



# Ideal Spinning Mills Ltd.



## COMMUNICATION AND DISCLOSURE POLICY

### Introduction and Background

Ideal Spinning Mills Limited, "Company" is committed to the promotion of investor confidence by taking steps within its power to enable trade in its securities to take place in an efficient and informed market.

Company recognizes the importance of effective communication as a key part of building shareholder value and that, to prosper and achieve growth, it must (among other things) earn the trust of security holders, employees, customers, suppliers and communities, by being open in its communications and consistently delivering on its commitments. In order to achieve this, company is committed to providing market communications which are accurate, balanced and expressed in a clear and objective manner that allows investors and other stakeholders to assess the impact of that information.

### Purpose

The purpose of this Policy is to:

- reinforce commitment to the continuous disclosure obligations and to describe the processes implemented by it to manage compliance with those obligations;
- outline corporate governance standards and related processes to enable timely and accurate information about Company to be provided equally to all shareholders and market participants; and
- outline commitment to encouraging effective shareholder participation in shareholder meetings.

### Continuous Disclosure

Ideal Spinning Mills Limited is listed on the Pakistan Stock Exchange (PSX) and is obliged to comply with the continuous disclosure obligations contained in the PSX Listing Regulations and the Companies Act, 2017. The Company has developed procedures and processes, outlined in this Policy, to manage compliance with all relevant continuous disclosure obligations and have regard to the Code of Corporate Governance, 2019 for Listed Companies.

In addition, Company places considerable importance on effective communication with its stakeholders. This Policy contains the uniform corporate governance standards adopted on communication with its stakeholders.

### Commitment to Continuous Disclosure

Company will immediately notify the market of any information or any major development related to the businesses or financial condition of Company which a reasonable person would expect to have a material effect on the interests of the stakeholders.

### Communications with the Pakistan Stock Exchange (PSX)

The Company Secretary is responsible for communications with the PSX.

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## Key Corporate Governance Standards on Communications

### A. General

Company has adopted a corporate governance framework that is designed to:

- enable timely, balanced and accurate information about Company to be provided equally to all shareholders and market participants, including its financial situation, performance, ownership, strategies, activities and governance;
- adopt procedures for disseminating information which are fair, timely and cost-efficient;
- adopt measures to improve access to information for shareholders unable to be physically present at meetings; and
- prevent it from communicating material price, or value, sensitive information to any external party before it is disclosed to all shareholders and market participants in compliance with its continuous disclosure obligations. Certain limited exceptions may apply to this provision under the continuous disclosure obligations.

The specific processes adopted by Company to implement these corporate governance standards are set out below.

### B. Communication of disclosable information on the website

All material information released to the PSX will be posted on the Company's website as soon as practicable following confirmation of receipt by the PSX. Company's website address is: [www.idealsm.com](http://www.idealsm.com)

### C. Electronic Communications and Shareholder Meetings

Company will provide investors with a facility on its website to enable them to have access to the corporate information.

Company will use annual general meetings to communicate with shareholders about its financial situation, performance, ownership, strategies and activities, and at all general meetings will allow a reasonable opportunity for informed shareholder participation.

Outside of shareholder meetings, the Company Secretary will deal with private shareholder enquiries in compliance with its continuous disclosure obligations.

### D. Rumors and market speculation

Company is committed to taking steps within its power to avoid a false market in the trading of its securities. Company will not generally comment on rumors or market speculation unless it appears that the market price of its shares is moving materially by reference to those rumors or speculation or the PSX requires to do so under the Listing Regulations.

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## E. Closed Period Restrictions

During Closed Periods, Company will make no comment on analysts' earnings estimates other than to acknowledge the range and average estimates in the market, and will make no comment on the financial performance unless the information has already been released to the market. Company will continue to respond to requests for background information, but will not meet analysts or investors during a Closed Period.

During Closed Periods, Company will continue to be subject to the continuous disclosure obligations, and will make such announcements as may be required.

## F. Breaches

Failure to comply with this Policy may lead to a breach of applicable legislation or the Listing Regulations or other regulations, particularly in relation to continuous disclosure. It may also involve a breach of an employee's duty of confidentiality.

This may result in liability for Company and in turn may lead to personal penalties for directors and officers. Breaches of this Policy may lead to disciplinary action being taken, including dismissal in serious cases.

## G. Review

The Board will evaluate this Policy on an annual basis to determine whether the Policy is effective in providing accurate and timely disclosure in accordance with Company's disclosure obligations.

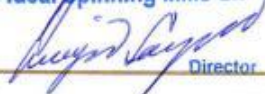
## Responsibility for the Success of This Policy

The Board of Directors has overall responsibility for this Policy. The Company Secretary has day-to-day operational responsibility for this Policy and for all relevant employees receiving regular and appropriate training.

The Company Secretary, in conjunction with the Board, will review this policy from a legal and operational perspective at least once a year. This Policy does not form a party of any employee's contract, or otherwise create one, and it may be amended from time to time.

All employees are responsible for the success of this Policy. The Company creates workplaces in which open and honest communications among all employees are valued and respected. If you have any questions about this Policy, or if you would like to report a potential violation of it, please speak to your line manager, any member of the Legal or Human Resources Teams, or the Speak Up Hotline. Consistent with Company's Whistle Blowing Policy, no reprisal or retribution will be taken against any employee for raising concerns under this policy. Company is committed to investigating, addressing, and responding to concerns of employees and other stakeholders and taking appropriate corrective action in response to any violation.

For Ideal Spinning Mills Ltd.

  
Director

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