

PRINCIPLES ON DISCLOSURE OF MATERIAL INFORMATION  
AND  
PRICE SENSITIVE INFORMATION

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## **Background**

According to the Prohibition of Insider Trading) Rules, 2022 of Bangladesh Securities and Exchange Commission all issuers of listed securities are obligated to frame a policy for the determination and disclosure of Material Information 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 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.

Accordingly, United Commercial 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 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 Bank 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 Bank shall make disclosures of events or information.

## **Dissemination Modality**

- 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 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 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 or 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) UCB 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 bank.
- f) The Bank shall publish the PSI in an online news portal and two (02) daily newspapers (Bangla and English) that are widely circulated across the country. 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 on its website all Material Information and Price Sensitive Information and host the same for a minimum period of 03 (three) years.

**Material Information and Price-Sensitive Information for Which the Bank Will Disclose**

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

- I. 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 the in corporate structure; namely- Merger, Demerger, acquisition, disposal, conversion or transfer;
  - d) Information regarding changes in capital structure;
  - e) 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;
  - f) Any other information determined by the Commission by notification published in the Official Gazette from time to time.
- II. 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 on its website all such events/information which has been disseminated to the BSEC and Stock Exchange(s) under this Policy and such disclosures shall be hosted on the website of the Bank for a minimum period of three years and thereafter as per the archival policy/process/ practice followed by the Bank.

#### **Amendment or Review**

These Principles shall be reviewed by the Board of Directors 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.