Dividend Distribution Policy

1.00 Introduction

In compliance with the provisions of Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of the Bangladesh Securities and Exchange Commission (BSEC), the draft dividend policy is hereunder.

As per legal and regulatory provisions, the Board of Directors (the Board) will consider the directive while declaring/recommending dividends on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividends, which will be taken into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Concept of Dividend

Decisions about when and how much of earnings should be paid as dividends are part of the firm's dividend policy. The profits earned by the Company can either be retained in the business or can be distributed among the shareholders as a dividend.

No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits as per the Companies Act, 1994

3.00 Interim and Final Dividend

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

- Interim 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.

- Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as the 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 before holding of the AGM.

4.00 Common Types of Dividend

- Cash Dividend: A cash dividend is a payment made by a company out of its earnings to investors in the form of cash.

- Bonus/Stock Dividend: A stock dividend, on the other hand, is an increase in the number of shares of a company with the new shares being given to shareholders. Companies may decide to distribute this type of dividend to shareholders of record if the company's availability of liquid cash is in short supply and EPS appears to be very much satisfactory and/or consistent with the policy of the relevant regulators.

5.00 Declaration of Dividend Decision

The Company shall endeavor to maintain a consistent dividend over the year with appropriate consideration of factors relevant to such decisions. It is the Company's practice to declare dividends on an annual financial performance basis. However, the Board may also declare an interim dividend based on periodic financial results between 02 (two) Annual General Meeting (AGM). The company intends to pursue the same policy in the future depending on the operating and financial context prevailing at that time.

6.00 Factors Governing Dividend policy

The dividend shall be declared on a per-share basis on the Ordinary shares of the Company. The circumstances for dividend pay-out decision depends on various internal and external factors which the Board of Directors shall consider while recommending/ declaring the dividend including the following:

6.1 Internal Factors

- Ensure satisfactory salary, wages and other compensation packages at par top-level pharmaceutical company of Bangladesh.
- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Cash flow required to meet contingencies;
- Commitment of Outstanding borrowings including repayment of short-term and long-term borrowings.
- Any other factor as deemed appropriate by the Board.

6.2 External Factors

- Compliance with relevant regularity requirements in respect of dividend distribution policy.

- To meet with the claim and/or demand which may be raised by Income Tax, VAT, Customs, and/or any other Government Authority.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company, in particular, shall also be considered. Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Unpaid or Unclaimed Dividend

The company shall comply with the directives issued by Bangladesh Securities and Exchange Commission regarding unpaid or unclaimed dividends from time to time.

Referring to the BSEC Directive no. BSEC/CMRRCD/2021 -386/03 dated 14 January, 2021 Unclaimed dividend of more than 03 years is as under:

Financial Year	Cash / Bonus	% of Dividend	No. of BO	Date of AGM	Unclaimed Dividend (Tk.)	Date of Transfer to CMSF
2015-2016	Cash	35%	4,557	07.11.2016	2,416,940	31 August 2021
2016-2017	Cash	35%	1,888	04.12.2017	1,238,514	31 August 2021
2017-2018	Cash	35%	1,116	06.12.2018	739,970	31 May 2022
2018-2019	Cash	35%	1,578	12.12.2019	1,367,430.92	12 February 2023
2019-2020	Cash	25%	1,525	10.12.2020	1,041,399.72	04 February 2024
2020-2021	Cash	25%	1,281	26.12.2021	1,601,596.03	30 January 2025
Total					**8,405,850.67**	

9.00 Disclosure of Dividend Information

The Company maintains a record of unpaid or unclaimed Dividends. Summary of such record shall be available in the Annual Report and the Quarterly Financial Statements. The Company shall also publish such record on its website in accordance with Directives BSEC.

10.00 Eligibility of shareholders for dividend

The dividend shall be declared on the face value of each Equity Share. Unless otherwise stated, all holders of Equity Share, whose names were appeared in the Share Register/ Depository Register of the Company at the close of business on the 'Record Date' declared by the Company for entitlement of dividend, shall be eligible to get the dividend.

11.00 Policy Review and Amendment

Apart from mandatory revision, modification, or amendment as necessitated by the legal and regulatory requirements, the company shall review this policy periodically and make necessary revisions or amendments to keep the policy-relevant and up to date. The Board of Directors of the company shall approve the revision and/or amendment as it deems fit.

12.00 Disclaimer

The above Policy Statement neither gives a guarantee of dividend to be declared by the Company nor does it constitute a commitment for any future dividend and thus be read as general guidance on different dividend-related issues. The policy upholds the Board's absolute/complete liberty to recommend any dividend as may think justified subject to the final approval of Shareholders in the AGM.

13.00 Disclosure

This Dividend Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.acmeglobal.com.