Bata Shoe Company (Bangladesh) Ltd. PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION AND PRICE **SENSITIVE INFORMATION.** APPROVED BY: BOARD OF DIRECTORS DATED: 30 JAN. 2024



1. BACKGROUND

Under Regulation 3(2) of the Bangladesh Securities and Exchange Commission Rules, 2022, Bata Shoe (Bangladesh) (referred to as the "Company") is mandated to formulate a policy named "The Principles on Disclosure of Material Information and Price Sensitive Information." This policy is essential for determining and disclosing Material Information and Price Sensitive Information in compliance with the aforementioned rules.

2. OBJECTIVE

The primary objective of this Policy is to identify Material Information and Price Sensitive Information based on defined criteria from the Bangladesh Securities and Exchange Commission Rules, 2022. The aim is to ensure timely disclosure and dissemination of such information on the Company's website. Additionally, ensuring the correct and timely delivery of information provided by the company to avoid misinterpretation, ensuring compliance with disclosure requirements stipulated by Listing Regulations, securities laws, and other applicable regulations for publicly traded companies and safeguarding the confidentiality of material/price-sensitive information in the context of the Company's disclosures.

3. TRADING RESTRICTION

In adherence to Section 12 of the Securities and Exchange Ordinance of 1969, individuals such as Sponsors, Directors, Employees, Auditors, advisors, legal counsel, or beneficial owners of securities are prohibited from trading in the Company's securities between November 01 of each fiscal year and the approval of annual financial statements by the Board of Directors.

4. PERSONS RESPOSIBLE FOR DISCLOSURE

To ensure accuracy and consistency in disclosures, the CEO, CFO or Company Secretary are designated as responsible for communications. The CEO may delegate others to speak on behalf of the Company, and employees not authorized as spokespersons.

5. APPLICATION

The Principles on Disclosure of Material Information and Price Sensitive Information apply to all material and price-sensitive information of the Company.

6. DISCLOSURE PROCEDURES

In handling information of significance to share prices, the Company will adhere to the following disclosure guidelines.

6.1 Approval and Notification Process: In compliance with Rule No. 6(1) of the BSEC Prohibition of Insider Trading Rules 2022, when seeking permission, approval, or consent from the BSEC or other regulators concerning any matter impacting the movement of share prices, the Company shall promptly disclose this information to the BSEC, DSE, and CSE within two (02) hours of the Board's decision or the conclusion of the relevant meeting. This disclosure, bearing the signature of the Chairman, CEO, or Company Secretary, must also be promptly published in one (1) online



news portal and two (02) daily newspapers (in both Bangla and English). Communication may occur via E-mail, Fax, Digital Submission Platform, designated messenger/personnel, or, in certain cases, through courier services.

- 6.2 Integrity in Information Dissemination: The Company is committed to not disclosing, publishing, or disseminating any false or misleading Price Sensitive Information (PSI) that could impact the Company's share price, as stipulated by Rule No. 6(2) of the BSEC Prohibition of Insider Trading Rules 2022.
- 6.3 Timestamped Information: All Price Sensitive Information (PSI) shall include the date and time or the date on which the Company became aware of the matter.
- 6.4 Stock Exchange Reporting: The Stock Exchanges will promptly upload received information onto their websites, trading monitors, or other authorized systems.
- 6.5 Clear and Concise Language: Price Sensitive Information (PSI) will be conveyed using simple and fluent language to prevent any form of exaggeration or ambiguity.
- 6.6 Digital Database Implementation: The Company will establish a digital database to systematically store all Price Sensitive Information (PSI) and related details.
- 6.7 Compliance with Regulatory Notifications: The Company is committed to complying with all provisions outlined in the Notification of BSEC published on January 30, 2023 (dated December 28, 2022), and any subsequent amendments or modifications issued by BSEC that may be applicable.

7. DISCLOSURE

The Policy, available on the Company's website (https://www.batabd.com/investors), mandates the upload of all Material Information and Price Sensitive Information for a minimum period of 03 (three) years.

8. MONITORING AND EVALUATION OF POLICY

The Policy is subject to modification deemed necessary by the Board.



FOLLOWING FACTORS TO BE CONSIDERED AS MATERIAL INFORMATION (MI)

| SL | Descriptions |
|----|--|
| 1 | Influencers regarding the change in the Financial Condition of the Business |
| | (a) Changes in Financial Statements; |
| | (b) Comparison of Financial Statements: |
| | (i) Earnings per share; |
| | (ii) Net operating cash flow per share; |
| | (iii) Net asset value per share; |
| | (c) Remarkable changes in the values of assets or amalgamation of assets; |
| | (d) Any Instruction from the regulator for keeping provision for reserve or |
| | any changes; - |
| | (e) Any changes in accounting policy. |
| 2 | Corporate Declaration Related Information |
| | (a) Any decision regarding dividend |
| | (b) Any decision regarding the declaration or issuance of right or bonus |
| | shares to the shareholders |
| | (c) Availability for getting information on the corporate declaration |
| | (d) Any changes in dividend distribution policy |
| 3 | Information Regarding Changes in Corporate Structure |
| | (a) Acquisition or dissolution of existing assets of 5% or more |
| | (b) Amalgamation with other companies or purchase of notable shares and |
| | acquisition |
| | (c) Demerger of any unit of the company |
| | (d) Conversion or Dissolution of any unit of the company |
| | (e) Changes in activities by capital reorganization or amalgamation or |
| | demerger |
| | (f) Received take-over proposal from any company or received acquisition |
| | proposal of internal service of a company |
| | (g) Any changes in ownership which can Impact in controlling of the |
| | company; and (b) Changes of name or address |
| 4 | (h) Changes of name or address |
| 4 | . Information Regarding Changes in Capital Structure (a) Any decision for a private or public right offer or any decision for |
| | changing the capital structure |
| | (b) Planning for purchasing of shares or redemption of shares |
| | (c) Any decision for share consolidation, share exchange, conversion of any |
| | security into equity security or any conversion of debenture in to share |
| | (d) Remarkable any changes in the security holders' right |
| 5 | Information Regarding Expansion, Modification of Business Activities |
| | (a) Development related to any change in technology, production or |
| | establishment |
| | (b) Remarkable capital investment or any change of the company's object. |
| | (c) Remarkable changes in new contracts, production, patent, service or |
| | business |
| | (d) Remarkable collection of long-term trade receivables |
| | (a) |



(e) Resignation or discharge of CEO, CFO, Company Secretary or any changes in the Board (f) Changes of statutory auditors, compliance auditors or Credit Rating Company (g) Development of legal proceedings or regulatory affairs or any notable verdict or order (h) Delisting of securities or changes in the market category in stock exchanges (i) Remarkable management contract, investor relations agreement, service agreement or related party transactions or any other contract which can affect the financial statements (j) Any buy-sell decision of fixed assets or balancing, modernization, expansion and replacement (BMRE) or any new unit establishment-related information and (k) Remarkable advances or sanction loans to Intercompany or subsidiary or associated company or taking advances or borrowing loans from Intercompany or subsidiary or associated company or exchanging loans with the directors **Debt Management related information** 6 (a) Borrowing debt 25% or more than 25% and paying off over paid-up capital and net assets value which is more (b) Mortgage/lien/pledge of remarkable assets and withdraw the mortgaged (c) Fail to repay bank loans in respect of Letter of Credit or Creditor's debt for more than 06 (six) months (d) Remarkable new loan contract/agreement (e) Foreign loan contract or investment contract 7 **Fund Management and Structure Change related information** (a) Extension or abridgment of the fund's period (b) Dissolution of the fund (c) Conversion of fund (d) Invest 10% or more in an individual security fund (e) Remarkable profit or loss in against of fund encashment (f) Formation of Trustee, or any change in Trust deed 8 Others, such as:-(a) Any important contract signing or earlier declared/signed contract cancelation or correction (b) Any damage of assets of the company or issuer or any incident to loss of impression of the company (c) Previously declared project canceled or any remarkable correction of it and (d) Submitting a qualified report by auditors of the issuer



FOLLOWING FACTORS TO BE CONSIDERED AS PRICE SENSITIVE INFORMATION (PSI)

| SL | Descriptions |
|----|---|
| 1 | Information related to financial statements and basic information related to financial results. |
| 2 | Information related to dividend and corporate declaration |
| 3 | Information related to change in corporate structure i.e. amalgamation/ merger, demerger, acquisition, dissolution, modification or transformation. |
| 4 | Information related to change in capital structure |
| 5 | Information related to business expansion, modification, change in operations etc. |
| 6 | Any price sensitive event which is subject to approval of the regulators and submitted to the regulators for approval |
| 7 | Any price sensitive event after getting approval from the regulators, shall again consider as PSI |
| 8 | Any other information from MI considering its sensitivity on price of shares of the Company and which would be considered to make investment decision by a reasonable investor |
| 9 | Any other information as the Bangladesh Securities & Exchange Commission may determine from time to time vide any rules or regulations or order or directives or notifications or time to time through government Gazette notification. |