ROYAL CHAIN LIMITED
(FORMERLY KNOWN AS ROYAL CHAIN PRIVATE LIMITED & ROYAL CHAINS PRIVATE LIMITED)
GST : 27AAGCR6146R1ZL CIN : U74120MH2013PLC247888
Registered Office : 1st Floor, 127/129, Office No. 101/102,Royal House, Shaikh Memon Street,
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POLICY ON EVALUATION OF THE BOARD OF DIRECTORS AND THE INDEPENDENT DIRECTOR

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POLICY ON EVALUATION OF THE BOARD AND THE INDEPENDENT DIRECTOR

A. PREAMBLE:

Royal Chain Limited (the "**Company**") is committed to sustaining strong governance by adopting and adhering to best practices. While the top management oversees the performance of each department, the Board of Directors (the "**Board**") supervises and guides the functioning of the top management to ensure the Company meets its business objectives, customer expectations, and market requirements.

The practice of conducting an annual board evaluation provides an opportunity to benchmark performance and drive continuous improvement, while ensuring compliance with the provisions of the Companies Act, 2013 as amended (the "**Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**").

B. OBJECTIVE:

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the Board. The purpose of such evaluation framework is to *inter alia* facilitate the identification of the areas of concern, create awareness about the role of Directors individually, and collectively as a Board, and to steer the Board in the direction of achieving the Company's mission and vision. Further, the Company shall adopt best practices to manage the affairs of the Company in a seamless manner and ensure sustained long-term value creation for stakeholders by achieving good corporate governance.

The Company believes in managing its affairs in a fair and transparent manner with the goal of ensuring that the Board as a whole, its committees and individual Directors work effectively, with the highest standards of honesty, integrity, and professionalism towards advancing the strategic and commercial success of the Company.

The Company recognises the role of good governance practices in enhancing value creation for shareholders and fulfilling responsibilities towards stakeholders, and the Board is expected to adhere to such standard. Accordingly, this Policy sets out the processes and criteria for the evaluation of the performance of:

a. The Board as a whole;

b. The committees of the Board; and

c. Individual Directors (including Independent Directors and the Chairperson of the Company).

1. Foster a closer and more collaborative working relationship among Board members.

2. Recognise and endorse both individual Directors and the Board as a whole who: a) Utilise the Board's time efficiently and constructively to maximise its strengths; and b) Function effectively as a governing body in achieving the Company's objectives and addressing any shortcomings.

3. Facilitate decisions regarding the composition and level of remuneration, ensuring it is reasonable and adequate to attract, retain, and motivate Directors, with the goal of maintaining the high quality required for the successful management of the Company.

C. DEFINITIONS AND INTERPRETATION:

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

- **"Applicable Laws"** shall mean all applicable laws, statutes, enactments, acts of central or state legislature, ordinances, rules, regulations, notifications, guidelines, directions, directives, policies, circulars, decisions and any other pronouncements issued in accordance with the Companies Act, SEBI Act, SEBI Listing Regulations or any other law applicable to the jurisdiction of India by any central, state, local, or other governmental, administrative or regulatory authority exercising executive, legislative, judicial, regulatory or administrative functions;
- **"Nomination and Remuneration Committee"** shall mean the nomination and remuneration committee constituted by the Board in accordance with the provisions of the Companies Act, 2013.

- **"Companies Act"** shall mean Companies Act, 2013, and rules and regulations issued thereunder, as amended from time to time.

- **"Company"** shall mean Royal Chain Limited;

- **"Director"** shall mean a director on the Board of the Company;

- **"Independent Director"** shall mean an independent director as defined under section 2(47) to be read with Section 149 of the Companies Act;

- **"Nomination and Remuneration Committee"** or **"NRC"** shall mean the nomination and remuneration committee constituted by the Board in accordance with the provisions of Section 178 of the Companies Act and Regulation 19 of the Listing Regulations.

- **"Policy"** shall mean this Policy on Evaluation of the Board and the Independent Director, as amended from time to time;

- **"SEBI Act"** shall mean the Securities and Exchange Board of India Act, 1992, as amended from time to time;

- **"SEBI Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

Interpretation:

"Code of Conduct" shall mean the code of conduct for Directors as formulated by the Company;

D. RESPONSIBILITY ON EVALUATION:

1. The Chairman of the Board shall be responsible for initiating the annual evaluation process.

2. The Nomination and Remuneration Committee shall be responsible for organizing the Board evaluation process and determining the necessary steps to be taken. The Nomination and Remuneration Committee shall *inter alia* perform the following functions: (i) formulate criteria for evaluation of performance of Independent Directors and the Board; (ii) specify the manner for effective evaluation of the performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; and (iii) recommend to the Board whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of such Independent Directors.

3. The Board shall be responsible for:

a) Reviewing various strategies of the Company and setting performance objectives for Directors, consistent with the changing nature and requirements of the Company's business;
b) Discussing and analysing the Board's and its own performance during the year, along with suggestions for improvement, in line with the performance objectives; and
c) Evaluating the performance of all Independent Directors, guided by the criteria provided under Section VI-D of the 'Master Circular for Compliance with the Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Listed Entities' dated November 11, 2024 issued by the Securities and Exchange Board of India and guidance issued by the Institute of Company Secretaries of India, including the 'Guide to Board Evaluation', as amended from time to time.

4. The Independent Directors shall be responsible for:

a) Evaluating the performance of non-independent Directors and the Board as a whole; and
b) Reviewing the performance of the Chairperson, taking into account the views of the executive and non-executive Directors.

E. EVENTS OF EVALUATION:

1. Annually, the Chairman shall initiate the Board evaluation process.

2. At the Board's discretion, the evaluation may be coordinated by:

i. A person designated solely by the Board; or
ii. A person designated by the Board with support from Company staff; or
iii. An external consultant appointed by the Board.

3. The evaluation process shall consist of five components:

i. Overall Board evaluation;
ii. Committee evaluation;
iii. Director evaluation conducted by the Nomination and Remuneration Committee;
v. Evaluation of Independent Directors; and
iv. Evaluation of the Chairperson.

4. Evaluation forms shall be distributed to each Board member approximately 15 (fifteen) days prior to the scheduled Board meeting for the purpose of evaluation.

5. Board members shall provide written inputs, complete the forms, and return them to the Chairman, Board designee, or external consultant within 7 (seven) days of receipt.

6. The performance rating scale to be followed by each member while completing the evaluation form shall be 1 to 10 (1 being least effective and 10 being most effective).

7. The results will be analysed, tabulated, and presented in a summary report with composite scoring prior to the scheduled Board meeting by the identified evaluation coordinator.

8. The individually completed evaluation forms shall be preserved and presented to the Board and the Nomination and Remuneration Committee for further review.

9. The Board shall discuss areas of strong performance as well as areas requiring attention.

10. The Board will decide on any changes necessary to enhance governance practices, strategic initiatives, and company policies.

11. Company personnel and/or the governance consultant, in coordination with the Board or Board designee, shall facilitate the implementation of the identified changes.

12. The responsibility of the performance evaluation as prescribed in this Policy lies with the chairperson of the Nomination and Remuneration Committee, who will be supported by the company secretary of the Company for administration and compliance of this Policy.

F. REVIEW AND MODIFICATION OF EVALUATION:

1. The performance evaluation process as prescribed in this Policy, including the criteria for evaluation as set out in the annexures to this Policy, may be reviewed and amended by the Board, in consultation with the Nomination and Remuneration Committee, as provided under the SEBI Listing Regulations. The feedback of *inter alia* the Board members, Chairperson, and management of the Company may be considered by the Board and/or the Committee, as the case may be, while reviewing and/or amending the Policy.

2. The Committee may periodically seek independent external advice regarding the evaluation process.

3. Subject to Applicable Laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

4. Whenever changes are made, it is the responsibility of the Committee to ensure that this Policy document is duly updated.

G. DISCLOSURE:

1. The Company shall disclose the details of its Board Evaluation process in the Board's Report.

2. In accordance with the requirement under the Companies Act, read with the rules made thereunder, and the Listing Regulations, disclosures of manner of formal annual evaluation of the Directors (including the Independent Directors and the Chairperson), the Board, and the Nomination and Remuneration Committee, along with the performance evaluation criteria for the Independent Directors, will be made in the Annual Report of the Company.

3. The Board's Report containing such statements shall be made available to shareholders at the General Meeting of the Company.

4. This Policy shall be accessible for public information on the Company's website, i.e., www.royalchains.com.

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

Sd/-
Chairman Signature

ANNEXURE A: CRITERIA FOR EVALUATION OF INDIVIDUAL DIRECTORS

Name of the Director being evaluated: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Director attends the Board and Committee meetings and contributes to the discussion in a meaningful and helpful way, listening to others and making their points concisely.	
The Director prepares adequately for the meetings, is succinct, to the point and contributes effectively to the deliberations	
The Director understands their fiduciary duties and acts for the benefit of all members.	
The Director understands and keeps abreast with the external operating environment of the Company.	
The Director makes efforts to be educated on the aspects of the business of the Company that they do not understand.	
The Director is adequately well-versed on Company's business.	
The Director works with the other Board members as a team, striving for consensus when it is called for.	
The Director works with the other Directors in a way that creates an atmosphere of trust and cooperation.	
The Director communicates governance and ethical problems to the Chairman of the Committee/Board.	
The Director understands the Company's strategic direction and critical issues and prompts as well as contributes to the board discussion on strategic issues.	
The Director seeks opportunities for self-development and is open to feedback as well as takes action to rectify	

Signature with Date:

Name of Director:

ANNEXURE B: CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS

Name of the Director being evaluated: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
Helps in bringing an independent judgment to bear on the Board's deliberations	
Brings an objective view in the evaluation of the performance of Board and management	
Seeks appropriate clarification / information and, where necessary, takes appropriate professional advice and opinion of outside experts at the expense of the Company	
Strives to attend all meetings of the Board of Directors/Board committees of which he is a member/general Meetings	
Communicates governance and ethical problems to the Chairperson of the Board.	
Pays sufficient attention and ensure that adequate deliberations are held before approving related party transactions	
Ensures that the Company has an adequate and functional vigil mechanism	
Satisfies themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible.	
Assists the Company in implementing the best corporate governance practices	
Prepares for the Board meeting by reading the materials distributed before the Board meeting.	
Regularly participates in discussions at the meetings of the Board and / or committees, as the case may be.	

Signature with Date:

Name of Director:

ANNEXURE C: CRITERIA FOR EVALUATION OF CHAIRPERSON

Name of the Chairperson being evaluated: _____

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Chairperson of the Board guides the Board in meeting as per the requirements under the Companies Act and SEBI Listing Regulations.	
The Chairperson conducts the Board meetings in a respectful and efficient manner facilitating open and productive discussion.	
The Chairperson is available accessible to Directors. He communicates and consults with Directors between Board meetings, if required.	
The Chairperson provides confidential and constructive feedback to Directors to help them enhance their contribution and effectiveness.	
The Chairperson is open to receive feedback and suggestions from Directors to enhance Board's and his/her own effectiveness.	
The Board Chairperson acts as an effective bridge between the Board and the Committee Chairpersons.	

Signature with Date:

Name of Director:

ANNEXURE D: CRITERIA FOR EVALUATION OF BOARD

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Board knows and understands the Company's mission and engages in long range strategic thinking and planning.	
The Board ensures that new Board members receive a prompt, thorough orientation.	
Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	
The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.	
The Board recognizes its policy-making role, and reconsiders and revises policies, as necessary.	
The Board as a whole (and Board members as individuals) evaluates its performance on an annual basis and in a meaningful way.	
The Board reviews and adopts an operating budget/business plan that is followed and monitored throughout the year.	
The Board brings discussions to a conclusion with clear direction to management for implementation and is collegial and polite during meetings.	

Signature with Date:

Name of Director:

ANNEXURE E: CRITERIA FOR EVALUATION OF COMMITTEES

Rating scale shall be 1 to 10 (1 being least effective and 10 being most effective)

Evaluation Criteria	Rating
The Committee is comprised of the right number and type of members and is effective.	
The composition, terms of reference, roles and responsibilities of the Committee are in line with the applicable laws and are actively adhered to by the members.	
The Committee meeting agendas are well-balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.	
The Committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.	

Signature with Date:

Name of Director: