

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

In pursuance to the Directive No. BSEC/CMRRCD/2021-386/03, Dated: 14th January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC); **Fine Foods Limited** developed the Dividend Distribution Policy.

1. CONCEPT OF DIVIDEND

Dividend is the share of the profit that, a company decides to distribute among its shareholders in proportion to the amount paid-up on shares them in form of Cash and/or Stock (Bonus). The profits earned by the company can either be retained in the business or can be distributed among the shareholders as dividend.

2. TYPES OF DIVIDEND

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

Interim:

Interim dividend is the 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:

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

3. DECLARATION OF DIVIDEND

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out offered serves subject to the compliance with the Act and Rules.

4. ENTITLEMENT OF DIVIDEND

Shareholders whose names appears in the Register of Members of the Company or in the Depository Register (CDBL) on the Record Date shall be entitled for Dividend as approved by the shareholders at the respective year's AGM.

5. DIVEIDEND DISTRIBUTION

Cash Dividend:

Annual or Final Dividend: The Company shall pay off the annual or final dividend to the entitled shareholders within 30 (Thirty) days of approval by the shareholders in the AGM through BEFTN.

Interim Dividend: Interim dividend shall be paid off to the entitled shareholders within 30 (Thirty) days of record date.

Stock Dividend:

Stock Dividend shall be credited to the respective shareholders BO Accounts within 30 (Thirty) days of approval by the shareholders in the AGM, subject to clearance of the regulatory authorities.

6. SETTLEMENT OF UNPAID/UNCLAIMED DIVIDEND:

Unclaimed or undistributed or unsettled cash/stock dividend shall be settled as per directive of BSEC.

7. DIVIDEND DISTRIBUTION COMPLIANCE REPORT:

The company shall submit a dividend distribution compliance report in a specified format to the BSEC and the Stock Exchanges(s) in compliance with the Listing Regulations, 2015 of DSE and CSE within 7 (Seven) working days of completion of dividend distribution.

8. DISCLOSURE

This Dividend Distribution Policy shall be disclosed on the Company's website www.finefoodslimited.com

9. REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

10. DISCLAIMER

This documents dose not solicit investments in the company's securities, or is it an assurance of guaranteed returns (if any form), for investments in the company's shares.