

PREMIER LEASING & FINANCE LIMITED
Minutes of the 265th Meeting of the Board of Directors

Annexure-A

DIVIDEND DISTRIBUTION POLICY
OF
PREMIER LEASING & FINANCE LIMITED

OBJECTIVE:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending Dividend to its Shareholders for a Financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/ 2021- 386/03 dated, 14 January 2021.

CRITERIA TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND:

The Board will consider the following factors before recommending Dividend:

Statutory and Regulatory Compliance:

The Company shall declare dividend only after ensuring compliance with the regulatory guidelines on Dividend declaration e.g. in line with the Directives of the Regulators like; Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and other restrictions (if any) as per Rules and Regulations applicable for the Company.

FINANCIAL CRITERIA:

- Financial performance of the Company for the year for which Dividend is recommended.
- Internal Capital planning framework/Policy.
- Dividend payout trends (the Dividend payout ratio will be calculated as a percentage of Dividend including dividend tax recommended for the year to the net profit for that year.
- Tax implications if any, on distribution of Dividends.
- Cost of raising funds from alternate sources of Capital.
- Corporate actions including Merger/Demerger, Acquisition and additional Investments including expansion plans and Investment in Subsidiaries/Associates of the Company.
- Such other factors and/or material events which the Company's Board of Directors may consider.



EXTERNAL FACTORS:

- Shareholders' expectations including individual Shareholders.
- Macro-economic environment

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

- The Board of Directors of the Company may not recommend any Dividend if the eligibility criteria for recommendation of Dividend are not met by the Company, including any regulatory restriction placed on the Company on declaration of Dividend or if the Board of Directors strongly believes the need to conserve Capital for growth or other exigencies which will be spelt.

DIVIDEND DISTRIBUTION:

- 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.
- Company shall pay off the Cash Dividend to the Bank Accounts of the entitled Shareholders as available in the respective BO Accounts maintained with the Depository Participant (DP), or to the Bank Accounts as provided by the Shareholders in Paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through Bank transfer or any Electronic Payment System as recognized by Bangladesh Bank, if not possible through BEFTN.
- Dividend of the margin Clients of Stock Brokers or Merchant Bankers shall pay off to the Consolidated Customer's Bank Account (CCBA) of the respective Stock Brokers or to the separate Bank Accounts of the Merchant Bankers or Portfolio Managers through BEFTN.
- In case of non-availability of Bank Account information or not possible to distribute Cash Dividend through BEFTN or any Electronic Payment System, in that case Cash Dividend Warrant shall be issued and sent it by post to the respective Shareholders.
- Company shall credit the Stock Dividend to the respective BO Accounts or issue the Bonus Share Certificate of the entitled Shareholders.
- Company shall submit a Compliance Report to the BSEC and the Exchange(s) in the specified format of BSEC within Seven (7) working days of Completion of Dividend distribution and shall also publish the Compliance Report in the Website.
- Company shall follow the Directives/Circulars in force of the Securities regulator, related to Dividend distribution from time to time.

UTILISATION 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 requirements of Company's future business growth/expansion and strategic plans or such other purpose as the Board of Directors may deem fit from time to time for the interest of the Company and its' Stakeholders.



PARAMETERS FOR VARIOUS CLASSES OF SHARES:

Currently, the Company does not have any other class of Shares (including Shares with differential voting Rights/Preference Shares) other than Equity Shares. In absence of any other class of Shares and/or Shares with differential voting rights, the entire distributable profit for the purpose of declaration of Dividend to be considered for the equity Shareholders of the Company.

CONFLICT IN POLICY:

In the event of any conflict between this policy and the extant regulations, the regulations shall prevail.

AMENDMENTS/MODIFICATIONS:

To the extent of 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. Such amended policy shall be placed before the Board of Directors for noting and necessary ratification.

REVIEW OF POLICY:

The Board of Directors of the Company may review the policy, if the Board of Directors proposes to declare Dividend on the basis of criteria in addition to those specified in the Policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's Website and in the Annual Report.

DISCLOSURE OF POLICY:

This Policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.

