

PRIME INSURANCE COMPANY LTD (PICL) DIVIDEND DISTRIBUTION POLICY

PICL has formulated a dividend distribution policy in line with the Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC).

DISTRIBUTION TIME

PICL shall pay off the annual or final dividend to the entitled shareholder within 30 (thirty) days of approval. Provided that interim dividends shall be paid off to the entitled shareholder within 30 (thirty) days of record date.

CASH DIVIDEND

Cash dividend shall be distributed in the following manner and procedures, namely:-

- 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 PICL, dedicated for this purpose;
- ii) PICL shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the Beneficiary Owner (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 PICL may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if possible to pay off through BEFTN;
- iii) PICL, 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 the 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 that upon receiving the cash dividend, the stockbroker or merchant banker, or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:
Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to PICL for such claim;
- iv) PICL, 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 shareholders;
- v) PICL shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- vi) PICL, 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 shareholders;
- vii) PICL 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':

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 PICL as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

STOCK DIVIDEND

PICL 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 exchange(s) and the Central Depository Bangladesh Limited (CDBL);

PICL, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান ৪৬৬ এবং ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৬ ইস্যু of bonus shares:

Provided that PICL 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) PICL 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 PICL:

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) PICL 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 BSEC and the 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.

COMPLIANCE REPORT REGARDING DIVIDEND DISTRIBUTION

PICL shall submit a compliance report to the BSEC and the exchange(s) in a specified format at Annexure-A within 7(seven) working days of completion of dividend distribution:

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

FORFEITURE OF UNCLAIMED CASH OR STOCK DIVIDEND

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

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED CASH DIVIDEND

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) there on 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 PICL to the Fund as directed or prescribed by the BSEC:

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

Provided further that if any shareholder claims his cash dividend after transfer of such dividend or bonus to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, PICL 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 clients and in accordance with the provisions and procedures as directed or prescribed by the BSEC.

TRANSFER TO THE FUND FOR UNPAID OR UNCLAIMED OR UNSETTLED STOCK DIVIDEND

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 as mentioned above:

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

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, PICL shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the BSEC.

MAINTAINING DETAIL INFORMATION OF THE SHAREHOLDER FOR THE PURPOSE OF PROPER DISTRIBUTION OF CASH DIVIDEND OR STOCK DIVIDEND

PICL, 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 for the purpose of proper distribution of cash dividend or stock dividend:

Provided that PICL or its agent or the CDBL or its DP shall keep confidentiality of information:

Provided further that PICL shall collect detailed updated information on BO account, bank account, mobile number, email address, and contact address of shareholder from the CDBL from time to time when needed for the purpose of proper distribution cash dividend or stock dividend and other compliances:

In case of holding paper shares, PICL shall update the information at least once in a year.

DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report and official website.

Dividend Distribution Compliance Report

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021

Annexure-A

1	Name of the Issuer/Securities/Mutual Fund			
2	Particulars of Issuer DP			
3	Type of Dividend (Annual /Interim)	a) Annual <input type="checkbox"/> b) Interim <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
4	Whether audited or not for Interim Dividend	a) Audited <input type="checkbox"/> b) Unaudited <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
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	a) Yes <input type="checkbox"/>	b) No <input type="checkbox"/>	
	(Put tick mark (a) on the recommended option)			
7	Record date for entitlement			
8	Rate of Dividend recommended by the Board of Directors/Trustee			
9	Dividend recommended-Type	a) Cash <input type="checkbox"/> b) Stock <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)			
10	Securities/mutual fund traded under which categories	(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"/>		
	(Put tick mark (a) on the recommended option)			
11	Date of transfer to a separate bank account (Pls. 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 ACM- details at Annexure, (if any change)			
14	Date of commencement of disbursement of Cash and Stock Dividend			
15	Mode of disbursement of Cash Dividend	a) BEFTN <input type="checkbox"/> b) Bank Transfer <input type="checkbox"/> c) MFS <input type="checkbox"/>		
	(Put tick mark (a) on the recommended option)	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 [En-close 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	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock.(nos)	Annexures

	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 (BO wise detailed with reason should be maintained and submitted)			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
21	Total Dividend paid/credited for the concerned year			
22	Total unpaid/undistributed Dividend/accrued during the period (20-21)			
23	Total unpaid/undistributed Dividend/accrued as on 1st day of Accounting year (as per Audited Accounts)			
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	e) 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			
	1) 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			
	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)			
	Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts			
	with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.			