

Dividend Distribution Policy

Introduction

In compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021; Genex Infosys Limited formulated a policy known as the “Dividend Distribution Policy”. The highlights of the said policy are given below:

Objective

The objective of this Dividend Distribution Policy (“The Dividend Distribution Policy”) is to ensure the right balance between the quantum of dividend paid and profits retained in the business for various purposes. In addition, this Policy will also ensure that the distribution of dividends is implemented pursuant to the applicable legislation in the interests of the shareholders and the Company and will also address the management of unclaimed dividends.

Principles of declaration of Dividend

The dividend shall be declared on a per-share basis on the Ordinary shares of the Company. Presently, the Authorized Share Capital of the Company is divided into equity/ordinary shares of face value BDT 10 each. The Company has no other class of shares. The Board shall recommend or declare the amount of dividend on each share based on financial parameters set as below:

- (a) Consolidated net operating profit after tax.
- (b) Working capital requirements.
- (c) Capital expenditure requirements.
- (d) Economic factors
- (e) Capital market impacts
- (f) Cash flow required to meet contingencies.
- (g) Outstanding borrowings.
- (h) Past dividend trends.

The Board may consider not declaring Dividends or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as the regulatory and financial environment.

Dividend Recommendation and Approval process

The Board of Directors may declare an interim dividend and recommend a final dividend complying with the Companies Act, 1994; Subject to the approval of Annual General Meeting (AGM) and provisions of all Rules, Regulations, Notifications, Orders, Guidelines, etc. in force or to be enforced and issued or to be issued from time to time by Regulatory Authorities.

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 the respective shareholders will be entitled to 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 compliance of circulars/directives of BSEC or Bangladesh Bank or other regulatory authority from time to time.

- i. Through Bangladesh Electronic Funds Transfer Network (BEFTN)
- ii. Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTN).
- iii. In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA).
- iv. To the separate bank account of the merchant Banker or portfolio manager through BEFTN.
- v. Through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder, or foreign portfolio investor (FPI).
- vi. Through the issuance of Cash Dividend warrant and send it through the post in case of non-availability of information of the shareholder or unit holder.
- vii. Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of 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 from Annual General Meeting (AGM) & subject to the clearance of the regulatory requirement [if any from Bangladesh Bank, exchange(s), and the Central Depository Bangladesh Limited (CDBL)]:

- i. To the BO account.
- ii. To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares. A new Suspense BO Account has been opened every year for the respective year's suspense shares.
- iii. The bonus dividend shall be transferred to the suspense BO account if the BO account is not available, or the BO account is inactive.
- iv. The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Unpaid or Unclaimed Dividend

Pursuant to the Directive No. BSEC/CMRRCD/2021-386/03 dated 14.01.2021, the Company shall maintain a separate Bank Account namely "Unclaimed Dividend Account", where unpaid or unclaimed Dividend shall be kept for a period of 3 (three) years from the date of declaration or approval date or record date. After elapse of the afore-mentioned period, if any Dividend remains unpaid or unclaimed, or unsettled, such Dividend along with accrued interest shall be transferred to a Fund maintained by Bangladesh Securities Exchange Commission.

Procedure for claiming unpaid Dividend

The Company has a mechanism in place for claiming unpaid or unclaimed Dividend which is as follows:

1. Shareholders may apply in person at the Corporate Office of Genex Infosys Limited or can contact to the company secretary or Share Department of the company.
2. Unpaid Dividends will be paid to the shareholders, upon verification of the relevant BO ID information, cell phone number, and email address maintained with the Central Depository of Bangladesh Limited (CDBL).

Maintenance of record

Genex Infosys Limited, by itself or by appointing an agent, shall maintain detailed information of BO Account, Bank account, Contact number, email, and address of the shareholders or unit holders for the purpose of proper distribution of cash dividend or stock dividend.

Disclosure of Dividend Information

The Company maintains a record of unpaid or unclaimed Dividend. Summary of such record shall be available in the Annual Report of the company and in the Quarterly Financial Statements. Genex Infosys Limited shall also publish such records on its website in accordance with Directive No. BSEC/CMRRCD/2021-386/03 dated 14.01.2021.

Compliance Report

In compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirement, Genex Infosys Limited shall submit a Dividend Distribution Compliance Report to BSEC, DSE, and CSE within 7 days from the date of completion of dividend distribution of the concerned years. This report shall submit to BSEC, DSE, and CSE in a specified format issued by the regulator (s) within the stipulated time.

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 the law of the land. Such amended policy shall be placed before the Board for approval.

Disclosure

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