

# RMG ALLOY STEEL LIMITED

## Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information (Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015) (Approved by the Board on March 30, 2019)

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This "Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information", as may be amended from time to time (the "**Policy**") is approved by the board of directors of RMG Alloy Steel Limited (the "**Company**") on March 30, 2019. The Policy has been formulated under Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**"), with an objective to put in place a framework for inquiry in the event of leak or suspected leak of unpublished price sensitive information.

### DEFINITIONS

For the purpose of this Policy, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

"**Board of Directors**" or "**Board**" shall mean the Board of Directors of the Company;

"**Insider Trading Regulations**" shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

"**Policy**" shall mean this "Policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information", as amended from time to time, formulated under Regulation 9A(5) of the Insider Trading Regulations;

"**Unpublished Price Sensitive Information**" or "**UPSI**" shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- changes in key managerial personnel; and
- Material Events as defined under the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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Words and expressions used and not defined herein shall have the meanings assigned to them in the Insider Trading Regulations.

### INQUIRY COMMITTEE

The Board shall constitute a committee namely "Inquiry Committee" which shall comprise of the Chairman of Audit Committee as the Chairperson, the Managing Director/ Whole Time Director/ CEO, the CFO and an Independent Director to be elected by these members (the "Inquiry Committee"), who shall:

- deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak;
- conduct inquiries as laid out in this Policy in case of such leaks or suspected leaks and inform the Board promptly of such leaks, inquiries and result of such inquiries.

### NO CONFLICT OF INTEREST

Before commencement of any Inquiry under this Policy, each member of the Inquiry Committee will confirm to the Chairman of the Board of Directors that he/she has not direct or indirect conflict of interest in conducting the inquiry against the Relevant Person or Persons.

### QUORUM OF THE INQUIRY COMMITTEE PROCEEDINGS

While conducting an inquiry, a minimum of two members of the Inquiry Committee shall be present either in person or through electronic mode. The Inquiry Committee may designate additional persons or third parties to also attend and participate in an inquiry conducted by the Inquiry Committee. If a minimum of two members of the Inquiry Committee are not present or not available, or any member of the Inquiry Committee is under investigation, then any of the members of the Board shall have the power to nominate alternate member(s) in place of the member who is not available or cannot be present to conduct the inquiry.

### INQUIRY PROCESS

- Upon receipt of information or upon becoming aware of a leak or suspected leak of UPSI, the Inquiry Committee shall send details of the information to be sought to the head of the relevant department viz., finance, company secretarial department etc., which had access to the UPSI or to which the UPSI is related ("Relevant Person"). The indicative list of questions and information to be sought from the Relevant Person are given in **Annexure A** to this Policy.

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- The Inquiry Committee may appoint external advisers as consultants as may be necessary to assist them in the inquiry.
- The Inquiry Committee can separately obtain from the IT department, all emails and records of the Relevant Persons in the department where the leak could have originated and any other information as it deems fit from other departments of the Company.
- The Relevant Person shall file its reply to the information sought by the Inquiry Committee, along with the list of documents, names and addresses of persons with whom the information may have been shared etc., within the period stipulated by the Inquiry Committee.
- The Relevant Person may be required by the Inquiry Committee to produce any Company account statements, demat account statements, transaction statements or any other document, for the Relevant Person as well as for the Relatives, if applicable.
- The Inquiry Committee will give an opportunity of being heard to the Relevant Person.
- The Inquiry Committee shall make transcripts or records of proceedings of meetings with Relevant Persons and ensure that requisite information and documentation is made available to the Board.
- Upon perusal of information provided by the Relevant Person and pursuant to the inquiry proceedings, the Inquiry Committee shall submit its report and recommendations to the Board. Such inquiry shall be completed by the Inquiry Committee in a timely manner.
- The Board shall take such action as prescribed under the code of conduct to regulate, monitor and report trading by insiders as well as the Insider Trading Regulations.
- During the pendency of the inquiry proceedings, the Inquiry Committee may restrain the Relevant Person from accessing the documents/emails, from which the Inquiry Committee believes, the leak or suspected leak originated and may give any other directions as it may deem fit.

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### **POWERS OF THE INQUIRY COMMITTEE**

- The Inquiry Committee shall have the powers to summon and enforce the attendance of any person and conduct an examination, request the discovery and production of documents and / or any other matter which may be prescribed and deemed necessary for the inquiry process.
- Any refusal by any employee of the Company to attend the inquiry proceedings when summoned or to provide to the Inquiry Committee any documents and / or information within his / her power or possession shall constitute a misconduct, rendering such employee for adverse action as the Inquiry Committee or Board may deem fit.
- The Inquiry Committee itself may, *suo moto*, call for the details of any leak or suspected leak of UPSI or upon receipt of any such information, may investigate or deal with such matter per this Policy. The Inquiry Committee may seek information from the IT department including details of the persons accessing personal email id from office computers, from where the USPI may have been leaked, or seek information/documents from any other department of the Company, as the Inquiry Committee may deem fit.
- The Inquiry Committee shall have the right to terminate the inquiry proceedings or to give an ex-parte decision on the Relevant Person, if the Relevant Person fails, without sufficient cause, to present themselves, for any meeting convened by the Inquiry Committee.
- The Inquiry Committee may also direct the Relevant Person not to delete/erase records from the mobile devices in use by the Relevant Person and also submit such mobile device(s) to the Inquiry Committee for inspection.

### **AUTHORITY TO MAKE ALTERATIONS**

The Board is authorised to make such alterations to this Policy from time to time as considered appropriate,

The provisions of the Policy have to be read along with the Insider Trading Regulations and if there is any inconsistency/contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

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*Annexure A*

The indicative list of questions and information that may be sought from the Relevant Person are given below:

- Relevant Person to provide details of documents/files/information shared with different team members and also provide details of the medium through which such information was shared i.e. email, common access controlled shared folders, password protected files, etc.
- Relevant Person to provide a detailed timeline from which it was made aware of the UPSI till the date of receipt of notice of information sought from the Inquiry Committee.
- Relevant Person to evaluate role of each and every employee including employee from the support function who were part of the meetings in which UPSI was discussed and whether the Relevant Person noticed any suspicious activity on part of all persons attending these meetings.
- Relevant Person to provide details of all trading activities undertaken by it and its relatives.
- Whether the Relevant Person is aware of any activity of a person in its department who may be involved in the said leak of UPSI.
- Whether adequate safeguards per existing procedures were undertaken by the Relevant Person while dealing with UPSI.
- Whether access to the room where the documents in relation to UPSI were stored, was given to a limited set of authorized personnel.
- Whether the documents in relation to UPSI were disposed of in a proper manner.
- Whether access to the internet/USB drive was provided on computers on which sensitive data regarding UPSI was stored.