



SINCE 1987

ROYAL CHAIN LIMITED

(FORMERLY KNOWN AS ROYAL CHAIN PRIVATE LIMITED & ROYAL CHAINS PRIVATE LIMITED)

GST : 27AAGCR6146R1ZL CIN : U74120MH2013PLC247888

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POLICY ON TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS

#HarneshaKeLiyeRoyal

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POLICY ON TERMS OF APPOINTMENT OF INDEPENDENT DIRECTOR

[Pursuant to Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of Companies Act, 2013.]

A. PREAMBLE:

In accordance with Section 149 of the Companies Act, 2013, along with Rule 4 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, provisions have been laid down for appointing Independent Directors. Further, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") mandates the Board of Directors to establish a code of conduct for all Board members, including the specific duties of Independent Directors as explained in the Companies Act, 2013.

In compliance with these statutory and regulatory requirements, the Board of Directors of Royal Chain Limited (Company) has developed a Policy on Terms of Appointment of Independent Directors (Policy).

This Policy was formally adopted by the Board on 8th September, 2026 to ensure clarity and transparency in the appointment process and to ensure the Company's commitment to good corporate governance.

B. DEFINITIONS AND INTERPRETATIONS:

In this Policy, words and expressions shall have the meaning assigned to them below:

a) Act-

Shall mean the Companies Act, 2013 and rules framed thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time.

b) Board-

Shall mean the Board of Directors of the Company.

c) Company-

Shall mean Royal Chain Limited, incorporated under the provisions of the Act.

d) Directors-

Shall mean all the members of the Board of Directors of the Company, including the Independent Directors.

e) Independent Directors-

Shall mean the Director other than a managing director or a whole-time director or a nominee director as more specifically set out under Section 149(6) of the Act, and shall also have the meaning ascribed to the term "Independent Director" under Regulation 16(1)(b) of the Listing Regulations.

f) Nomination and Remuneration Committee-

Shall mean the Nomination and Remuneration Committee constituted by the Board in accordance with the provisions of the Act and the Listing Regulation.

C. CRITERIA FOR APPOINTMENT AND REMUNERATION:

1. Appointment and Re-appointment:

The process of appointing independent directors must be transparent and free from any bias. When choosing independent directors, the Board should make sure there is a good mix of skills, experience, and knowledge on the Board so it can work effectively.

- a) The appointment of independent director(s) must be approved by the shareholders during a meeting. The notice for this meeting should include a statement explaining that the Board believes the proposed independent director meets all the requirements set by the law and is not connected to the management.
- b) The explanatory statement annexed to the notice of the general meeting shall include all disclosures as prescribed under the Act and the Listing Regulations.
- c) The appointment shall be formalised by issuing a letter of appointment setting out the terms and conditions in accordance with the Act and the Listing Regulations.
 - i) The term of the director.
 - ii) What the Board expects from the director, including any Board committees they will join and their responsibilities.
 - iii) The legal duties and responsibilities that come with the role.
 - iv) Information about any Directors and Officers (D and O) insurance.
 - v) The company's Code of Business Ethics that directors and employees must follow.
 - vi) A list of things a director should avoid doing while working for the company.
 - vii) The pay details, including fees, expense reimbursements for meetings, and any profit-related commission.
- d) The terms of appointment must be available for inspection for any company member at the company's registered office during regular business hours.
- e) The details of the appointment should also be published on the company's website.

2. Re-appointment:

The reappointment of an independent director shall depend on the outcome of their performance evaluation report. The evaluation parameters include but are not limited to participation, expertise, and adherence to ethical and governance standards.

3. Remuneration:

The Independent Directors will not receive salary or other benefits tied to the Company's performance ensuring their independence.

The remuneration of Independent Directors will include the following:

- a) Sitting fee for attending meetings of the Board, its Nomination and Remuneration Committee and General Meetings as may be decided by the Board from time to time.
- b) Reimbursement of expenses incurred for participation in these meetings. The expenses will include travel, hotel and other incidental expenses as may be approved by the Board.

D. TENURE:

Independent Directors shall be appointed for a maximum term of five consecutive years on the Board. No Independent Director shall hold office for more than two consecutive terms, but shall be eligible for re-appointment after the expiry of three years of ceasing to be an Independent Director.

E. BOARD COMMITTEE:

During the tenure of office, the Independent Director may be requested to serve on one or more committees of the Board and in the event of acceptance of such request(s) they will be provided with the relevant committee's terms of reference and specific responsibilities.

F. ROLES, DUTIES AND RESPONSIBILITIES:

1. Roles:

- i) to help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- ii) to bring an objective view in the evaluation of the performance of the board and management.
- iii) to scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- iv) to satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- v) to safeguard the interests of all stakeholders, particularly the minority shareholders.
- vi) to balance the conflicting interest of the stakeholders.
- vii) to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- viii) to moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

2. Duties and responsibilities:

The independent directors shall –

- i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- iii) strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
- iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v) strive to attend the general meetings of the Company;
- vi) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- vii) keep themselves well informed about the Company and the external environment in which it operates;
- viii) not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- x) ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

- xi) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- xii) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- xiv) not enter into any non-cash transactions with the Company as required by section 192 of the Companies Act, 2013;
- xv) adhere to the Insider Trading Code of the Company

G. LIABILITY:

- a) The liability that devolves pursuant to the appointments would be as per the applicable laws and Articles of Association of the Company.
- b) The Independent Director shall only be held liable for acts of omission or commission by the company that occurred with their knowledge, consent, or connivance, or where they failed to act diligently, as defined by applicable law.

H. CONFLICT OF INTEREST:

The Independent Director must immediately inform the company of any changes to their directorships, appointments, or interests during their tenure. If they anticipate any change in circumstances that could create a conflict of interest or might cause the Board to re-evaluate their independent status, they are required to disclose this promptly to the Chairman.

I. EVALUATION PROCESS:

The performance evaluation shall be done annually by the entire Board. They will participate in reviewing the performance of the Board as a whole and the other Directors on annual basis.

J. CODE OF CONDUCT:

During the tenure as Independent Director, they are required to comply with the Code of Conduct as provided in Schedule IV to the Act. They are also requested to give a declaration that they will meet the criteria of 'independence' at the first meeting of the Board in every financial year pursuant to the provisions of Section 149(7) of the Act. They are also required to abide by Company's Code of Conduct for Directors and Senior Management.

K. CONFIDENTIALITY:

All information acquired during the tenure is confidential to the Company and shall not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the chairman, unless required by law or by the rules of any stock exchange or any regulatory body.

L. RESIGNATION OR REMOVAL:

The resignation or removal of an Independent Director shall be in the manner as provided under Sections 168 and 169 of the Act.

- a) The Company shall, within seven days of the resignation of an Independent Director, disclose the same to the Stock Exchange. The following details shall be submitted to the Stock Exchange along with the resignation:
 - i) The resignation letter with the detailed reasons for resignation as provided by the Independent Director;

- ii) The names of listed entities in which the resigning Independent Director holds directorships, specifying the category of directorship and any membership or if any position of chairperson in Board Committees;
 - iii) The confirmation received from the Independent Director stating that there are no other material reasons for resignation other than those disclosed; and
 - iv) The Company shall also disclose the above confirmation to the Stock Exchange along with the detailed reasons and other particulars specified in sub-clauses (i) and (ii) above.
- b) Any vacancy arising from the resignation or removal of an Independent Director shall be filled by appointing a new Independent Director within three months from the date of such resignation or removal, as applicable.
 - c) However, if the Company continues to meet the prescribed requirement of Independent Directors on its Board even after such resignation or removal, the obligation to appoint a replacement Independent Director shall not apply.

M. REVIEW OF PERFORMANCE BY THE NOMINATION AND REMUNERATION COMMITTEE AND BOARD OF DIRECTOR OF THE COMPANY:

Performance of Independent Directors shall be evaluated as per the evaluation criteria laid down by the Nomination and Remuneration Committee and such evaluation will be done by the entire Board of the Company excluding the director being evaluated.

N. GENERAL:

Where the terms of this Policy differ from any existing or newly enacted law, rule, or regulation, the law, rule or regulation will take precedence over this Policy from the effective date of such law, rule or regulation. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the MCA, SEBI and/or any other authority.

Effective Date:

Date of approval by the Board: 8th September, 2026

Sd/-

Chairman Signature