

**THE PRINCIPLES ON DISCLOSURE OF
MATERIAL INFORMATION (MI)
AND
PRICE SENSITIVE INFORMATION (PSI)**

MIDLAND BANK PLC.

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1. INTRODUCTION

Midland Bank PLC., being a listed company, has to comply with the regulations of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Regulations, 2022, and the guidelines issued by the Bangladesh Securities and Exchange Commission from time to time in this regard.

2. BACKGROUND

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, Midland Bank PLC. (MDB) ("the Bank") needs to frame a policy document titled The Principles on Disclosure of Material Information and Price Sensitive Information (PSI) for this purpose.

3. PURPOSE

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

4. DEFINITION

- 4.1. "Bank" means Midland Bank PLC. or MDB.
- 4.2. "Board of Directors" or "Board" means the Board of Directors of Midland Bank PLC. (MDB), as constituted from time to time.
- 4.3. "Policy" means this Policy titled The Principles on Disclosure of Material Information and Price Sensitive Information (PSI).
- 4.4. "Key Managerial Personnel" means Key Managerial Personnel (KMP) including the Managing Director & CEO, Chief Financial Officer (CFO), Company Secretary, and such other officer/s as may be prescribed by the Board of Directors.
- 4.05. "Stock Exchange(s)" means Dhaka Stock Exchange and Chittagong Stock Exchange.
- 4.06. "Listing Regulations" means Dhaka Stock Exchange (Listing) Regulation 2015 and the Chittagong Stock Exchange (Listing) Regulation 2015.
- 4.07. "BSEC" means Bangladesh Securities and Exchange Commission.
- 4.08. "DSE" means Dhaka Stock Exchange PLC..
- 4.09. "CSE" means Chittagong Stock Exchange PLC.
- 4.10. "Chairman" means the Chairman of the Board of Directors of MDB.
- 4.11. "Director" means the Board of Directors of MDB; so appointed time to time.
- 4.12. "MD and CEO" means the Managing Director and Chief Executive Officer of MDB.
- 4.13. "Company Secretary" means the Company Secretary of the MDB.
- 4.14. "CFO" means Chief Financial Officer of MDB.
- 4.15. Words or Expressions not defined in this policy shall have the same meaning as given under the Securities and Exchange Ordinance, 1969, Bank Companies Act, 1991, Bangladesh Securities and Exchange Commission Act, 1993, Financial Institution Act, 1993, the Companies Act, 1994, Depository Act, 1999, Exchanges Demutualization Act, 2013 and provisions made under the said laws. Further, in case of inconsistency between any provisions of this policy with any existing policy (ies) of the Company, provisions of Policy for determination and disclosure of Materiality of Events or Information and Price Sensitivity will prevail.

5. KEY MANAGERIAL PERSONNEL (KMP) AUTHORIZED TO DETERMINE AND DISCLOSE PRICE SENSITIVE INFORMATION (PSI) AND MATERIAL INFORMATION (MI)

The Key Managerial Personnel (KMP) of the Bank shall determine the materiality of an event or information and PSI and for the purpose of advising/making on the disclosure to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, and other regulators. The board of directors of the Bank has authorized the following Key Managerial Personnel (“KMPs”) and other senior managerial officials of the Bank (“Authorized Personnel”/ “KMP”) to determine the materiality of an event or information and PSI and to make appropriate disclosure on a timely basis to the stock exchange(s), BSEC and to other regulators:

SL:	Designation of Key Managerial Personnel
01	Managing Director & CEO
02	Deputy Managing Director & CRO
03	Head of Internal Control and Compliance
04	Chief Financial Officer (CFO)
05	Company Secretary

6. 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 Bank, and events/information with respect to its Subsidiary Companies which are material for the Bank.

7. CATEGORY

The information required to be disclosed are divided into the following two categories as specified in the Rules:

- A. Material Information (MI)
- B. Price Sensitive Information (PSI)

8. DISCLOSURE MODALITY

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

- i. The Bank shall disclose all Price Sensitive Information (PSI) to the BSEC, DSE, and CSE within shortest possible time 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.
- ii. In case of seeking permission, approval, consent of the Bangladesh Bank, BSEC or other regulator on any issue related to the movement of share price, the Bank shall disclose it to the BSEC, DSE, and CSE shortest possible time 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.
- iii. The Chairman or the Managing Director & CEO or the Company Secretary shall sign on the PSI-document before sending to BSEC, DSE, and CSE.
- iv. The Bank shall publish another PSI on the same issue within two shortest possible time of receiving the permission/consent/ approval from the regulatory authority mentioning the fact that the issue was sent to the regulatory authority earlier for permission/ consent/ approval.
- v. MDB 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 bank.
- vi. The Bank 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.

- vii. All PSI shall carry the date, time or the date on which the matter came into the cognizance of the bank.
- viii. The Bank shall upload on its website all Material Information and Price Sensitive Information and host the same for a minimum period of 03 (three) years.

Events/ information mentioned through the Serial 13 and 14 to this policy shall be disclosed to the BSEC, Stock Exchange(s), and other regulatory authorities in manner specified in the policy & regulatory requirements. Further, where the Bank makes disclosures to the BSEC and Stock Exchange(s), the Bank will also disclose material developments, as may be decided by the Competent Authority on a regular basis.

9. OTHER PROVISIONS RELATING TO DISCLOSURES

- i. The Bank shall in respect of disclosures made under the Listing Regulations make disclosures updating material development on a regular basis to the Stock Exchange(s) and the BSEC, till such time the event is resolved / closed, with relevant explanations.
- ii. The Bank shall keep record of all PSI and related information.
- iii. In case of any amendments to the disclosures already made by the Bank or those uploaded on its website, the Bank shall disclose/ upload the amended content, in terms of this Policy.
- iv. The Bank shall provide specific and adequate reply to all queries raised by the BSEC and the Stock Exchange(s) with respect to any material events or information.

10. DISCLOSURES ON THE WEBSITE

The Bank shall disclose on its website all such events/information which has been disseminated to the BSEC and Stock Exchange(s) under this Policy and such disclosures shall be hosted on the website of the Bank for a minimum period of three years and thereafter as per the archival policy / process/ practice followed by the Bank.

11. MONITORING AND REPORTING

The 'Key Managerial Personnel' (KMP) are jointly responsible to the Board for monitoring and reporting the implementation of this Policy.

12. AMENDMENT OR REVIEW

These Principles shall be reviewed by the Board of Directors as and when required. Any subsequent amendment or modification in the Regulations and/or applicable laws in this regard shall automatically apply to these Principles.

13. LIST OF MATERIAL INFORMATION (MI)

- 1. Factors related to the change of financial status/statements:
 - 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;
 - b. Comparative statements of the following information:
 - i. Earnings per share (EPS)
 - ii. Net operating cash flow per share (NOCFPS)
 - iii. Net asset value per share (NAVPS);
 - c. Significant/Material change of asset value or composition of assets;
 - d. Any change related to the reservation of provision that is/were required (specially directed/changed) by the regulatory authority;
 - e. Any change related to the change of accounting policies, etc.
- 2. Information related to the Corporate Declaration:
 - a. Any decision/resolution related to the dividend;
 - b. Any decision/resolution related to the rights of the security-holder, declaration or issue of bonus, or similar benefits;

- c. Information related to the benefits receivables by the investors against any corporate declaration or any other information;
- d. Change of dividend declaration policy, etc.
- 3. Information related to the change of Corporate Structure:
 - a. Acquisition or Liquidation of existing assets of MDB at least of 05% (five percent) or higher;
 - b. Amalgamation or merger or acquiring substantial amount of shares of other company (ies) by MDB;
 - c. Demerger of any associates/subsidiaries of the MDB;
 - d. Restructuring or liquidation of any associates/subsidiaries of MDB;
 - e. Change in the "Corporate Activities" of MDB by re-organization of capital or merger or demerger;
 - f. Proposal of acquiring control (take-over) of other company, or the proposal of acquiring internal services of the other company by the MDB;
 - g. Change in ownership structure that may affect the controlling ownership of the MDB;
 - h. Change of name and address, etc. of the MDB.
- 4. Information related to the change of Capital Structure:
 - a. Any decision/resolution related to the change of Capital Structure of MDB including the offer of security as private offer or public offer or rights offer;
 - b. Planned buyback or redemption of securities of MDB;
 - 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;
 - d. Substantial changes of rights of security-holders of MDB.
- 5. Information related to the expansion of business activities and the change of business:
 - a. Significant development or change of technology, production or establishment of MDB;
 - b. Substantial investment of capital or change of objectives of the MDB;
 - c. Significant agreement (new), production, patent, services, or changes of business;
 - d. Recovery of the substantial amount of long-term bad debt;
 - e. Change/ resignation/ termination of the Board of Directors, MD & CEO, Chief Financial Officer (CFO), Company Secretary (CS);
 - f. Change of Statutory Auditor or Corporate Governance Compliance Auditor, Credit Rating Company;
 - g. Any material verdict or order of the Court and development of regulatory affairs issues that may impact significantly the EPS/NAVPS of shares of MDB;
 - h. Change of category of listed security-"MIDLANDBNK" in the stock exchange (s) or de-listing from the exchange(s);
 - 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.
 - j. Decision/ resolution related to the purchase or sale of any fixed asset, or BMRE or establishment of new unit;

14. LIST OF PRICE SENSITIVE INFORMATION (PSI)

- 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 extension, change, etc. if required.
- 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.

15. PROHIBITED ACTIVITIES

- a. No Insider may purchase or sell securities of the Company while in possession of material non-public information concerning the Company.
- b. No Insider may attempt to take any economic or other personal advantage of any material non-public information. This means that Insiders who have knowledge of material non-public information must not purchase or sell the Company's securities or permit any member of his or her family, anyone acting in his or her behalf or on behalf of his or her family, or any entity in which he or she, or his or her family members, have a personal interest to purchase or sell the Company's securities.
- c. No Insider may purchase or sell securities of the Company during any restricted trading period generally imposed.
- d. No Insider may disclose material non-public information concerning the Company to any outside person (including family members, analysts, individual investors, members of the investment community and news media).
- e. No Insider may give trading advice of any kind relating to securities of the Company to anyone while possessing/non possessing material non-public information about the Company.
- f. No Insider may directly or indirectly engage or participate in any act, transaction, trading method or other practice, or course of conduct that such Insider knows or ought reasonably to know:
 - i) Results in or contributes to a misleading appearance of trading activity in, or an artificial price for, the Company's securities, or
 - ii) Perpetrates a fraud on any person or company.