VARDHMAN
Airport Solutions
ISO 9001:2015 Certified Company

DIVIDEND DISTRIBUTION POLICY

OF

VARDHMAN AIRPORT SOLUTIONS LIMITED

{Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR")}

For Vardhman Airport Solutions Ltd.

Director

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

The Board of Directors of **VARDHMAN AIRPORT SOLUTIONS LIMITED** ("Company") has adopted this Dividend Distribution Policy in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies proposed to be listed on the SME Platform. This Policy shall be applied with due consideration to the Company's capital requirements during its proposed SME Initial Public Offering ("IPO") and post-listing growth phase.

2. OBJECTIVE

The objective of this Policy is to lay down a framework for declaration of dividends in a manner that balances shareholder expectations with the Company's long-term growth, capital requirements and financial prudence, while ensuring adequate, accurate and not excessive disclosures.

3. POLICY STATEMENT

The Company shall endeavour to maintain a consistent approach to dividend distribution, subject to applicable law, availability of distributable profits and the factors set out in this Policy. The declaration of dividend shall always remain at the discretion of the Board.

4. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

Shareholders may expect dividend subject to the availability of distributable profits and the absence of any material adverse conditions. The Company may not declare dividend where it requires funds for business expansion, capital expenditure, SME IPO-related obligations, regulatory compliance, working capital requirements or other strategic considerations.

5. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board shall consider, inter alia, the following factors while declaring dividend:

Internal Factors:

- current and projected profitability;
- cash flow position;
- working capital requirements;
- capital expenditure plans;
- utilisation of IPO proceeds;
- cost of listing and ongoing compliance obligations;

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External Factors:
- prevailing economic conditions;
- industry outlook;
- statutory and regulatory requirements.

6. UTILISATION OF RETAINED EARNINGS

Retained earnings may be utilised for funding business growth, capital expenditure, strengthening the balance sheet, meeting IPO-related and post-listing obligations, and other corporate purposes as determined by the Board.

7. DECLARATION OF INTERIM / FINAL DIVIDEND

The Board may declare interim dividend from time to time. Final dividend, if any, shall be recommended by the Board and approved by the shareholders at the Annual General Meeting.

8. NON-DECLARATION OF DIVIDEND

During the SME IPO phase and the initial post-listing period, the Company may prioritise capital retention over dividend distribution, if required, in the interest of long-term growth and financial stability.

9. SAFE HARBOUR

Any decision taken by the Board pursuant to this Policy shall be final. Promoters and Directors shall be entitled to rely on decisions taken in good faith under this Policy for governance and regulatory purposes.

10. AMENDMENT AND DISCLOSURE

The Board of Directors may amend this Policy from time to time to align with changes in applicable law or business requirements. This Policy shall be disclosed on the website of the Company and shall be read in conjunction with other governance policies adopted in connection with the SME IPO

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For Vardhman Airport Solutions Ltd.

Director