

**DIVIDEND DISTRIBUTION POLICY
OF
SENA KALYAN INSURANCE COMPANY LIMITED**

OBJECTIVE:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividend to its shareholders for a financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission's Directive dated on January 14, 2021.

CRITERIA TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND:

The Board will consider the following factors before recommending dividend:

Statutory and Regulatory Compliance:

- The Company shall declare dividend only after ensuring compliance with the regulatory guidelines on dividend declaration e.g. in line with the directives of the Finance Act- 2019 and or by fulfilling other restrictions, if there is any, from the regulators like Insurance Development and Regulatory Authority of Bangladesh, Bangladesh Bank and Bangladesh Securities Exchange Commission (BSEC) etc.

Financial Criteria:

- Financial performance of the Company for the year for which dividend is recommended
- Internal capital planning framework/policy;
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year);
- Tax implications if any, on distribution of dividends;
- Cost of raising funds from alternate sources of capital;
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/associates of the Company;
- Such other factors and/or material events which the Company's Board may consider

External Factors:

- Shareholders' expectations including individual shareholders
- Macro-economic environment

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

- The Board of the Company may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met by the Company, including any regulatory restriction placed on the Company on declaration of dividend or if the Board strongly believes the need to conserve capital for growth or other exigencies which will be spelled.

Dividend Distribution:

- Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval or record date as the case may be;
- Company shall pay off the cash dividend 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) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN;
- Dividend of the margin client of stock broker or merchant banker shall pay off 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 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;
- Company shall credit the stock dividend to the BO account or issue the bonus share certificate of the entitled shareholder;
- Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time.

UTILISATION OF RETAINED EARNINGS:

The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth/expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

PARAMETERS FOR VARIOUS CLASSES OF SHARES:

Currently, the Company does not have any other class of shares (including shares with differential voting rights/preference shares) other than equity shares. In the absence of any other class of shares and/or shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

CONFLICT IN POLICY:

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

AMENDMENTS / MODIFICATIONS:

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY:

The Board of Directors of the Company may review the policy, if the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's website and in the Annual Report.

DISCLOSURE OF POLICY:

The policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.

Sd/-

Major General Mohammed Saidul Islam, ndc, psc

Chairman

Sena Kalyan Insurance Company Ltd