

Dividend distribution Policy of Pubali Bank PLC.

INTRODUCTION

Pubali Bank PLC. distributes dividends to its shareholders every year. In this connection, The Bank has formulated a Policy named “Dividend Distribution Policy of Pubali Bank PLC.” to ensure proper distribution of dividend to the shareholders in compliance with the Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

PURPOSE

To set out the criteria and parameters for distribution of dividend among the shareholders.

TIMELINE FOR DISTRIBUTION OF DIVIDEND

- (i) The Bank shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval in the Annual General Meeting; and
- (ii) Interim dividend shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

ENTITLEMENT TO DIVIDEND

The shareholders whose names would appear in the Register of Members of the Bank or in the depository register of CDBL on record date of the respective year will be entitled to receive the dividend.

PROCEDURES FOR DISTRIBUTION OF DIVIDEND

1. Cash Dividend

- i. 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 dedicated to this purpose.
- ii. Cash dividend shall be paid off directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (BO) account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).

Such cash dividend, if not possible to pay off through BEFTN may also be paid off through bank transfer or any electronic payment system as recognized by Bangladesh Bank.

- iii. In case of 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, cash dividend shall be paid off 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.
Provided that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to Pubali Bank PLC. for such claim.
- iv. In case of non-availability of bank account information or impossibility to distribute cash dividend through BEFTN or any electronic payment system, Pubali Bank PLC. shall issue cash dividend warrant and shall send it by post to the shareholder.
- v. Cash dividend shall be paid off to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard.
- vi. Immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source (if applicable), shareholders shall be intimated through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder.
- vii. The Bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder and shall also disclose the summary of aforesaid information in the annual report and shall publish the year-wise summary of unpaid or unclaimed dividend in the website.

2. Stock Dividend

The Bank shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, 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). In this regard the provisions of clause 8.6 of the Memorandum of Association (MOA) shall be followed.

The Bank shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the procedures mentioned below for ensuring the rightful ownership.

- a. The Bank shall send at least 3 (three) reminders to the entitled shareholder.
- b. 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.

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.

- c. The Bank shall upon receiving application from the allottee and after proper verification of identity and his/her 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 BSEC and the exchange(s).

PAYMENT OF UNCLAIMED OR UNPAID CASH DIVIDEND AND STOCK DIVIDEND

The Bank shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force and 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

Dividend distribution compliance report shall be submitted to BSEC, DSE & CSE in a specified format issued by the regulator(s) within 07 (Seven) working days of completion of dividend distribution to the entitled shareholders.

AMENDMENTS/MODIFICATIONS

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law of the land. Such amended policy shall be placed before the Board for approval.

DISCLOSURE OF THE POLICY

This Dividend Distribution Policy shall be available on the Bank's website and shall also be disclosed in the Bank's Annual Report.