



**THE ASSOCIATED JOURNALS LIMITED**

**NOMINATION & REMUNERATION  
POLICY**

*[In accordance with provisions of section 178 of the Companies Act, 2013 (“The Act”)]*

*(REVISED ON 16th AUGUST 2022)*

# NOMINATION & REMUNERATION POLICY

## Introduction

Success of every business depends on its work force i.e. its Human Resources, which are an invaluable asset for the Company. In accordance with the provisions of Section 178 of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other Senior Management Personnel has been formulated by Nomination and Remuneration Committee and approved by the Board of Directors in order to pay equitable remuneration to the Directors, KMPs and other Senior Management Personnel of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

## Constitution of the Nomination and Remuneration Committee

The Board has power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policies and applicable statutory requirements. At present the Nomination and Remuneration Committee (NRC) comprises of the following Members:

- |                                    |                          |
|------------------------------------|--------------------------|
| a) Mr. Mallikarjuna Mapanna Kharge | - Non-executive Director |
| b) Mr. Arvind Mayaram              | - Independent Director   |
| c) Mr. Prashanto Chandra Sen       | - Independent Director   |

Membership of NRC shall be disclosed in the Annual Report of the Company. The terms of the Committee Members shall be continued unless terminated by the Board of Directors.

## Objective and Purpose of this Policy

1. To formulate the criteria for identification and selection of the suitable candidates for the various positions at Senior Management and also candidates who are qualified to be appointed as Director of the Company.
2. To recommend a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Senior Management Personnel.
3. To make recommendations to the Board on appropriate performance criteria for the Directors and carry on the performance evaluation of the Board, its Committee(s) and Individual Directors.
4. To identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with the adequate information regarding the options of the business, the industry and their legal responsibilities and duties.
5. To assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy.

6. Establishing and reviewing Board and Senior Executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
7. To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee shall be guided by the broad principles as laid down below in respect of nominating persons to hold office of Director, Senior Management including Key Managerial Personnel and recommending the remuneration payable.

**1. Criteria for Selection of Eligible Candidate for being part of Board of Directors and/or Senior Management of the Company.**

The Committee has adopted the following eligibility criterion for selection of candidate to become part of the Board of Directors and/or the Senior Management of the Company.

**A Criteria for Selection of Directors**

- I Before making any recommendation to the Board for appointment of any person as Director, the Committee shall ensure that:
  - (a) the candidate possesses positive attributes/ qualities such as Leadership, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess, and are in the interest of the Company;
  - (b) the candidate shall be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
  - (c) the candidate meets the conditions of being independent as stipulated under the Companies Act, 2013 in case of appointment of an Independent Director;
  - (d) the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

**II Term / Tenure**

**(a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry

of term. Also, the appointments should be in conformity with the provisions of applicable sections of the Companies Act, 2013 and the rules made thereunder.

**(b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act. Also, the appointments should be in conformity with the provisions of applicable sections of the Companies Act, 2013 and the rules made thereunder.

### **III Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

### **IV Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **B Criteria for Selection of Senior Management Personnel**

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, ensure that the candidate has the attributes set forth below:

- (a) The candidate should have a minimum experience of 10 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- (b) The candidate should possess qualities that demonstrate leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee thinks fit and in its opinion, finds that the candidate meets the above criteria for appointment (as Director or Senior Management), the Committee shall make its recommendation to the Board. Any amendment to the above criteria for Directors and Senior Management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors of the Company.

## **2. Remuneration Policy for Directors, Senior Management and Key Managerial Personnel**

### **A) Remuneration of Managing Director, Whole Time Director, Non- Executive/ Independent Director and Manager**

As per the provision of Section 178 of the Companies Act, 2013 and rules made thereunder remuneration/ compensation/ commission etc, if any, payable to Managing Director, Whole Time Director, Non-Executive Director and Manager of the Company for serving their duties will be decided by the Board of Directors in consultation with the Nomination and Remuneration Committee.

The Board of Directors of The Associated Journals Limited ("the Company") considered that the Company is not commercially motivated with a view to distribute any benefits and dividend to its members. It should instead operate and undertake its activities for the larger public good. Its Directors also shares the same view and decided to serve the Company for the betterment of the nation with their expertized experience by not taking any remuneration/compensation/commission.

## **B) Remuneration of Senior Management Personnel and KMPs**

The Remuneration of the Senior Management Personnel and KMPs shall be in accordance with the Policy of the Company which is applicable to the other employees. The Committee may consider the remuneration of a Senior Management Personnel keeping in view of the performance of the Business/ Function under his/her control and also the contribution of the Business/ Function under his/her control towards the overall performance of the Company.

## **3. Evaluation of Performance of Directors, Committee(s) and the Board**

### **A) Evaluation of the Performance of Managing Director / Whole Time Director**

The performance of the Managing Director / Whole Time Director of the Company shall be carried out taking into consideration the performance of the Company vis-à-vis the budgets as well as performance of its competitors. Emphasis on achieving top line and bottom line targets, with no adverse qualification by the auditors in the accounts, may be made.

### **B) Evaluation of the Performance of Non-Executive Directors and Independent Directors (NEDs and IDs)**

The Committee while evaluating the performance of the NEDs and IDs may take into consideration various factors as mentioned below:

- a) Attendance at Meetings – attendance at Board Meetings, General Meetings, Committee meetings.
- b) Other Directorships held by the NED – in listed or unlisted companies
- c) Other companies in which NED is a Chairperson
- d) Participation at Board/Committee meetings
- e) Input in strategy decisions
- f) Review of Financial Statements, risks and business performance
- g) Time devoted towards discussion with Management
- h) Review of Minutes – Board Minutes, Committee meeting minutes and General Meetings Minutes

### **C) Evaluation of the performance of the Board as a whole**

As per the provisions of Section 178 of Companies Act, 2013 and rules made thereunder, the Committee shall ensure to annually evaluate the performance of Board as a whole.

Therefore, it would become obligatory on the part of the Committee to carry out the evaluation of performance of the Board as a whole.

The broad parameters for reviewing the performance of the Board as a whole, inter alia, are:-

- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures;
- Size, structure and expertise of the Board;
- Oversight of the Financial Reporting Process, including Internal Controls;
- Willingness to spend time and effort to learn about the Company and its business; and
- Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

#### **D) Evaluation of the Committee(s)**

The performance of the committees shall be evaluated on the basis of the terms of reference, if any of the committee or process and procedure followed for discharging their functions. The evaluation may be externally facilitated, if required.

The broad parameters for reviewing the performance of the Committees, inter alia, are:-

- Discharge of its functions and duties as per its terms of reference, if any;
- Process and procedures followed for discharging its functions;
- Effectiveness of suggestions and recommendations received;
- Size, structure and expertise of the Committee; and
- Conduct of its meetings and procedures followed in this regard.

#### **E) Evaluation of Chairperson of the Board**

The performance of the Chairperson is linked to both the functioning of the Board as a whole as well as the performance of each director.

All the directors of the Board of the Company thereof contribute in evaluating the performance of the Chairperson of the Board. External agencies may also be involved in evaluating the Chairperson, if required.

The broad parameters for reviewing the performance of Chairperson of the Board are:

- Managing relationship with the members of the Board and management;

- Demonstration of leadership qualities;
- Relationship and communication within the Board;
- Providing ease of raising of issues and concerns by the Board members;
- Promoting constructive debate and effective decision making by the Board;
- Relationship and effectiveness of communication with the shareholders and other stakeholders;
- Promoting shareholder confidence in the Board; and

Marks may be assigned for each of the above criteria and based on the score achieved, the Committee may evaluate the performance of Managing Director/Whole-time Director, Non-Executive Directors, Independent Directors, Committee(s), Chairperson and Board as a whole.

#### **EFFECTIVE DATE**

This policy is applicable to the Company with immediate effect.

#### **AMENDMENT**

Any amendment to any of the clauses in the aforesaid policy shall be subject to the prior approval of the members of the Nomination and Remuneration Committee and to the information and amendment being given to the Board of Directors of the Company.

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