

Union Capital Limited

Principles on Disclosure of Material Information **and Price Sensitive Information**

Background

In accordance with the Regulation 3(2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 requires all of listed securities to frame a policy for determination and disclosure of Material Information (MI) and Price Sensitive Information (PSI). In addition, the 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 full 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.

Considering the above, Union Capital Limited (“the Company”) needs to frame a policy document titled The Principles on Disclosure of Material Information and Price Sensitive Information (PSI) for this purpose. Accordingly, the Board of Directors of the Company in its 311th Meeting has approved the Principles on Disclosure of Material Information and Price Sensitive Information.

Objective of the Policy

The purpose of this Policy is to determine Price Sensitive Information (PSI) and materiality of events/information, based on specified criteria as defined in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022, so that the Company makes timely disclosure of PSI and Material events information as well as disseminates the information on its website.

The Policy thus aims at providing equal access to important information or disclosures to regulators or investors which may affect their investment decisions, and in formulating the principles of materiality based on which the Company shall make disclosures of events or information.

Restricted Trading Period

Every Sponsors, Directors, Employees, Auditors, Valuation Firms, Credit Rating Company and persons engaged in audit works, advisors or legal counsel or any concerned person employed in this regard, subsidiary companies and its directors and beneficial owners of securities mentioned in section 12 of Securities and Exchange Ordinance 1969 shall not buy, sell or otherwise receipt/handover of securities of the Company 02 months (as per Georgic Calendar) before completion of annual accounts up to consideration and approval by the Board.

Price Sensitive Information (PSI) and Material Information (MI):

a. Price Sensitive Information (PSI):

Price Sensitive Information (PSI) means any information, relating to a company or its securities, directly or indirectly, that is not generally available and which upon becoming generally available, is likely to materially affect the price of the securities.

In accordance with the Section 3 (1) of “the Prohibition of Insider Trading Rules, 2022” of Bangladesh Securities and Exchange Commission the bellow mentioned events shall be considered as the Price Sensitive Information (PSI), namely: -

1. Information related to the financial position, financial results, financial statements, and other related basic information.
2. Information related to dividend and corporate declarations.

3. Information related to the change of corporate structure i.e. amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer and transformation, etc.
4. Information related to the change of capital structure.
5. Information regarding expansion or change in business operation.
6. Information related to the fund management and structural change of the fund.
7. Any information prescribed as Price Sensitive Information in any other rules or regulations or orders or directions or notifications made or approved or issued by the Commission.
8. Any other information prescribed and published by the Commission through notification/directive/circular in the Official Gazette from time to time.

b. Material Information (MI):

Material Information means such information, which may be deemed as material to a reasonable investor in making investment decision.

Disclosure of Material Information and Price Sensitive Information:

In accordance with the Section 3(1) and Schedule - A under the Section 3(2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022, Disclosure of Material Information and Price Sensitive Information of Union Capital Limited has been attached under Annexure - A.

Procedure to be followed for disseminating the PSI/MI

- a) The Company 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 on which 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 Company 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. The Company 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.
- c) The Chairman or the Managing Director & CEO or the Company Secretary shall sign the PSI document before sending it to BSEC, DSE, and CSE.
- d) The Company shall not disclose, publish, or provide any false or untrue PSI or provoke anyone to disclose the PSI that may influence the share price of the Company.
- e) The Company shall publish the PSI in two (02) daily newspapers (Bangla and English) that are widely circulated across the country and an online news portal. The PSI document can be sent through E-mail, Fax, Digital Submission Platform, specially assigned messenger/personnel, or by courier services in some cases.
- f) In case of any Material Information, the event/information have to be disseminated to BSEC, DSE and CSE as soon as reasonably possible from the happening of event/information and have to be uploaded the same in Company's website.
- h) All the PSI/MI shall carry the date, time, or the date on which the matter came into the knowledge of the Company.

Disclosures on Company's Website

The Company shall disclose all Material Information and Price Sensitive Information on its website which has been disseminated to the BSEC and the Stock Exchange(s) under the Disclosure of Material Information and Price Sensitive Information and such disclosures shall be hosted on the website for a minimum period of three years and thereafter as per the archival policy/process/practice followed by the Company.

Amendment or Review

These Principles shall be reviewed by the Board of Directors of Union Capital Limited as per the guidelines of the BSEC as and when required. Any subsequent amendment or modification in the Regulations and/or applicable laws in this regard shall automatically apply to these Principles.

Annexure – A
Disclosure of Material Information and Price Sensitive Information of Union Capital Limited

SL No:	Particulars	Price Sensitive Information (PSI)	Material Information (MI)	Remarks
1	Factors related to changes in financial conditions, such as: -			
	a) Changes in financial statements, such as significant reduction or increase in income, expenditure, cash flows, receivables, liabilities or assets, etc. and any information or statement or comment on revaluation or significant decrease-increase of most or significant assets;	√		
	b) The following comparative information in the financial statements: i) Earnings Per Share/Unit; ii) Net Operating Cash Flow Per Share; iii) Net Asset Value Per Share;	√		
	c) Material changes in the value or composition of Assets of the Company;		√	
	d) Any special instructions or any modification of any special instructions previously given by the regulatory authority of the concerned issuer regarding reservation of provisions; and			Based on situation and subject to assessment
	e) Any changes in the Accounting Policies of the Company		√	
2	Information regarding corporate Declaration, such as:			
	a) Any decision relating to dividend of the Company;	√		
	b) Decision to declare or issuance of right, bonus share or similar benefits to security holders;	√		
	c) Corporate Declaration regarding entitlement of the Investors or any other information; and	√		
	d) Change in Dividend Distribution Policy		√	
3	Information regarding changes in Corporate Structure, such as: -			
	a) Acquisition or disposal of any existing assets equivalent to 5% or more of the total existing assets;			Based on situation and subject to assessment
	b) Merger of the Company with another Company or acquisition of significant/substantial shares of the Company;	√		
	c) Demerger of the Company;	√		
	d) Conversion or winding up of the Company;	√		
	e) Changes in corporate operations by way of capital reorganization or merger or demerger;	√		
	f) Proposal of take-over by a Company or proposal of acquisition of Internal services;			Based on situation and subject to assessment
	g) Change of ownership which may affect control of the Company; and	√		
	h) Change of the name or address of the Company		√	

SL No:	Particulars	Price Sensitive Information (PSI)	Material Information (MI)	Remarks
4	Information regarding changes in capital structure, such as: -			
	a) Any decision regarding private or public or rights offer of securities or any decision of change of the Company's Capital Structure;	√		
	b) Planned repurchase or redemption of securities;		√	
	c) Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security or conversion of debentures into shares;	√		
	d) Significant change in security holders rights.	√		
5	Information regarding to expansion of business activities or change thereof: -			
	a) Any significant development or change in the Company's technology, production or facilities;			Based on situation and subject to assessment
	b) Significant Change in Capital Investment or significant change in the purpose of the Company;			
	c) Any significant new contracts, production, patent, service or change of business;			
	d) Significant realization of long-term outstanding fund			
	e) Changes in the Board of Directors, change or resignation or dismissal of the Chief Executive Officer, the Chief Finance Officer or the Company Secretary;		√	
	f) Change of statutory auditor or corporate governance compliance auditor or credit rating company;		√	
	g) Commencement of legal proceeding by the Company or development of regulatory matters or any significant judgment or order;			Based on situation and subject to assessment
	h) De-listing of Security from stock exchange or change 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 of the Company;			Based on situation and subject to assessment
	j) Information relating to decision of purchase and sale of any fixed asset or renovation or development or expansion (BMRE) of plant or machinery or establishment of the Company; and			
	k) Grant or acceptance of significant advances or loans between the inter-company or subsidiary or associate companies or exchange of loans with Directors, etc.			
6	Information related to Debt Management, such as: -			
	a) Borrowing and repayment of 25% or more of the paid-up capital or net asset value, whichever is higher;			Based on situation and subject to assessment
	b) The encumbrance or discharge of significant assets;			
	c) Failure to pay off the debt to any Company, Banks or creditor for a period exceeding 06 (six) months;			
	d) Any significant new debt agreements; and			
	e) Foreign loan agreement or investment agreement.			

SL No:	Particulars	Price Sensitive Information (PSI)	Material Information (MI)	Remarks
7	Information related to fund management and structure changes, such as: -			
	a) Extension of tenure of the Fund;			Based on situation and subject to assessment
	b) Exhaustion 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) Constitution of trustees of the fund, any alteration in the trust deed, etc.			
8	Others, such as: -			
	a) Signing of any material agreement or cancellation or substantial amendment of previously announced/signed agreement;		√	
	b) Loss of any substantial assets of the Company or the Issuer or any event affecting its reputation;		√	
	c) Cancellation or substantial modification of any scheme previously announced; and		√	
	d) Submission of qualified report by auditor of issuer or fund, etc.	√		