

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



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## I. OBJECTIVE:

This principle is adopted by **Shahjibazar Power Co. Ltd. (hereinafter referred to as “SPCL” or “The Company”)**, pursuant to Bangladesh Securities and Exchange Commission Notification no - বিএসইসি/সিএমআরআরসিডি/২০২১-৩৯৬/৫২/প্রশাসন/১৪০ dated: December 28, 2022 published through gazette notification on January 30, 2023 termed as “বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ২০২২। The objectives of this principle are:

- i) To lay down general rules for prohibition of Insider Trading;
- ii) To ensure fair and prompt public disclosure of Price Sensitive Information (PSI) and Material Information (MI) outside the company, recognize the persons authorized to speak on behalf of the company; and
- iii) To determine “legitimate purpose” for which PSI or MI may be shared by an ‘Insider’ with persons outside the Company (i.e. partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, or other advisors or consultants);

## II. BACKGROUND:

### i) General Rules for prohibition of insider trading:

BSEC notification as referred hereinabove, prohibits the communication of unpublished PSI and/or MI to any person except in compliance with applicable law.

### ii) Fair and prompt public disclosure of PSI and/or MI:

Selective or exclusionary disclosure of certain non-public and price sensitive information is prohibited under BSEC Rules and Regulations. This principle is to ensure that such information is disseminated in an accurate, fair and timely manner to our shareholders and the financial markets; and that such information is not selectively disclosed to any one group of stakeholders, to the disadvantage of other stakeholders. Therefore, this principle requires that, whenever the Company (or a person acting on its behalf) discloses any PSI and/or MI, the disclosure should be through the Dhaka Stock Exchange PLC (“DSE”) and Chittagong Stock Exchange PLC (“CSE”) to the public domain for all stakeholders at the opening of trading.

The principle also governs communications (including but not limited to written, oral, social media commentary by own employees, independent contractors, and directors with members of the investment community including analysts, institutional and individual stockholders, and others who are not bound to us by a duty of confidentiality and/or do not have a “need to know” the information.

Use of social media platforms to disclose PSI and/or MI is not permissible and would violate provisions of this principle.

**iii) Other relevant Policies:**

This principle is in addition to the Company’s Code of Conduct, Investor Communication Policy, Listing Regulations of both DSE & CSE where the company is listed.

**III. AUTHORITIES UNDER THE PRINCIPLE**

The company’s Managing Director (“MD”), Company Secretary (“CS”) and Chief Financial Officer (“CFO”) in consultation with General Counsel, shall have the authority to make determinations of matters covered under this principle with respect to the information disclosed about the company.

**IV. WHAT IS PRICE SENSITIVE INFORMATION (PSI) AND MATERIAL INFORMATION (MI)**

Any information relating to a Company or its securities, directly or indirectly that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- a.) Report in respect of the financial position, financial performance or any basic information in respect thereof;
- b.) Corporate Declaration and dividend information;
- c.) Changes in corporate structure i.e. Merger, Demerger, acquisition, disposal, conversion or transfer of securities;
- d.) Information regarding changes in capital structure
- e.) Any other rules or regulations or orders or instructions or circular/notification prescribed as PSI made or approved or issued by the Commission;
- f.) Credit Rating Information (as per BSEC Notification no: BSEC/CMRRC/2009-193/37/Admin/132 dated 12 May 2022).

The information as defined under “Schedule – Ka” (of বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ২০২২) and reproduced below will be included as Material Information:

**i. Factors related to financial conditions, as follows:**

- 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 Company
  - 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 company etc.
- ii. Information relating to corporate announcements, as follows:**
- a. Any decision relating to dividends;
  - b. Decision for issuance of right 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;
- iii. Information relating to changes in corporate structure, as follows:**
- 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 or spinoff of any unit of the company;
  - d. Conversion or winding up of any unit of the company;
  - e. Changes of corporate activities through capital reorganization or merger or demerger;
  - f. Proposal to take over the authority of company or acquisition of internal services;
  - g. Change of ownership which may affect the control of the company; and
  - h. Change of name or address, etc.
- iv. Information relating to changes in capital structure, as follows:**
- 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 related to the rights of security holders etc.
  
- v. Information relating to expansion, change etc. of business activities, as follows:**
  - a. Any significant development or change relating to the company's technology, production or establishment;
  - b. Significant capital investment or significant change in the purpose of the company;
  - c. Significant new contracts, product, patent, service or business changes;
  - d. Significant realization of long term unpaid funds/receivables;
  - e. Changes or resignations or demotion in the Board of Directors including Chief Executive/Managing Director, CFO or CS;
  - f. Changes of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Agency;
  - g. Initiation of legal proceedings or development of regulatory matters or any significant judgements or orders;
  - h. Delisting from Stock Exchanges or change of trade category of the company shares in the Stock Exchanges;
  - i. Any significant management contract, investor relations agreement, service agreement, or related party transactions 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 intercompany, subsidiary or associate entities; or giving or receiving loans or exchanging loans with directors etc.
  
- vi. Information relating to loan/debt/credit management, as follows:**
  - a. Borrowing and repayment of 25% (Twenty Five Percent) 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 obligations or debt for a period exceeding 6 (six) months;
  - d. Significant new debt/credit agreements; and
  - e. Foreign credit agreement or investment agreement etc.;
  
- vii. Others, as follows:**
  - a. Signing of any material agreement or cancellation or substantial modification of previously announced/signed agreement;

- b. Loss of any substantial assets of the company or any event affecting its reputation;
- c. cancellation of substantial modification of any scheme previously announced; and
- d. Submission of qualified report by the auditor of the company; etc

## **V. GENERAL GUIDELINES ON EXTERNAL COMMUNICATIONS AND DISCLOSURES**

The disclosure procedure of PSI and MI entirely set out in the as per rule 6 of বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরন) বিধিমালা, ২০২২.

- a. The Chairman or the Managing Director & CEO or the Company Secretary shall sign the PSI document before sending it to BSEC, DSE & CSE;
- b. The Company shall publish another PSI on the same issue within two (02) hours of receiving the permission /consent/approval from the regulatory authority outlining the fact that the issue was sent to the regulatory authority earlier for permission/consent/approval.
- c. 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.
- d. The company shall publish the PSI in an online news portal and 2 (two) widely circulated across the country newspapers (one Bangla and one English). The PSI document can be sent through E-mail, Fax, Digital Submission Platform, specially assigned messenger/personnel, or by courier service in some cases.
- e. All PSI document shall carry the date, time or the date on which the matter came into the cognizance the company.
- f. The company shall upload on its website all Material Information and Price Sensitive Information and upload in the website the same for a minimum period of 3 (three) years.

## **VI. AMENDMENT & REVIEW OF THIS PRINCIPLE**

The Board of Directors of the company reserves the right to amend, modify or review its principles in whole or in part, unilaterally at any time, as may be necessary, in light with exiting and evolving regulatory requirements.