

# Dividend Policy

## Aim

TasWater is committed to providing dividends to Council Owners which will reflect the Council Owners' investment in TasWater.

The dividends to Council Owners will take into account TasWater's trading results, level of debt, interest coverage and capital program.

## Legislation

*Corporations Act 2001 (Cth)*

*Water and Sewerage Corporation Act 2012 (Tas)*

## Policy

The *Water and Sewerage Corporation Act 2012 (WSCA)* requires that the Board determine a Dividend Policy. The Constitution and Shareholders' Letter of Expectations reiterate this requirement and stipulate that the Dividend Policy must be determined in consultation with the Owners' Representatives.

As part of the Corporate Plan, each year the Board will nominate a target level of dividends to be shared amongst Owners in the financial years covered by the Corporate Plan.

In the event that circumstances change such that the Board determines to increase, reduce or cancel a dividend payment, it shall advise the Owners at the earliest opportunity of its decision.

## Owners' Share of Dividends and Timing of Payments

Total dividends will be distributed to Council Owners in accordance with their equity entitlements for distribution purposes as set out in Schedule 3 of the Constitution.

In accordance with the WSCA and the Constitution, the Tasmanian Government is not entitled to receive any dividends under this policy.

Dividends are to be paid on a quarterly basis during the financial year in which the profits are generated. Dividend payments will be made in the last week of September, December, March and June of each financial year. Interest is not payable on dividends.

## Associated Documents

TasWater Constitution

TasWater Corporate Plan

TasWater Shareholders' Letter of Expectation

<b>Title</b>	Dividend Policy
<b>Approved By</b>	Dr Stephen Gumley, Board Chair
<b>Date</b>	21/02/2023