



Bengal Tea & Fabrics Limited

CIN No. L51909WB1983PLC036542
Century Towers, 45, Shakespeare Sarani, 4th Floor, Kolkata - 700 017
Telefax : 91-33 2283 6416/6417, e-mail : mail@bengaltea.com
Website : www.bengaltea.com



ISO 9001 : 2008

18th August, 2014

Mr. Golam Momen
C/o White Cliff Tea (P) Ltd.
A-2, Ballygunge Park Towers
67B, Ballygunge Circular Road
Kolkata – 700019

Dear Sir,

SUB: LETTER OF APPOINTMENT AS AN INDEPENDENT DIRECTOR

We are pleased to inform you that the shareholders of the Company at the 31st Annual General Meeting of the Company held on 9th August, 2014 have appointed you as an **Independent Non- Executive Director** of the Company to hold office for a period of 5 consecutive financial years ending on 31st March, 2019. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

1. Appointment

1.1 Your appointment as a Non-Executive Independent Director on the Board of Directors of Bengal Tea & Fabrics Limited (hereinafter referred as BTFL or the Company) with effect from 9th August, 2014. Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement.

1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.

2. Time Commitment

2.1 As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee which are convened as and when required. You will be expected to attend Board Meetings, Meetings of Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Kolkata.

2.2 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

3. Role and Duties

You as an Independent Director will have the following role and duties:





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- 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;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

4. Fiduciary Duties

You as an Independent Director will have the following fiduciary duties:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;





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- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

5. Status of Appointment & Fees

5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

5.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs. 20,000/- per meeting of the Board and Rs.10000/- per meeting of a Committee thereof.

5.3 In addition to the remuneration the Company will reimburse you any incidental expenses incurred by you for attending the meetings of the Company.

6. Confidentiality

All information acquired during your appointment is confidential to BTFL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Managing Director unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by BTFL.

Your attention is also drawn to the requirements under the applicable regulations and the BTFL Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of BTFL. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Managing Director or the Secretary.

7. Disclosure, Other Directorship and Business Interest

7.1 During the term, you agree to promptly notify the Company of any change in your directorship and provides 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 an independent director of the company, you shall promptly disclose the same to the Managing Director and Company Secretary. Please confirm that as on date of this letter you have no such conflict of interest issues with your existing directorship.





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7.2 During your term you agreed to promptly provide a declaration under section 149(7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an independent director.

8. Compliance

You will have to submit in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director, a declaration that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Apart from Compliance of the above, you as an Independent Director shall also comply with the following:

- a. Code of Independent Directors of the Company
- b. Code of Business Ethics
- c. Code of Conduct framed for Board Members and Senior Management Personnel's of the Company
- d. Code of Conduct for Prevention of Insider Trading framed by the Company from time to time
- e. Risk Management Policies to the extent applicable to the Independent Directors
- f. Vigil Mechanism to the extent applicable to the Independent Directors
- g. Remuneration Policies to the extent applicable to the Independent Directors
- h. Other rules and regulations as and when applicable to the Company under the Act.

9. Evaluation

The Company has adopted a policy for performance evaluation of the individual Directors, Board members, the Committees of the Board on an annual basis and you will be subject to the same.

10. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with the law. Apart from the ground on termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provisions of the code of conduct as applicable to non-executive directors.

You may resign from the directorship of the company by giving notice in writing to the company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during the term, there is change that may affect your status as an independent director, as envisaged under section 149(6) of the Companies Act, 2013 or, if applicable, you fail to meet the criteria for "independence" and under the provisions of clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

11. 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.





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

Yours sincerely,
For **BENGAL TEA & FABRICS LIMITED**

ADARSH KANORIA
(DIN No. 00027290)
MANAGING DIRECTOR

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an independent director of the company and I hereby affirm my acceptance to the same.

GOLAM MOMEN
(DIN NO. 00402662)

Kolkata, dated... 18-08-2014