



RAK Ceramics (Bangladesh) Limited
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PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION AND PRICE SENSITIVE INFORMATION

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<u>CONTENTS</u>	<u>PAGE NO</u>
1 Preamble	3
2 Purpose	3
3 Objectives & Scope	3
4 Definitions	3
5 Parameters for considering as Material Information	4
6 Parameters for considering as Price Sensitive Information	6
7 Disclosure procedure	7
8 Preservation of MI, PSI and Insider Information	7
9 Prohibition	7
10 Punishment	8
11 Applicability of the Principles	8
12 Review of the Principles	8
13 Publication of the Principles	8
14 Disclaimer of the Principles	8

Principles of Disclosure of Material Information and Price Sensitive Information
Of
RAK Ceramics (Bangladesh) Limited

1. Preamble:

This Principles shall be called “Principles of Disclosure of Material Information and Price Sensitive Information” (hereinafter referred to as “the Principles”) of RAK Ceramics (Bangladesh) Limited (hereinafter referred to as “the Company”).

2. Purpose:

This Principles is being adopted in compliance with the provisions of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022. The Rules requires to formulate “Principles of Disclosure of Material Information and Price Sensitive Information” which shall be disclosed in the official website of the Company.

3. Objectives & Scope:

3.1 The objective of this Principle is to ensure continuous, adequate, accurate and timely disclosure of all Material Information and Price Sensitive Information to the regulators on an ongoing basis to enable the investors to make investment decisions.

3.2 The Company shall pursue this Principles for any information of the Company that could affect an investor's decision to buy or sell of securities of the Company; and may relate to the Company's financial performance, operations, management, products, or any other aspect of the business that could be relevant to investors.

4. Definitions:

4.1 “Board of Directors” shall mean Board of Directors of RAK Ceramics (Bangladesh) Limited.

4.2 “Company” shall mean RAK Ceramics (Bangladesh) Limited.

4.3 “Chairman” shall mean Chairman of the Board of Directors of RAK Ceramics (Bangladesh) Limited.

4.4 “Insider” shall mean Director, Sponsor, Employees, Beneficial Owners, Valuable Shareholder, Managing Agent, Banker, Auditor, Assets Valuator, Credit Rating Company, Adviser, Stock Broker, Stock Dealer, Issue Manager, Portfolio Manager, Regulators, Stock Exchanges, Depository and other persons as defined in the Rules.

4.5 “Insider Trading” shall mean sale or buy or transfer of shares by an insider based on any unpublished price sensitive information which may beneficial directly or indirectly to the trader.

4.6 “Immediate Relative” shall mean Parents, Spouse, Child or such a person who is financially dependent on the insider or take advice from the insider for investment in securities.

4.7 “Material Information (MI)” shall mean any information which is significant to the operations and performance of the Company and would be considered to make investment decision by a reasonable investor.

4.8 “Price Sensitive Information (PSI)” shall mean any information as mention in rule-3(1) of the Rules and as mention in this Principles.

4.9 “Principles” shall mean “Principles of Disclosure of Material Information and Price Sensitive Information of RAK Ceramics (Bangladesh) Limited.”

4.10 “Rules” shall mean the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

4.11 “Regulators” shall mean the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Exchange Ltd (DSE), Chittagong Stock Exchange PLC. (CSE) and any other government authorities.

4.12 “Unpublished Price Sensitive Information” shall mean any information of the Company which, if disclosed, may affect the market price of shares of the Company or may significant change of the net asset value of the Company. (Here significant shall mean 10% of net asset value of the Company or as time to time determined by the Commission).

4.13 “Valuable Investor” shall mean shareholder who holds ten percent (10%) or more shares of the Company.

5. Parameters for considering as Material Information:

As per the Rules, following information of the Company shall be considered as Material Information and shall be disclosed and disseminated accordingly:

5.1 Information related to changes in financials:

- a) Changes in financial statements i.e. significant changes in revenue, income, expenditure, cash flow, receivable, payable, assets and liabilities;
- b) Revaluation of maximum or material assets and any information, disclosure or comments relating to significant changes of the assets of the company;
- c) Comparative information of financial statements as follows:
 - i Earnings per share
 - ii. Net operating cash flow per share
 - iii. Net asset value per share
- d) Significant changes in the value of assets or amalgamation of assets;
- e) Any instruction or any changes of previous instruction by the regulator for any provision for reserve;
- f) Any changes in accounting policy.

5.2. Information related to corporate declaration:

- a) Any decision regarding dividend;
- b) Any decision or declaration regarding issuance of right or bonus shares to the shareholders;
- c) Any corporate announcement or information regarding entitlement of investors;
- d) Any changes in dividend distribution policy.

5.3. Information related to changes in corporate structure:

- a) Sale or purchase of 5% or above of the existing assets;
- b) Amalgamation with another company or acquisition of substantial shares of any company;
- c) Demerger of any unit of the Company;
- d) Conversion or dissolution of any unit of the Company;
- e) Reorganization or consolidation or division of share capital;
- f) Accepted proposal for take-over or acquisition of internal services of any company;
- g) Any changes in ownership which can impact on control over the Company;
- h) Changes of name or address of the Company.

5.4. Information related to changes in capital structure:

- a) Any decision regarding private placement or public offer or right offer of shares or changes of capital structure;
- b) Buy-back or redemption of shares of the Company;
- c) Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security or conversion of debenture into share;
- d) Any significant changes in the shareholder's right.

5.5. Information related to expansion, modification, changes etc. of business operations:

- a) Any significant development or changes in technology, production or establishment of the Company;
- b) Any significant capital investment or changes of the Company's objectives;
- c) Any significant new contract, changes in production, patent, services or business;
- d) Significant recovery of long-term trade receivables;
- e) Any changes or resignation or termination of Managing Director, CEO, CFO, Company Secretary and Board of Directors;
- f) Changes of statutory auditors, corporate governance compliance auditors and credit rating company;
- g) Starting of any legal proceedings or development of regulatory affairs or any notable verdict or court order;
- h) Delisting of securities or changes of the market category in stock exchanges;
- i) Any management contract, investor relations agreement, service agreement or related party transactions which can significantly influence the financial statements;
- j) Decision of buy or sell of fixed assets or balancing, modernization, rehabilitation and expansion (BMRE) or establishment of new unit related information; and Significant intercompany loan or advance, loan or advance given to or taken from subsidiary or associated company and transaction of any loans with the directors.

5.6. Information related to debt management:

- a) Borrowing and repayment of debt worth 25% or more of the paid up capital or net asset value, whichever is higher;
- b) Significant encumbered or unencumbered of assets and property;
- c) Default for repayment of any debt for more than 06 (six) months;
- d) Significant new loan agreements;
- e) Agreement for foreign loan or investment.

5.7. Other information:

- a) Signing, amendment or cancellation of major contract;
- b) Significant damage of any valuable assets or any incident to loss of impression of the Company;
- c) Cancellation or significant modification of any declared project;
- d) Any qualified report by the auditors of the Company.
- e) Any other information as the Commission may determine from time to time through government Gazette notification.

6. Parameters for considering as Price Sensitive Information:

As per the Rules, following information of the Company shall be considered as Price Sensitive Information and shall be disclosed and disseminated accordingly:

- a. Information related to financial statements and basic information related to financial results;
- b. Information related to dividend and corporate declaration;
- c. Information related to change in corporate structure i.e. amalgamation/merger, demerger, acquisition, dissolution, modification or transformation;
- d. Information related to change in capital structure;
- e. Information related to business expansion, modification, change in operations etc.;
- f. Any price sensitive event which is subject to approval of the regulators and submitted to the regulators for approval;
- g. Any price sensitive event after getting approval from the regulators, shall again consider as PSI;
- h. Any other information from MI considering its sensitivity on price of shares of the Company and which would be considered to make investment decision by a reasonable investor;
- i. Any other information as the Commission may determine from time to time vide any rules or regulations or order or directives or notifications;
- j. Any other information as the Commission may determine from time to time through government Gazette notification.

7. Disclosure procedure:

7.1. Discloser of Material Information:

The Company shall disclose its all Material Information in the official website of the Company at www.racc ceramics.com/bangladesh.

7.2. Discloser of Price Sensitive Information:

- a) The Company shall disseminate all PSI in writing to the Commission and stock exchanges within two (2) hours of the decision or on the same day immediately after knowing the event as appropriate.
- b) The PSI shall be signed by the Chairman or CEO or Company Secretary.
- c) The PSI shall disseminate through e-mail or fax or digital submission platform or messenger or courier service.
- d) The PSI shall publish in the official website of the Company at www.rakceramics.com/bangladesh.
- e) The PSI shall immediately publish in two (2) daily newspaper (one in Bangla and other in English) and an online newspaper.
- f) The Company shall mention the date and time of the decision of PSI by the Board of Directors or the date of the event, as the case may be.
- g) If any price sensitive event is subject to approval of the regulators and submitted to the regulators for approval, shall clearly mention in the declaration of PSI.
- h) If any price sensitive event get approval from the regulators, shall again consider as PSI and disseminate accordingly within two (2) hours of the decision.
- i) The Company shall disseminate its PSI with simple and clear language to avoid any ambiguity.

8. Preservation of MI, PSI and Insider Information:

- 8.1. The Company shall preserve its all published PSI and MI in its official website for minimum three (3) years.
- 8.2. All events related to every single PSI shall preserve sequentially in a digital database.
- 8.3. The Company shall preserve the information of its all Insider following the procedures as the Commission may determine from time to time and shall provide all those information to the Commission and the stock exchanges.

9. Prohibition:

- 9.1 No Insider of the Company shall involve in insider trading with his own or through any other person and shall not provide any personal advice or assistance to anybody in connection with such trading.
- 9.2 No Insider of the Company shall buy or sale or transfer of any share of the Company from 2 months prior of closing of financial year to the Board meeting in which the financial statements are approved.
- 9.3. No Insider of the Company shall provide or share any Unpublished PSI to anybody.
- 9.4. The Company shall not disseminate any false or untrue PSI and shall not influence anybody to disseminate or publish any false or untrue PSI to influence the share price of the Company.

10. Punishment:

Punishment for non-compliances of the Principles shall be in accordance with the Rules.

11. Applicability of the Principles:

This Principles is applicable to RAK Ceramics (Bangladesh) Limited with immediate effect.

12. Review of the Principles:

12.1 This Principles is subject to review/revision/amendment in accordance with the Rules and guidelines as may be from time to time issued by the Bangladesh Securities and Exchange Commission.

12.2 The Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Principles for better governance or comply rules and regulations.

13. Publication of the Principles:

This Principles as approved by the Board, shall be disclosed in the official website of the Company at www.rakceramics.com/bangladesh.

14. Disclaimer of the Principles:

The Principles of Disclosure of Material Information and Price Sensitive Information are designed to promote transparency, fairness and efficiency in financial markets by ensuring that investors have access to the information for investment decisions based on information.