MPHASIS LIMITED

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DIVIDEND DISTRIBUTION POLICY

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Mphasis Limited (the "**Company**") has adopted the Dividend Distribution Policy (the "**Policy**") in accordance with the Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the** "**Listing Regulations**").

2. OBJECTIVE

The Policy sets out the circumstances, parameters and factors that may be taken into consideration by the Board while determining, recommending and declaring dividend to the shareholders of the Company.

The objective of this Policy is to establish a balanced framework for dividend distribution that appropriately considers the interests of the Company and its shareholders while supporting the Company's long-term growth and value creation objectives. The Policy also seeks to enhance transparency, consistency and fairness in the decision-making process relating to dividend declarations and distributions.

3. CATEGORY OF DIVIDENDS

Final Dividend: Final Dividend is recommended by the Board for approval by the shareholders at the annual general meeting, based on the financial performance of the Company and other relevant factors, and is declared after the adoption of the audited financial statements for the relevant financial year.

Interim Dividend: Interim Dividend may be declared by the Board from time to time during a financial year, based on the financial performance, liquidity position and other relevant considerations of the Company. The Board may consider declaring an Interim Dividend after approval of the quarterly, half-yearly or such other financial results as may be relevant under applicable law.

4. PARAMETERS FOR DIVIDEND DECLARATION

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, the Listing Regulations and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The following factors would be considered by the Board to determine the nature and quantum of the dividend payout at the time of recommending and/or declaring the dividend:

1. Financial Factors:

   The payment of dividend is made by the Company to its shareholders in the form of distribution of profits. The Board will recommend the final dividend only out of the profits for that financial year or for any previous financial year after transferring profits for that financial year to the reserves of the Company as considered appropriate by the Board at its discretion and also after providing for depreciation. The interim dividend, if any, will be based on surplus in the profit and loss account and/or profits for the period for which such interim dividend is sought to be declared and/ or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.

   In the event of absence or inadequacy of profits, the Board may declare dividend out of the free reserves of the Company in accordance with applicable law, after considering the financial position, cash flow requirements and the overall interests of the Company.

   The quantum of dividend shall depend on, inter alia, the profits, past dividend trends, cash flows, liquidity position and capital requirements for future growth.

   If the Board, at any time, determines that the retained earnings of the Company are in excess of the foreseeable financial needs, it may consider distributing the surplus amount as dividend, subject to applicable law.

2. Internal Factors:

   a) Strategic factors: The Company is largely dependent on the internal cash generation through its operations. In case the Company's strategic plans involve funding for major mergers and acquisitions, buybacks and other strategic actions, the Board may consider retaining the profits to fund such strategic initiatives.

   b) Financial factors: The Company will not declare dividend during the absence of profit in any year except that the Board may declare dividends as permitted under the law.

      The Company will also consider the debt equity ratio for the year and the liquidity position of the Company before declaring or recommending the dividend. In case the debt equity ratio or the liquidity position of the Company is adverse, the Board may consider retaining the profits during that financial year.

      Apart from considering the above factors, the Board of Directors will consider the various internal factors at the time of declaring dividend which *inter alia* may include present and future capital

requirements of the existing businesses, expansion/modernization of existing businesses, additional investments in subsidiaries/associates of the Company, project funding requirements; investments into external businesses, collection of receivables from clients; and other factors as may be deemed necessary by the Board.

c) Contractual constraints: The Company's ability to pay dividend may be constrained by restrictive provisions in the business agreements including financing and banking agreements.

d) Statutory and Legal Constraints: The Board may not declare dividend where statutory approvals, required for payment of dividend, are not in place and/or where there are legal or regulatory restrictions on the Company from declaring dividend.

3. External Factors:

In determining the nature and quantum of dividend, the Board may consider external factors that could have an impact on the Company's financial performance, liquidity, cash flows, business operations and future growth prospects. Such factors may include, inter alia:

- Prevailing macroeconomic, business and market conditions;
- Industry trends and competitive landscape;
- Capital market conditions;
- Changes in applicable laws, regulations and taxation policies;
- Significant disputes, claims or litigations that may adversely affect the business, financial position or operations of the Company;
- Non-renewal or termination of significant customer contracts impacting future revenues and profitability;
- Geopolitical developments and other events affecting economic stability;
- Natural or man-made disasters, including terrorist attacks, wars, pandemics or other events that may adversely impact the Company's operations; and
- Any other external factor that the Board may consider relevant.

The Board shall evaluate the impact of the above factors while recommending or declaring dividends. In periods of economic uncertainty, adverse market conditions or business volatility, the Board may adopt a conservative approach to dividend distribution with a view to preserving cash flows, strengthening reserves and ensuring the long-term financial stability of the Company.

4. Circumstances for / for not declaring dividend:

The Board shall endeavor to maintain a consistent and sustainable dividend payout, while balancing the objective of rewarding shareholders with the need to retain earnings for growth, business requirements and financial flexibility.

While recommending or declaring dividends, the Board shall consider the circumstances "for" and "for not" declaring the dividends, which may inter-alia include financial parameters, internal & external factors, utilization of retained earnings, strategic requirements, statutory requirements and such other factors as it may deem relevant in the interests of the Company and its shareholders.

If the Company proposes to declare dividend on the basis of parameters in addition to those mentioned above or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

5. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The profits earned by the Company can either be retained in the business and used for such purposes as the Board may determine from time to time or it can be distributed to the shareholders.

6. MULTIPLE CLASSES OF SHARES

As on the date of this Policy, the Company has only one class of equity shares. Accordingly, all equity shareholders rank pari passu with respect to dividend distribution. In the event the Company issues any other class or classes of securities in the future, the Board shall determine and disclose the parameters applicable to such class of shares or securities in accordance with the terms of issue and applicable law.

7. SUPPLEMENTARY PROVISIONS

In accordance with the Listing Regulations, this Policy shall be disclosed on the Company's website at www.mphasis.com.

This Policy shall be reviewed periodically by the Board and may be amended from time to time to ensure continued compliance with applicable laws and regulations.

In the event of any amendment, modification or re-enactment of the Listing Regulations or any other applicable law resulting in any provision of this Policy becoming inconsistent with such law, the provisions of the Listing Regulations or the applicable law shall prevail and this Policy shall be deemed to have been modified to the extent necessary to make it consistent with such law.

In the event of any conflict between the provisions of the Listing Regulations or any other applicable law and the Policy, the provisions of the Listing Regulations or the applicable law shall prevail over the Policy.

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Document Change History

Version	Author	Date	Summary
V 1.0	A Sivaram Nair	3 November 2016 (effective for dividend declared on or after 1 January 2017)	Adopted pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
V 2.0	Mayank Verma	5 November 2026	Reviewed and aligned with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015