

Dividend Distribution Policy of Bangladesh Shipping Corporation (BSC)

The Dividend Distribution Policy of Bangladesh Shipping Corporation (BSC) prescribes a set of principles/guidelines in relation to declaration and payment of dividend and matters incidental thereto or connected therewith. The said policy is formulated for ensuring proper distribution of declared dividend (final/interim) to the shareholders of BSC.

Factors to be considered for declaration of dividend:

The Board of Directors of BSC will consider the following parameters while recommending dividend:

- i. Current earnings of BSC,
- ii. Growth potentiality of BSC,
- iii. Stability of profit,
- iv. Cash flow position of the Company,
- v. Accumulated reserves
- vi. Future cash requirements,
- vii. Brand acquisitions,
- viii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
- ix. Capital expenditure(s),
- x. Business cycles,
- xi. Global and domestic economic scenario,
- xii. Cost of financing, and
- xiii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend.

Procedure for payment of dividends

Dividend would be recommended by the Board of Directors based on the Audited Financial Statements of BSC. All requisite approvals and clearances, where necessary shall be obtained before the declaration of dividend. Dividend shall be approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors.

No dividend shall be paid other than out of profits of the year or any other undistributed profits of BSC. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Interim dividend

The Board of Directors of BSC shall take decisions with regard to recommending interim dividend for the shareholders on the basis of concerned or current audited financial statements. No stock or bonus entitlement shall be declared as interim dividend.

Final dividend

The Board of Directors of BSC shall recommend final dividend for the shareholders on the basis of concerned or current annual audited financial statements.

In case of declaration of stock dividend for the year, BSC shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report and during AGM.

Entitlement to dividend

The Shareholders whose names would appear in the Register of Members of BSC and/or in the Depository on the 'Record Date' would be entitled to receive the interim dividend of BSC. The Shareholders whose names would appear in the Register of Members of BSC and/or in the Depository on the 'Record Date' would be eligible to join the AGM and entitled to receive the annual/final dividend of BSC.

Payment of dividend

BSC shall pay off the interim dividend to the shareholders, within 30 (thirty) days of record date. BSC shall pay off the final dividend to the shareholders, within 30 (thirty) days from the date of approval by shareholders in AGM.

Cash dividend

Cash dividend shall be distributed in the following manner and procedures:

- Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account.
- BSC shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
- BSC may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.
- Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, BSC shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of

the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.

- In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, BSC shall issue cash dividend warrant and shall send it by post to the shareholders registered mailing address.
- BSC shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account'. BSC shall publish the year-wise summary of its unpaid or unclaimed cash dividend in the website.

Stock dividend

A. BSC shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholders, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). BSC shall follow the provisions of প্রবিধান 46 of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares.

B. BSC shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- BSC shall send at least 3 (three) reminders to the entitled shareholders.
- The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer.
- Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- BSC shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.

Payment of unclaimed or unpaid cash dividend and stock dividend

BSC shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders.

Submission of dividend distribution compliance report

BSC shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issued by the regulator(s) within stipulated time of completion of dividend distribution to the entitled shareholders.