



## **Matin Spinning Mills Limited Dividend Distribution Policy**

### **1. GENERAL APPLICATION**

This “Dividend Distribution Policy” (the “Policy”) has been approved by the board of directors (the “Board”) in 125<sup>th</sup> Board meetings of Matin Spinning Limited (the “Company”) as per directive no. BSEC/CMRRCD/2021-386/03-, dated 14 January 2021 issued by the Bangladesh Securities and Exchange Commission (Commission). The Policy is intended to govern the distribution policy of dividend of the Company. The Board shall time to time update the Policy in accordance with updated notifications issued by the Commission. The Policy shall be disclosed in Company’s annual report as well as official website. This Policy shall be effective from the 23 January 2021.

### **2. DIVIDEND DISTRIBUTION:**

**2.1. Cash Dividend Distribution:** Cash dividend shall be distributed in the following manner and procedures, namely: -

**2.1.1.** Within 10 (ten) days of declaration of cash dividend by the board, 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.

**2.1.2.** The Company 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), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that the Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.

**2.1.3.** The Company, 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 Company shall collect detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stockbroker or separate bank account of merchant banker or portfolio manager) from stockbroker or merchant banker or portfolio manager for such claim.

**2.1.4.** The Company, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment



system, shall issue cash dividend warrant and shall send it by post to the shareholder.

- 2.1.5.** The Company 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.
- 2.1.6.** The Company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder 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 or unit holder.
- 2.1.7.** The Company 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 or unit holder; 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':

Provided that the Company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

- 2.1.8.** Provided further that 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 1 (one) year from the date of declaration or approval or record date, as the case may be.
- 2.1.9.** If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Company to the Fund as directed or prescribed by the Commission:

Provided that the Company shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission:

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission;

- 2.1.10.** The Company shall not forfeit any unclaimed cash dividend till the claim becomes barred by the law of land in force.

**2.2. Stock Dividend Distribution:** Stock dividend shall be distributed in the following manner and procedures, namely: -

**2.2.1.** The Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the stock exchange(s) and the Central Depository Bangladesh Limited (CDBL);

**2.2.2.** The Company, shall follow the provisions of প্রবিধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares:

Provided that the Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- a) The Company shall send at least 3 (three) reminders to the entitled shareholder.
- b) 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 shares as and when the allottee approaches to the Company:

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.

- c) The Company shall, upon receiving application from the allottee and after proper verification of identity and his 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 Commission and the stock exchange(s);
- d) 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.

**2.2.3** If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund.

Provided that the issuer shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus share to the claimant's BO Account in accordance with the provisions and procedure as directed or prescribed by the commission.

**2.2.4.** The Company shall not forfeit any unclaimed stock dividend till the claim becomes barred by the law of land in force.

**2.3. Dividend Distribution Time Frame**

Dividend shall be distributed in the following time frame, namely: -

**2.3.1.** The Company shall pay off the annual or final dividend to the entitled shareholder, within 30 (thirty) days of approval:

Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (thirty) days of record date.

**2.3.2.** The Company shall submit a compliance report to the Commission and the stock exchange(s) in a specified format at Annexure-A in respect of the provisions of clause (2.1), (2.2) and (2.3.1) above, within 7 (seven) working days of completion of dividend distribution:

Provided that the Company shall publish the compliance report in its website.

**3. SHAREHOLDERS INFORMATION MAINTENANCE**

**3.1.** The Company, by itself or by appointing an agent shall maintain 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:

Provided that the Company shall keep confidentiality of information.

**3.2.** The Company shall collect updated of BO account, bank account, mobile number, email address and contact address of shareholder or unit holder at least once in a year from CDBL for the purpose of proper distribution cash dividend or stock dividend and other compliances

Provided that in case of holding of paper share the Company shall update the information as above mentioned in 3.1

## Annexure-A

Dividend Distribution Compliance Report			
Under Claus, (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021			
1	Name of the Issuer/Securities/Mutual Fund		
2	Particulars of Issuer DP		
3	Type of Dividend (Annual /Interim) (Put tick mark (a) on the recommended option)		
4	Whether audited or not for interim Dividend (Put tick mark (a) on the recommended option)	a) Audited <input type="checkbox"/>	b) Unaudited <input type="checkbox"/>
5	Date of recommendation of Dividend by the Board of Directors/Trustee:(Enclose copy of PSI)		
6	Whether Dividend recommended other than directors or sponsors or any other classes (Put tick mark (a) on the recommended option)	a) Yes <input type="checkbox"/>	b) No <input type="checkbox"/>
7	Record date for entitlement		
8	Rate of Dividend recommended by the Board of Directors/Trustee		
9	Dividend recommended -Type (Put tick mark (a) on the recommended option)	a) Cash <input type="checkbox"/>	b) Stock <input type="checkbox"/>
10	Securities/mutual fund traded under which categories (Put tick mark (a) on the recommended option)	(a) A <input type="checkbox"/>	(b)B <input type="checkbox"/> (c) G <input type="checkbox"/> (d)N <input type="checkbox"/> (e)Z <input type="checkbox"/>
11	Date of transfer to a separate bank account (Pis. mention bank details) or provisional credit of shares/units by CDBL		
12	Date of approval of Dividend at AGM		
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)		
14	Date of commencement of disbursement of Cash and Stock Dividend		
15	Mode of disbursement of Cash Dividend (Put tick mark (a) on the recommended option)	a) BEFTN <input type="checkbox"/>	B) Bank Transfer <input type="checkbox"/> c) MFS <input type="checkbox"/>
		d) Dividend Warrant <input type="checkbox"/>	e) Any other mode <input type="checkbox"/>
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]		
17	Paid-up-capital of the issuer- before corporate action/entitlement	Tk-	<input type="checkbox"/> <input type="checkbox"/>
18	Numbers of securities/shares outstanding-before corporate action/entitlement:		
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration		
20	<b>Distribution/Disbursement details of Cash &amp; Stock Dividend:</b>	<b>Cash (Tk)</b>	<b>Stock (nos)</b>
	<b>Annexures</b>		
	A. Mode of Dividend payment/credit for the, concerned year:		
	a) through BEFTN or directly credited to respective BO		
	b) through Bank Transfer other than entitled BO-Margin loan		
	c) through Bank Transfer		
	d) through Mobile Financial Service (MFS)		
	e) through any other mode as approved by Bangladesh Bank		
	f) through transfer to Suspense Account for dematerialized Shares <b>(BO wise detailed with reason should be maintained and submitted)</b>		
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities		
21	<b>Total Dividend paid/credited for the concerned year</b>		
22	<b>Total unpaid/undistributed Dividend /accrued during the period (20-21)</b>		

## Annexure-A

23	Total unpaid/undistributed Dividend /accrued as on 1 <sup>st</sup> day of Accounting year (as per Audited Accounts)			
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			
	<b>A. Mode of Dividend Receipts/payment/credit for the previous years:</b>			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	c) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	f) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	Total Dividend paid/credited for previous years:			
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/ Nos			
27	Grand Total of unpaid/undistributed Dividend (22+26)			
	Aging of Grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance			
28	More than 4 years; balance			
	More than 5 years & above; balance			
	Total of unpaid/undistributed Dividend for previous years			
	(Supporting bank statements and balances of securities with the Depository)			
<b>Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts</b> <b>With reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.</b>				