

## Dividend Distribution Policy

Active Fine Chemicals Limited (AFCL) maintains a dividend distribution policy for its own purpose. The said policy is prepared for resulting proper distribution of declared dividend to the shareholders of the company. As dividend policy of the company serves to enhance corporate market value. The Board of Directors of Active Fine Chemicals Limited has adopted the dividend distribution policy to comply with Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRC/2021-386/03 dated January 14, 2021 which is mandatory for the listed company.

### **Dividend Recommendation and Approval Process:**

The Board of Directors of the company would be recommended Dividend based on the Audited Financial Statements of the company which is subject to the approval of the Shareholders at an Annual General Meeting.

### **Entitlement of the Dividend:**

The Shareholders, whose names shall appear in the Share Register of the Company or in the Depository Register of CDBL on the “Record Date” will be entitled to attend the AGM and receive the Dividend.

### **Disbursement of Dividend:**

AFCL shall pay off the final dividend to the entitled shareholders within 30(thirty) days from the date of approval by shareholders in AGM. Cash dividend and stock dividend shall be distributed in the following manner and procedures:

#### **Cash Dividend**

AFCL shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP) or the bank account as provided by the shareholders in paper form, through BEFTN.

- AFCL 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.
- 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. AFCL shall pay off such cash dividend to the consolidated customer’s bank account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, AFCL shall issue cash dividend warrant and shall send it by post to the shareholders.
- AFCL shall maintain detailed information of unpaid/unclaimed cash dividend and rationale thereof, as per BO account of the shareholders and shall also disclose the summary of aforesaid information in the annual report and shall also report in the financial statements of financial position as a separate line item ‘Unclaimed Dividend Account’. AFCL shall publish the year-wise summary of its unpaid or unclaimed cash dividend in the website.

**Stock Dividend:**

AFCL shall credit stock dividend directly to the BO account of the entitled shareholders within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). AFCL shall follow the provision cÖweavb 46 of the wWcwRUwi (e" envwiK) cÖweavbgjv,2003 for issuance of bonus shares.

- AFCL 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:
- AFCL shall send reminders to the entitled shareholders.
- 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 issuer.
- 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.
- AFCL 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 exchange(s).
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.

**Payment of unpaid/unclaimed cash dividend and stock dividend:**

AFCL shall not forfeit any unclaimed cash dividend and stock dividend till the claim becomes barred by the law of land in force. AFCL shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed cash dividend and stock dividend to the entitled shareholders.

**Disclosure of the Policy:**

The dividend distribution policy shall be disclosed in the annual report and on the website of the company.

**Submission of dividend distribution compliance report:**

AFCL shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issued by the regulator (s) within stipulated time of completion of dividend distribution to the entitled shareholders.