

TOMRA Dividend Policy

1. General Information

TOMRA's objective is to create long-term sustainable value for its shareholders, through competitive return in form of dividends and share price development over time. The dividend policy assumes that TOMRA at all times has a solid capital structure and liquidity reserve that is sufficient to meet future liabilities with a balanced reserve for business opportunities. Distributions through dividends can only be initiated by the Board based on approval from the General Meeting. The dividend policy forms the basis for the Board's proposals to the General Meeting on dividend payments or authorization for payment of dividend on one or several occasions based on the last audited financial accounts. TOMRA has one share class, where each share carries one vote and have equal rights including the right to receive dividend and participate and vote at General Meetings.

2. Cash Dividend

TOMRA's ambition is to distribute external dividend of 40-60% of yearly earnings per share (EPS) as ordinary dividend and to increase the nominal dividend amount year over year, always considering capital requirements for future growth, loan obligations and maintaining an investment grade rating. Extraordinary dividends can supplement ordinary dividends in periods with strong financial results. CEO, together with CFO, prepare a dividend proposal to the Board, taking expected cash flow, capital expenditure plans, acquisitions, financing requirements and appropriate financial flexibility into consideration. The Board will consider and ensure that TOMRA's capital is at a satisfactory level, and that good financial liquidity resilience as well as strong financial solidity are maintained when requesting dividend approval from the General Meeting.

Dividend payments follows the Norwegian Companies Act regulation of TOMRA's ultimate parent company, TOMRA Systems ASA. To enable dividend distribution levels, internal dividends need to flow from subsidiaries to TOMRA Systems ASA. The process is to distribute as much internal dividend as possible within the group structure, while maintaining a satisfactory capital structure and liquidity reserve for TOMRA's subsidiaries. As part of the ownership obligation within TOMRA all subsidiaries are obliged to distribute dividend. Group Treasury manages the internal dividend distribution process and ensures that internal dividends always comply with local laws and regulations, such as thin capitalization rules and capital requirements.

3. Share Buyback

Share buyback is a distribution of value to shareholders that TOMRA currently do not practice. TOMRA believes in value creation through investing in current and new business building. Buyback of shares is only done to facilitate the yearly Share Purchase Program within TOMRA.