

DIVIDEND DISTRIBUTION POLICY STATEMENT

Introduction:

The Board of Directors of SK Trims & Industries Limited (the “Company”), herein after referred as “the Board”, has approved the Dividend Distribution Policy of the Company (“the Policy”) and shall disclose the same in the annual reports and on the website of the Company.

The Company’s Board of Directors shall be responsible for generating all proposed resolutions on the declaration and payment of dividends. The Board of Directors may in its discretion declare Dividend based on profits arrived at as per yearly audited financial results.

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.

Declaration and Payment of Dividends:

Dividend is the share of the profit that a Company decides to distribute among its Shareholders based on availability of profits/profit growth/liquidity position/diversification/expansion of the Company. The dividend policy of the Company is to distribute to its shareholders surplus funds from its distributable profits and/or general reserves, as may be determined by the Board of Directors, subject to:

▪ Internal Factors

- i. The Company Profits after Tax earned during the financial year;
- ii. Cash flow position of the Company;
- iii. Accumulated reserves of the Company;
- iv. Future cash requirements for growth/expansion;
- v. Plan of Long term investments;
- vi. Requirements of Working capital;

▪ External Factors

- i. Shareholder’s/Investor’s expectation and other relevant factors
- ii. Business cycles and Business environment,
- iii. Industry outlook for the upcoming years;
- iv. Economic environment and plan;
- v. Additional such criteria as the Board may deem fit from time to time;

Entitlement of Dividend:

Shareholders whose names shall appear in the Members Register of the Company or in the Depository Register of CDBL on the ‘Record Date’ of the respective year’s AGM will receive the entitled dividend.

Process of Distribution of Cash Dividend:

The cash dividend shall be paid directly to the bank account within 20 days and not more than 30 (thirty) days of the date of approval by the shareholders in the AGM and the date of Board approval in the case of an interim dividend, subject to compliance with BSEC or Bangladesh Bank or other regulatory authority circulars/directives from time to time.

Procedure of stock dividend distribution:

The stock dividend will be credited within 30 (thirty) days of approval, subject to regulatory clearance.

Process for settling unpaid dividends:

Unpaid or unclaimed cash dividends for less than three years from the declaration date shall be paid to shareholders upon application and disbursed within the time period specified. In case of the cash and stock dividend for more than three years of the declaration date shall be settled as per the instructions of the BSEC or other regulatory authority from time to time.

Amendment:

This Policy Statement shall be effective from the date of execution and may be amended from time to time and approved by the Board of Directors of the Company.

Disclosures:

The Dividend Distribution Policy shall be disclosed on the Company’s website & a web-link thereto shall be provided in the Annual Report.

Disclaimer:

The above Policy Statement does not represent a commitment on the future Dividends of the Company but represents a general guidance on the Dividend Policy.

Tax matters:

Tax will be deducted at source as per applicable tax laws.

Authority of Policy Approval

This policy was approved by the Company’s Board on 25 April 2022.

On behalf of the Board



Md. Riaz Haider
Company Secretary

