



Dividend Policy

Trustpower will seek to pay dividends that distribute all available imputation credits in each financial year and provides Trustpower shareholders with a consistent level of dividend. Under ordinary business circumstances, the dividend to be declared will be determined by reference to Trustpower's:

- earnings, cash flow and performance in any given period;
- working capital requirements;
- medium-term fixed asset investment programme;
- investment in new business opportunities; and
- the risks from predicted short and medium-term economic, market and hydrological conditions, and estimated financial performance.

Providing the Trustpower Board is satisfied in respect of these matters, it is expected that Trustpower will have a dividend payout ratio of between 70% and 90% of its free cash flow on average over time.

Free Cash Flow means EBITDAF less interest, tax and maintenance capex, plus adjustments for non 100% owned entities.