

**Principles on  
Disclosure of Material Information  
and  
Price Sensitive Information  
of HeidelbergCement Bangladesh Limited**

## ***“Principles on Disclosure of Material Information and Price Sensitive Information of HeidelbergCement Bangladesh Limited”***

### **1. PREAMBLE:**

- 1.1 This Policy shall be called “Principles on Disclosure of Material Information and Price Sensitive Information” (hereinafter referred to as the “**Policy**”) of HeidelbergCement Bangladesh Limited (hereinafter referred to as “**HCBL**” or the “**Company**”).
- 1.2 The Policy has been formulated by the Board of Directors of HeidelbergCement 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 “Exchange”) 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.

### **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 determine the principles of materiality based on which the Company shall make disclosures of events or information.
- 2.5 To confirm that the Company will promptly inform the Exchange(s) 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:**

- 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 decision, occasion, circumstances, situation, conditions, events, financials or otherwise, any other changes in the affairs of the Company or its directors/ sponsors or its Chief Executive Officer/Managing Director/Company Secretary/Chief Financial Officer/Compliance Officer that can have an impact on investment decisions of the holders of the securities of the Company or potential investors.

- 3.3 **“Price Sensitive Information”** means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of securities of the Company.
- 3.4 **“Unpublished Price Sensitive Information”** means any unpublished information that is not generally available, which, if disclosed, may affect the market price of the Company’s security on any trading board of a stock exchange or the Company’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 the Company being affected at the rate of 10% (ten percent) at the least or 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 the Company.
- 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 manager who directly reports to the member 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 the Company from time to time.
- 3.8 **“Stock Exchange”** means the Dhaka Stock Exchange PLC. and the Chittagong Stock Exchange PLC. of Bangladesh on which the securities of the Company are listed.
- 3.9 **“Designated Persons”** Designated Persons shall include the following:
- (a) All employees of the rank of Senior Manager and above;
  - (b) All employees working at the Registered and Corporate Office of the Company;
  - (c) All employees working in the Shared Services Center of the Company;
  - (d) All employees in the Finance and Accounts department of the Company.
- 3.10 **“Insider”** means any the Company 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 its related officers or employees or its 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 OR 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 warrant 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:**

The Company shall consider as price sensitive information the following information, namely: -

### **5.1 Report on financial conditions, financial results, or related basic information including but not limited to:**

- (a) Earnings Per Share (EPS);
- (b) Net Operating Cash Flow Per Share (NOCFPS);
- (c) Net Asset Value Per Share (NAV).

### **5.2 The following types of corporate announcements of the Company including but not limited to:**

- (a) Any decision relating to dividends; and
- (b) Decision to declare or issue rights, bonus issues, or similar benefits to security holders.

**5.3** Information relating to changes in corporate structure, such as information relating to mergers, demergers, acquisitions, liquidation, winding up, conversions, or transfers.

### **5.4 Information relating to changes in capital structure including but not limited to:**

- (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.

### **5.5 Information relating to expansion, change, etc. of business activities including but not limited to:**

- (a) Substantial capital investment or significant change in the purpose of the establishment;
- (b) Significant new contracts that require board approval, changes in products, patents, services, or business activities;
- (c) Credit Rating results; and
- (d) Delisting of the Company's security from a stock exchange.

### **5.6 Information relating to debt management including but not limited to:**

- (a) Borrowing and repayment of 25% or more of paid-up capital or net asset value, whichever is higher; and
- (b) Foreign loan or investment agreements.

**5.7** Any information designated as price sensitive information in any other rules or regulations or orders or directions or notifications made or approved or issued by the Commission.

**5.8** Any other relevant information notified by the Commission in the official gazette from time to time.

## **6. EVENTS / INFORMATION WHICH MAY BE MATERIAL BASED ON CRITERIA OF MATERIALITY:**

The following event(s)/information shall be considered Material Information:

**6.1 Information on the following changes in the financial condition of the Company:**

- (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) Material Changes in the value or composition of assets;
- (c) Any special instructions or any modification of any special instructions previously given by the regulatory authority regarding reservation of provisions; and
- (d) Any change in the accounting policies.

**6.2 The following types of corporate announcements of the Company:**

- (a) Corporate announcements or other information relating to the availability of investors; and
- (b) Change in dividend distribution policy.

**6.3 The following types of information regarding changes in the corporate structure of the Company:**

- (a) Acquisition or disposal of any assets of 5% or more of the existing assets;
- (b) Change of ownership that may affect control of the Company; and
- (c) Change of name or address of the Company.

**6.4 Information regarding significant changes to the business operations of the Company:**

- (a) Any significant development or change in the Company's technology, production, or facilities;
- (b) Significant realization of long-term unpaid debts or claims;
- (c) Change or resignation or demotion of any members of the Board of Directors or the Chief Executive/Managing Director, CFO, or Company Secretary;
- (d) Change of statutory auditor, corporate governance compliance auditor, or credit rating company;
- (e) Initiation of significant or major legal proceedings or development of significant regulatory matters or any significant judgment or order;
- (f) Any significant management contract, investor relationship agreement, service agreement, or related party transaction that could materially affect the financial statements;
- (g) Information relating to the decision to purchase or sale 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
- (h) Grant or acceptance of significant advances or loans between affiliated companies or subsidiary or associate companies or loans from or to directors.

**6.5 The following types of information related to debt management of the Company:**

- (a) The encumbrance or discharge from encumbrance of significant assets;
- (b) Failure to pay any bank or creditor or debt obligation or debt for a consecutive period exceeding 06 (six) months; and
- (c) Significant new debt agreements.

**6.6 Other significant information as follows:**

- (a) Signing of any material agreement or cancellation or substantial amendment of previously announced/signed material agreement;
- (b) Loss of any substantial assets of the Company or any event materially affecting its reputation;
- (c) Cancellation or substantial modification of any scheme previously announced;

- (d) Submission of qualified report by the auditor of the Company; Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division, or capacity addition by the Company.
- (e) Change in the general character or nature of business, adoption of new lines of business, or closure of operations of any unit/division (in entirety or piecemeal);
- (f) Disruption of operations of any major units of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure, or events such as strikes, lockouts, etc;
- (g) Effect(s) arising out of significant changes in the regulatory framework applicable to the Company;
- (h) Litigation(s) / dispute(s) / regulatory action(s) of the Company which have a material impact on its business;
- (i) Giving of guarantees or indemnity or becoming a surety for any third party by the Company exceeding 5% of the total revenue or 10% of the net asset value, whichever is lower, based on audited financial statements of the last financial year;
- (j) Granting, withdrawal, surrender, cancellation, or suspension of key licenses or regulatory approvals; and
- (k) Any other information/event viz. major development that is likely to affect business, e.g. the emergence of new technologies, expiry of patents, that may have a significant impact on the accounts, etc., and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

## **7. DETERMINATION OF MATERIALITY:**

**7.1** Materiality has to be determined on a case-by-case basis depending on specific facts and circumstances pertaining to the information/event. In order to determine whether a particular event/information is material in nature, the following 'quantitative' or 'qualitative' criteria(s) shall be applied:

**(a) Quantitative criteria:**

Materiality shall become applicable to an event/information where the value involved or the impact exceeds 5% of the total revenue or exceeds 10% of the net asset value, whichever is lower, based on audited financial statements of the last financial year.

**(b) Qualitative criteria:**

Materiality shall become applicable to an event/information:

if the omission of which is likely to:

- result in a discontinuity or alteration of event or information already available publicly; or
- result in a significant market reaction if the said omission came to light at a later date.

**Note:** A qualitative test may be used to determine materiality in situations when a "quantitative" test may not be appropriate.

## **8. AUTHORITY FOR DETERMINING THE MATERIALITY OF AN EVENT OR 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) Director-Finance/CFO
- (c) Company Secretary

In those cases where, to ascertain materiality, thresholds as prescribed in clause 7.1 of this policy, cannot be applied, the Board of Directors in such cases, shall frame their opinion on a case by case basis, based on specific facts and circumstances relating to the information/event and while doing so, it may consider, among other factors, the following:

- (a) Whether there would be any direct or indirect impact on the reputation of the Company;
- (b) Whether non-disclosure can lead to creation of false market in the securities of the Company; or
- (c) Whether there would be a significant impact on the operations or performance of the Company.

## **9. DISCLOSURE OBLIGATIONS OF PRICE SENSITIVE INFORMATION:**

### **9.1 Mandatory Obligations**

- (a) All senior management personnel and officers of the Company shall, once they become aware, inform the Company Secretary of any Material Information and/or Price Sensitive Information specified in clauses 5 and 6, as applicable. The Company Secretary of the Company shall disclose the information to the Stock Exchange(s) within 2 (two) hours of taking a decision regarding any Price Sensitive Information or taking a decision for submitting a proposal to the concerned Primary Regulatory Body for approval regarding the matter that falls under Material Information and/or Price Sensitive Information.
- (b) The Company shall not disclose any false or untrue price sensitive information or induce any person to supply or disclose false or untrue information for the purpose of influencing the price of the security.
- (c) Such information sent and published by the Company shall state the date and time of the decision of the Company's Board of Directors and the date on which the information came to its notice.
- (d) Price sensitive information of the Company shall be expressed in simple and plain language to avoid any kind of exaggeration.
- (e) Incidental records of price sensitive information shall be stored in a digital database.
- (f) All disclosures made by the Company to the stock exchanges shall be hosted on the website of the Company for a minimum period of 3 years.

### **9.2 Discretionary Obligations**

The Company may promptly notify the stock exchanges of any such events or information that the members mentioned in clause 8 are of the opinion that it is material/price sensitive, regardless of the quantitative value.

## **10. DISCLOSURE OBLIGATIONS OF MATERIAL INFORMATION:**

The Company shall notify about any Material Change/Material Information through hosting the same on its official website as per sub-rule 3 of rule 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.

## **11. AMENDMENTS TO THE POLICY**

The Board of Directors of the Company shall have the power to suitably modify or replace this Policy in part or in full as may be thought fit by them. 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 MD. The MD 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.

## **12. POLICY APPROVAL AND EFFECTIVE DATE**

This Policy was approved by the Company's Board of Directors in its meeting held on 23 April 2024 and became effective from such date. A copy of the policy shall be hosted on the Company's official website.