



DIVIDEND DISTRIBUTION POLICY

MOTHERSON SUMI WIRING INDIA LIMITED

Adopted by the Board of Directors on January 28, 2022

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DIVIDEND DISTRIBUTION POLICY

1. Scope and Purpose

- 1.1 This Dividend Distribution Policy (“**Policy**”) defines parameters / factors to be considered by the board of directors of Motherson Sumi Wiring India Limited (“**Company**”) (“**Board**”) for declaring or recommending a dividend while balancing the need of the Company for utilizing its retained earnings for the Company’s growth and sustainability.
- 1.2 The Board will declare or recommend any interim / final dividend based on the Policy, the Companies Act, 2013 and rules, regulations, circulars or guidelines made thereunder, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) or any other law, rules or regulations as may be applicable (“**Applicable Laws**”), articles of association of the Company as amended from time to time and as well as any specific financial or market conditions prevailing at the time of declaring or recommending the dividend.
- 1.3 Subject to the para 1.1 and 1.2 above, the Board will adhere to the Policy for “distribution of up to 40 % of profit as dividend and the Board may decide higher dividend in special and exceptional circumstances.
- 1.4 The Policy set out the broad criteria to be considered for determining the proposed dividend to appropriately reward the shareholders while supporting the future growth of the Company.

2. Dividend Policy

2.1 Dividend Distribution Philosophy

The Company believes in long term value creation for its shareholders while maintaining the desired liquidity and leverage ratios and protecting the interest of all the stakeholders. Accordingly, the focus will continue to be on sustainable returns in terms of dividend, in consonance with the dynamics of business environment.

2.2 The Circumstances under Which Shareholders may not Expect Dividend

The Company shall comply with relevant statutory requirements that are applicable to the Company in declaring or recommending dividend or retained earnings. Generally, the Board shall determine dividend for a particular period after taking into consideration financial performance of the Company, advice of executive

management and other parameters described in the Policy.

2.3 The Financial Parameters that Shall be Considered while Declaring or Recommending Dividend

2.3.1 Subject to provisions of the Applicable Laws, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

2.3.2 Based on above and, subject to factors mentioned in paragraph 2.4 below, the Company will endeavour to maintain steady level of dividend.

2.4 The Internal / External Factors that Shall be Considered for Declaration or Recommendation of Dividend

When determining / recommending / declaring the dividend, the company will consider, amongst other matters:

- (a) Actual results for the year and the outlook for business operations
- (b) Providing for anticipated capital expenditures or acquisitions to further enhance shareholder value or meet strategic objectives
- (c) Setting aside cash to meet debt repayments
- (d) Changes in cost and availability of external financing
- (e) Level of dividends paid historically
- (f) Retaining earnings to provide for contingencies or unforeseeable events
- (g) The overall economic environment including taxation
- (h) Changes in government policy, industry rulings and regulatory provisions

2.5 Policy on Utilization of Retained Earning

The utilization of retained earnings will include:

- (a) Inorganic / organic growth
- (b) Diversification opportunities / capital expenditure
- (c) Fund based requirement of the Company, its subsidiaries, joint ventures and/or other investee Companies
- (d) General corporate purposes including contingencies
- (e) Investments in the new / existing business
- (f) Any other permitted use under the Applicable Laws

2.6 Provisions with Regard to Various Classes of Shares

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.

3. **Review and Disclosure**

This Policy will be reviewed and amended, as and when, required by the Board and/or under Applicable Laws. Any revisions in the Policy will be communicated to shareholders in a timely manner. The Policy shall be disclosed on the website of the Company, i.e., www.mswil.motherSON.com.

4. **Limitation**

In the event of any conflict between the Applicable Laws and the provisions of the policy, the Applicable Laws shall prevail over this Policy. Any subsequent amendment / modification in the Applicable Laws, in this regard, shall automatically apply to the Policy.

5. **Disclaimer**

- 5.1 The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend.
- 5.2 The statement of the policy does not in any way restrict right of the Board to use its discretion in the recommendation or declaration of the dividend to be distributed considering various factors mentioned in the Policy. Further, subject to the provisions of Applicable Laws, the Board reserves the right to depart from the Policy as and when circumstances so warrant.
- 5.3 Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

For any clarification / doubt concerning this Policy please feel free to contact Group General Counsel's Office by sending an Email at gco_policyquery@motherSON.com. Any such email should contain "MotherSON Group Dividend Distribution Policy " in the subject line.