

AZIZ PIPES LIMITED

Dividend Distribution Policy

[Pursuant to Directive No. BSEC/CMMRCD/2021-386/03 dated 14 January 2021 of the Bangladesh Securities and Exchange Commission]

Introduction

Aziz Pipes Limited (the "Company") intends to pay dividends to its shareholders and will use the guidelines herein to determine and pay such dividend as is approved.

The policy shall accordingly be employed in determining any claim by any shareholder, individual or institution regarding the dividend payable by the Company, subject to any provisions in the Company's Articles of Association as well as Companies Act 1994, BSEC guidelines and fiscal policy of the GoB.

Dividend(s)

"**Dividend(s)**" refers to either an interim or a final dividend, which may be either in cash or in the form of Stock Dividend.

Declaration and Payment of Dividends

- 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;
 - g) Any relevant applicable laws; and
 - h) Any other factors as deemed appropriate by the Board.
- 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.
- The Company's Board of Directors shall be responsible for generating all proposed resolutions on the declaration and payment of dividends.
- The Company will not declare any dividends where the law prevents such payment and if there are reasonable grounds to believe 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.
- The decision to declare and pay Dividends shall be approved in the shareholders Annual General Meeting ("AGM"), upon the recommendation of the Board of Directors.
- The Board of Directors may in its discretion declare an interim dividend based on profits arrived at as per quarterly or half-yearly audited financial results. Where no final dividend is declared, the interim dividend shall be regarded as the final dividend in the AGM.

- The shareholders' names appearing in the Members/Depository Register on Record Date will be eligible/ entitled to receive Dividend. The time, place and procedure for payment of dividends shall be publicly communicated to shareholders in advance of the register closure date and payment date.
- Any unclaimed dividends shall be dealt with in accordance with the BSEC guidelines /directives.
- The Company shall continue paying declared dividends for shares on which accrued dividends have not been received by any shareholder or which have not converted into unclaimed dividends.
- No interest shall accrue on unclaimed dividends held by the Company.

Policy Context

This Dividend Policy Statement is formulated in accordance with the Directive No. BSEC/CMMRCD/2021-386/03 dated 14 January 2021 of the Bangladesh Securities and Exchange Commission (BSEC), the Companies Act 1994, Tax legislation, and internationally recognized best practices and principles.

Amendment

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

Policy Disclosure

The Dividend Policy will be disclosed in the Annual Report and the website of the Company.

Policy Approval

This Policy was approved by the Board of Directors of the company in its meeting held on 19th January 2022.

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.

For and on behalf of Board of Directors of
Aziz Pipes Limited

Sd/-
S.M. Hemayet Uddin
Managing Director