

HAMID FABRICS LIMITED

Dividend Distribution Policy

1. Introduction and application

The Dividend Distribution Policy has been prepared in accordance with requirements of the Directive no. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 issued by Bangladesh Securities and Exchange Commission (BSEC) on declaration, disbursement and compliance of dividend of the listed companies in Bangladesh. The Board of Directors of Hamid Fabrics Limited has adopted this Dividend Distribution Policy.

This Policy shall apply to the ordinary shares as the Company has issued only one class of shares with equal voting rights so far. The shareholders whose names appear in the Members'/ Depository Register on the Record Date shall be entitled to receive dividends.

2. Objectives

The objectives of this Policy are to provide guidelines on declaration, disbursement, compliance and management of dividend. The Company aims to consider both shareholders' expectation of return on investment and managing its own retained earnings for the provision of future development of the Company.

3. Guiding Principles

- The Company shall declare dividend in compliance with all applicable laws, rules and regulations issued by the related regulatory authorities.
- The Company may declare interim or final dividend for a financial year.
- The Board will recommend dividend in cash or stock subject to approval by the shareholders in Annual General Meeting of the Company and approval of Regulatory Authorities, if applicable.
- The Board may consider not recommending any dividend for a financial year taking into account insufficiency of profit or cash and any other cause deems to be fit by the Board.
- The Board may, at the time of recommending dividend, consider some factors of the Company, among others; profitability, liquidity, business extension, dividend trend, macro-economic situation as well as industry practice that fall under financial, internal or external parameters.
- The dividends shall be paid/transferred to eligible shareholders within the stipulated time after approval.
- Unclaimed or unsettled dividends (cash or stock) shall be maintained and managed pursuant to the Regulations and Directives issued by the Regulatory Bodies.

4. Conclusion

The Policy shall be disclosed in the Annual Report and posted on the website of the Company. It will be reviewed and modified to keep it updated as per applicable rules and regulations.