

LINC PEN & PLASTICS LIMITED

DIVIDEND DISTRIBUTION POLICY

1. Purpose & Background

This Policy will regulate the process of dividend declaration and its pay-out by the Company. However, this document does not solicit investments in the Company's equity shares.

2. Dividend

Dividend is the payment made by the company to its shareholders out of the profit made by the company in proportion to the equity capital they hold.

Dividend included Interim Dividends.

The company has issued only one class of equity shares with equal voting rights hence all the members of the Company are entitled to the same dividend per share.

3. Parameters for declaration of Dividend

The Board of Directors of the Company shall consider the following parameters for recommendation of dividend:

Internal Factors (Financial parameters)

- Net profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund expansion
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends.

External Factors

- Prevailing legal requirements
- Regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Dividend pay-out ratio of similar companies

4. Circumstances under which Dividend may or may not be recommended

- Significantly Expansion and higher working capital requirements adversely impacting free cash flow;
- Whenever it proposes to utilise surplus cash for buy-back of shares;
- In the event of inadequacy of profits or whenever the Company has incurred losses.

5. Utilization of retained earnings

The retained earnings after declaration of the dividend if any, shall be utilised in the manner as considered appropriate by the Board and subject to the applicable laws.

6. Review

The Board at its discretion may vary this policy, from time to time including the parameters and such changes will be updated on the website of the company.