

Silco Pharmaceuticals Limited

Dividend Distribution Policy

[As per Directive No. BSEC/CMRRCD/2021-386/03, Dated: January 14, 2021 issued by the Bangladesh Securities and Exchange Commission (BSEC)]

Disclaimer

The Policy does not constitute a commitment by the company or the Board regarding the future dividends of the company, but only represents a general guidance to Shareholders regarding dividend policy. The statement of the policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place any reliance on any of the forward-looking statements in the policy or the principles and guidance outlined in this Policy.

Dividend Distribution Policy

This Policy is called “**Silco Pharmaceuticals Limited-Dividend Distribution Policy**” hereinafter referred to as the “Policy” and has been framed by Silco Pharmaceuticals Limited (the “Company”) pursuant to Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021.

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividends to its shareholders for a financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission’s Directive dated January 14, 2021.

The Board of Directors of Silco Pharmaceuticals Limited has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of Silco Pharmaceuticals Limited to draw up a long-term and predictable dividend policy. The Board has approved the following dividend policy:

The Company's Dividend payout will be determined based on available financial resources, investment requirements, long term growth strategies, internal and external factors and taking into account optimal shareholder return. The Board of Directors shall refer to the policy while declaring/recommending dividends on behalf of the Company.

Silco Pharmaceuticals Limited shall aim for as yearly dividend distribution as possible. The company can consider special dividend payments such as interim dividend subject to the company's business performance and cash availability."

Dividend Distribution:

- Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval as the case may be.
- Company shall pay off the cash dividend to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN.
- Dividend of the margin client of stock broker or merchant banker shall pay off to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- 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.
- Company shall credit the stock dividend to the BO account of the entitled shareholder.
- In case of invalidation of the BO account, stock dividend will be kept in the suspense BO Account of the company for future distribution.
- Company shall follow the directives/circulars in force of the Securities and Regulators related to dividend distribution from time to time.
