



THE METHONI TEA COMPANY LTD.

Nomination and Remuneration Policy

1 INTRODUCTION

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate the criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. The Company is also required to disclose the Remuneration Policy in its Annual Report.

In compliance of the above requirements the Board of Directors of **THE METHONI TEA COMPANY LIMITED**, at its meeting held on 30th March, 2015, has adopted this Remuneration Policy which would be reviewed at regular intervals by the Nomination and Remuneration Committee of the Board. The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013. Also, the particular of the Policy shall be published in the Report of the Board of Directors in terms of the Companies Act, 2013.

2 OBJECTIVES

The aims and objectives of the Policy may be summarized as under:-

3.1 The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/Members for the Board and Executive level.

3.2 The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.

3.3 The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the “pay-for performance” principle.

3 PRINCIPLES OF REMUNERATION

I. Transparency: The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.

II. Affordability and Sustainability: The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.

III. Flexibility: While the remuneration packages at various levels should be standardised, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence.

IV. Internal Equity: The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent promotion. The same principle shall also be observed for other Executives.

V. External Equity: With a review to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being



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offered by various Companies in the same sector and try to match the remuneration accordingly.

VI. Non-Monetary Benefits: The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present and the past employees of the Company.

4. REMUNERATION FOR EXECUTIVE DIRECTORS

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Wholetime Directors and Managing Director ('Executive Directors') based on the recommendation of the Nomination and Remuneration Committee. Executive Directors' remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review. In determining packages of remuneration, the Committee may consult the Chairman and/or external agencies. The remuneration package of the Executive Directors shall comprise of the following components.

a) Basic Salary: The basic salary shall be fixed within a salary grade which allows the Board to grant increments within a time frame of three years.

b) Perquisites: The perquisites to be offered to the Executive Directors shall include housing, medical, leave travel concession, club fees, car, leave encashment, Personal Accident Insurance and other perquisites in terms of the Rules framed by the Nomination and Remuneration Committee for the Directors and/or the Rules applicable to the Senior Executives of the Company.

c) Retiral benefits: The Executive Directors will be entitled to retiral benefits in terms of the Company's Policy for the Senior Management which will be in accordance with the applicable laws.

d) Commission: Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

e) Sitting Fees: The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

5. REMUNERATION OF NON- EXECUTIVE DIRECTORS

a. Sitting Fees: The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Articles of Association of the Company and the Companies Act, 2013. They will also be reimbursed travelling and out of pocket expenses on actual basis for attending the meetings.

b. Commission: Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

6. REMUNERATION OF KEY MANAGERIAL PERSONNEL AND OTHER EXECUTIVES

The Human Resource Department of the Company shall follow the principles of remuneration stated hereinabove while deciding on the remuneration structure of the Key Managerial Personnel who are not Directors and for other Executives of the Company.

8. SELECTION OF BOARD MEMBERS

9.1 Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the



THE METHONI TEA COMPANY LTD.

size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.

9.2 While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant banking etc., with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.

9.3 At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :- Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self-confident, sees the whole picture.

9.4 While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder.

9. OTHER MATTERS

Any matter not provided for in this Policy shall be dealt with in accordance with the provisions in the Articles of Association of the Company, relevant state laws and other applicable laws and regulations. The right to interpret this Policy shall vest in the Board of Directors of the Company.

*For Methoni Tea Company Limited
Sd/-Director*