

October 02, 2014

To,  
Name of the Director  
Address

**Subject: Your Appointment as Non-Executive Independent Director of the "Royal India Corporation Limited" (Company).**

Dear Sir,

On behalf of the Company, I take this opportunity to congratulate you, on your appointment as a Non-Executive Independent Director on the Board of Directors of the Company as per the provisions of the Companies Act, 2013 as approved by the Shareholders of the Company at their 30<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> day of September, 2014.

This letter of appointment sets out the terms and conditions covering your appointment and your roles, duties, responsibilities, and liabilities as an Independent Director on the Board of the Company.

**I: Preface**

**Your appointment is subject to the following:-**

1. As per Section 149 (7) of the Companies Act, 2013; you will submit a declaration in the beginning of the Financial Year stating that you meet the criteria of Independence.
2. So long as you are Independent Director of the Company; the number of Companies in which you hold office as a Director or a Chairman or Committee

Member will not exceed the limit stipulated under the Act and the Listing Agreement.

3. So long as you are Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Companies Act, 2013.
4. You will ensure compliance with other provisions of the Act and the Listing Agreement as applicable to you as an Independent Director.

**II: Appointment/Re-appointment:**

1. Your appointment is for an initial term of Five (5) consecutive years with effect from 30<sup>th</sup> September, 2014 up to 29<sup>th</sup> September, 2019.
2. During the appointment you may be asked to serve on one or more of the Board Committees.
3. Re-appointment for another term of maximum period of five years at the end of Current Term shall be subject to the approval of the Board and the shareholders by way of Special Resolution. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.
4. Your appointment is based on the "Independence" criteria as provided in Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.
5. You will not be liable to retire by rotation.

### **III: Time Commitment:**

You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director. You will be expected to attend Board, Committee Meetings to which you are appointed and Shareholders meeting and devote such time to your duties as appropriate for you to discharge duties effectively.

### **IV: Committees:**

You have been appointed on the following Committees of the Board:

- i) Chairman of Nomination & Remuneration Committee and of Corporate Social Responsibility Committee.

### **V: Code of Conduct & Duties and Responsibilities, Liabilities:**

1. You will abide by the Code of Ethics and Business Principles to the extent applicable to an Independent Director of the Company as set out separately in **Annexure-1**.
2. You will abide by the Guidelines of Professional Conduct, Role, Function and Duties as an Independent Director as provided in Schedule IV of to Section 149 (8) of the Companies Act, 2013 set out at **Annexure - 2** hereto.
3. You will not hold office as a Director or any other office in a competing firm/entity.
4. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. You are expected to take decisions solely in the interest of the Company and to facilitate Company's adherence to high standards of ethics and corporate behavior.

6. As member of the Board, you along with the other Directors will be collectively responsible for meeting the objectives of the Board.

**VI: Guide the Board:**

- i. In monitoring the effectiveness of the Company's governance practices and recommend the changes if any;
- ii. In monitoring and managing the potential conflicts of interest of management, Board Members, shareholders including misuse of corporate assets and abuse in related party transactions;
- iii. In ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

**VII: Performance Appraisal / Evaluation Process:**

As a Member of the Board, your performance and the performance of the Board and its committees shall be evaluated annually. Further, your re-appointment or extension of term and your remuneration will be recommended by the Committee to the Board, pursuant to a performance evaluation carried out by the Board.

**VIII: Remuneration:**

As an Independent Director you shall be paid Sitting fees for attending each Meeting of the Board and its Committees as may be determined by the Board from time to time.

In addition to the sitting fees, profit related to commission may also be payable to you. In determining the amount of this commission, the Remuneration Committee may also

consider various factors as disclosed in the remuneration policy forming part of the Board's Report. Below are the list of factors that may be considered:-

- Attendance of Board Meeting.
- Attendance at Board Committee Meetings.
- Contribution of Board Committees.
- Guidance and Support provided to Senior Management of the Company outside of Board Meetings.
- Industry Practices.
- Performance Evolution.
- Performance of the Company.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee Meetings, Annual General Meetings, Extra Ordinary General Meetings, Court Convened Meetings, Meetings with Shareholders/Management /Creditors, site visits, induction and training subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

*\* You will not be entitled to any Stock Options.*

#### **IX: Induction and Development:**

The Company shall, if required, conduct formal induction program for its Independent Directors and support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business.

You will be entitled to the benefit of a training program to familiarize you with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

**X. Confidential Information:**

1. You must apply the highest standards of confidentiality and not disclose to any person or company either during the time course of the appointment or at any time after its termination any confidential information concerning the Company which you come into contact by virtue for your position as a Non Executive Director of the Company.
2. Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Managing Director or Whole Time Director.

**XI: Separate Meetings:**

1. The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and Members.
2. All the Independent Directors of the Company shall strive to be present at such Meeting.
3. The Meeting shall review the performance of Non-Independent Directors and the Board as a whole;
4. Assist the quality, quantity and timeliness of flow of information between the Company Management and the Board i.e. necessary for the Board to effectively and reasonably perform their duties.

**XII: Disclosures, other Directorships and Business Interest:**

During the term, you agree to promptly notify the Company of any change in your Directorships and provide such other Disclosures and Information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose to the Chairman and Company Secretary.

*Please confirm as on date of this letter, you have no such conflict of interest issues with your existing directorship.*

### **XIII: Changes of Personal Details:**

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

### **XIV: Termination:**

- a. Your Directorship on the Board shall terminate or cease in accordance with the grounds as specified in the Companies Act, 2013; also may be terminated for violation of any provision of the Code of Conduct as applicable to the Company.
- b. You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (ROC). The resignation will take effect from the date on which it is received by the Company or the date, if any, mentioned by you in the notice.
- c. If at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in Sec. 149 (6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "Independence" as per the provision of the Clause 49 of the Listing Agreement, you agree to on time submit your resignation to the Company with effect from the date of such change.

### **XV: Miscellaneous:**

- a. This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect to thereto and, without prejudice to the generality of the foregoing, excludes any warranty, conditions or other undertaking implied at law or by custom.
- b. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

- c. As per Clause 49 of the Listing Agreement, if applicable, this letter along with your detailed profile shall be disclosed on the Website of the Company.

**VII: Acceptance of Appointment:**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours faithfully,

**For Royal India Corporation Limited**

**Hitesh Jain**  
**DIN: 05263120**  
**Whole Time Director**

**Agreed and Accepted**

**(Name of the Director)**

**(DIN: \_\_\_\_\_)**

- Encl:**
1. Code of Ethics and Business Principles as **Annexure A.**
  2. Guidelines for Professional Conduct, Role, Function and Duties as an Independent Director as **Annexure B.**

## **Annexure A**

**Code of Ethics and Business Principles**  
**(Kindly go through the Company's Website)**

**Guidelines for Professional Conduct, Role, Function and Duties as an Independent Director  
{As per in Schedule IV of the Companies Act, 2013}**

**A: Guidelines for Professional Conduct:**

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise their responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. To not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. To refrain from any action that would lead to loss of their independence;
8. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

**B: Role & Functions:**

1. 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;
2. To bring an objective view in the evaluation of the performance of board and management;
3. To scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

4. To satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. To safeguard the interests of all stakeholders, particularly the minority shareholders;
6. To balance the conflicting interest of the stakeholders;
7. 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;
8. To moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**C: DUTIES:**

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. 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;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which they are a member/chairperson;
4. participate constructively and actively in the committees of the Board in which they are chairperson/member;
5. strive to attend the general meetings of the company;

6. 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;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within their authority, assist in protecting the legitimate interests of the company, shareholders and the employees;
13. 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.