

## DIVIDEND POLICY

### Objective

This Dividend Policy provides guidance on the value of dividends to be distributed by Cipla Quality Chemical Industries Ltd (the Company) to its shareholders and the frequency of such distributions.

### The Policy

1. The Company shall endeavour to pay dividends to its shareholders each year it returns a net profit greater than US\$4 billion whichever is greater, subject to:
  - The recognition of profit and availability of cash for distribution;
  - Any banking or other funding requirements by which the Company is bound from time to time;
  - The operating and investment needs of the Company;
  - The anticipated future growth and earnings of the Company;
  - Provisions of the Company's Articles of Association;
  - Emerging trends in Dividend pay-outs in the industry; and
  - Any relevant applicable laws.
2. The Company shall pay a minimum of 30% of the aforementioned net earnings as dividends to shareholders subject to considerations in Clause 1.  
The directors may authorise a dividend payment of more than 30% of net earnings after taking into account the company's cash position, financial obligations and capital expenditure plans.
3. The directors may in its discretion declare an interim dividend based on the approved unaudited half year results, cash flow position and projected results for that year. Where no final dividend is declared, the interim dividend shall be regarded as the final dividend at the Annual General Meeting (AGM).
4. The Company will not declare any dividend where the law prevents such payment and if there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due.
5. The Company may prior to declaration of any dividend, transfer such percentage of its profit for that financial year as it may consider appropriate, to the reserves of the Company.
6. The decision to declare and pay dividend shall be approved at the shareholders' AGM, on the recommendation of the Board of Directors.

## 7. Policy Context

This policy is aligned with the Company's goal to maximize shareholder value.

## 8. Amendment

This Policy shall be effective from the date of execution and may be amended from time to time and approved by the Board of Directors of the Company.

## 9. Policy Approval

This policy was approved by the Company's Board of Directors on 2<sup>nd</sup> August 2021.



Emmanuel Katongole  
**Chairman**



Doreen Awanga  
**Company Secretary**