

Policy Title	Policy for Dividend Distribution		
Policy number		Policy effective date	26-May-2022
Policy owner	Company Secretary	Email	<a href="mailto:Ramakrishna.kasturi@aragen.com">Ramakrishna.kasturi@aragen.com</a>
Policy revision approving authority	Board of Directors of the Company		

#### Document change history

Policy No. (with version)	Date of approval	Effective date	Comments
V.1	26-May-2022	26-May-2022	Formulation of the Policy

## POLICY FOR DIVIDEND DISTRIBUTION

This Dividend Distribution Policy applies to the distribution of dividends by Aragen Life Sciences Private Limited (the “Company”) in accordance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations) and is effective from 26<sup>th</sup> May 2022.

This policy sets out the parameters and circumstances that will be considered by the Board of Directors of the Company in determining and recommending the distribution of dividends to its shareholders and/or retaining profits earned by the Company.

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the Listing Regulations.

The Policy:

- ❖ Dividends may generally be recommended by the Board from time to time, after the announcement of the full-year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Act and the Listing Regulations. The Board may also declare interim dividends as may be permitted by the Act and the Listing Regulations.
- ❖ Generally, the Board shall determine the interim/final dividend for a particular period taking into consideration, *inter alia*, the following financial/internal, external, and other parameters:

Financial/internal parameters:

- Financial performance (including consolidated financial performance) of the Company for the relevant period;
- Funds required for service of outstanding loans including for payment of interest for debt securities or redemption thereof.
- Investments required by the Company towards achieving medium/long-term strategy of the Company including for acquisitions that the Board may consider;
- Capital Expenditure requirements of the Company in the current financial year and the immediately succeeding financial year;
- Expected cash requirements of the Company;
- Minimum cash required for contingencies or unforeseen events;
- Any other significant developments that require cash investments.
- Liquidity, debt-equity, etc. ratios;

External parameters:

- Any significant changes in the macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax, and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model; and
- Changes in applicable taxes including the tax on dividends, cost of financing, etc.

Other parameters:

- Past dividend distribution history;
- Maintaining a consistent track record in making payments of dividends;
- Use of funds for ensuring good return on capital employed for the shareholders; and
- Alternative better use of funds for ensuring a higher rate of return to the shareholders.

- ❖ The Board of Directors may in extraordinary circumstances, consider additional factors over and above the parameters listed in this policy.
- ❖ The Board may additionally recommend a special dividend in special circumstances.
- ❖ The Board of Directors may consider not declaring or recommending the declaration of dividends or declare or recommend the declaration of a lower pay-out of dividends in case of extraordinary circumstances such as prevailing or likely adverse market conditions, business uncertainty, inadequate profits during the fiscal year, inadequate cash balance, large forthcoming capital expenditure requirements, etc. In such circumstances or where the profits of the relevant period are inadequate to satisfy any one or more of the parameters for determining the dividends, the Board of Directors may still, after careful consideration, consider the distribution of the retained earnings as dividends.
- ❖ The Board of Directors may, at its discretion or in compliance with the law, consider the transfer of a certain portion of the profits to General Reserves of the Company along with determining the dividends.
- ❖ The provisions contained in this policy shall apply to all classes of shares of the Company. It may be noted that currently, the Company has only one class of shares, namely, Equity Shares.

This policy is approved by the Board of Directors on 26<sup>th</sup> May, 2022 and will be reviewed and amended as and when required by the Board. In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy. Any subsequent amendment/modification in the Listing Regulations, Act, and/or applicable laws in this regard shall automatically apply to this policy.

This policy will be uploaded on the website of the Company.