

# Dividend Distribution Policy

Southeast Bank Limited (SEBL) has formulated following dividend distribution policy in compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021.

## Purpose of the Dividend Policy

The purpose of the policy is to comply with the said Directive of Bangladesh Securities & Exchange Commission (BSEC).

## Process of Distribution of Dividend:

The declared and approved dividend will be paid/distributed within the stipulated time frame as per BSEC Directive No. BSEC/CMRRCD/2021-386/03, dated 14 January, 2021.

### A. Manner and Payment procedure of Cash Dividend

- (i) SEBL pay off the annual or final dividend to the entitled shareholders within 30 (thirty) days of approval by the shareholders in the AGM.
- (ii) 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 concern year shall be kept in a separate Bank account of SEBL dedicated for this purpose.
- (iii) SEBL 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), Bank transfer or any electronic payment system as recognized by the Bangladesh Bank.
- (iv) SEBL, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client, 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.
- (v) SEBL, 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.
- (vi) SEBL, pay off cash dividend to non-resident sponsor, director, shareholder, foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard.

### B. Manner and Payment procedure of Stock Dividend

SEBL 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). SEBL, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিপোজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares.

- (i) SEBL 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.
- (ii) SEBL shall send at least 3 (three) reminders to the entitled shareholder.
- (iii) 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 SEBL. 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.
- (iv) SEBL 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).

- (v) 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**

SEBL shall submit a compliance report to the commission and the exchange (s) in a specified format within 7 (seven) working days of completion of dividend distribution as well as publish the compliance report in its website.

#### **Forfeiture of Unclaimed Cash or Stock Dividend**

SEBL 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) 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 SEBL to the Fund as directed or prescribed by the BSEC. Provided that the SEBL shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the BSEC. Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, SEBL 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 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 at clause (8) of the Directive. Provided

that SEBL 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, the SEBL 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.

#### **Tax Matters**

Tax will be deducted at source as per applicable tax laws and issue certificate in this regard.

#### **Review**

The policy would be reviewed on an annual basis or as and when the need arises. Amendments (if any) would be approved by the Board.

#### **Maintaining detail information of the shareholders for proper distribution of Cash Dividend or Stock Dividend**

SEBL, 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 the SEBL or its agent or the CDBL or its DP shall keep confidentiality of information. Provided further that SEBL shall collect detailed updated information of BO account, Bank account, mobile number, email address and contact address of shareholder from CDBL at least once in a year for the purpose of proper distribution cash dividend or stock dividend and other compliances. In case of holding of paper share, SEBL shall update the information as above.

#### **Disclosure of the Policy**

This policy shall be disclosed in the annual report and official website of the Bank.

#### **Summary of Unclaimed Dividend**

Unclaimed dividend as on 31 December 2022 was an amount of BDT 61,980,283 against nos. of 80,351 shareholders.

