

Dividend Policy of Max Myanmar Group

Objectives

This Policy governs the general approach of dividend distribution from Max Myanmar Group. This Policy is applicable for distribution of net income &/or retained earnings as dividends to its Shareholders' and does not include any other forms of distribution such as reduction in share capital, share buy-back, etc.

The objective of this Policy is to provide a broad and directional framework, with the relevant underlying parameters and principles, which shall influence and impact the distribution of dividends. Thus, the Policy shall also provide the requisite transparency and consistency to concerned stakeholders on dividend distribution of the Company.

Framework for Dividend Distribution

(1) Circumstances under which the shareholders may or may not expect dividend

- Current year's profit or loss situation, cash flows of the Company
- Financial ability of the Company to distribute dividends
- Achievement or non-achievement of business and other operational targets
- General outlook of the Company with regard to its operational planning and internal and external environment

(2) Financial parameters that may be considered while declaring dividend

- Net profit of the Company available for distribution
- Free Cash Flow of the Company
- Financial indebtedness of the Company (e.g. debt equity ratio)
- Serviceability ratios (e.g. debt service, interest coverage etc.)
- Financial ratios (e.g. return on capital, return on equity etc.)
- Funding sources of Dividend (e.g. available cash, borrowings etc.)
- Tax related considerations on the distribution of dividends

- Exceptional & extra ordinary items
- Accumulated profits available for distribution as prescribed under the Act
- Mandatory transfer (if any) to Reserves for any dividends

(3) Internal and external factors that would be considered for declaration of dividend

- Capital Structure and financing policy of the Company
- Optimizing after-tax financing costs
- Capital expenditure for existing/ planned projects
- Debt repayment profile of the Company
- Acquisition & divestitures of any business, merger, restructuring etc.
- Value based management (e.g. achieving premium on cost of capital)
- Changes in tax and other laws / local regulations
- Impact of dividend distribution on Company's credit ratings
- Macro-economic factors
- Providing for any contingencies

Endorsement

The Board of Max Myanmar Group shall recommend the proposed dividend to the Shareholders' for their approval in the General Meeting of the Company. The Board may also declare interim dividend(s) as and when it considers fit based on the above mentioned approach. The Board's report shall contain appropriate disclosures regarding distribution/ non-distribution of dividends as may be required in accordance with the provisions of the Companies Act. The Board reserves its right to add, delete, alter, modify or amend any of the provisions of this policy.