

**QUESS**

WINNING TOGETHER

QUESS CORP LIMITED

**DIVIDEND DISTRIBUTION POLICY**

## **INTRODUCTION**

The Board of Directors (“the Board”) of Qess Corp Limited (“the Company”) understands the importance of shareholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy (“the Policy”) and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time.

In terms of Regulation 43A of the SEBI Listing Regulations, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website. To comply with the above requirement and with an endeavor to maintain a consistent approach to dividend pay-out plans, the Board of Directors of the Company adopts this Dividend Distribution Policy.

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”). The company does not have more than 1 class of shares listed on the Stock Exchanges. This policy applies to the distribution of dividend by the Company in accordance with provisions of the Companies Act, 2013 and the SEBI 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.

## **OBJECTIVE**

The Company’s management seeks to optimize shareholder return through various means, including dividends, share buybacks and long-term capital appreciation. The Company aims to strike the right balance between the quantum of profits returned to shareholders and that retained in the business for various purposes. The Board of Directors (“Board”) will refer this policy while declaring/ recommending a dividend on behalf of the Company. By virtue of this policy, the Company would endeavor to maintain a consistent and measured approach to dividend pay-out.

## **GUIDELINES**

Pursuant to provisions of Section 123 of the Companies Act, 2013 and rules made thereunder, the Board may declare interim dividend and/or recommend final dividend, payable to the shareholders of the Company, subject to applicable laws.

In doing so, the Board would take various financial parameters and factors (both internal and external) into consideration, including:

- Current and historic profitability, earning stability and growth;
- Free cash flow position;
- Accumulated reserves;
- Current and future leverage levels;
- Cost and Other constraints (if any) of external financing;
- Alternate usage of cash, e.g. capital expenditure, growth, debt repayment etc., with potential to create greater value for shareholders;
- Providing for unforeseen events and contingencies;
- Tax environment, Applicable taxes including tax on dividends;

- Business cycles, Economic environment and Industry outlook; and
- Extant Government policies, industry-specific rulings & regulatory provisions and subsequent changes in the same.

The Board, as it may deem fit, may declare an interim dividend one or more times in a financial year in line with this policy. This would be in order to supplement the annual dividend or in exceptional situations. Whereas, the final dividend may be declared 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 in an Annual General Meeting.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, 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.

### **POLICY ON FINANCIAL PARAMETERS**

Effective from Financial Year 2026, the Company expects to return up to 75% of free cash flow to shareholders in the form of interim and/or final dividend and/or share buy-back over a block of 3 (three) years cumulatively. This has been arrived at by the Board after considering the funding requirements of the company going forward, in terms of growth and deleveraging. The Board shall have the discretion to reconsider this policy, mainly in light of the guidelines mentioned earlier, applicable laws and requisite approvals.

For the purpose of calculating the dividend payout ratio under this Policy, only regular dividends shall be considered. Any special, one-time, or extraordinary dividends declared by the Company shall be excluded from such calculation

### **DISCLOSURES**

This Policy shall be published on the Company's website for public information and the web link of the same shall be provided in the Annual Report of the Company.

### **AMENDMENTS AND UPDATES**

The Key Management Personnel (KMP) or the person authorized by the Board may review this Policy from time to time. Any material changes to this Policy shall require prior approval of the Board. In case of any inconsistency between the terms of this Policy and applicable law, the latter shall prevail.

### **DISCLAIMER**

The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding the payment of dividends. The Policy does not in any way restrict right of the Board to use its discretion in the recommendation of the dividend to be distributed, considering various factors mentioned in the Policy. Further, subject to the provisions of applicable laws, the Board reserves the right to depart from the policy as and when circumstances so warrant.

**VERSION HISTORY**

- The policy was approved by the Audit Committee and Board of Directors on May 16, 2017 and further revised by the Board on May 05, 2021.
- The policy was further reviewed, amended and approved by the Audit Committee and the Board of Directors at their respective meetings held on May 19, 2025.
- The policy was further reviewed, amended and approved by the Audit Committee and the Board of Directors at their respective meetings held on May 04, 2026.

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