

**DIVIDEND DISTRIBUTION POLICY
OF
SENA INSURANCE PLC**

Sena Insurance PLC (SIPLC) is devoted to driving superior value creation for all its stakeholders through an appropriate capital strategy. The focus will continue to be on sustainable returns for longer term value creation ensuring the immediate, as well as long term needs of the business.

Accordingly we have formulated a dividend distribution policy in line with the Directive on Dividend Distribution and management of Bangladesh Securities and Exchange Commission (BSEC), no BSEC/CMMRRCD/2021-386/03, dated on 14 January 2021. This policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders.

PREAMBLE

This policy is to determine the parameters based on which the Sena Insurance PLC (SIPLC) intends to pay dividends to its shareholders. The Company will use the guidelines herein to declare pay such dividend as is approved. This policy seeks to lay down a broad framework for the distribution of dividends by the Company, whilst appropriately balancing the need to retain resources for the Company's growth and sustainability. Accordingly, the policy shall be used to assess any claim by any shareholder, person, or institution in respect of the dividend payable by the Company, subject to any provisions of the Articles of Association of the Company.

PHILOSOPHY

Sena Insurance PLC is devoted to driving superior value creation for all its shareholders. Through an appropriate capital strategy, the focus will continue to be on sustainable returns for longer- term value creation. The wealth maximization of shareholders has always been one of the main focuses of SIPLC. Ensuring the immediate as well as long-term needs of the business, the Board will continue to adopt a progressive and dynamic dividend policy.

OBJECTIVE

The objective of this policy is to provide a broad and directional framework, with relevant underlying parameters and principles, which shall influence and impact the declaration and distribution of dividends as well as to ensure accurate remittance of cash/ stock dividend to shareholders within the timeline, and to identify external and internal factors, including financial variables. It will regulate the process of dividend distribution.

REGULATORY FRAMEWORK

The Board adopted progressive and dynamic dividend and distribution policy in line with the prevailing laws and regulations prescribed by all regulatory authorities.

DEFINITIONS

A statement of the meaning of the word is used under this dividend distribution policy.

INTERPRETATION

In this Policy, unless the contrary intention appears:

- The headings of the clauses are for ease of reference only and shall not be relevant to interpretation;
- A reference to a clause number includes a reference to its sub-clauses;
- Words in the singular number include the plural and vice versa;
- Words and expressions used and not defined in this policy but defined in Bangladesh Securities and Exchange Commission, notification no. BSEC/CMMRRCD/2021-386/03, dated January 14, 2021, Directive on Dividend Distribution and management of Unpaid and Unclaimed Dividend, shall have the meanings respectively assigned to them in those Acts, Rules, and Regulations.

PERIOD & CATEGORY OF DIVIDENDS

Dividends are paid in the form of Cash and Stock. The period is interim and final. The Board of Directors shall have the absolute power of recommending the final dividend subject to approval of the shareholders' on the day of the Annual General Meeting (AGM). During the financial year, in line with this policy, the Board of Directors shall have the power to declare an interim dividend.

Final Dividends are paid once in a financial year after the finalization and audit of annual accounts. Interim dividends may be declared by the Board of Directors one or more times in a financial year as may be deemed fit.

PARAMETER/FACTORS FOR DIVIDEND DECLARATION:

Dividend shall be declared on per share basis of the ordinary shares of the Company. Presently, the Authorized Share Capital of the Company is divided into equity/ordinary shares of face value BDT 10 each. The Company has no other class of shares. The Board shall recommend or declare the amount of dividend on each share based on the following financial parameters.

Financial Parameters

- Company's financial feasibility
- Liquidity position
- Profits availability
- Favorable debt-equity ratio
- Debt interest coverage ratio
- Growth of profit
- Expansion of business

Internal Factors

- **Profitability:** The dividend decision has to be made keeping the profitability into account.
- **Growth Plan:** The associated capital expenditure can require the Company to maintain its generation of funds to be deployed within the optimal growth or expansion possibilities for the expected leverage.

- **Growth rate:** Growth rate of the past earning and predicted profits.
- **Free Cash Flow:** Free cash flow availability has a strong effect on the amounts to be distributed via dividends to shareholders.
- **Investment Opportunities:** Dividend decisions shall be taken in the light of available investment opportunities.

Factors that are likely to have a significant impact on the Company but are not explicitly covered above.

External Factors

- **Statutory Restrictions:** The declaration and distribution of dividends will be subjected to prevailing legal requirements, regulatory conditions, and restrictions;
- **Shareholders' Expectations:** Shareholders' expectations play an important role in the decision making process of dividend declaration;
- **Government Policies:** Policies and restrictions imposed under the Act with regard to the declaration of dividend;

Factors that are likely to have a significant impact on the Company but are not explicitly covered above.

UTILIZATION OF RETAINED EARNINGS

The retained earnings shall be utilized for business purposes of the Company and to increase the value of the shareholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on:

- Market expansion plan
- Product expansion plan
- Modernization plan
- Diversification of business
- Long term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Dividend payment
- Such other criterias as the Board may deem fit from time to time.

ENTITLEMENT TO DIVIDEND

The shareholders whose name would appear in the register of the Shareholders and/or in the Depository on the Record Date would be entitled to receive the dividend.

TAX

Complying with country prevailing tax law, dividends will be distributed after deduction of applicable tax and duly deposited to Government exchequer. Tax certificate as per prescribed format will be forwarded to all shareholders along with challan copy.

DIVIDEND DISBURSEMENT PROCESS

After recommendation from the Board, the proposed Dividend is placed before the shareholders in the General Meeting for their approval. Approved dividend will be distributed among the shareholders within the prescribed timeline and in compliance with related regulations by the regulators. Approved dividends will be paid/distributed within the stipulated time frame as prescribed by the directive on Dividend Distribution and management of Unpaid and Unclaimed Dividend by the Bangladesh Securities and Exchange Commission, notification no. BSEC/CMMRRCD/2021-386/03, dated 14 January 2021.

In the event of declaration of annual or final cash dividend in a financial year, the Board of Directors (BOD) of Sena Insurance PLC shall ensure that the total amount declared as cash dividend (declared amount) is transferred and kept in a separate bank account (dividend account), maintained solely for the purpose of payment/disbursement of dividend. This transfer must be completed at least 01 (one) day prior to the date of the Annual General Meeting (AGM).

Provided that if the dividend amount subsequently approved (approved amount) at the AGM is less than the declared amount, the Company may withdraw the difference between the declared amount and the approved amount from the dividend account and transfer the amount so withdrawn to other accounts of the Company maintained in accordance with applicable laws and internal financial controls.

Provided further that the Company shall obtain a certificate confirming the transfer of the declared amount to the dividend account from the concerned bank. The said certificate shall be attested by the Managing Director & CEO, Chief Financial Officer and Company Secretary of the Company, presented at the AGM and submitted to the relevant stock exchange(s).

In the event of declaration of interim cash dividend, the BOD of SIPLC shall ensure that the amount declared as interim cash dividend is transferred and kept in the dividend account. Such transfer shall be made within 15 (fifteen) days from the record date of the interim cash dividend as declared by the BOD of the Company.

Sena Insurance PLC shall not maintain the dividend account with any bank wherein a common director exists between the Company and the said bank.

In the event of declaration of stock dividend /bonus shares, the Company shall maintain the updated regulatory directives.

REPORTING

The Company will duly submit the Dividend Compliance Report in the prescribed format to the respective Regulators within the prescribed timeline.

DISCLOSURES

The Dividend Distribution Policy shall be disclosed on the Company's website and in the annual report.

UNCLAIMED DIVIDEND

Unclaimed dividends are kept in a separate bank account and disbursed to the shareholder upon a legitimate claim. Now additionally in pursuant to the directive on “Dividend Distribution and management of Unpaid and Unclaimed Dividend” of Bangladesh Securities and Exchange Commission, notification no. BSEC/ CMMRRCD/2021-386/03, dated January 14, 2021, SIPLC will continue to maintain a Separate Bank Account to keep an unclaimed dividend for a period of 3 (three) years from the date of approval in AGM. After elapse of the afore-mentioned period, if any dividend remains unclaimed, it will be transferred to Capital Market Stabilization Fund (CMSF) established by Bangladesh Securities and Exchange Commission. Later on, in case of any claim, SIPLC will verify and arrange to collect the unclaimed dividend and handover it to the respective shareholders.

DISCLAIMER

The above-mentioned Policy Statement does not represent a commitment to the future Dividends of the Company. It represents general guidance on the Dividend policy.

PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Company does not have any other class of shares (including shares with differential voting rights/preference shares) other than equity shares. In the absence of any other class of shares and/or shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

CONFLICT IN POLICY

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

AMENDMENTS / MODIFICATIONS

To the extent of any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY

The Board of Directors of the Company may review the policy, if the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company’s website and in the Annual Report.

DISCLOSURE OF POLICY

The policy will be available on the Company’s website and will also be disclosed in the Company’s Annual Report.