

**Bengal Tea & Fabrics Limited**  
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## **NOMINATION AND REMUNERATION POLICY**

{Pursuant to Section 178 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **I. Applicability**

This Nomination and Remuneration Policy is applicable to Directors, Key Managerial Personnel's, Senior Management Personnel's and Other employees of the Company.

### **II. Definitions**

In this code, unless the context otherwise requires:-

- A. "Act" means the Companies Act, 2013.
- B. "Company" means Bengal Tea & Fabrics Limited.
- C. "Committee" refers to Nomination & Remuneration Committee of the Company.

The words not defined hereinabove shall have the same meaning as defined under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any modifications/substitution thereto.

### **III. Scope or Terms of Reference**

The Nomination and Remuneration (NR) Committee has interalia, the following responsibilities:

1. The NR Committee should evaluate the performance of employees and identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel's and other Senior Management Personnel's. Other than evaluation of every director's performance, the performance of Key Managerial Personnel's and other Senior Management Personnel's is to be appraised by the Nomination and Remuneration Committee.

### **IV. Policy for Selection and Appointment**

**Criteria for selection of Non Executive Directors** - The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.



In case of appointment of **Independent Directors**, the NRC shall satisfy itself with regard to the Independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

The Committee will also identify persons who are qualified to be appointed in the position of Key Managerial Personnel and Senior Management. Selection of the personnel is based on qualification, experience in the industry, previous employment and position already held.

## **V. Remuneration Criteria**

Remuneration paid to Directors and the policy followed by the Company in determining remuneration and increment given to Key Managerial Personnel and others are given hereunder :

### **a) Remuneration paid to Non-Executive Directors:**

The Non-Executive Directors are paid remuneration as detailed below:

1. Sitting fees of Rs.20,000/- for Board Meeting and Rs.10,000/- for other Committee Meetings.
2. Reimbursement of expenses for attending the Meetings of Board or Committee.
3. Commission on profits, if any, subject to the limits specified in the Companies Act, 2013 subject to necessary approvals.

### **b) Remuneration paid to Managing Director & Whole-time Director:**

The Managing Director & Whole-time Director are appointed for a period of three years. Salary is determined by the NR Committee with yearly increment for a period of three years subject to approval of the Board and the Shareholders of the Company at the General Meeting. At the end of three years, their re-appointment is considered by the NR Committee, Board and the Shareholders of the Company at the General Meeting.

### **c) Remuneration for Key Managerial Personnel and other managerial staff is given hereunder:**

- i) Revision of Salary structure happens yearly. The process is based on the outcome of individual performance rating for the completed financial year.
- ii) The Salary structure is based on the total cost to the Company.



**VI. Evaluation mechanism**

As per the requirement of Companies Act, 2013 and **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** and/or any modifications/substitution thereto, the Independent Directors will evaluate the performance of the other directors and the Board as a whole on such criteria as they deem fit. The Board will evaluate the performance of the Independent Directors, Key Managerial Personnel's and other Senior Management Personnels and all Board level Committees from time to time.

**VII. Succession to the Board and Senior Management level**

The appointments to the Board of Directors, and /or Senior Management level is considered as per the requirement of Law and the NR Committee will examine the requirements of the Company and the qualification, experience and other criteria as they deem fit of the person to be appointed as the Member of the Board of Director, and /or Senior Management Level, where required and recommend the same to the Board of Directors for their consideration.

**VIII. Modification**

The members of the Nomination and Remuneration Committee will review this policy from time to time and, whenever required, recommend to the Board any modification thereto.

**Adopted by the Board of Directors at their meeting held on 6<sup>th</sup> February, 2016**

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