

**AVJENNINGS LIMITED  
DIVIDEND POLICY**

The Directors are empowered under Article 98 of the Constitution to declare dividends which appear to the Directors to be justified by the profits of the company. The power is exercisable subject to any special rights or restrictions attached to any shares.

Under section 254T of the Corporations Act a dividend may only be paid out of the profits of the company. The profits to which this section refers is generally understood to mean the accumulated profits of the business and not merely the profit generated in the year in respect of which the dividend is proposed.

Subject to the limitations imposed by the Constitution, the Corporations Act and by the terms of any special rights or restrictions attached to shares, the right and power to declare and pay a dividend is exercisable by the Directors.

The Company understands that there may be tension between the Company's need to retain cash to fund operations and to develop the business both organically and through acquisitions on the one hand; and on the other hand the desire of many shareholders to receive a distribution on their shares (by way of cash dividend or otherwise).

The Board sees value in the ability to provide a recurring income stream for shareholders through the payment of dividends. This value may be manifested through a more satisfied shareholder body as well as making easier the company's ability to raise equity or undertake other corporate actions in the future should the need arise. However prudence requires that consideration of the Company's need for cash, the Company's financial position and circumstances, and the general market and industry outlook will always be factors which must be considered before any dividend is declared.

Subject to the Company's need to retain cash for operational or acquisition purposes and to the Board being satisfied that macro-economic factors do not mitigate against the proposal, the Board intends to distribute by way of dividend (whether by cash, capitalisation of profits, in specie or other allowable distribution) between 30% to 50% of the Net Profit After Tax for any year. The amount, timing, structure and method of payment of dividends (if any) will be determined by the Board on a case by case basis.

*Adopted 17 August 2015*