



**Information Services Network Ltd.**  
First Online Internet Service Provider in Bangladesh

## **Dividend Distribution Policy of Information Services Network Limited (ISN)**

Title : Dividend Distribution Policy  
Function : Company Secretariats & Finance Department  
Version : First Version  
Effective Date : Immediately upon approval

Initiate by  
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## **PREFACE**

The Dividend Distribution Policy of Information Services Network Limited (ISN) has been formulated based on proper policy, legislation, best practices in the business and following the guidelines of regulatory bodies. This policy has been made by the company to ensure proper dividend payment to the shareholders. The Bangladesh Securities and Exchange Commission (BSEC) has made it mandatory for listed companies to have a dividend distribution policy and disclose it on the company's website and as well as the annual report.

## **GENERAL OBJECTIVE:**

- This dividend distribution policy will guide ISN to distribute dividends to its shareholders so as to maintain the strategic and regulatory capital required to support the growth of the business while planning to pay dividends.
- The objective of this dividend policy is to ensure dividend to the shareholders and long term capital growth for all the stakeholders of the company and to maintain a proper balance between the dividend and the retained earnings in the business for future requirements. So that the Company is able to ensure adequate capital resources for future business growth and investment opportunities as well as adverse events;
- The policy will help the management to decide on the best dividend adjustment in compliance with the relevant regulations.

## **BUSINESS PHILOSOPHY:**

The primary purpose of business is to maximize the profit for the shareholders. So the company's philosophy is also to maximize the wealth of the company's shareholders through various means. So the company will first use its profits to meet working capital requirements, capital expenditure to meet expansion needs, reduce debt from books of account and then distribute surplus profits in the form of dividends to shareholders.

**DIVIDEND:**

Dividend means distribution of profits, earned in the current year or earlier years, by the Company to its shareholders in proportion to the shares held by them. A Company can either declare dividend within the financial year, which is called interim dividend, or can declare dividend after the end of financial year, which is called final dividend.

**THE PROVISIONS WHICH ARE GIVEN IMPORTANCE IN MAKING THE DIVIDEND POLICY:**

The Company complied with the provisions and requirements of the following laws and regulations from various Regulatory bodies in Bangladesh

- Bangladesh Securities and Exchange Rules, regulations and other directive;
- The Companies Act, 1994;
- The Income Tax Ordinance, 1984, and amendments thereon;
- The listing regulation of Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange PLC (CSE)
- The rules and regulation of the Central Depository of Bangladesh Limited (CDBL).

**STATUTORY AND REGULATORY COMPLIANCES:**

The Company shall propose and declare dividend by ensuring compliance with the Regulatory guidelines on dividend declaration and other directives from Bangladesh Securities and exchange Commission.

**ENTITLEMENT OF DIVIDEND:**

The Shareholders whose names would appear in the Register of Members of the Company on the Record Date for the concerning year are entitled for dividend and to attend the AGM.

This policy applies to declaration of interim dividend and recommendation of final dividend by the Board:

- No dividend shall be paid other than out of profits of the year or accumulated profits of earlier financial years or any other undistributed profits
- The shareholders who shall be entitled to such dividend, if recommended
- The decision about recommending or not recommending dividend and entitlement for such dividend, if recommended, shall be taken after considering the interim dividend already distributed and cannot be changed prior to holding of the annual general meeting (AGM)
- The Company shall follow the guidelines/steps time to time prescribed by the Bangladesh Securities and Exchange Commission and other regulatory bodies while recommending stock dividend.
- The Board may decide not to recommend/ pay any Dividend during a financial year in the following circumstances:
  - a. In the event of loss or inadequacy of profit;
  - b. Where Company needs to conserve its profits/ surplus funds for business plans and other exigencies;
  - c. Non availability of surplus cash and liquid funds;
  - d. Such other circumstances where Board is of the opinion to not declare/ pay any Dividend.

**PAYMENT OF DIVIDEND:**

The combination of cash and stock dividend will be determined based on the capital retention requirement and tax implication on the combination of dividend.

Where require, necessary approval for the dividend payment from Bangladesh Securities and Exchange Commission (BSEC) will be obtained before final dividend decision in AGM by the shareholders

The company shall pay off the annual dividend within 30 (thirty) days of approval of Annual General Meeting subject to approval of Stock exchanges and the Central Depository Bangladesh Limited (CDBL).

**CASH DIVIDEND PAYMENT PROCESS:**

- The equivalent amount of cash dividend declared for the concerned year shall be transferred to a separate bank account of the Company within 10 days of declaration of cash dividend by the board of directors of the Company,
- The Company shall pay off the cash dividend directly to the bank account of the eligible shareholder as available in the BO account maintained with depository participant (DP), through BEFTN
- The Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
- The Company, upon receiving the claim on cash dividend from a stock broker or a merchant 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 shareholders whose bank information is not available in their DP or whose information is not fulfilled for distribute cash dividend through BEFTN or any electronic payment system, they are requested to contact with the concerning department of the Company.
- The Company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the

mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder

### **STOCK DIVIDEND PAYMENT PROCESS:**

- Stock dividend shall directly credit to the BO account of the entitled shareholders as per CDS database on record date within 30 (thirty) days of approval subject to clearance of the Bangladesh Securities and Exchange Commission, Stock exchanges and the Central Depository Bangladesh Limited (CDBL).
- The Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and the Suspense BO Account shall be held under Block Module. Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- The Company shall, upon receiving application from the shareholders and after proper verification of identity and entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the shareholder, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

### **INCOME TAX ON DIVIDEND**

The withholding tax applicable at source on dividend will be deducted and deposited to Government Exchequer as per the applicable laws.

### **UNCLAIMED/UNPAID DIVIDEND**

The Company shall follow the Rules and Regulations set by Bangladesh Securities & Exchange Commission (BSEC) specially instructed by their Directive No.: BSEC/CMRRCD/2021-386/03 dated 14th January 2021 to pay the unclaimed/unpaid cash/stock dividend.

**REVIEW AND UPDATE:**

Any change in dividend payment regulations, will automatically be adopted, otherwise any change in policy will require Board approval. This is also mention that, this policy is primarily developed and in near future it will be further developed.