



DIVIDEND POLICY

The dividend policy of "SOUTHERN CABLE" ("SC") is to distribute to its shareholders all funds surplus to the operating needs of the SC as determined by the Board of Directors of the SOUTHERN CABLE with a target dividend payout ratio in respect of each financial year of 15% of net profit or 10% of free cash flows but subject always to:

- a. The solvency requirements of the Companies Act 1993;
- b. Any banking or other funding covenants which is bound from time to time;
- c. The operating requirements referred to in this clause; and
- d. The payment of dividends by our Subsidiaries is dependent upon its distributable profits, operating results, financial condition, capital expenditure plans as well as other factors

Changes to target dividend payout ratio

The target dividend payout percentage/ratio set out above is not to be changed without the prior written approval of the Board of Directors

Consistent dividend payment over time

In measuring the SOUTHERN CABLE's performance against the target dividend payout ratio in relation to a financial year, the parties acknowledge that the Board of Directors shall seek to maintain consistency from year to year by smoothing the effect of any variation in free cash flows that may be due to one off gains or losses in individual years, while maintaining the target dividend payout ratio on average over a year period.

Definition of Free Cash Flows

For the purposes of this, "Free cash flows" means net cash flows arising from operating and financing activities less any fluctuations for asset amortisation.