

## **Saint-Gobain Sekurit India Ltd - Dividend Distribution Policy**

The Dividend Distribution Policy (“the policy”) establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

### **1. Objective:**

The Objective of the policy is to appropriately reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company would ensure that the right balance is maintained between dividend payout and amount of profit to be retained for utilisation in the business.

### **2. Parameters for declaration of Dividend:**

2.1 In line with the objective, the Board of Directors of the Company shall consider the following internal and external factors before declaring or recommending dividend to the shareholders:

- Profit earned during the financial year
- Retained earnings
- Capital expenditure requirements
- Operating cash flows and treasury position.
- Cash Retention for contingencies of an exceptional amount.
- Acquisitions or new investments requiring higher allocation of capital
- Higher working capital requirements affecting free cash flow
- External economic environment
- Legal and regulatory framework

The Board may declare interim dividend as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

2.2 Circumstances under which dividend payout may or may not be expected:

The Board shall consider the factors provided above under para 2.1, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, mainly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

### 2.3 Manner of utilization of Retained earnings:

The Board may retain earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on expansion plan, diversification, long term strategic plans or other such criteria as the Board may deem fit from time to time.

### 2.4 Parameters adopted with regard to various classes of shares:

At present, the issued and paid-up share capital of the Company comprises only equity shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy

### **3. Disclosure:**

The Company shall make appropriate disclosures as required under the SEBI Regulations and the Companies Act.

### **4. General**

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. This policy shall be subject to revision /amendment in accordance with the relevant regulatory frame work. In case of inconsistency between the revision/amendment under regulatory frame and the provisions of this policy, then such revision/amendment shall prevail.