

# **Dividend Distribution Policy**

## **BDCOM Online Ltd.**

### **Introduction**

The Dividend Distribution Policy is set to ensure proper dividend payment by the Company to its Shareholders. Bangladesh Securities and Exchange Commission (BSEC) has made mandatory for the listed Company to have a dividend distribution policy and also to disclose it in the Company's website and in the Annual Report.

### **Objective**

The objectives of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. Dividend is the payment made by the Company to its shareholders, usually in the form of distribution of its profit. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed the balance among its shareholders as dividend. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profit retained in the business. The Board will refer to the Policy while declare/recommending dividends on behalf of the Company.

### **The factors to be considered before dividend proposal and recommendation:**

Internal factor:

- i) Statutory and Regulatory Compliances;
- ii) Existing and expected financial performance;
- iii) Cash flow and liquidity position;
- iv) Capital expenditure and investment plans;
- v) Acquisitions and Disposals;
- vi) Restructuring activities;
- vii) Future requirement of funds;

External factor:

- i) Macro-Economic environment in Bangladesh;
- ii) Consistency in dividend payment trend;
- iii) Shareholder expectation including minority Shareholders;
- iv) Changes in regulatory requirements.

### **Entitlement of Dividend**

The Shareholders whose names would appear in the Register of Members of the Company on the Record Date are entitled for dividend.

### **Per Share Basis**

The dividend will be declared on per share basis only.

**Payment of Dividend**

The Company shall distribute declared and duly approved dividend to shareholders in a timely manner and is in line with Bangladesh Securities and Exchange Commission directions and any other applicable laws, rules and regulations.

The combination of cash and stock dividend will be determined based on the capital retention requirement and tax implication on the combination of dividend.

**Income tax on Dividend**

The withholding tax applicable at source on dividend will be deducted and deposited to Government Exchequer as per the applicable laws.

**Unclaimed dividend**

The Company shall follow the Rules and Regulations of the Bangladesh Securities And Exchange Commission to pay the unclaimed dividend.

**Provisions in regard to various classes of shares**

Currently, the Company does not have different classes of shares and follows the “one share one vote” principal. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

**Review & Amendment**

This policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for time being in force.

In the event of any amendments(s), clarification(s), circular(d), directive(s), notification(s) etc issued by the regulatory authority(s), not being consistent with the provisions laid down under this policy, then the same shall prevail upon the provisions hereunder and this Policy shall amended accordingly.