

GPH ISPAT LIMITED
Crown Chamber, 325 Asadgonj, Chattogarm-4000.

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

1. INTRODUCTION:

GPH Ispat Limited (the “Company”) is a Public Limited Company whose equity shares are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC. The Company is governed by the rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC).

2. REGULATORY FRAMEWORK:

This policy is framed in compliance with the Bangladesh Securities and Exchange Commission’s Notification নং-বিএসইসি/সিএমআরআরসিডি/২০২১-৩৯৬/৫২/প্রশাসন/১৪০, dated 28 December 2022 and in line with the “তফসিল-ক”, [বিধি 3(2)] of the said notification.

3. TERMS AND DEFINITIONS:

For the purpose of this policy, the following terms and definitions shall apply:

“**Applicable Laws**” shall mean any law, ordinance, rule, regulation, order or notification issued by the Government of the People's Republic of Bangladesh including, but not limited to the rules and regulations of BSEC.

“**Price Sensitive Information**” shall mean the information mentioned in clause 6(1).

“**Unpublished Price Sensitive Information**” shall mean the information mentioned in clause 6(1) if disclosed, may affect the market value of the securities listed with the stock exchanges or the value of assets of the related issuer may be significantly affected.

“**Material Information**” shall mean the information that a reasonable investor would consider important in making an investment decision to buy, sell or hold a security.

“**Significant Shareholders**” shall mean a Shareholder who owns 10 percent or more of a company's shares.

“**Immediate Relatives**” shall mean a parent, spouse, child or any other person who is financially dependent on a person or who takes advice from that person regarding securities transactions.

“**Board of Directors**” shall mean the Members of the Company’s Board of Directors.

“**Audit Committee**” shall mean the members of the Company’s Audit Committee.

“**Chief Executives**” shall mean the Managing Director (MD)/Chief Executives Officer (CEO), Chief Financial Officer (CFO), five Top Officers including Company Secretary (CS).

“**Insider**” shall mean the Directors, Sponsors, Significant Shareholders, Managing Agent or its interested party or its banker, Auditor, Asset Valuer, Credit Rating Company, Adviser, or any of its related officers or employees or close relatives or any related person or entity.

“**Inside Information**” shall mean information that is both “material” and “nonpublic”.

“**Insider Trading**” shall mean the purchase or sale or otherwise transfer of any security by a beneficiary based on undisclosed price sensitive information.

“**Concerned Officer or Employee**” shall mean the relevant regulatory authority, custodian or trustee and any officer or responsible officer or employee of a self-regulatory organization such as a stock exchange or depository company of a listed company who has a lawful right or opportunity to know price sensitive information mentioned clause 6(1).

“**Persons Concerned with Interests**” shall mean any person or any member of his family, by himself or jointly with another person, controls or exercises significant influence over any entity or is engaged in the chief executive officer or top management of such entity or company or its holding company.

“Institutions Concerned with Interests” shall mean an organization is affiliated to any other organization or group of interests or is related as a holding company, subsidiary company, associate organization or joint venture or both are a joint venture with a third organization or the said organization or companies are owned by a person having the same interest managed or controlled singly or jointly.

4. OBJECTIVE:

The objective of the Material Information and Price Sensitive Information Disclosure Policy of GPH Ispat Limited is to provide guidelines to those who have access to Inside Information from amongst all employees as well as members of the Board of Directors and Audit Committee and their Relatives with respect to transactions in the Company’s securities. It identifies the Company’s procedures on all important matters relating to insider trading while in possession of inside information. The policy aims at preserving the reputation and integrity of the Company as well as that of all persons affiliated with the Company. The Board of Directors of GPH Ispat Limited has adopted this in line with the Bangladesh Securities and Exchange Commission Prohibition of Insider Trading Rules, 2022. The law in specific circumstances prohibits directors & their family members, officers, employees, auditors, consultants, bankers, managing agents, advisers and other persons who have a relationship with the aforesaid persons from;

- i. purchasing or selling securities of the Company with knowledge of material information regarding the Company that has not been generally disclosed to the public (commonly referred to as “Insider Trading”), and
- ii. disclosing such material information to others (including to a spouse, relative or friend), except in the necessary course of business (commonly referred to as “Tipping”).

5. APPLICABILITY:

The Company endeavors to preserve the confidentiality and prevent the misuse of un-disclosed price sensitive information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every Director, Officer and Employee of the Company has a duty to safeguard the confidentiality of all such information that he/she obtains in the course of the performance of official duties. Directors, Officers and designated person (CFO, CS, HIAC) of the Company should not use their position to gain personal benefit. The policy is applicable to the following Insiders (persons):

1. Directors/Sponsor Shareholders/ Promoters
2. Principal Shareholder (Shareholders who hold 10% or more shares)
3. Immediate Relatives of the directors (spouse, son, daughter, father, mother, brother and sister)
4. Chief Executive
5. Managing agents
6. Bankers
7. Auditors
8. Assets Valuer
9. Credit Rating Company
10. Consultants
11. Officers/Employees
12. Other persons or institutions who have relationship with the aforesaid persons and scope to know any undisclosed material information.

6. DISCLOSURE OF PRICE SENSITIVE INFORMATION AND MATERIAL INFORMATION:

I. PRICE SENSITIVE INFORMATION:

The information that has price sensitivity of the listed securities that could reasonably be considered to influence an investor's investment decision shall be disclosed by the issuer as price sensitive information. As per clause 3(1) of the Bangladesh Securities and Exchange Commission's Notification নং-বিএসইসি/সিএমআরআরসিডি/২০২১-৩৯৬/৫২/প্রশাসন/১৪০, dated 28 December 2022 the following information will be considered as the Price Sensitive Information.

- a. Statements of Financial Position, results of Financial Position or basic information regarding thereto;
- b. Information regarding Dividends and Corporate Declarations;
- c. Information regarding changes in Corporate Structure; such as Merger, Demerger, Acquisition, Disposal, Conversion or Transfers;
- d. Information regarding changes in Capital Structure;
- e. Information regarding Expansion, Change of Business Activities;
- f. Information regarding Fund Management and Fund Structural Changes;
- g. Any information prescribed as Price Sensitive Information in any other rules or regulations or orders or instructions or notifications made or approved or issued by the Commission;
- h. Any other information prescribed by the Commission by notification published in the Official Gazette from time to time.

II. MATERIAL INFORMATION:

As per “তফসিল-ক”, [বিধি 3(2)] of the Bangladesh Securities and Exchange Commission's Notification নং-বিএসইসি/সিএমআরআরসিডি/২০২১-৩৯৬/৫২/প্রশাসন/১৪০, dated 28 December 2022 the following information will be considered as the Material Information.

1. Effects related to changes in financial conditions, such as-

- a) Any information or statement or comment on changes in financial statements, such as significant reductions or increases in income, expenses, cash flows, receivables, liabilities or assets, and revaluation of most or significant assets or significant decreases-increases;
- b) The following comparative information of the Financial Statements;
 1. Earnings per share;
 2. Net operating cash flow per share;
 3. Net asset value per share.
- c) Significant change in the value of the assets or the mix of assets
- d) Any special instructions or any change in any special instructions given earlier by the concerned regulatory authority regarding storage of provisions
- e) Any changes in accounting policy

2. Information regarding Corporate Declaration, such as:-

- a) Any decision regarding dividend;
- b) Declare or issue rights, bonus issues or similar benefits to security holders;
- c) Corporate declaration or any other information regarding the dues of investors; and
- d) Changes in dividend distribution policy.

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) The merger of the Company with another company or the 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) Changes in corporate operations through capital re-organization or mergers or divisions;
- f) Takeover (acquisition) proposal or internal service acquisition proposal of any company;
- g) Such change of ownership may affect control of the Company; and
- h) Change of name or address.

4. Information regarding changes in capital structure, such as:-

- 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;
- 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 Changes in the rights of securityholders.

5. Information regarding expansion, change etc. of business activities, such as:-

- a) Any significant development or change in the company's technology, production or deployment;
- b) Substantial capital investment or significant change in organizational objectives;
- c) Significant new contract, production, patent, service or business changes;
- d) Significant realization of long-term unpaid funds;
- e) Change or resignation or dismissal of Board of Directors including Chief Executive, CEO, CFO, and Company Secretary.
- f) Change of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company;
- g) Initiation of legal proceedings or development of regulatory matters or any significant judgment or order;
- h) Delisting of security from the stock exchanges or change from one category to another category;
- i) Significant management contracts, investor relations agreements, service agreements, or related party transactions that could materially affect the financial statements;
- j) Information relating to decision of sale or purchase of any fixed asset or renovation or development or expansion (BMRE) of plant or machinery or establishment of new units; and
- k) Substantial advances or borrowings between companies or subsidiaries or associates or taking or exchanging loans with directors etc.

6. Information related to debt management, such as:-

- a) Borrowing and repayment of 25% percent or more of paid-up capital or net asset value;
- b) Encumbrance or discharge of significant assets;
- c) Failure to pay any bank or creditor or debt obligation or debt for more than 06 (six) months;
- d) Significant new debt; and
- e) Foreign loan agreement or investment agreement, etc.

7. Others, such as:-

- a) Cancellation or significant modification of any significant agreement signed or previously announced signed agreement;
- b) Any significant loss to the company's assets or any event that tarnishes its image;
- c) Substantial modification of any previously announced project; and

- d) Submission of qualified report by Auditor, etc.

7. PROHIBITION OF INSIDER TRADING:

- i. No insider shall engage in insider business by himself or through any other person or provide any personal advice or assistance in connection with such business.
- ii. The following mentioned persons shall not purchase, sell or any other transfer (receive/give) of the shares of the company in question during the period from two months before (according to the English calendar) the date of completion of the annual accounts of the company listed on the stock exchange until the date when the account is finally considered, received or approved by the board of directors of the company.

(Sponsors, Directors, Chief Executive, related Officers or Employees, Auditor, Asset Valuer, Credit Rating Company, Consultant, Law Adviser or persons engage or involve in that work or its Holding Company or its Director, Subsidiary Company and the beneficial owner mentioned in section-12 of the Securities and Exchange Ordinance, 1969.)

8. Disclosure of Price Sensitive Information:

- a) The Company shall make a written report (signed by the Chairman or Managing Director/Chief Executive Officer or Company Secretary) of its price sensitive information within 2 (two) hours of the decision on such information to the Exchanges and the Commission by email, fax, digital submission platform or by special messenger, or by courier service as the case may be and immediately ensure publication of such information/decision in two widely circulated daily newspapers (one in Bangla and the other in English) and one online newspaper and at the same time published in the website of the company. Provided that the board of directors of the company shall hold the Board of Directors' meeting involving price sensitive decisions either after the trading hour or on a holiday.
- b) The Company shall not disclose any false or untrue price sensitive information or persuasive any person to furnish or disclose false or untrue information for the purpose of influencing the price of the listed securities.
- c) Such undisclosed information sent by the issuer of the listed security shall state the date and time of the decision of the board of directors of the issuer or, as the case may be, the date on which the information came to its notice.

9. AMENDMENTS/MODIFICATIONS:

The Board of Directors of GPH Ispat Limited may amend, abrogate, modify or revise any or all provisions of this policy at any time according to the business necessity and in compliance with the Bangladesh Securities and Exchange Commission guidelines as may be issued or such other regulatory authority from time to time. However, amendments in the act or the regulatory guidelines shall be binding even if not incorporated in this policy.

10. DISCLOSURE:

The Principle on Disclosure of Material Information and Price Sensitive Information of GPH Ispat Limited will be available in the Company's website (www.gphispac.com.bd).
