

**FAS Finance & Investment Limited**  
**Dividend Distribution Policy**

This policy will be applicable to FAS Finance and Investment Limited (“The Company”). This policy is for payment of dividend to shareholders of the company.

### **1.00 INTRODUCTION**

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. In compliance with the said requirements, the Board of Directors of FAS Finance and Investment Limited has approved the policy as stated below. The Board may review and amend this policy from time to time.

### **2.00 DEFINITIONS**

“the Act” means Companies Act 1994.

“the Company” means FAS Finance and Investment Limited.

“AGM” means Annual General Meeting.

“Board” means Board of Directors of FAS Finance and Investment Limited.

“Shareholders” means Members whose name is registered in the Member Register of the company.

“Shares” means Ordinary Equity Shares.

### **3.00 CONCEPT OF DIVIDEND**

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

### **4.00 TYPES OF DIVIDENDS**

The Act deals with two types of dividends - Interim and Final.

- I. Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- II. Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

### **5.00 DECLARATION OF DIVIDEND**

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s)

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- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

**6.00 PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND:**

The Board of Directors of the Company shall consider the following internal or external parameters while recommending dividend:

- i. Financial performance and growth opportunities of the Company;
- ii. Dividend payout trend of the Company;
- iii. Capital Adequacy Ratio (CAR) position of the Company;
- iv. Positive impacts on capital market;
- v. Tax implication;
- vi. Economic factors;
- vii. Any other Regulatory requirements.

For fixing the dividend payout ratio, the Board needs to consider the operating results of the Company and the Shareholders return as well. Dividend should be paid out of divisible profit of the Company. If the eligibility criteria for recommendation of dividend have not been met by the Company or any threshold has been fixed by the Regulators or any restriction has been imposed by the Regulatory Authorities; the Board of Directors of the Company may recommend dividend within the threshold or may not recommend any dividend according to restrictions.

**7.00 ENTITLEMENT TO DIVIDEND:**

Only the shareholders of the Company whose names appear in the depository register maintained with Central Depository Bangladesh Limited and or members' register of the Company on the record date fixed by the Company shall be entitled to receive the dividend.

**8.00 PAYMENT OF DIVIDEND:**

Dividend shall be distributed in the following manner and procedures, namely

- i. Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval or record date as the case may be.
- ii. Company shall pay off the cash dividend to the bank account for entitled shareholders as available in the 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) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN.
- iii. Dividend of the margin client of stock broker or merchant banker shall pay off to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- iv. In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, Company shall issue cash dividend warrant and shall send it by post to the shareholder.

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- v. Company shall credit the stock dividend to the BO account or issue the bonus share certificate of the entitled shareholders.
- vi. Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time.

**9.00 UTILIZATION OF RETAINED EARNINGS:**

The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth/expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

**10.00 UNPAID/UNCLAIMED DIVIDEND:**

The Company must not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. Unclaimed dividend is paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.

**11.00 EFFECTIVE DATE**

This Policy has been approved by the Board of Directors of the Company at its 304th meeting held on 28 March 2024 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2022-2023 onwards.

**12.00 REVIEW/AMENDMENT**

The Board may amend, repeal, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

**13.00 DISCLOSURES**

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.fasbd.com](http://www.fasbd.com) If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.