

## **Deltic Timber Corporation Dividend Policy**

**Payment of dividends is the means by which Deltic Timber Corporation makes distributions to its shareholders of the profits and cash flows generated by the Company's business operations. These dividends are declared by the Company's Board of Directors on a quarterly basis. The Company's dividend strategy is to grow the amount of the dividend over time, at a rate of increase that is believed to be sustainable. The timing and amount of future increases are based on the estimated trend for future earnings and cash flow, taking into account other potential uses of the Company's capital resources including, but not limited to, acquisition opportunities, capital expenditures for existing operations, debt repayments, and repurchases of the Company's common stock.**