

PREMIER CEMENT MILLS PLC

Dividend Distribution Policy



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

Purposes:

The purpose 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 purpose of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

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 comply of circulars/directives of BSEC or Bangladesh Bank or other regulatory authority from time to time.

- a. Through Bangladesh Electronic Funds Transfer Network (BEFTN).
- b. Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTIN).
- c. In case of margin loan and claim by loan provider, through the Consolidated Customer’s Bank Account (CCBA).
- d. To the separate bank account of the merchant Banker or portfolio manager through BEFTN.
- e. Through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI)
- f. Through issuance of Cash Dividend warrant and send it through post in case of non-availability of information of the shareholder or unit holder.
- g. 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.

Parameters to be considered while recommending/declaring dividend:

The Board while declaring or recommending dividend to the Shareholders, will consider following internal and external factors:

Internal Factors:

Profits earned during the financial year and the retained profits of the previous years or losses suffered in the past years. There are many other internal factors are there the most important are:

The Cash flow position of the Company, Net Debt-to-EBITDA ratio, Current & projected cash balance, Projections with regard to the performance of the Company, Future capital expenditure requirement of the Company, The dividend payout history and so on.

External Factors:

Whether various types of external factors will support with dividend policy the vitals are; Economic environment, Market conditions and market outlook for the Company, Changes in Government policies and regulatory provisions, Quantum of dividend payout by other comparable businesses.

Policy Review:

In case it is proposed not to declare dividend during any financial year, the Board must be disclosed the reason of that and the fact of next year’s dividend proposal way. The Policy will be available on the Company’s website: <https://www.premiercement.com> and will also be disclosed in the Company’s Annual Report.

Review/Amendment:

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

SD/-

Md. Selim Reza, FCA
Chief Financial Officer (CFO)

SD/-

Kazi Md. Shafiqur Rahman
Company Secretary