

SUZLON ENERGY LIMITED
DIVIDEND DISTRIBUTION POLICY

1. Policy history

Date of Board approval	Particulars	Effective Date
11 th November 2016	Approval of the Policy in terms of Regulation 43A of the Listing Regulations	11 th November 2016
31 st January 2024	Review and amendment of the policy in terms of Listing Regulations	31 st January 2024

2. Purpose of this Policy

- 2.1 Suzlon Energy Limited (“SEL or the “Company”) has adopted this Policy in terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.2 The purpose of this Policy is to lay down the parameters and circumstances that will be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

3. Applicability of this Policy

- 3.1 The Policy applies to Suzlon Energy Limited.

4. Definitions

Unless repugnant to the context:

- 4.1 “Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.
- 4.2 “Applicable Laws” shall mean the Act and Rules made thereunder, the Listing Regulations (as defined hereafter); Depositories Act, 1996, as amended from time to time and / or such other Act, Rules or Regulations which are / may be applicable to distribution of Dividend.
- 4.3 “Board” or “Board of Directors” shall mean the Board of Directors of the Company.
- 4.4 “Company” or “SEL” shall mean Suzlon Energy Limited.
- 4.5 “Dividend” shall mean Dividend as defined under the Companies Act, 2013.
- 4.6 “Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- 4.7 “Policy” or “this Policy” shall mean the Dividend Distribution Policy.

- 4.8 Interpretation – In this Policy unless the contrary intention appears, words and expressions used and not defined in this Policy but defined in the Applicable Laws shall have the meanings respectively assigned to them in those Applicable Laws.

5. Review of the Policy and disclosure requirements

- 5.1 This Policy has been implemented w.e.f. 11th November 2016 and has been subsequently modified with effect from 31st January 2024.
- 5.2 This Policy shall be disclosed on the website of the Company and a weblink shall be provided in the Annual Report.
- 5.3 The Board will review this Policy on a periodic basis to ensure its effectiveness and also compliance with the Act and the Listing Regulations.
- 5.4 This Policy is subordinate to the Listing Regulations or other applicable statutory provisions including the Act and in the event of inconsistency between this Policy and the Applicable Laws (including due to subsequent amendments to the Applicable Laws), the provisions of the Applicable Laws will prevail.
- 5.5 To the extent any change or amendment is required due to change in the Applicable Laws, the Managing Director or the Chief Executive Officer of the Company shall be authorised to review and amend the Policy to give effect to any such changes or amendments. Such amended Policy shall be placed before the Board for noting and necessary ratification.
- 5.6 The Board reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy.

6. Financial parameters / internal / external factors that shall be considered for declaration of Dividend

- 6.1 The Company shall observe the relevant statutory requirements as may be applicable to the Company at the time of taking decision with regard to dividend declaration (either interim or final dividend). However, the Board shall also consider the parameters for declaration of Dividend as detailed below.
- 6.2 The Board would *inter-alia* consider the following list of parameters / factors before declaring dividend to its shareholders:

Financial Parameters / Internal Factors / External Factors:

- a. Net operating profit after tax;
- b. Availability of retained earnings;
- c. Operating cash flow including cash flow required to meet contingencies;
- d. Inadequacy of profits;
- e. Working capital requirements;
- f. Capital expenditure requirements;
- g. Resources required to fund acquisitions and / or new businesses;
- h. Borrowings;
- i. Past Dividend trends, if any;
- j. Peer industry practices;
- k. Economic viability;

- l. Restrictions from Lenders / Bondholders / CDR / Security Holders / other Stake Holders (as may be applicable);
- m. Overall Geo-political, micro and macro-economic situations that may impact the business of the Company.

7. Circumstances under which the shareholders may or may not expect Dividend

- 7.1 The Board shall consider the parameters and factors provided above before declaring any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.
- 7.2 However, the shareholders of the Company may not expect Dividend under the following circumstances:
 - a. Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
 - b. Significantly higher working capital requirements adversely impacting free cash flow;
 - c. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
 - d. Whenever it proposes to utilise surplus cash for buy-back of securities;
 - e. In the event of inadequacy of profits or whenever the Company has incurred losses;
 - f. Where the Company believes redeployment of profits will maximise shareholders' wealth; or
 - g. Where there is a need to repay Debt or satisfy other payment obligations as per covenant put in place by the lenders / other counter-parties.

8. Policy for utilisation of retained earnings

- 8.1 The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy and subject to compliance of Applicable Laws.
- 8.2 The Company may also retain part of the profits earned during the year or for any previous years for the purpose of its business or may use the same for any of the purposes stated above in the best interest of the Company and subject to Applicable Laws.

9. Parameters adopted with regard to various classes of shares

- 9.1 The provisions contained in this Policy shall apply to all classes of the shares issued by the Company. It may be noted that at present, the share capital of the Company comprises of equity shares only.
10. In the event that the Company proposes to declare dividend on the basis of parameters in addition to those mentioned above or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.
