

Tosrifa Industries Ltd.

Principles on Disclosure of Material Information and Price Sensitive Information



1. INTRODUCTION:

Tosrifa Industries Limited (“TIL”) has always stood for a fair and equitable flow of economic benefit to its shareholders. In its communication with investors, it has always endeavoured to provide a healthy level of disclosure, with responsibility and caution in discussion about the future, transparency and equal dissemination of information to all its investors and analysts, current or prospective.

This policy is being adopted in compliance with Bangladesh Securities and Exchange Commission’s Notification No. BSEC/CMRRCD/2021-396/52/ADMIN/140 dated December 28, 2022 published on January 30, 2023.

Regulation 3(2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 requires all issuer of listed securities to frame a policy for determination and disclosure of Material Information (MI) and Price Sensitive Information (PSI). In addition, the 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, Tosrifa Industries Limited (TIL) (“the Company”) needs to frame a policy document titled The Principles on Disclosure of Material Information and Price Sensitive Information (PSI) for this purpose.

2. PURPOSE:

The purpose of this Policy is to determine Price Sensitive Information (PSI) and material information, based on specified criteria as defined in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022, so that the Company 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 Company shall make disclosures of events or information.

3. DEFINITIONS:

All words/terms in the Principles shall have the same meaning as assigned to them under the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 (“the Rules”).

4. GENERAL PRINCIPLES OF DISCLOSURE:

Securities laws, rules and regulations require prompt disclosure of all material information and in complying with this, the TIL commits to the following-:

- i) All disclosures of material information will be factual.
- ii) To promptly disclose material information by news media (generally, advertisements in newspapers) or by means of some non-exclusionary form of disclosure designed to provide broad public disclosure.
- iii) To disclose promptly and completely any material information that may be considered adverse to the TIL and in the same manner as favorable information;
- iv) Not to disclose material information to selected individuals or groups of individuals;
- v) To update the public when any earlier information disclosed becomes misleading as a result of subsequent events;

- vi) To promptly disclose to the general public by means of a news media release any material information that is announced at a shareholders' meeting or a press conference;
- vii) Disclosures will include any information, the omission of which would make the rest of the disclosure misleading

5. APPLICABILITY:

The Principles on Disclosure of Material Information and Price Sensitive Information (the Policy) shall be applicable and binding in respect of all material events/ information and price sensitive information of the Company.

6. DISCLOSURE MODALITY:

Information and events with reflect/ sensitivity to the share price shall be disclosed to the relevant regulators in the following manner:

The Company 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.

The Chairman or the Managing Director or the Company Secretary shall sign on the PSI-document before sending to BSEC, DSE, and CSE.

TIL 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.

The TIL shall publish the PSI in an online news portal and two (02) daily newspaper (Bangla and English) those are widely circulated across the country. The PSI-document can be send through E-mail, Fax, Digital Submission Platform, Specially assigned messenger/personnel, or by courier services in some cases.

The Company shall upload on its website all Material Information and Price Sensitive Information and host the same for a minimum period of 03 (three) years.

7. PRICE SENSITIVE INFORMATION:

List of Price Sensitive Information (PSI)

| Sl.No. | Particulars |
|---------------|---|
| 1 | Information related to the financial position, financial results, financial statements, and other basic information related to the Financial performance. |
| 2 | Information related to dividend and corporate declarations. |
| 3 | Information related to the change of corporate structure (i.e. amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer, and transformation, etc. |
| 4 | Information related to the change of capital structure. |
| 5 | Information related to the business expansion, change, etc. if required. |

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| 6 | Information related to the fund management, and structural change of the fund. |
| 7 | Any other information as defined by the BSEC as PSI through various rules, regulations, circulars and directives. |
| 8 | Any information published by the BSEC in official gazette defining as PSI |

8. MATERIAL INFORMATION:

List of Material Information (MI)

| Sl.No. | Particulars |
|--------|---|
| 1 | <p>Factors related to the change of financial status/statements:</p> <p>a. Change in financial statements. i.e.: any significant changes in revenue, expenses, profits or losses, cash flow, receivables, significant change of assets and liabilities, significant changes of revaluation of assets or related information or statement or comments;</p> <p>b. Comparative statements of the following information:</p> <p>i. Earnings per share (EPS);</p> <p>ii. Net operating cash flow per share (NOCFPS);</p> <p>iii. Net asset value per share (NAV);</p> <p>c. Significant/Material change of asset value or composition of assets;</p> <p>d. Any change related to the reservation of provision that is/were required (specially directed/changed) by the regulatory authority;</p> <p>e. Any change related to the change of accounting policies, etc.</p> |
| 2 | <p>Information related to the Corporate Declaration:</p> <p>a. Any decision/resolution related to the dividend;</p> <p>b. Any decision/resolution related to the rights of the security-holder, declaration or issue of bonus, or similar benefits;</p> <p>c. Information related to the benefits receivables by the investors against any corporate declaration or any other information;</p> <p>d. Change of dividend distribution policy, etc.</p> |
| 3 | <p>Information related to the change of Corporate Structure:</p> <p>a. Acquisition or Liquidation of existing assets of TIL at least of 05% (five percent) or higher;</p> <p>b. Amalgamation or merger or acquiring substantial amount of shares of other company (ies) by TIL;</p> <p>c. Demerger of any associates/subsidiaries of the TIL;</p> <p>d. Restructuring or liquidation of any associates/subsidiaries of TIL;</p> <p>e. Change in the "Corporate Activities" of TIL by re-organization of capital or merger or demerger;</p> |

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| | <p>f. Proposal of acquiring control (take-over) of other company, or the proposal of acquiring internal services of the other company by the TIL;</p> <p>g. Change in ownership structure that may affect the controlling ownership of the TIL;</p> <p>h. Change of name and address, etc.</p> |
| 4 | <p>Information related to the change of Capital Structure:</p> <p>a. Any decision/resolution related to the change of Capital Structure of TIL including the offer of security as private offer or public offer or rights offer;</p> <p>b. Planned buyback or redemption of securities of TIL;</p> <p>c. Decision/resolution related to the consolidation of any shares, exchange/transfer of shares, conversion of any security into equity security, or conversion of debt-instrument into shares;</p> <p>d. Substantial changes of rights of security-holders of TIL.</p> |
| 5 | <p>Information related to the expansion of business activities and the change of business:</p> <p>a. Significant development or change of technology, production or establishment of TIL;</p> <p>b. Substantial investment of capital or change of objectives of the TIL;</p> <p>c. Significant agreement (new), production, patent, services, or changes of business;</p> <p>d. Recovery of the substantial amount of long-term bad debt;</p> <p>e. Change/ resignation/ termination of the Board of Directors, Managing Director, Chief Financial Officer (CFO), Company Secretary (CS);</p> <p>f. Change of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company;</p> <p>g. Any material verdict or order, initiation of legal proceedings, development of regulatory affairs issues, etc.;</p> <p>h. Change of category of listed security-"TIL" in the stock exchange (s) or de-listing from the exchange(s);</p> <p>i. Notable "Management Contract", "Investors Relation Agreement", "Service Agreement", or any agreement related to the Related Party Transaction that may affect the financial statement significantly.</p> <p>j. Decision/ resolution related to the purchase or sale of any fixed asset, or BMRE or establishment of new unit;</p> <p>k. Advance or loan to and from intra-company or subsidiary or associated company or director</p> |
| 6 | <p>Loans and Advance management:</p> <p>a. Information related to the loan received or payment of advance (25% or higher) on the basis of Paid-up capital or net asset value (whichever is higher);</p> <p>b. Giving/releasing of guarantees of any substantial assets;</p> <p>c. Failure of payment of loan/liability of any bank or lender or debt-instrument, for more than six (06) months;</p> <p>d. Notable loan-agreement or foreign investment agreement, etc.</p> |
| 7 | <p>Others:</p> <p>a. Signing of any important agreement/ amendment or cancellation of agreement (s) that is/are</p> |

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| signed in previous years; |
| b. Any event(s) that hamper(s) the reputation, loss/damage of any notable assets of TIL; |
| c. Cancellation of any project or any material change/amendment of the project; |
| d. Qualified Opinion submitted by the auditor, etc. |

9. AUTHORIZED PERSONS TO DISSEMINATION/DISCLOSE INFORMATION:

In order to ensure the accuracy and consistency of the TIL's disclosures to relevant stakeholders, the Chairman of the Board, the Managing Director, CFO and the Company Secretary shall be responsible for communications on behalf of the Company; Managing Director may, from time to time, designate others to speak on behalf of the TIL and respond to specific inquiries from the investment community or media.

Employees who are not Authorized Spokespersons are not to respond to inquiries from the investment community or media unless specifically asked to do so by an Authorized Spokesperson and as such all queries must be immediately forwarded to the Company Secretary.

10. AMENDMENTS TO THE PRINCIPLES:

The Board of Directors shall have the power to approve the amendments and authorize the Management to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of the Principles.

11. PUBLICATIONS OF PRINCIPLES:

A copy of the Principles will be available on the website of the Company.