



Powerhouse Ventures Limited (PVL)

DIVIDEND POLICY STATEMENT

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The Company intends to pay dividends to Shareholders. However, as investments will require an uncertain period of development before optimal value is achieved, it is likely dividends will be irregular.

Dividend Amount

The amount of any dividend paid will be at the discretion of the Board and will depend on a number of factors, including:

- the recognition of profits and availability of cash for distribution;
- the anticipated future earnings of the Company; or
- when the forecast timeframe for capital demands of the business allows for a prudent distribution to shareholders.

Imputation Credits

It is the intention of the Board that all dividends paid to shareholders will have imputation tax credits (or franking) attached to the maximum extent possible.

Policy Context

This policy has been developed having regard to:

- an understanding by the Board and its shareholders that the nature of the business requires long term patient capital;
- the expectation of shareholders for profit performance, coupled with a desire to maximise tax effective dividends from investment in PVL shares;
- the need to safeguard shareholders longer-term interests by adopting prudential capital reserve targets that support the growth objectives of the business, even under difficult market conditions; and
- the desirability for some flexibility in payout ratio to take account of variability in profit, cash and imputation credit balances from one year to the next and the capital needs of the business.