

PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION AND PRICE SENSITIVE INFORMATION

APPROVED BY THE BOARD OF DIRECTORS: 24 JANUARY 2024

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1. PREAMBLE

- 1.1 This Policy shall be called “Principles of Disclosure of Material Information and Price Sensitive Information” (hereinafter referred to as the “Policy”) of Berger Paints Bangladesh Limited (hereinafter referred to as “BPBL” or the “Company”).
- 1.2 The Policy has been formulated by the Board of Directors of Berger Paints Bangladesh Limited in accordance with the requirements of Regulation 3(2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 (hereinafter referred to as “Rules”) which inter-alia, requires every Listed Company to disseminate and disclose their price sensitive information and material events to the Stock Exchanges (hereinafter referred to as “Exchanges”) wherein its securities are listed as well as to the Bangladesh Securities and Exchange Commission (“Commission”), as applicable, according to the prescribed manner of the Rules and thus safeguarding the interest of minority and potential investors.
- 1.3 The primary regulatory framework for the Policy is the Bangladesh Securities and Exchange Commission’s Prohibition of Insider Trading Rules, 2022, along with any subsequent amendments. If there are any discrepancies in the interpretation of this Policy and the Rules, the Rules will take precedence.

2. OBJECTIVES OF THE POLICY

- 2.1 To ensure that the Company complies with the disclosure obligations to which it is subject to as a publicly traded company under the Listing Regulations of the Exchanges, various Securities Laws, and any other applicable legislations.
- 2.2 To ensure that the information disclosed by the Company is adequate, timely, and transparent and to affirm equal accessibility to all material/price sensitive information to all investors.
- 2.3 To protect the confidentiality of material/price sensitive information within the context of the Company’s disclosure obligations.
- 2.4 To guide the Company for determining material information for disclosures of those events or information as per BSEC Rules.
- 2.5 To confirm that BPBL will promptly inform the Exchanges of the relevant event or information at the time of the event or information's occurrence and, where appropriate, make periodic disclosures on the relevant material developments until the event is resolved or closed.

3. DEFINITIONS

All words/terms in this policy shall have the same meaning as assigned to them under the Rules. Definitions of some of the commonly used words/terms in this Policy are mentioned below:

- 3.1 The term “**Material**” wherever it appears in the Policy shall mean any individual transaction or arrangement which is significant to the operations or performance of the Company.
- 3.2 **Material Change/Information** means those changes/ information, relating to the decisions, occasions, circumstances, situations, conditions, events, financials or otherwise, any other changes in the affairs of BPBL or its directors/ sponsors or its Chief Executive Officer/Managing Director/Company Secretary/Chief Financial Officer/Compliance Officer that can have an impact on the investment decisions of the holders of the securities of BPBL or potential investors.

- 3.3 **Price Sensitive Information** means such information of BPBL, disclosure of which may influence the market price of the Company, but not limited to, all information as described under rule 3(1) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 to be Price Sensitive Information, as provided in the clause 5.1 of the Policy.
- 3.4 **Unpublished Price Sensitive Information** means any unpublished information that is not generally available, which, if disclosed, may affect the market price of BPBL's security on any trading board of a stock exchange or BPBL's net asset value may be materially affected. In this context, the expression "materially affected" shall mean the possibility of the valuation of the existing net assets of BPBL being affected by at least 10% (ten percent) or at such rate as may be determined by the Commission from time to time.
- 3.5 **Board of Directors** shall mean the Directors on the Board of BPBL.
- 3.6 **Senior Management Personnel** shall mean personnel of the Company who are members of the core management team/management committee excluding the Board of Directors, including the line managers who directly report to the members of the management committee of the Company.
- 3.7 **Securities** shall mean Securities as defined in the Securities and Exchange Ordinance, 1969, and shall include shares, scrips, stocks, bonds, debentures, debenture stock, or other marketable securities of like nature issued by BPBL from time to time.
- 3.8 **Stock Exchange** means Dhaka Stock Exchange PLC and the Chittagong Stock Exchange PLC on which the securities of BPBL are listed.
- 3.9 **Insider** means any director, sponsor or promoter, significant shareholder, managing agent or interested party thereof or its banker, auditor (statutory auditor & corporate governance compliance auditor), asset appraiser, credit rating company, adviser, or their relevant officers or employees or their close relatives or any person or organization associated with them who knows or is deemed to have an opportunity to know price sensitive information before it is disclosed.

4. COMMUNICATION/MANAGEMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 4.1 Unpublished Price Sensitive Information shall be handled by the Insiders on a "need to know" basis, i.e. such information shall be disclosed only to those persons within the Company whose discharge of official duties warrants such information. Further, files containing confidential information including unpublished Price Sensitive Information shall be kept secure and computer files must have adequate security of log-in and password.
- 4.2 Directors, designated persons, and all Insiders shall not communicate, provide, or allow access to any unpublished Price Sensitive Information, relating to the Company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, the performance of duties or discharge of legal obligations.
- 4.3 Directors, Designated Persons, and all insiders shall not procure from or cause the communication by any insider of Unpublished Price Sensitive Information, relating to the Company or its securities, except in furtherance of legitimate purposes, the performance of duties, or discharge of legal obligations.

5. PRICE SENSITIVE INFORMATION

5.1 Determination of Price Sensitive Information

BPBL will consider all information as described under Rule 3 of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 to be Price Sensitive Information.

Sl	Particulars
a	Information related to the financial position, financial results, financial statements, and other fundamental information related to the Financial performance.
b	Information related to dividends and corporate declarations.
c	Information related to the change of corporate structure (i.e. amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer, and transformation, etc.)
d	Information related to the change of capital structure.
e	Information related to the business extension, change, etc.
f	Any information as defined by the BSEC as PSI through rules, regulations, circulars and directives.
g	Any other information that are defined as PSI by the BSEC through publication in the official gazette from time to time.

5.2 Procedure for Dissemination/Disclose of Price Sensitive Information

BPBL will follow the procedure for dissemination/disclosure of Price Sensitive Information as prescribed under Rule 6 of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022. Information with sensitivity to the share price shall be disclosed to the relevant regulators in the following manner:

Sl	Particulars
a	<p>According to Rule No. 6(1) of BSEC Prohibition of Insider Trading Rules 2022, in case of any decision, decision to submit application seeking permission for approval of the primary regulator, approval/consent of the BSEC or other regulator on any PSI, the Company shall simultaneously submit 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, with the signature of the Chairman or Managing Director or the Company Secretary and also shall publish the PSI in the company's website and in one (1) online news portal and two (02) daily newspapers (Bangla and English) without delay. The PSI can be sent through E-mail, Fax, Digital Submission Platform, specially assigned messenger/personnel, or by courier service, as the case may be.</p> <p>If any matter related to a PSI is submitted to the relevant regulatory authority for approval by the Company, the PSI declaration must mention that such proposal for approval has been sent to the regulator and a separate PSI shall be disclosed within two hours of being informed of the approval/decision of the regulator.</p>
b	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 according to requirements by Rule No. 6(2) of the BSEC Prohibition of Insider Trading Rules 2022.

c	All PSI shall carry the date, time or the date on which the matter came into the cognizance of the Company.
d	Stock Exchanges shall upload the received information on their website, trading monitor or other authorized systems as soon as the PSI is received.
e	The Price Sensitive Information shall be expressed in simple and fluent language to avoid any kind of exaggeration.
f	The Company shall maintain a digital database for preserving all PSI and related information.
g	The Company shall comply with all the provisions of the Notification of BSEC published on January 30, 2023 (dated December 28, 2022) and any amendment, modification issued by BSEC thereof, as may be applicable.

5.3 Prohibition on Dissemination/Disclosure of Price Sensitive Information

BPBL will follow the prohibition(s) on dissemination/disclosure of Price Sensitive Information prescribed under Rule 4 of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

5.4 Archiving of Price Sensitive Information

As prescribed under Rule 3(4) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 BPBL will make available more than 3 (three) preceding years of all published Price Sensitive Information on the Company's website.

6. MATERIAL INFORMATION/EVENT

6.1 Determination of Material Information/Event

BPBL will deem material information/event as prescribed under "Schedule – Ka" of Rule No. 3 (2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

Particulars of the Information	
<i>Information related to the changes in the financial conditions</i>	<ul style="list-style-type: none"> (a) Changes in financial statements, such as significant reductions or increases in income, expenses, cash flows, receivables, liabilities or assets, and any information or statement or comment on the revaluation or significant decrease/increase of significant assets; (b) The following comparative information in the financial statements: <ul style="list-style-type: none"> i. Earnings Per Share (EPS); ii. Net Operating Cash Flow Per Share (NOCFPS); iii. Net Asset Value Per Share (NAVPS); (c) Material Changes in the value or composition of assets; (d) Any special instructions or any modification of any special instructions previously given by the regulatory authority regarding the reservation of provisions; and (e) Any change in the accounting policies.
<i>Information related to corporate announcements</i>	<ul style="list-style-type: none"> (a) Any decision relating to dividends; (b) Decision to declare or issue rights, bonus issues, or similar benefits to security holders; (c) Corporate announcements or other information relating to the availability of investors; and (d) Change in the dividend distribution policy.

<p><i>Information regarding changes in the corporate structure</i></p>	<ul style="list-style-type: none"> (a) Acquisition or disposal of any assets of 5% or more of the existing assets; (b) Merger of the Company with another company or acquisition of substantial shares of any company or takeover of any the company; (c) Demerger of any unit of the Company; (d) Conversion/ transformation or winding up of any unit of the Company; (e) Changes in corporate operations by way of capital reorganization or merger or demerger; (f) A proposal to takeover or acquire (whether fully or partially) the shares, assets or business of the Company (g) Change of ownership that may affect control of the Company; and (h) Change of name or address of the Company.
<p><i>Information regarding changes in the capital structure</i></p>	<ul style="list-style-type: none"> (a) Any decision regarding private or public or rights offer of securities or changes in its capital structure; (b) Planned repurchase or redemption of securities of the Company; (c) Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security, or conversion of debentures into shares; and (d) Significant changes in the rights of security holders.
<p><i>Information regarding changes to the business operations</i></p>	<ul style="list-style-type: none"> (a) Any significant development or change in the Company's technology, production, or facilities; (b) Substantial capital investment or significant change in the purpose of the establishment; (c) Significant new contracts, products, patents, services, or business changes; (d) Significant realization of long-term unpaid debts or claims; (e) Change or resignation or dismissal of the Managing Director/ CEO, CFO, and Company Secretary and the members of the Board of Directors; (f) Change of the statutory auditor, corporate governance compliance auditor, or credit rating company; (g) Credit Rating results; (h) Initiation of legal proceedings or development of significant regulatory matters or any significant judgment or order; (i) Delisting of BPBL's security from a stock exchange or change from one category to another; (j) Any significant management contract, inventor's relationship agreement, service agreement, or related party transaction that could materially affect the financial statements; (k) Information relating to the significant decision to purchase and sell of any fixed asset or renovation or development or expansion or Balancing Modernization Replacement and Expansion (BMRE) of plant or machinery or establishment of new units; and (l) Grant or acceptance of significant advances or loans between affiliated companies or subsidiary or associate companies or loans from or to directors.
<p><i>Information related to debt management</i></p>	<ul style="list-style-type: none"> (a) Borrowing and repayment of 25% or more of paid-up capital or net asset value, whichever is higher; (b) The encumbrance or discharge of significant assets;

	<p>(c) Failure to pay any bank or creditor or debt obligation or debt for a consecutive period exceeding 6 (six) months;</p> <p>(d) Significant new debt agreements; and</p> <p>(e) Foreign loan or investment agreements.</p>
<i>Other significant information</i>	<p>(a) Signing of any material agreement or cancellation or substantial amendment of previously announced/signed agreement;</p> <p>(b) Loss of any substantial assets of the Company or any event materially affecting its reputation;</p> <p>(c) Cancellation or substantial modification of any scheme previously announced; and</p> <p>(d) Submission of qualified report by the auditor of the Company.</p>

6.2 Procedure for Dissemination/Disclose of Material Information/Events

The Company shall notify about any Material Changes/Material Information through hosting the same on its official website as per Rule 3(3) of the Rules. Provided that any confidential information which, if disclosed, is likely to put at risk the business interest of the Company, shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock exchanges.

6.3 Archiving of Material Information

As prescribed under rule 3(4) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Regulations, 2022 BPBL will make available more than 3 (three) years of all published Material Information/Events on the Company's website.

7. PROHIBITION FROM INSIDER TRADING

"Insider Trading" is defined as the buy, sale or otherwise transfer of securities by an Insider on the basis of Unpublished Price Sensitive Information. Provided that, the transfer of securities acquired by the order of the court or by inheritance or by confiscation will not be treated as Insider Trading. The Insiders will not engage in Insider Trading themselves or through others and will not advise or help in such transaction.

During the period from two months before the financial year-end of Berger Paints Bangladesh Limited till the final approval of the financial statements by the Board of Directors, the following persons will not engage in the buy, sale or otherwise transfer of the Company's Shares:

- a) The sponsors, directors, chief executive, relevant employees (who have access to Price Sensitive Information) of BPBL
- b) Auditors, persons engaged in asset valuation or credit rating, advisory service providers, legal advisor and their employees involved with such services; and their sponsors, directors, directors of holding companies and subsidiaries, beneficial owners (as defined in Section 12 of Securities and Exchange Ordinance 1969); and
- c) Any other person as determined by the BSEC from time to time.

8. AUTHORITY FOR DETERMINING THE MATERIALITY OF AN EVENT OR INFORMATION AND DISSEMINATING PRICE SENSITIVE INFORMATION AND MATERIAL CHANGE/INFORMATION

The authority for determining and deciding to disclose the material information/event lies with the majority of the members as stated below:

- (a) Managing Director
- (b) Group CFO & Director
- (c) Company Secretary

They shall also be responsible for the disclosure and publication of Price Sensitive Information and Material Information in the manner specified by the BSEC in the Rules.

9. AMENDMENTS TO THE POLICY

The Board of Directors of the Company shall have the power to modify or replace this Policy in part or in full as may be considered fit. However, in case any amendments are made by the Commission from time to time, the Company Secretary shall incorporate the same in this Policy with the approval of the Managing Director. The Managing Director and Company Secretary are authorized to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy.

10. POLICY APPROVAL AND EFFECTIVE DATE

This Policy was approved by the Board of Directors the meeting held on 24 January 2024 and became effective from the same date. A copy of the Policy shall be made available on the Company's official website.