

# DIVIDEND POLICY OF Titas Gas Transmission & Distribution Company Ltd.

## **Dividend :**

Dividend refers to a reward, cash or otherwise, that a company gives to its shareholders. Dividends can be issued in various forms, such as cash payment, stocks or any other form. Titas Gas Transmission & Distribution Company Ltd. Dividend of Titas Gas Transmission & Distribution Company Ltd. is decided by its Board of Directors and it requires the shareholders' approval from the Annual General Meeting. However, it is not obligatory for a company to pay dividend. Dividend is usually a part of the profit that the company shares with its shareholders.

## **Policy Context:**

This Dividend Policy Statement is formulated in accordance with the directive issued by BSEC, the Companies Act 1994, tax legislation, and internationally recognized best practices and principles.

## **Declaration and Payment of Dividends:**

1. The dividend policy of the Company is to distribute to its shareholders surplus funds from its distributable profits and/or general reserves, as may be determined by the Board of Directors, subject to:
  - a) The recognition of profit and availability of cash for distribution;
  - b) Any banking or other funding requirements by which the Company is bound from time to time;
  - c) The operating and investment needs of the Company;
  - d) The anticipated future growth and earnings of the Company;
  - e) Provisions of the Company's Articles of Association;
  - f) Emerging trends in Dividend payouts in the industry; and
  - g) Any relevant applicable laws.
  
2. The Company shall endeavor to maintain a dividend payout ratio of not less than the percentage of net earnings of the respective year required to get relief from any excess tax obligation(s), subject to the above considerations.

3. The Company may, prior to declaration of any Dividend, transfer such percentage of its profit for that financial year as it may consider appropriate, to the reserves of the Company.
4. The Company's Board of Directors shall be responsible for generating all proposed resolutions on the declaration and payment of dividends.
5. The Company will not declare any Dividends where the law prevents such payment and if there are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due.
6. The list of persons entitled to receive Dividends at the Book Closure/ Record date shall be prepared by the Service provider appointed for this purpose according to the Company's instructions and prevailing legislation. The time, place and procedure for payment of Dividends shall be publicly communicated to shareholders in advance of the register closure date i.e. Record date and payment date.
7. Annual dividend decision is taken in the Board meeting to be held within 120 days from the date of closing of the financial year. Such decisions are based on the results of the audited financial statements. The dividend recommendations made by the directors are notified to the shareholders through stock exchanges, website and public announcements.

Dividend recommended by the Directors is to be placed in the Annual General meeting of the Company for the Shareholders' approval. Dividends are transferred to the respective shareholders' account within 30 days from the date of its approval.

The Directors may recommend Interim Dividend as appear to the Directors justified by the profit and available sufficient fund of the Company. Such Interim Dividend can be paid only out of the profits of that particular quarter, not from the Accumulated Retained Earnings or undistributed profits of previous year. Interim Dividend if any declared by the Company, are paid within 30 days from the Record Date fixed by the Company for the entitlement of such dividend.

8. Cash dividend shall be distributed in the following manner and procedures, namely:-
  - (i) Within 10 (ten) days of declaration of cash dividend by the Board of Directors of the Company an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the dedicated for this purpose;

- (ii) The Company shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN): provided that the Company pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank.
  - (iii) 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 or unit holder;
9. The Company shall continue to pay declared Dividends for shares on which accrued dividends have not been received by any shareholder until the accrued dividends has been transferred to the Capital Market Stabilization Fund in accordance with the directives of BSEC or any other regulatory authority from time to time.

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the Company will after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.

**Amendment:**

This Policy Statement shall be effective from the date of execution and may be amended from time to time with the approval of the Board of Directors of the Company.

**Disclaimer:**

The above Policy Statement does not represent a commitment on the future Dividends of the Company but represents a general guidance on the Dividend Policy.

**Approval:**

This policy is approved by the Company's Board on 819<sup>th</sup> Meeting, Date: 12.10.2022.