

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE & OBJECTIVE

This Dividend Distribution Policy ("**Policy**") has been formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), as amended from time to time, the Companies Act, 2013 and other applicable laws.

2. OBJECTIVE

Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the Board) recognizes the need to lay down a broad framework for considering the decisions by the Board of the Company, with regard to distribution of dividend to its shareholders.

3. EFFECTIVE DATE

This Policy was originally approved by the Board on **27 October 2016** and **reviewed and revised by the Board with effect from 31 July 2026**.

4. DEFINITIONS

- a) '**ACT**' means the companies act 2013 and rules made thereunder, as amended from time to time.
- b) '**Board of Directors**' or '**Board**' means the collective body of the directors of the company.
- c) '**Company**' means Glenmark Pharmaceuticals Limited.
- d) '**Dividend**' shall mean Dividend as defined under the Companies Act, 2013.
- e) '**Policy**' means 'Dividend Distribution Policy'.
- f) '**Applicable Laws**' means the Companies Act, 2013, Listing Regulations, and all other applicable laws, rules, regulations, circulars, notifications and guidelines, as amended from time to time.

5. GUIDELINES FOR DISTRIBUTION OF DIVIDEND

a. Circumstances under which shareholders may or may not expect dividend

The Company endeavours to provide sustainable returns to its shareholders while balancing the need to retain adequate resources to support its long-term growth strategy and business requirements.

The Board may recommend declaration of dividend after considering the overall financial performance and position of the Company. However, the Board may decide to recommend a lower dividend or not recommend any dividend, after taking into consideration, inter alia, the following factors:

- availability of distributable profits and cash flows;
- current and future capital expenditure requirements;
- investments in research and development, product pipeline and business expansion;

- funding requirements for strategic initiatives, acquisitions and other growth opportunities;
- working capital requirements;
- debt servicing obligations and financial commitments;
- prevailing economic, business and regulatory environment; and
- any other factor that the Board may consider relevant in the interest of the Company and its shareholders.

b. Financial Parameters and Internal Factors

While recommending dividend, the Board shall consider, inter alia, the following financial parameters and internal factors:

- profitability of the Company on a standalone and consolidated basis;
- operating and free cash flows;
- liquidity position and cash reserves;
- working capital requirements;
- capital expenditure and expansion plans;
- investments in research and development and new products;
- strategic investments, acquisitions and business development opportunities;
- debt obligations, leverage position and financing requirements;
- historical dividend payout; and
- any contractual, legal or regulatory restrictions applicable to the Company.

c. External Factors

The Board shall also consider the impact of external factors, including:

- changes in the applicable legal and regulatory framework;
- macroeconomic and industry conditions;
- inflation and interest rate environment;
- foreign exchange fluctuations;
- geopolitical developments and global business environment;
- outlook for the pharmaceutical industry; and
- any other external factor that may have a material impact on the Company's operations or financial performance.

d. Utilisation of Retained Earnings

The Company seeks to retain earnings are an important source of funding for sustainable growth and long-term value creation.

Accordingly, retained earnings may be utilised for, inter alia:

- research and development activities;
- product development and pipeline investments;
- capital expenditure and manufacturing expansion;
- acquisitions, strategic investments and business development opportunities;
- repayment or reduction of borrowings;
- working capital requirements;
- strengthening the financial position of the Company;

- buy-back of securities, issue of bonus shares or any other corporate actions, as permitted under applicable laws; and
- any other purpose as may be approved by the Board and permitted under applicable laws.

e. Parameters with regard to various classes of shares

At present, the Company has only one class of equity shares.

In the event of issuance of any other class of shares in future, the Board shall determine the dividend entitlement for such class of shares in accordance with the terms of issue, the provisions of the Companies Act, 2013, the Listing Regulations and other applicable laws.

6. AMENDMENTS

The Policy will be subject to revision/ amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, SEBI or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

7. DISCLOSURE

This Policy, shall be disclosed in the Annual Reports and hosted on the website of the Company: www.glenmarkpharma.com.
