 672 321 (“**the Company**”).
- 1.2 The policy aims to ensure that the Company does not breach its continuous disclosure obligations under the Australian Securities Exchange (“**ASX**”) Listing Rules (“**LRs**”) in respect of Margin Loans of Directors or Senior Executives.
- 1.3 In this policy:
 - (a) “Control”, in respect of a company or entity, means to have the capacity to determine the outcome of decisions about that company or entity’s financial and operating policies;
 - (b) “Director” means a person who:
 - (i) is appointed to the position of director of the Company; or
 - (ii) is appointed to the position of alternate director of the Company and is acting in that capacity;
 - (c) “Margin Loan” means any finance arrangement or facility that is secured by shares or other securities of the Company;
 - (d) “Related Party” means:
 - (i) any spouse, de facto spouse or relative of a Director or Senior Executive of the Company;
 - (ii) a company or other entity Controlled by a Director or Senior Executive of the Company;
 - (iii) a company or other entity Controlled by a Related Party referred to in sub-paragraphs (i) or (ii) above;
 - (iv) a company or other entity that believes or has reasonable grounds to believe that it is likely to become a Related Party of a Director or Senior Executive of the Company of the kind referred to in sub-paragraphs (i) or (ii) above at any time in the future; and
- 1.4 “Senior Executive” means the Chief Executive Officer, Chief Financial Officer, Company Secretary, any other employee who reports directly to the Chief Executive Officer and any other executive of the Company which the board may from time to time include.

2 Scope

All Directors and Senior Executives of the Company must comply with this policy.



3 ASX LRs and Margin Loans

- 3.1 ASX LR 3.1 requires an ASX listed entity to disclose immediately to the ASX any information that it is aware of concerning itself that a reasonable person would expect to have a *material* effect on the price or value of its securities.
- 3.2 The ASX has advised that:
- (a) where a Director has entered into a Margin Loan or similar funding arrangement for a material number of securities, ASX LR 3.1 may apply to require the entity to disclose the key terms of the arrangements, including:
 - (i) the number of securities involved;
 - (ii) the trigger points;
 - (iii) the right of the lender to sell unilaterally; and
 - (iv) any other material details; and
 - (b) whether or not a Margin Loan is material and requires disclosure under ASX LR 3.1 is a matter for the entity to decide having regard to the nature of its operations and the particular circumstances of the entity.

4 Policy

- 4.1 Unless the prior consent of the Chairman of the Board of Directors has been obtained all:
- (a) Directors of the Company;
 - (b) Senior Executives of the Company; and
 - (c) Related Parties of Directors or Senior Executives of the Company,
- are prohibited directly or indirectly from entering into any Margin Loan facility.
- 4.2 Each Director and Senior Executive of the Company must ensure that no Related Party of that Director or Senior Executive enter into a Margin Loan without obtaining the prior consent of the Chairman of the Board of Directors.
- 4.3 For the purposes of the paragraphs above, the consent of the Chairman of the Remuneration Committee must be obtained in respect of any relevant transactions to be entered by the Chairman of the Board of Directors or a Related Party of the Chairman of the Board of Directors.
- 4.4 If:
- (a) a Director of the Company;
 - (b) a Senior Executive of the Company; or
 - (c) a Related Party of a Director or Senior Executive of the Company,

enters into, either directly or indirectly, a Margin Loan facility the Director or Senior Executive in question must immediately disclose all details of the Margin Loan facility to the Board, and any other related finance or security arrangements requested by the Chairman (or in the case of a disclosure by the Chairman, as requested by the Chairman of the Remuneration Committee).

4.5 Where:

- (a) a Director of the Company;
 - (b) a Senior Executive of the Company; or
 - (c) a Related Party of a Director or Senior Executive of the Company, has entered into a Margin Loan facility, the Director or Senior Executive in question must immediately disclose to the Board:
- (d) any change in the details of the Margin Loan; or
 - (e) any other material information or event which occurs in respect of the Margin Loan (including if a margin call is made).

4.6 Where:

- (a) a Director of the Company;
- (b) a Senior Executive of the Company; or
- (c) a Related Party of a Director or Senior Executive of the Company, has entered into a Margin Loan facility the Board of Directors is to determine whether the terms of the Margin Loan facility are material for the purposes of ASX LR 3.1 having regard to the nature of its operations and the particular circumstances of the Company.

4.7 Where a Margin Loan facility is considered material, the Company must disclose the key details of the Margin Loan facility to the ASX, including:

- (a) the number of securities involved;
- (b) the trigger points;
- (c) the right of the lender to sell unilaterally; and
- (d) any other material details.

4.8 Each:

- (a) Director of the Company; and
- (b) Senior Executive of the Company,

consents, on their own behalf and on behalf of any Related Party of that Director or Senior Executive, to any disclosure made by the Company pursuant to paragraph 4.5 of this policy.