

Media Matrix Worldwide Limited

Dividend Distribution Policy

(Adopted by the Board of Directors w.e.f. 22.06.2021)

Introduction

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

SEBI vide its Notification No. SEBI/LAD-NRO/GN/2021/22 dated 5th May, 2011 has amended Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which now requires top One thousand listed companies (based on market capitalization of every financial year) instead of erstwhile five hundred, to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Media Matrix Worldwide Limited (the "Company") being one of the top One thousand listed company as on March 31, 2021, as per the criteria mentioned above, the Company has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on 22nd June, 2021, being the effective date of the Policy .

PURPOSE

The purpose of this Policy is to regulate the process of dividend declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

AUTHORITY

This Policy has been approved and adopted by the Board of Directors of Media Matrix Worldwide Limited ('the Company'). The Policy shall also be displayed in the annual reports and also on the website of the Company.

FORMS OF DIVIDENDS

The Companies Act provides for two forms of Dividend:

➤ Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of the Company.

The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

➤ Interim Dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with this policy.

The Board should consider declaring an interim dividend after finalization of quarterly/ half yearly financial results. This would be in order to supplement the annual dividend or to reward shareholders in exceptional circumstances.

QUANTUM OF DIVIDEND AND DISTRIBUTION

Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth.

In line with the past practice, the payout ratio is expected to grow in accordance with the profitable growth of the Company under normal circumstances.

DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of-

1. Current financial year's profit:
 - a. after providing for depreciation in accordance with law;
 - b. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.
2. The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; or
3. out of 1) & 2) both.

The circumstances under which shareholders may not expect dividend/or when the dividend could not be declared by the Company shall include, but are not

limited to, the following:

- Whenever it undertakes any acquisitions or joint ventures requiring allocation of capital;
- the Board considers it appropriate to retain profit for future expansion;
- Higher working capital requirements adversely impacting free cash flow;
- To infuse funds for the growth of the company;
- Due to operation of any other law in force;
- Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders, and
- Any other circumstances as deemed fit by the Board

FACTORS AFFECTING DIVIDEND DECLARATION:

The Dividend pay-out decision of any company, depends upon certain external and internal factors-

External Factors:

- Legal/ Statutory Provisions and Regulatory concern: The Board should keep in mind the restrictions imposed by Companies Act, any other applicable laws with regard to declaration and distribution of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.
- State of Economy: The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
- Nature of Industry: The nature of industry in which a company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.
- Taxation Policy: The tax policy of a country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
- Capital Markets: In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

Internal Factors:

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include-

- Magnitude and Stability of Earnings: The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the

dividend is directly linked with the availability of the earnings (including accumulated earnings) with the Company.

- Liquidity Position: A company's liquidity position also determines the level of dividend. If a company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.
- Future Requirements: If a company foresees some profitable investment opportunities in near future including but not limited to Brand/ Business Acquisitions, Expansion / Modernization of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.
- Leverage profile and liabilities of the Company.
- Any other factor as deemed fit by the Board

RETAINED EARNINGS

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit.

The Company should ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. These earnings may be utilized for internal financing of its various projects and for fixed as well as working capital.

Thus, the retained earnings shall be utilized for carrying out the main objectives of the Company and maintaining adequate liquidity levels.

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARE

The Company does not have different classes of shares and follows the 'one share, one vote' principle.

REVIEW & AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.