

## **DIVIDEND POLICY**

The Board of Directors 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 UHRL to draw up a long-term and predictable dividend policy.

The objective of the policy is to allow the Shareholders to make informed investment decisions. The Board has approved the following dividend policy: "The dividend policy is to pay maximum of the net profit after tax depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout. UHRL shall aim for as frequent dividend distribution as possible.

### **Dividend Distribution Policy**

The dividends and dividend policy of a company are important factors that investors consider when deciding what stocks to invest in. Dividends can help investors earn a high return on their investment, and a company's dividend payment policy is a reflection of its financial performance.

Dividend would be recommended by the Board of Directors based on the Audited Financial Statements of the company. All requisite approvals and clearances, where necessary shall be obtained before the declaration of dividend. Dividend shall be approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the Directors. No dividend shall be paid other than out of profits of the year or any other undistributed profits of the Bank. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Unique Hotel and Resorts Limited believe in continuity and consistency in the shareholders / investors return and drawn up a long-term and predictable dividend policy. The objective of the policy is to allow the Shareholders to make informed investment decisions. As such, the Board of Directors 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, market scenario and its strategic decisions. The Board has approved the following dividend policy:

- The dividend policy is to pay maximum of the net profit after tax based on the Audited Financial Statements depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout.
- The company pays out dividends to its shareholders every year. Some portion of the net profit keep by the company as retained earnings so that if company makes any loss in a particular year, the shareholders may get dividend under the policy. To keep the consistency in dividend payout, sometimes company paid dividend from the undistributed profits also.

Major highlights of the Dividend Distribution Policy are as follows:

The Board of Directors of the company shall recommend final dividend for the shareholders on the basis of annual audited financial statements and declare the shareholders who shall be entitled to such dividend. The decision about recommending or not recommending final 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 AGM. In case of declaration of stock dividend for the year, the company shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

**Entitlement to dividend**

The Shareholders whose names would appear in the Register of the company and/or in the Depository on the 'Record Date' would be entitled to receive the dividend.

**Payment of dividend**

UHRL shall pay off the dividend to the entitled shareholders, within 30 (thirty) days from the date of approval by shareholders in AGM.