

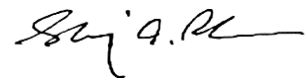
Dividend Disbursement Policy
Of
STYLECRAFT LIMITED

Supervised & Reviewed by



Edmund Guda
Company Secretary

Approved by



On Behalf of the
Board of Directors
Chairman
Stylecraft Limited

STYLECRAFT LIMITED

Introduction: The Dividend Disbursement policy is planned as per BSEC directive no. BSEC/CMRRCD/2021-386/03 dated 14th January 2021 to properly distribute to the member of Stylecraft Limited. Herein the board has approved the dividend distribution policy for declaration & distribution of dividend among the shareholder of the company properly.

Objective & Purpose: The objective of this dividend distribution policy is to distribute the declared dividend properly among the member of stylecraft limited. Besides, the dividend disbursement policy helps the company to disburse the dividend properly among the shareholders of the company.

Effective Date: Dividend Distribution Policy will be effective when the board of directors of the company gives approval for interim dividend and for final dividend when the proposed final dividend has been approved by the shareholder on its Annual General Meeting (AGM).

Dividend: Dividend means the amount declared to distribute from the company's earnings to its shareholders and is determined by the company's board of directors and also final dividend has been approved by the AGM.

Types of Dividends: Dividends can come in different forms, as well as at different intervals. But among these category most common dividends include:

- ❖ **Cash Dividend:** Cash dividend is the distribution of amount in cash to the members of the company from its current profit portion or accumulated profit.
- ❖ **Stock Dividend:** Stock dividend means the way to pay its member in which the company may choose to pay dividends in the form of extra shares instead of cash.
- ❖ **Property Dividend:** Property dividend is the most unknown dividend among all the category companies pay dividends by giving assets or inventories to shareholders instead of cash.

Form of Dividend:

- ❖ **Interim Dividend**
- ❖ **Final Dividend**

Now we are going to explain about the said form.

Interim Dividend: An interim dividend is a dividend declared by board of directors at any time during the year before closing the financial period. Interim dividends are paid from retained earnings, which includes the profits of the previous financial years. It is usually not paid out of current year profits as the same will not be fully realized when the interim dividend is declared.

There are some criteria which must follow for declaring the interim dividend.

- ❖ Board of directors of the company shall declare interim dividends.
- ❖ Board of directors of the company declared the interim dividend after completion of audited quarterly/half yearly financial statements.
- ❖ Interim dividend will pay from retained earnings.
- ❖ Interim dividend will be part of final dividend. For example, if any company declared interim dividend but fail to declare final dividend than interim dividend will be considered as final dividend for that financial year.

Final Dividend: Final dividend means the dividend which is declared after preparing the final accounts, typically during the annual general meeting. The declaration of this dividend, known as the final or year-end dividend, follows the completion of annual accounts.

There are some criteria which must follow for declaring the interim dividend.

- ❖ Final dividend is recommended by the board of directors of the company after completion of final accounts and approved by the annual general meeting.
- ❖ Dividend shall be approved by the shareholder at the AGM on the basis of recommendation of the board.
- ❖ Dividend should relate to a financial year.
- ❖ Dividend shall be paid out of the profit of the company for the financial year or out of the profit of the company previous financial year, free reserve.
- ❖ Dividend always declare on the basis of face value per share.

- ❖ No dividend shall bear interest against the company.

Classes of Share: Stylecraft Limited has only one class of share i.e. which is known as equity share.

Privilege of Dividend: The shareholders of Stylecraft Limited whose name are recorded on the record date then they will be entitled to receive dividend.

Authority: Authority of recommendation, declaration, and approval of dividend in a financial year of Stylecraft Limited.

- ❖ Board of directors of Stylecraft Limited shall declare and approve interim dividend for the shareholders in consideration of profit and distributable reserve & surplus.
- ❖ Board of directors of Stylecraft Limited shall recommended final dividend for the shareholders.
- ❖ Shareholders of the company shall approve final dividend on the basis of recommendation by the board in Annual General Meeting (AGM).

Parameters for Dividend: The board of directors of Stylecraft Limited shall determine the parameters of dividend for distribution to its shareholders.

Reasons under Considering for Dividend Recommendation: The board of directors of the company always looking for recommendation a healthy parameter for dividend for its shareholders. But there are some factors which must be under consideration.

Few reasons are given in the following:

- ❖ Profit for the year
- ❖ Accumulated profit of the company.
- ❖ Operating Cash Flow.
- ❖ Investment Opportunity.
- ❖ Liquidity position of the company.
- ❖ Dividend peer of the company.

Dividend Disbursement Mode: There are many ways to pay the dividend to its shareholder.

- ❖ **Cash Dividend:** Cash dividend shall pay to its shareholder through Interbank Transfer, BEFTN, A/C Payee Cheque, Warrant or any other electronic form which approved by Bangladesh Bank. Besides, dividend both final and interim can be remitted to foreign currency accounts maintained by the non- resident shareholders as per Bangladesh Bank.
- ❖ **Stock Dividend:** Stock dividend shall credit directly to the BO accounts of its shareholders whose name are recorded on the record date then they will be entitled to receive dividend.

Settlement of Margin Claim: The company settle margin claim on cash dividend upon receiving claim Stock Broker, Merchant Banker or Portfolio Manager as per regulatory instruction.

Dividend Disbursement Time Frame: Dividend disbursement time for both interim and final are fixed by the regulatory. For interim dividend, dividend has

to disburse within 30 days for its record date. On the other hand, for final dividend has to disburse within 30 days from the date of approval of dividend on AGM.

Implementation of Taxes: Stylecraft Limited shall deduct tax on cash dividend from its shareholders as per Finance Act of respective year.

Circumstances under which the members of the company may not expect dividend: Stylecraft Limited may not declare dividend for the shareholders for the following circumstances;

- ❖ If the company making losses or the profit are inadequate.
- ❖ If the company require of funds for capital allocation or working capital.
- ❖ To take new environment opportunities.
- ❖ Expansion of existing business.
- ❖ Inadequate availability of cash.

Unpaid and Unclaimed Dividend: The company shall maintain those cash unpaid or unclaimed dividend in accordance with regulatory instruction and also disclose the same in the yearly or quarterly financial statement, Annual report as well as website of the company. On the other hand, in case of stock dividend shall be added to the suspense BO account directly.

Dividend Compliance Report: The company shall submit dividend compliance report to the Commission & Exchange in accordance prescribed format of commission with the mentioned time.

General: This policy would be amendment in accordance with the statutory & regulatory rules and regulation time to time and stylecraft limited also reserve its right to alter, change, add or delete etc.

Discloser: Stylecraft Limited shall disclose the dividend disbursement policy in its website as well as Annual Report for the all stakeholders.