



TERRACOM

Dividend Policy

1 Overview

This Dividend Policy (**Policy**) sets out the position of TerraCom Limited ABN 35 143 533 537 (the **Company**) in relation to the payment of dividends.

2 Declaration and payment of dividends

- (a) The payment of dividends by the Company is at the discretion of the Board.
- (b) The Policy of the Company is to distribute to shareholders surplus funds from distributable profits and/or general reserves, as may be determined by the Board of Directors, subject to:
 - (i) the recognition of profit and availability of cash for distribution;
 - (ii) any banking or other funding requirements by which the Company is bound from time to time;
 - (iii) the operating and investment needs of the Company;
 - (iv) minimum 6 weeks working capital requirements for Australia (note, South Africa is excluded noting that receivables and payables are 30 days from end of month);
 - (v) the anticipated future growth and earnings of the Company;
 - (vi) provisions of the Company's Constitution; and
 - (vii) any relevant applicable laws.
- (c) The Company proposes to pay dividends on a quarterly basis and shall endeavour to maintain a dividend payout ratio between 40% and 90% of net profit after tax attributable to TerraCom, subject to the above considerations, with the Board having the discretion to make further returns depending on the circumstances.
- (d) The Board shall be responsible for all resolutions on the declaration and payment of dividends.
- (e) The Board can provide no guarantee as to:
 - (i) The extent of future dividends; and
 - (ii) The level of franking or imputation of such dividends.
- (f) The Company will not declare any dividends where the law prevents such payment and if there are reasonable grounds to believe that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due.

Review Date	August 2022	Policy author	Company Secretary
		Policy authoriser	Board

- (g) The list of persons entitled to receive dividends at the record date shall be prepared by the Company's Share Registry according to the Company's instructions and prevailing legislation.
- (h) The Company must comply with the provisions of its Constitution, the requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules in relation to the payment of dividends.

3 Disclaimer

The Policy does not represent a commitment on the future dividends of the Company and therefore represents general guidance on the dividend policy.

4 Amendment

This Policy shall be effective from the date of execution and may be amended from time to time and approved by the Board of Directors of The Company.

5 Policy Approval

Approved and Adopted by the Board on 24 August 2022.

Review Date	August 2022	Policy author	Company Secretary
		Policy authoriser	Board