

Dividend and Disbursement Policy

Outlook of Policy

In accordance with the Directive no. BSEC/CMMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities and Exchange Commission the Board of Directors of Bashundhara Paper Mills Limited has introduced the "Dividend Distribution Policy" for the company. To protect the interest of the shareholders of the company the Board of Directors defined the policy. The policy is well defined to disburse all types of dividends such as the interim or final per share as per the recommended by board and approved by the shareholders through general meeting. The object of this policy is to ensure dividend incomes to its shareholders on a regular and uniform basis and made long term capital appreciation for all its shareholders of the Company.

Regulatory Act and Regulation

The dividend declaration and disbursement shall be regulated by all the provision of Companies Act, 1994, notification, directives of Bangladesh Securities & Exchanges Commission, Listing Regulations-2015 of Dhaka & Chittagong Stock Exchanges, Finance Act, Income Tax Ordinances-1984 with the amendment, and the Memorandum and Articles of Association of the Company.

Approval Authority

The Board of Directors of the Bashundhara Paper Mills Limited is the recommendation authority after considering for the concern financial year then the Shareholders as on record date are the final approval authority. For the interim dividend the Board of Directors are final authority. The management are responsible for disbursement of the amount or stock as guided by the provision of the compliances of regulatory agencies.

Source of Dividend

The Board of Director shall determine the source of fund to declare the dividend both of interim and final dividend. In this consideration, the Company may source the amount of fund such as-

- Based on financial performance of the Company, the Board of Director may consider to declare or recommend the all types of dividends to the shareholders out of the "Profit" for the applicable year.
- The Company may declare or recommend the dividend from the "Retained Earning and Reserves" available for distribution of dividend to according to provisions of the applicable laws and guidelines.

Mode of Dividend

- 1. Interim cash Dividend:** The Board of Directors may declare Interim Dividend at its absolute discretion in line with this Policy, based on profits earned as per quarterly and or half yearly through financial statements.
 - In case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividend declared by the Company during the immediately preceding three financial years.
 - In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.
- 2. Yearly Cash Dividend:** Subject to approval by the shareholders in Annual General Meeting, the Board of the Company may recommend any quantum of yearly of final dividend payable to shareholders in its meeting in accordance with BSEC regulations, based on the audited financial statements of the concern year.
- 3. Special Cash Dividend:** The Board of Directors may recommend any Special Dividend in special circumstances subject to the approval of the Shareholders.
- 4. Stock Dividend:** The Board of Directors may recommend a percentage or ration of Stock Dividend subject to the approval of the Shareholders.

General Provision for Dividend Declaration

Subject to the relevant provisions of the Act, in the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the following conditions such as-

- The total amount to be drawn from such accumulated profits shall first be utilized to set off the current year's loss of the Company as per Audited Financial Statements of the Company and remaining amount, if any, can then be distributed to the Shareholders.
- But in any case, the dividend amount should not be more than the last year's declared dividend amount. The balance, if any, will be kept as reserve.

- The above provision can also be overridden by the Directors for some specific reason(s) beneficial to the Company.
- The Company may pay dividends in proportion to the amount paid up capital on each share.
- That the Board of directors recommend dividend and shareholders of the company approve it in AGM, but no dividend should exceed the amount recommended by the Board.

Dividend Disbursement

The dividend shall be paid either in cash or in stock as approved. Cash dividend shall be paid through BEFTN or any electronic mode as approved by the competent authority time to time including-

- If any amount found bounced from the electronic transfer from the shareholder account, the company shall issue to account dividend warrant and shall send to respective address by registered post or courier service.
- In case of stock dividend, it shall disburse to the respective Beneficiary Owner Account to the of the shareholder.
- If there is any mismatch to disburse or credit both bank account and BO account of any shareholder, then the company keep the amount to the dividend account up to three years as reserve. After that shall take applicable measures as per the provision of BSEC and stock exchanges.

Record Date or Date of Books Closure

The Company shall announce the record date for any entitlement to get the dividend as per the provision of stock exchanges and other regulators after recommended by Board of Directors with required time bar. The record date shall disclose as the Price Sensitive Information and the national dailies as per the provision.

Dividend Fund Management

The Company may at the time of declaration of any dividend in any financial year transfer such percentage of its profit

for that financial year, as it may consider appropriate, to the reserve fund of the Company in accordance with the relevant provisions of the Act, financial reporting compliances and guidelines of the BSEC-

- The Company shall be custodian of the dividend fund and bear all related expenses in this regard.
- The Company shall ensure the yearly or periodically the reconciliation of the fund as per the provision and maintain a reasonable applicable dividend payout ratio.

Disclosures

This Dividend Distribution Policy shall be disclosed through the Company Website and incorporated in the Annual Report as well.

The Company shall disclose all the related material information as "Price Sensitive Information" through website, national newspaper and the stock exchanges as well.

Modification of Policy

- This Policy shall be revised or amended in accordance with the guidelines issued by Bangladesh Securities and Exchange Commission, Audit Committee of the company or such other regulatory authority as may be authorized, from time to time by the Board of Directors.
- The Board of Director of the Company reserves its right to alter, modify, add, delete, repeal and amend any of the provisions of this Policy.

Disclaimer

This Policy does not constitute any commitment regarding the future dividends of the Company, but only represents a general view regarding the dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the policy if think deed fit. This Policy has been prepared to comply with the requirements of directives of Bangladesh Securities and Exchange Commission and to practice the good governance of the company.