



# ডেল্টা লাইফ ইনশুরেন্স কোম্পানী লিমিটেড Delta Life Insurance Company Limited

## Dividend Distribution Policy

### 1.0 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

### 2.0 Concept of Dividend

Dividend means distribution of surplus, earned in the current year or earlier years by the Company determined by the actuary through actuarial valuation every year, to its shareholders. Dividend can be issued in various forms, such as cash payment, stocks or other form.

### 3.0 Principles of Declaration of Dividend

#### 3.1 Statutory & Regulatory Compliance:

The Board of Directors will recommend the dividend in compliance with regulations prevailing in the Company's Act 1994, The Insurance Act 2010, the Income Tax Ordinance 1984 and the Directives issued by the Bangladesh Securities & Exchange Commission (BSEC) etc.

#### 3.2 Internal Factors:

- a) Financial performance that the surplus earned during the year.
- b) Growth of surplus during the accounting year compared with previous year.
- c) Cash flow position of the Company.
- d) Accumulated surplus.
- e) Earnings stability
- f) Future cash requirement.
- g) Dividend pay-out trend.

#### 3.3 External factors:

- a) Business cycle
- b) Economic environment
- c) Applicable taxes including tax on dividend
- d) Inflation rate
- e) Industry outlook for the future years.



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- f) Any other relevant factors that the board may deem fit. Apart from the above, the board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend.

### 4.0 Procedure for Distribution of Dividend

- The Dividend proposal will be placed before the Board of Directors Meeting for consideration based on actuarial valuation.
- The Company shall ensure compliance with the various act pertaining to dividend declared by the Company.
- 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 Company, dedicated for this purpose.
- The Company shall pay off the annual or final dividend to the entitled shareholders, within 30 (thirty) days of approval.
- The Company shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
- The Company, 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 shareholders.
- The Company, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- The Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholders, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL).

### 5.0 Unpaid or Unclaimed or Unsettled Dividend

- 5.1 If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years



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from the date of declaration or approval or record date, as the case may be, shall be transferred by the Company to the 'Capital Market Stabilization Fund' (CMSF).

Provided further that if any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Capital Market Stabilization 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.

**5.2** If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the 'Capital Market Stabilization Fund' (CMSF).

Provided further that if any shareholders claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the Commission.

## 6.0 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.deltalife.org](http://www.deltalife.org). If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

## 7.0 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.