



উসমানিয়া গ্লাস শীট ফ্যাক্টরী লিমিটেড

USMANIA GLASS SHEET FACTORY LTD.

KALURGHAT INDUSTRIAL AREA, P.O. CHANDGAON, CHITTAGONG-4212,  
BANGLADESH

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## Dividend Distribution Policy

# Dividend Distribution Policy of UGSFL

(Issued and approved by the board of directors on 30.10.2022)

### 1. Introduction

In compliance with the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03, dated 14th January 2021, the issuers of listed securities are required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of Usmania Glass Sheet Factory Limited (herein after referred to as "the Company") has formulated and approved this **Dividend Distribution Policy** (herein after referred to as "**the Policy**") in its 353<sup>rd</sup> Board Meeting held on 30-10-2022.

### 2. Objective

The objective of this Policy is to provide clarity to stakeholders, to ensure the right balance between the quantum of dividend paid and an amount of profits retained in the business for various purposes on the dividend distribution framework to be adopted by the Company. The Board of Directors shall consider recommending/declaring dividend in compliance with this Policy, the Articles of Association of the Company, the provisions of the Companies Act, 1994, relevant Directives / Orders published by the Bangladesh Securities and Exchange Commission and other applicable legal provisions.

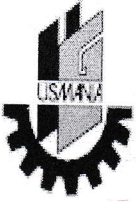
### 3. Concept of Dividend

Dividend is the share of the profit that a company decides to distribute among its shareholders in proportion to the amount paid-up on shares they hold in the form of cash or stock (Bonus). The profit earned by the company can either be retained in the business or can be distributed among the shareholders as dividend. The act deals two types of dividend as follows:

- Interim Dividend:** Interim Dividend is declared by the Board between two AGM as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or put of the surplus in the profit and loss account.
- Final Dividend:** Final Dividend is recommended for the financial year at the time of the approval of the annual financial statements as well as appropriation of profit. The board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the company. Dividend recommended by the Board of Directors cannot be changed prior to hold the AGM.







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## Dividend Distribution Policy

### 4. Declaration of Dividend

The Company's Dividend Distribution Policy shall ensure that it returns cash from operations that is more than its immediate and foreseeable needs back to the shareholders over the long-term. The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company.

The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared. The Board of Directors may consider declaration of both interim dividend and final dividend where interim dividend will be based on the performance of the Company during the period and final dividend will be based on the performance of the full year.

The Dividend recommended by the Board of Directors shall be subject to approval of the shareholders at the Annual General Meeting (AGM). Provided that no dividend shall be approved at the Annual General Meeting more than the amount recommended by the Board of Directors.

Before declaration of dividend, the company may transfer a portion of its profits to reserves of the company as may be considered appropriate by the Board at its discretion. In the event of inadequacy or absence of profits in any financial year, the company may declare dividend out of free reserve subject to the compliance with the act and rules.

Dividend will be recommended out of the current year's Profit after Tax of the Company. In certain circumstances including but not limited to loss after tax in any particular financial year, the Board of Directors may consider utilizing retained earnings for recommendation of dividends, subject to applicable legal provisions.

### 5. Factors Governing Declaration of Dividend:

In general, the actual quantum of dividend pay-out on a yearly basis will be dependent on the following factors:

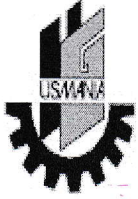
#### a) Internal Factors

- I. Existing and expected underlying financial performance
- II. Cash flow and liquidity position
- III. Capital expenditure and investment plans
- IV. Acquisitions and Disposals
- V. Restructuring activities
- VI. Interim Dividend, if any, and
- VII. Future requirement of funds

#### b) External Factors

- I. Macro-economic environment
- II. Market conditions and consumer trends
- III. Changes in regulatory requirements





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### IV. Shareholder expectations

As such, any amount retained will be utilized for securing the long-term growth objectives of the Company, as may be approved by the Board of Directors, including but not limited to:

I. Issuance of Bonus Shares

II. Inorganic growth opportunities, including Merger and Acquisition

III. Any other factors the Board of Directors deems proper, just and ensuring the law of the land.

### 6. Dividend Pay Out Method and Timing

The Company shall distribute declared and duly approved dividend to all shareholders in a timely manner and in line with Bangladesh Securities and Exchange Commission directions (as issued time to time) and any other applicable local laws, rules, and regulations.

### 7. Unclaimed Dividend

Any unclaimed or unsettled dividend shall be managed in line with Bangladesh Securities and Exchange Commission directions (as issued time to time) and any other applicable local laws, rules, and regulations.

### 8. Review

This Policy is issued with the consent of the Board of Directors of the Company and can be amended only with the authority of the Board of Directors as may be deemed appropriate by the Board of Directors of the Company.

### 9. Disclosure

This Dividend Distribution Policy (as amended from time to time) will be available on the Company's website and in the annual report.

Approved by the Board and signed on its behalf by:

Chairman,  
UGSFL Company Board



Date: 30-October-2022

\*\*\*\*\*THE END\*\*\*\*\*