

**Thomson Press (India) Limited**

**Registered Office: F-26, First Floor, Connaught Place, New Delhi 110001**

**CIN No. U22219DL1962PLC003768, Telephone Number: 011-23416273, 23411323, Fax Number: 011-23412405, Website: [www.thomsonpress.com](http://www.thomsonpress.com), Email: [tpress@thomsonpress.com](mailto:tpress@thomsonpress.com)**

**I. NOMINATION AND REMUNERATION POLICY**

As per the Companies Act, 2013, the Board of Directors of every Company shall constitute a Nomination and Remuneration Committee.

The Nomination and Remuneration Committee and the Nomination and Remuneration Policy formulated are in compliance with Companies Act, 2013 read along with the applicable rules thereto.

**II. OBJECTIVE AND PURPOSE OF THE POLICY**

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation.

The Key Objectives of the Policy are:

- A. To outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent directors on the Board, KMPs, Senior Management Personnel and Other Employees of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
- i. Guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
  - ii. Evaluating the performance of the members of the Board and provide necessary criteria for evaluation to the Board for further evaluation of the Board and Committees of the Board.
  - iii. Recommending to the Board the remuneration payable to the Directors, Key Managerial Personnel and setting forth a policy for determining remuneration payable to Senior Management Personnel.
  - iv. Remuneration of other Employees of the Company as per the internal policies of the Company.

## Nomination and Remuneration Policy

- a. While determining the remuneration for the Directors and KMPs, Senior Management Personnel and other employees, regard should be had to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, internal policies and procedures of the company, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.
- b. The Committee may consult with the chairman of the Board as it deems appropriate.

### III. DEFINITIONS

1. **“Board”** means the Board of Directors of the Company.
2. **“Company”** means **“Thomson Press (India) Limited”**.
3. **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
4. **“Key Managerial Personnel”** or **“KMP”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made there under.  
(As per Section 203 of the Companies Act, 2013, the following are whole-time Key Managerial Personnel:
  - i. Managing Director or Chief Executive Officer or the Manager and in their absence a whole- time Director;
  - ii. Company Secretary; and
  - iii. Chief Financial Officer
5. **“Nomination and Remuneration Committee”** or **“Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
6. **“Policy or This Policy”** means, **“Nomination and Remuneration Policy.”**
7. **“Senior Management Personnel”** for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### IV. NOMINATION AND REMUNERATION COMMITTEE

#### A. COMPOSITION OF THE COMMITTEE

The Nomination and Remuneration Committee shall consist of at least three non-executive directors as members out of which atleast half shall be independent directors. The appointment and removal of the members of the Committee shall be as per the provisions of Companies Act, 2013 and the Rules made there under.

#### B. ROLE OF THE COMMITTEE

1. Formulating 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 and other employees.
2. Formulating the criteria for evaluation of Independent Directors and the Board
3. Devising a policy on Board diversity
4. 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.
5. The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors;
6. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;

#### C. CHAIRMAN OF THE COMMITTEE

1. Chairman of the Committee shall be an Independent Director.
2. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

## Nomination and Remuneration Policy

### D. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

### E. COMMITTEE MEMBER'S INTEREST

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### F. VOTING AT THE MEETING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### G. MINUTES OF THE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

### H. APPLICABILITY

This Policy is Applicable to:

- i. Directors (Executive, Non-Executive and Independent)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Other employees as may be decided by the Nomination and Remuneration Committee

### V. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

#### A. APPOINTMENT CRITERIA AND QUALIFICATIONS

- i. Subject to the applicable provisions of the Companies Act, 2013, , other applicable laws, if any and HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- ii. The potential candidate should possess adequate qualifications, experience and expertise for Appointment to the position of directors, KMP's and Senior Management. The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
- iii. Letter of Appointment shall be issued based on the recommendations of the Committee on the basis of guidelines for the same under the Companies Act, 2013 and the Companies Policy.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- v. The maximum number of public companies in which a person can be appointed as a director shall not exceed ten. For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

#### B. TERM/ TENURE

##### 1. Managing Director / Whole-time Director / Manager (Managerial Personnel)

The Company shall appoint or re-appoint any person as its Managing Director/Whole-time Director/Manager 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.

##### 2. Independent Director

- i. 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.

## Nomination and Remuneration Policy

- ii. No Independent Director shall hold office for more than two consecutive terms, 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.
- iii. 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.

### C. EVALUATION

Subject to the provisions of the Companies Act, 2013, the Committee shall carry out the evaluation of Directors periodically.

### D. REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing for removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

### E. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, and Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

## VI. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

### 1. REMUNERATION TO EXECUTIVE DIRECTORS, DIRECTORS OTHER THAN EXECUTIVE DIRECTOR AND KMP

- i. The remuneration/compensation/commission etc. to Directors and KMP will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

## **Nomination and Remuneration Policy**

- iii. Increments to the existing remuneration/compensation structure of Directors and KMP shall be recommended by the Committee to the Board. In case of Directors increments should be within the slabs approved by the Shareholders in case the Company has taken approval of Shareholders.
- iv. Where any insurance is taken by the Company on behalf of its Directors and KMP for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **2. REMUNERATION TO EXECUTIVE DIRECTORS AND KMP**

- **FIXED PAY**

- a. Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- b. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- **VARIABLE COMPONENTS**

The Executive Director and KMP participate in a performance linked variable pay scheme, if any which will be based on the individual and company performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration.

- **PROVISIONS FOR EXCESS REMUNERATION**

- a. If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- b. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **3. REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTOR**

- **REMUNERATION/ COMMISSION**

## Nomination and Remuneration Policy

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

- **SITTING FEES**

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- **STOCK OPTIONS**

An Independent Director shall not be entitled to any stock option of the Company.

#### **4. REMUNERATION TO SENIOR MANAGEMENT PERSONNEL**

- The Nomination and Remuneration Committee has authorized the Managing Director to determine from time to time the remuneration payable to Senior Management Personnel including their increments. The powers of the Nomination and Remuneration Committee in this regard have been delegated to the Managing Director.
- The Board of Directors shall from time to time be intimated of the remuneration payable to the Senior Management Personnel.
- Where any insurance is taken by the Company on behalf of its Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

##### **I. FIXED PAY**

- i. Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- ii. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Committee.

##### **II. VARIABLE COMPONENTS**



## **Nomination and Remuneration Policy**

The Senior Management Personnel participate in a performance linked variable pay scheme, if any which will be based the individual and company performance for the year, pursuant to which the Senior Management are entitled to performance-based variable remuneration.

### **4. REMUNERATION TO OTHER EMPLOYEES**

The power to decide the criteria for evaluating performance of other employees has been delegated to the HR Department of the Company as per HR Policy of the Company.

## **VII. CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS AND BOARD OF DIRECTORS AND COMMITTEES OF BOARD**

In compliance with Companies Act, 2013, formal annual evaluation shall be done by the Board of its own performance and that of Committees and individual directors and the Nomination & Remuneration Committee shall also evaluate the performance of each director. The Objective is to lay down the criteria to evaluate the performance of the entire Board of the Company including the Committees thereof.

### **A. RESPONSIBILITY OF THE INDEPENDENT DIRECTORS**

Independent Directors are duty bound to evaluate the performance of non-independent directors and board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to review the performance of the non-independent directors, performance of Chairperson of the Company and board as a whole, taking into account the views of executive directors and non- executive directors.

## **VIII. BOARD DIVERSITY**

The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall confirm with the following two principles for achieving diversity on its Board:

- i.** Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- ii.** For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

## Nomination and Remuneration Policy

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

- **Gender** - The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.
- **Age** - Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.
- **Nationality and ethnicity** - The Company shall promote having a boardroom comprising of people from different ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- **Physical disability** - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.
- **Educational qualification**- The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

### IX. POLICY REVIEW AND FUTURE AMENDMENT

The Nomination and Remuneration Committee shall review this Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.