

Principles on Disclosure of Material Information (MI) and Price Sensitive Information (PSI) of Bangladesh Finance Limited

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1.0 BACKGROUND

Bangladesh Finance has manifested its commitment to adhering to the principles of good corporate governance. As a part of that Bangladesh Finance (“the company”) provides accurate, timely and consistent disclosures of all the financial matters and material information/events about the business of the company. Recently, Bangladesh Securities and Exchange Commission (BSEC) circulate to all the listed companies regarding preparing a policy document on principles on disclosure of Material Information (MI) and Price Sensitive Information (PSI).

According to the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules 2022 of its regulation no, 3(2), Bangladesh Finance needs to form a policy document titled – “Principles on Disclosure of Material Information (MI) and Price Sensitive Information (PSI) of Bangladesh Finance Limited”.

2.0 OBJECTIVE

The objective of this policy is to determine the Price Sensitive Information (PSI) and Material Information (MI) based on specified criteria as defined in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules 2022 to disclose the PSI & MI in a timely, accurate and consistent way for providing equal access to important information to the regulators and investors which may affect the investment decision.

3.0 DEFINITIONS

- ✓ Here ‘the company’ means Bangladesh Finance Limited;
- ✓ The term ‘Authority’ refers to the Chairman of the Board of Directors or Managing Director or Company Secretary or any other responsible person authorized by the Board;
- ✓ ‘The Board’ means the respected members of the Board of Bangladesh Finance Limited;
- ✓ ‘Director’ refers to the member of the Board of Bangladesh Finance Limited;
- ✓ ‘The Chairman’ means the honorable chairman of the Board of Directors of the company;
- ✓ Here, ‘Issuer’ refers to Bangladesh Finance Limited;
- ✓ ‘Stock Exchanges/ Exchanges’ refers to Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange PLC (CSE) in which the securities of Bangladesh Finance Ltd. are listed with;
- ✓ ‘Commission/BSEC means Bangladesh Securities and Exchange Commission;
- ✓ ‘Securities’ means the securities defined in the Companies Act 1994, which shall include shares, bonds, or other marketable securities of alike/same nature issued by Bangladesh Finance Limited;

- ✓ All the other words/terms in this policy refer to the same meaning as assigned/described in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules 2022.

4.0 PROVISIONS RELATING TO DISCLOSURES of PSI & MI

The company shall disclose the Material Information (MI) and Price Sensitive Information (PSI) as per regulations 3 & 6 of Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules 2022, which may update from time to time.

- ✓ All disclosures of material information will be factual.
- ✓ The company shall disclose all Price Sensitive Information (PSI) to the BSEC, DSE & CSE within 02 hours of the decision taken by the Board or the conclusion of the meeting or on the day on which the matter came into its knowledge/cognizance.
- ✓ In case of seeking permission/ approval/ consent from any regulator on any issue related to PSI matter, the company shall disclose it as PSI with mentioning/highlighting/stating as the matter of permission/approval/consent is under consideration from the respective regulator. After getting that permission/approval/consent from the respective regulator, within 02 (two) hours, the company shall disclose the matter as PSI again with reference to the earlier PSI regarding the same issue.
- ✓ The company will disseminate the PSI with the sign of the Chairman of the Board of Directors or the Chief Executive Officer or the Company Secretary.
- ✓ All the PSI shall carry the date and time of the decision taken by the Board or on the day on which the matter came into its knowledge/cognizance.
- ✓ The company shall publish the PSI in the widely circulated 02 (two) national daily newspapers (01 Bangla and 01 English) and in an online news portal immediately. The PSI document(s) can be sent through E-mail, Fax, Digital Submission platform or specially assigned messenger/personnel or by courier services in some cases.
- ✓ The company shall upload all Price Sensitive Information (PSI) and Material Information (MI) to its official website and host for a minimum period of 03 years.
- ✓ The company shall maintain a digital archive for all the Price Sensitive Information (PSI) and Material Information (MI).

5.0 PRICE SENSITIVE INFORMATION (PSI)

As per Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules 2022 under regulation 3(1) and 'Schedule – KA', the following information will be included as Price Sensitive Information (PSI):

A. Report in respect of the financial condition/position, financial performance or any basic information in respect thereof;

Factors related to changes in financial conditions, such as: -

- a) Changes in financial statements, such as significant reductions or increase in Income Expenses, Cash flow, Receivables, Liabilities or Assets etc. and any information related to the maximum or significant changes in the value of Assets due to revaluation;
- b) The following comparative information in the financial information:
 - i) Earnings per share/unit;
 - ii) Net Operating Cash Flow per share/unit;
 - iii) Net Asset Value per share/unit;

B. Information relating to dividend and corporate declarations;

Information related to corporate declaration/announcement, such as: -

- a) Any information relating to dividends;
- b) Decisions regarding the declaration or issuance of Right share, Bonus share to the security-holders or decisions regarding giving similar other privileges;

C. Information relating to changes in the corporate structure; namely- merger, demerger, acquisition, disposal, conversion or transfer-related information;

Information related to corporate structure, such as: -

- a) Acquisition or disposal of any assets which is 5% or more of the existing assets;
- b) Merger, demerger, acquisition, disposal, conversion/transfer with another company or substantial acquisition of any company's shares;

D. Information relating to changes in the capital structure;

Information related to capital structure, such as: -

- a) Any decisions relating to private or public or rights offer of securities or changes in its capital structure of the company;
- b) Systematic/ planned repurchase or redemption of securities or units of the fund of the company;
- c) Any decision relating to consolidation of shares or exchange of shares or conversion of any security into equity security or conversion of any debentures into shares; and
- d) Any material/significant/ substantial changes relating to the rights of the security holders of the company;

E. Information relating to the expansion and changes in business activities;

- a) Any significant/substantial capital investment or any significant changes in the purposes/ objectives of the company;

- b) Information relating to fund management and structural changes in funds;
- F.** Any other rules or regulations or order or instruction or notification/circular prescribed as Price Sensitive Information (PSI) issued by the commission;
- G.** Any other information determined by the commission through notification published in the official Gazette from time to time.

6.0 MATERIAL INFORMATION (MI)

In line with Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules 2022 under regulation 3 and ‘Schedule – KA’, the following information will be included as Material Information (MI):

1. Material changes in the value or composition of assets of the issuer/fund/ company;
2. Any special instructions or any modifications of any instructions previously given by the regulatory authority relating to maintaining provisions;
3. Any changes in the accounting policies of the company;
4. Corporate declaration or other information relating to the receivables of the investors;
5. Changes in Dividend Distribution Policy, etc.
6. Demerger of any unit of the company;
7. Conversion or shutdown/liquidation of any unit/associates/subsidiaries of the company;
8. Any changes in corporate activities through capital reorganization or merger or demerger;
9. Any proposal of taking-over of the authority of a company or acquisition of internal services;
10. Any changes of ownership which may affect the control of the company;
11. Change of Name or Address of the company;
12. Any significant development or change relating to technology, production or infrastructure of the company;
13. Any significant new contracts, production, patent, service or change in business;
14. Any significant recovery/realization of long-term outstanding/unpaid funds;
15. Changes or resignation or termination of any member of the Board including Chief Executive, CEO, CFO, Company Secretary;
16. Changes in Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company, and the credit rating information/status (at every time) of the company;
17. Commencement/ Initiation of Legal proceedings or development of regulatory matters or any significant judgment or order;
18. Delisting of security or unit of a fund from the stock exchanges and change in category from one category to another;

19. Any significant management contract, investor relations contract, service agreement or related party transaction which could materially affect the financial statements;
20. Information relating to the purchase and sale of any fixed assets, or renovation or development or expansion (BMRE) of plant or machinery or setup/establishment of new units; and
21. Any significant advances or lending or borrowing within inter-companies or subsidiaries or associate entities or transection of any loan with Directors, etc.
22. Information related to the loan received or payment on the basis of 25% of paid-up capital or Net Asset Value whichever is higher;
23. Giving or releasing guarantees of any significant/ substantial assets;
24. Any foreign credit/loan agreement or investment agreement;
25. Signing of any important/significant agreement or cancellation or substantial modification of previously announced/signed agreement;
26. Loss of any substantial assets of the company or any events affecting the reputation of the company;
27. Cancellation or substantial modification/amendment of any scheme/project of the company which is previously announced;
28. Qualified opinion submitted by the auditor of the company, etc.

7.0 PROVISION FOR AMENDMENT AND RENEWAL

Subject to the approval of the Board of Directors and Management or as per the authority delegated by the Board of Directors of the Company, any section or sub-section/ clause of these principles may be amended with the intention of serving all the substantial information to the stakeholders timely and properly. These principles shall be reviewed from time to time as per the guidelines of the BSEC. Any subsequent amendment or modification in the regulations or applicable laws in this regard shall automatically apply to these principles.