

UTTARA BANK LIMITED
HEAD OFFICE
DHAKA

Dividend Distribution Policy

Introduction:

In compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021 Uttara Bank Limited has formulated a “Dividend Distribution Policy”. The main features of the said policy are given below.

Purpose of the policy:

The purpose of the policy is to comply with the Directives of Bangladesh Securities and Exchange Commission (BSEC) towards set out the parameters for distribution of dividend among the shareholders.

Entitlement of Dividend:

The shareholders whose names shall appear in the Members Register of the Bank or in the depository register of CDBL on “Record date” of the respective year’s Annual General Meeting (AGM) will be entitled to receive dividend.

Timeline for Distribution of Dividend:

Cash dividend shall be paid directly to the bank account within 30 (thirty) days from the date of approval by the Shareholders in the AGM subject to compliance of circulars/directives of BSEC or Bangladesh Bank or other regulatory authorities from time to time provided that the interim dividend shall be paid off to the entitled shareholders within 30 (thirty) days of record date.

Procedures for Distribution of Cash Dividend:

- (i) Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Company, dedicated for this purpose.
- (ii) The Bank shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP) through Bangladesh Electronic Fund Transfer Network (BEFTN). Cash dividend may be paid off through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.
- (iii) The Bank, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g. BO account number, code number, bank account number, routing number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the bank for such claim.

- (iv) In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, the Bank shall issue cash dividend warrant and shall send it by post/courier to the recorded address of the shareholder.
- (v) The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard.

- (vi) The Bank immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder.
- (vii) The Bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name wise or folio number-wise of the shareholder and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/Annually) as a separate line item 'Unclaimed Dividend Account'.

The bank shall publish the year-wise summary of its unpaid or unclaimed dividend in the website. Any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the company as maintained for this purpose, within 01 (one) year from the date of declaration or approval or record date, as the case may be.

Stock dividend/bonus Share:

The Bank shall credit the stock dividend within 30 (thirty) days of approval subject to the clearance of the regulatory requirement [if any from Bangladesh Bank, exchange(s) and the Central Depository Bangladesh Limited (CDBL)] . The bank shall follow the provisions of অবিধান ৪৬ of the ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares.

Procedure for distribution :

- (i) Stock dividend /bonus share shall be credited directly to the BO account of the entitled shareholder.
- (ii) Undistributed or unclaimed stock dividend/bonus shares shall be credited to the suspense BO Account. A new Suspense BO Account shall be opened in every year for the respective year's suspense bonus shares.
- (iii) The bonus dividend shall be transferred to the suspense BO accounts if BO account is not available or BO account is inactive.
- (iv) The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authorities from time to time.

Procedure for ascertaining rightful ownership of dividend:

- i. The bank shall send at least 3 (three) reminders to the entitled shareholder.
- ii. The suspense BO account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus as and when the allottee approaches to the bank, provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the suspense BO account.
- iii. The Bank shall, upon receiving application from the allottee and after proper verification of his/her identity and entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15(fifteen) days of receiving application with an intimation to the BSEC and the exchange(s).
- iv. Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

Unpaid or unclaimed or unsettled cash dividend:

Unpaid or unclaimed or unsettled cash dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authorities from time to time.

Unpaid or unclaimed or unsettled stock dividend:

Unpaid or unclaimed or unsettled stock dividends shall be settled as per instructions of BSEC or Bangladesh Bank or other regulatory authorities from time to time.

Submission of Dividend Distribution Compliance Report:

In compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirements, Uttara Bank Limited shall submit the Dividend Distribution Compliance Report to BSEC, DSE and CSE within 7 days from the date of completion of dividend distribution of the concerned year's. The report shall be submitted to BSEC, DSE and CSE in a specified format issued by the regulator (s) within stipulated time.

The Bank shall publish the compliance report in its website.

Forfeiture of unclaimed cash dividend or stock dividend:

The Bank shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

Maintenance of Record:

The Bank by itself shall maintain the detailed information of BO account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend keeping confidentiality of the information.

Clarification :

The bank shall seek clarification from Bangladesh Securities and Exchange Commission in the event of any confusion or difference of opinion on any matter whatsoever regarding the part of this policy, the decision of Bangladesh Securities and Exchange Commission shall be final and binding on the Bank.

Amendments /Modifications:

If 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 of the land. Such amended policy shall be placed before the Board for approval.

Disclosure Policy:

The Dividend Distribution Policy shall be available on the Bank's website and annexed in the Bank's Annual Report.