



Dividend Distribution Policy

A) Definitions :

1. 'Company' shall mean **Confidence Cement Limited (CCL)**.
2. 'Members' shall mean shareholders of the Company who hold shares of the Company.

B) Objective :

The objective of this document is to formulate a policy for dividend distribution criteria of the Company.

C) Scope and Purpose :

The Bangladesh Securities and Exchange Commission issued a Directive No. BSEC/CMRRCD/2021-386/03 dated, 14 January 2021 which requires the Company to formulate and adopt a dividend distribution policy, which shall be disclosed in its annual report and on its website. Accordingly, this dividend distribution policy has been adopted by the company.

D) Financial Parameters to be considered while declaring dividend:

The company shall consider the unconsolidated PAT and the opportunities available for its growth and consider the expansion plans. Post consideration of these facts, the company will take an informed decision about the dividend pay-out ratio which shall be maintained to pay minimum 10% of the consolidated net profit after tax depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout. The Dividend may declare in the form of Cash or Stock or the combination of both Cash and Stock. The Company can consider special dividend payments such as interim dividend subject to the company's business performance and cash availability.

E) Internal and External factors to considered :

1. Internal and External Factors that shall be considered for declaration of Dividend. The Board and Management may decide to utilize its profit for-
 - i. Business Growth
 - ii. Capital Expenditure
 - iii. Inorganic growth
 - iv. Provision of Reserve Fund
 - v. Acquisition of Technology



2. The level of competition and the prospects of growth for the sector may require the company to buffer up capital to enhance operational efficiency.
3. The ability of the company to raise funds in cost effective manner coupled with the liquidity scenario may also occasion ploughing back of profits.
4. The company is exposed to operational, environmental, regulatory, and legal risks. Possible adverse impact from these risks notwithstanding risk migration by the company can have a bearing on dividend payout.

F) Circumstances under which the Members of the Company may or may not expect dividend.

The company shall declare a dividend for any financial year whenever there is net profit after tax for the year after taking into account the adjustments for previous years, write back of expenses, providing for depreciation etc. The company shall declare no dividend in case there is insufficient net profit after tax for the year after taking into account adjustments for previous years; write back of expenses, providing for depreciation etc.

G) Policy as to how the retained earnings shall be utilized.

The retained earnings will be utilized for the main objects of the Company.

H) Parameters that shall be adopted with regard to various classes of share the company only has one class of equity share and there are no shares with differential rights as to either voting or dividend.