Dividend Policy

DIVIDEND POLICY

One of Comms Group Limited's (Comms Group or the Company) key financial objectives is to deliver superior shareholder value through the return of capital in the form of a reasonable dividend.

This Dividend Policy does not represent a commitment on the future declaration or payment of Dividends by the Company but represents a general guidance on the Dividend Policy

Subject to the Corporations Act, the Board may declare and pay an interim and/or final dividend that, in its judgement, is justified based upon the financial position of the Company. The Board may also declare and pay any dividend required to be paid under the terms of issue of an ordinary share and fix a record date for a dividend and the timing and method of payment.

Under the Australian Taxation Act (Act), section 254T of the Act allows a company to pay a dividend if:

(a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;

(b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

(c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The declaration and payment of a dividend by the Company is at the discretion of the Board.

The Dividend Policy of the Company is to distribute to its shareholders surplus funds from its distributable profits and/or general reserves, as may be determined by the Board of Directors, subject to:

(a) the recognition of profit and availability of cash for distribution;

(b) any banking or other funding requirements by which the Company is bound from time to time;

(c) the operating and investment needs of the Company;

(d) the anticipated future growth and earnings of the Company;

(e) provisions of the Company's Constitution;

(f) emerging trends in Dividend payouts in the industry; and

(g) any relevant applicable laws.

The Company may prior to declaration of any Dividend, transfer such percentage of its profit for that financial year as it may consider appropriate to the reserves of the Company.

The Company's Board of Directors shall be responsible for generating all proposed resolutions on the declaration and payment of dividends.

The Company's Board of Directors can provide no guarantee as to:

(a) the extent of future dividends; and

(b) the level of franking or imputation of such dividends.

The Company will not declare any Dividends where the law prevents such payment and if there are reasonable grounds for believing 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.

The Company may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked. The dividend should be included in each Shareholder's assessable income for the relevant year of income.

Foreign tax resident Shareholders may be subject to withholding tax on the dividend payments they receive. While withholding tax is not imposed on fully franked dividends, it is necessary that the Company withhold tax on unfranked and some partially-franked dividends paid to foreign tax resident Shareholders. Where Australia does not have a double tax agreement with the foreign tax resident Shareholder's country of residence, the withholding rate is 30%. However, where there is such an agreement, the rate will generally be reduced to between 0 to 15%.

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.