

**PRINCIPLES ON DISCLOSURE
OF MATERIAL INFORMATION
AND
PRICE SENSITIVE
INFORMATION**



RUPALI BANK PLC.
Assures Better Service

Background

All issuers of listed securities in Bangladesh are obligated, according to the (Prohibition of Insider Trading) Rules, 2022 of the Bangladesh Securities and Exchange Commission, to frame a policy for determining and disclosing Material and Price Sensitive Information. In addition, Regulation 33 of the Dhaka Stock Exchange(Listing) Regulation 2015 and the Chittagong Stock Exchange(Listing) Regulation 2015 require the issuer of listed securities to make complete disclosures of all decisions, particularly the Price Sensitive Information (PSI) as defined in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 or any other rules and regulations. Accordingly, Rupali Bank Plc.("The Bank") needs to frame a policy document titled "The Principles on Disclosure of Material Information and Price Sensitive Information(PSI)' for this purpose.

Purpose of the Policy

The Policy aims to determine Price Sensitive Information (PSI) and the materiality of events/Information based on specified criteria defined in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022. Its objective is to ensure timely disclosure of PSI and material events/information while disseminating it on its website. Additionally, the Policy seeks equal access to important information or disclosures to regulators and investors, enabling them to make informed investment decisions. It also formulates the principles of materiality on which the bank will base its disclosures of events or information.

Definitions

The definition has been framed under the Prohibition of Insider Trading Rules 2022 of the Bangladesh Securities and Exchange Commission (BSEC).

- a. "Unpublished Price Sensitive Information" means any unpublished information may affect the market price of the relevant listed security or unit of the fund on any trading board of a stock exchange, or the net worth of the relevant issuer or asset value can be significantly affected;
- b. "At a significant rate" shall mean the possibility of the valuation of the existing net assets of an issuer being affected at the rate of 10% (ten percent) at the least or such rate as may be determined by the Commission from time to time;
- c. "Significant information" means information that an independent investor would consider necessary in making an investment decision;
- d. "Immediate Relative" means parent, spouse, child, or any such person who is financially dependent on any person or takes advice from such person regarding securities transactions;
- e. "Chief Executives" means the Chief Executive Officer, Chief Financial Officer, and Company Secretary, including the principal five (5) officers of an Issuer;
- f. "Stock" means any security traded on a stock exchange;
- g. "Insider Trading" means the purchase or sale or otherwise transfer of any security by a beneficiary based on undisclosed price-sensitive information,

Provided that, by order of a court or by inheritance of a deceased person or securities acquired through confiscation transfer shall not be covered by this definition;



Who will be the Insiders?

Insider means as defined in the Prohibition of Insider Trading Rules 2022 under the Notification of BSEC.

The following persons shall be considered the Insiders of Rupali Bank Plc.:

- Promoters/Sponsor Shareholders
- Directors
- Significant Shareholder
- Family members of the directors (spouse, son, daughter, father, mother, brother, and sister)
- Officers
- Employees
- Auditors
- Asset Appraisers
- Legal Advisor
- Consultants
- Bankers
- Credit Rating Companies
- Managing Agents
- Advisers
- Related Parties
- All market intermediaries, including any stock broker or stock dealer, market maker, issue manager, portfolio manager, or any person or entity thereof or its director or related party.
- Their related officers, employees, close relatives, or any persons or entities associated with them or theirs have a relationship with the persons as mentioned above and scope to know any undisclosed material information.

Information delivery approach

- a) The bank shall disclose all Price Sensitive Information (PSI) to the BSEC, DSE, and CSE within two (02) hours of the decision taken by the Board or the conclusion of the meeting or on the day the matter came into its cognizance.
- b) In case of seeking permission, approval, or consent from any regulator on any issue related to the movement of share price, the bank shall disclose it to the BSEC, DSE, and CSE within two (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 cognizance.
- c) The Chairman, the Managing Director & CEO, or the Company Secretary shall sign the PSI document before sending it to BSEC, DSE and CSE.



- d) The bank shall publish another PSI on the same issue within two (02) hours of receiving the permission/consent/approval from the regulatory authority, mentioning the fact that the issue was sent to the regulatory authority earlier for permission/consent/approval.
- e) Rupali Bank shall not disclose, publish, or provide any false or untrue PSI or provoke any one to disclose the PSI that may influence the bank's share price.
- f) The bank shall publish the PSI in an online news portal and two (02) daily news papers (Bangla and English) widely circulated nationwide. The PSI document can be sent through E-mail, Fax, Digital Submission Platform, specially assigned messenger/personnel, or by courier services in some cases.
- g) All PSI shall carry the date, time, or the date on which the matter came into the cognizance of the bank.
- h) The bank shall upload all Material Information and Price Sensitive Information on its website and host the same for a minimum of 03 (three) years.
- i) Price-sensitive information should be expressed in simple and plain language to avoid any kind of exaggeration.

Determination of Materiality

- a. Materiality has to be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event to determine whether a particular event/information is material.
- b. If, in the opinion of the Board of Directors of Rupali Bank, the event/information is considered material.
- c. The Chief Executive Officer/Managing Director and the Company Secretary shall consult with the Chairman to determine the materiality of an event.
- d. Principles on Disclosure of Material Information and Price Sensitive Information as per Schedule (Ka) included in the **ANNEXURE-I**.

Material and Price-Sensitive Information

As specified in the Regulations, the required information, either material or price sensitive, to be disclosed is divided into the following two categories:

Material and Price-Sensitive Information

As specified in the Regulations, the required information, either material or price sensitive, to be disclosed is divided into the following two categories:

1. Price Sensitive Information

The information as referred to under Regulation 3(1) and Schedule Ka of regulations and reproduced below in English will be included as Price Sensitive Information:

- a) Report in respect of the financial position, financial performance or any basic information in respect thereof;
- b) Information relating to dividend and corporate declarations;
- c) Information relating to changes in corporate structure; namely- Merger, Demerger, acquisition, disposal, conversion or transfer;
- d) Information regarding changes in capital structure;
- e) Business expansion and change related information etc.



- f) Information related to the fund management, and structural change of the fund.
- g) Any other rules or regulations or orders or instructions or circular/notification prescribed as Price Sensitive Information made or approved or issued by the Commission;
- h) Any other information determined by the Commission by notification published in the Official Gazette from time to time.

2. Material Information

The information as referred to under Schedule Ka of Regulations and reproduced below in English will be included as Material Information:

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

- a) Changes in financial statements, such as significant reductions or increases in income, expenses, cash flows, receivables, liabilities or assets, etc., and any information related to significant changes on the value of the assets due to revaluation;
- b) The following comparative information in the financial statements:
 - i. Earnings per share/unit;
 - ii. Net operating cash flow per share/unit;
 - iii. Net asset value per share/unit;
- c) Material changes in the value or composition of assets of the bank;
- d) Any special instructions or any modification of any special instructions previously given by the regulatory authority relating to maintain of provisions; and
- e) Any changes in the accounting policies of the bank, etc.

2. Information relating to corporate announcements, such as:-

- a) Any decision relating to dividends;
- b) Decision for issuance of rights share to security-holders, issuing bonus or giving similar other privileges;
- c) Corporate declaration or other information relating to the receivables of investors; and
- d) Changes in dividend distribution policy, etc.

3. Information regarding changes in corporate structure, such as:-

- a) Acquisition or disposal of any assets of 5% or more of the existing assets;
- b) Merger with another company or substantial acquisition of any company and acquisition of shares, etc.;
- c) Demerger of any unit of the bank;
- d) Conversion or winding up of any unit of the bank;
- e) Changes of corporate activities through capital reorganization or merger or demerger;
- f) Proposal to take over the authority of a company or acquisition of internal services;
- g) Change of ownership which may affect the control of the bank; and
- h) Change of name or address, etc.

4. Information regarding changes in capital structure, such as:—

- a) Any decision relating to private or public or rights offer of securities or changes in its capital structure;
- b) Systematic repurchase or redemption of securities or units of the fund;
- c) Any decision relating to consolidation of shares, exchange of shares, conversion of any security into equity security or conversion of debentures into shares; and
- d) Significant changes relating to the rights of security holders, etc.



5. Information relating to expansion, change etc. of business activities, such as:

- a) Any significant development or change relating to the bank's technology, production or establishment;
- b) Significant capital investment or significant change in the purpose of the bank;
- c) Significant new contracts, product, patent, service or business changes;
- d) Significant realization of long-term unpaid funds/receivables;
- e) Changes or resignation or demotion in the Board of Directors including Chief Executive, CEO, CFO, Company Secretary;
- f) Changes of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company;
- g) Initiation of legal proceedings or development of regulatory matters or any significant judgments or orders;
- h) Delisting from the stock exchange or changing from one category to another;
- i) Any significant management contract, investor relations agreement, service agreement, or related party transaction that could materially affect the financial statements;
- j) Information relating to the decision of purchase and sale of any fixed asset or renovation or development or expansion (BMRE) of plant or machinery or establishment of new units; and
- k) Significant advances between inter-company or subsidiary or associate entities; or giving or receiving loans or exchanging loans with directors, etc.

6. Information relating to debt/credit management, such as:-

- a) Borrowing and repayment of 25% or more of paid-up capital or net assets, whichever is higher;
- b) Encumbrance or discharge of significant assets;
- c) Failure to pay any bank or creditor or debt obligation or debt for a period exceeding 06 (six) months;
- d) Significant new debt/credit agreements; and
- e) Foreign credit agreement or investment agreement, etc.

7. Information relating to fund management and structure changes, such as:-

- a) Extension- reduction of tenure of the fund;
- b) Liquidation of funds;
- c) Conversion of funds;
- d) Investment of 10% or more of the Fund in any single security;
- e) Profit or loss on financing any significant investment; and
- f) Formation of trustees of the fund, any change in the trust deed, etc.

8. Others, such as:-

- a) Signing of any material agreement or cancellation or substantial modification of previously announced/signed agreement;
- b) Loss of any substantial assets of the bank or any event affecting its reputation;
- c) Cancellation or substantial modification of any scheme previously announced; and
- d) Submission of qualified report by the auditor of the bank, etc.



Disclosures on the Website

The bank shall disclose all such events/information which has been disseminated to the BSEC and Stock Exchange(s) under this Policy on its website, and these disclosures shall be hosted on the bank's website for a minimum period of three years. Thereafter, the disclosures shall be archived according to the policy/process/practice followed by the bank.

Amendment or Review

The Board of Directors shall review these Principles as and when required, and any subsequent amendment or modification in the Regulations and/or applicable laws in this regard shall automatically apply to these Principles.

Publication of Principles

A copy of the Principles will be available on the website of the Company.



ANNEXURE- I**Principles on Disclosure of Material Information and Price Sensitive Information as per Schedule (ka)**

Factors	Information	PSI	MI	D
1. Factors related to changes in financial conditions	(a) Changes in financial statements, such as significant reductions or increases in income, expenses, cash flows, receivables, liabilities or assets, etc., and any information or report or comment on the revaluation or significant decrease-increase of most or essential assets	Yes	Yes	Rule-6
	(b) The following comparative information in the financial statements: i. Earnings per Share; ii. Net operating cash flow per share; iii. Net asset value per share;	Yes	Yes	Rule-6
	(c) Material changes in the value or composition of assets of the issuer	Yes	Yes	
	(d) Any special instructions or any modification of any special instructions previously given by the Regulatory Authority of the concerned issuer regarding the reservation of provisions	Yes	Yes	
	(e) And any change in the accounting policies of the issuer, etc.	Yes	Yes	
2. Information regarding corporate announcements	(a) Any decision relating to dividends	Yes	Yes	Rule-6
	(b) Declaration or issue of rights, bonus issues, or similar benefits to security holders	Yes	Yes	
	(c) Corporate announcements or any other regarding the availability of investors	Yes	Yes	
	(d) Changes in Dividend Distribution policy	No	Yes	



3. Information relating to changes in corporate structure:	(a) Intention to acquire or disposal 5% or more of the existing assets;	Yes	Yes	Rule-6
	(b) The amalgamation of another company with the Company or undertaking of any company acquisition and acquisition of shares, etc.	Yes	Yes	
	(c) Demerger of any unit of the Company;	Yes	Yes	
	(d) Conversion or winding up of any unit of the Company;	Yes	Yes	
	(e) By way of Corporate change of capital reorganization or merger or demerger;	Yes	Yes	
	(f) A take-over proposal or internal service acquisition proposal of a company;	No	Yes	
	(g) Such change of ownership may affect control of the Company; And	Yes	Yes	
	(h) Change of name or address, etc	No	Yes	
4. Information regarding changes in capital structure	(a) Any decision related to the change of Private or public or rights offer of securities or its capital structure	Yes	Yes	Rule-6
	(b) Planned Repurchase or Redemption of Securities or Fund Units	Yes	Yes	
	(c) Any decision regarding consolidation of shares, Exchange of shares, conversion of any security into equity security, or conversion of debentures into shares	Yes	Yes	
	(d) There is a significant change in the rights of security holders, etc.	Yes	Yes	



5. Information relating to the expansion of business activities and the change of business	(a) Any change in the Company's technology, manufacturing, or installation	Yes	Yes	Rule-6
	(b) Substantial capital investment or significant change in the purpose of the establishment	Yes	Yes	
	(c)			
	(d) Significant new contracts, manufacturing, patent, service or business changes	Yes	Yes	
	(e) Recovery of the substantial amount of long term bad debt;	Yes	Yes	
	(f) Change of the Board of Directors, including Chief Executive, MD/CEO, CFO, Company Secretary	Decide by the Board of Directors	Yes	
	(g) Change of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company	No	Yes	
	(h) Initiate legal proceedings or develop regulatory matters or make any significant judgments	No	Yes	
	(i) Delisting of a security from a stock exchange or change from one category to another	Yes	Yes	
	(j) Any significant management contract, investors relation agreement, service agreement, or related party transaction that may affect the financial statements significantly	Yes	Yes	
(k) The decision to buy or sell any fixed asset or renovation or improvement of plant or machinery or expansion (BMRE) or setting up of new units and	Yes	Yes		
(l) Significant advances between inter-company or subsidiary, or associate entities giving or receiving loans or exchanging loans with directors, etc.	Yes	Yes		



6. Information related to debt management	(a) 25% of paid-up capital or net asset value, whichever is higher, or taking and repaying large amounts of debt;	Yes	Yes	Rule-6
	(b) Giving/Releasing of guarantees of any significant assets	Yes	Yes	
	(c) Failure of payment of loan/liability of any bank or lender or debt-instrument, for more than (06) six months;	Yes	Yes	
	(d) Significant new loan agreements;	Yes	Yes	
	(e) And any foreign loan agreements or investment agreements, etc.	Yes	Yes	
7. Others	(a) The signing of any material agreement or the cancellation or substantial modification of any previously announced signed agreement;	Yes	Yes	
	(b) Loss of any substantial assets of the Company or the issuer or any event that damages its reputation;	Yes	Yes	
	(c) Cancellation or significant modification of any scheme previously announced; And	Yes	Yes	
	(d) There is a qualified audit report of the issuer/Company	Decide by the Board of Directors	Yes	
Commission may, by order published in the Official Gazette, determine any other information to be sensitive or significant information;				

Note:

- Event/information may change from material to price sensitive information at any time depending on the situation.
- PSI- Price Sensitive Information
- MI- Material Information
- D- Directive(under the Prohibition of Insider Trading Rules 2022 of the BSEC dated 30/01/2023)

