

# **DIVIDEND DISTRIBUTION POLICY OF UCB**

**Preamble:**

In compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021; United Commercial Bank Limited formulated this policy as 'Dividend Distribution Policy of UCB'.

**Objective of the Policy:**

The purpose of the policy is to comply with the Directives of Bangladesh Securities and Exchange Commission (BSEC) and all other related regulatory bodies. The parameters set out in the policy are applicable for distribution of dividend.

United Commercial Bank Limited aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach for the declaration and distribution of dividend.

**Effective Date**

Dividend Distribution Policy shall be effective from the date of its approval by the Board of Directors.

**Dividend Recommendation and Approval process:**

Dividend will be recommended and approved as per applicable Acts, Articles of Association of the Bank along with the regulatory directives issued 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 entitled dividend.

**Process of Distribution of Cash Dividend:**

Cash dividend shall be paid directly to the bank account within 30 (thirty) days from the date of approval by the Shareholders in the AGM subject to comply of circulars/directives of Bangladesh Securities and Exchange Commission (BSEC) or Bangladesh Bank or other regulatory authority from time to time.

- a) Through Bangladesh Electronic Funds Transfer Network (BEFTN);
- b) Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTN);
- c) In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA);
- d) To the separate bank account of the merchant Banker or portfolio manager through BEFTN;
- e) Through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI);
- f) Through issuance of Cash Dividend warrant and send it through post in case of non-availability of information of the shareholder or unit holder.
- g) Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of Bangladesh Securities and Exchange Commission (BSEC) or Bangladesh Bank or other regulatory authority from time to time.

**Manner and procedure of stock dividend distribution:**

The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirements if any from Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory bodies:

- a) To the BO account;
- b) To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares. A new Suspense BO Account has been opened in every year for the respective year's suspense shares;
- c) The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;
- d) The sale proceeds of fractional bonus dividend shall be paid off as per circular of Bangladesh Securities and Exchange Commission (BSEC) or Bangladesh Bank or other regulatory authority from time to time.

**Tax matters:**

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

**Submission of Dividend Distribution Compliance Report:**

In-compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirements a Dividend Distribution Compliance Report will be submitted in specified format to BSEC, DSE and CSE within 7 days from the date of completion of dividend distribution of the concerned year's.

**Amendments / Modifications:**

If any change/amendment is required in this policy in terms of any change in applicable law or regulations, the concern law and regulations will prevail over this policy and the said provisions in this policy will be modified in due course to make it consistent with the laws of this land. Such amended policy shall be placed before the Board for approval.

**Disclosure Policy:**

This Dividend Distribution Policy will available in the Bank's website and will be published in the Bank's Annual Report.

**Summary of Unclaimed Dividend:**

A summary of the total unclaimed dividend will be published in the Annual Report of the Bank each year.