



**CL EDUCATE LIMITED**

CIN: L74899HR1996PLC076897

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**NOMINATION & REMUNERATION POLICY**

**(As Amended and approved by the Board of Directors of the Company on January 30, 2023)**

**1. PREAMBLE**

CL Educate Limited (the “Company”) has formulated this policy to provide a framework for appointment, changes and remuneration of members of the Board of Directors of the Company (the “Board”), Key Managerial Personnel, and other Senior Management employees of the Company (this “Policy”).

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “Act”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

**2. GENERAL PROCESS**

The Nomination Remuneration and Compensation Committee (NRC Committee) of the Company shall formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board the criteria for determining the remuneration for the Directors, Key Managerial Personnel and/or other Senior Level Employees of the Company.

The process of determining the Remuneration of the Directors shall be initiated with the general body of shareholders approving the overall maximum remuneration that may be paid to the Directors, generally over a period of 3 years. Within this overall limit, the actual pay out shall be decided by the Board, on the specific recommendation of the Nomination, Remuneration and Compensation Committee (comprising of all Non-Executive Directors, with majority of them being independent), while keeping the provisions of the Companies Act, 2013 in mind.

**NOTE**

A member of the NRC Committee will not be not entitled to participate in the discussions when his/her own remuneration is being discussed at the meeting or when his/her performance is being evaluated.

The NRC Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Nomination and Remuneration committee.

### 3. SPECIFIC CRITERIA OF DETERMINING THE REMUNERATION FOR DIRECTORS:

**i. Approval of the Shareholders:**

The general body of shareholders shall approve the overall maximum remuneration that may be paid to the Directors (Executive as well as Non-Executive), generally over a period of 3 years, or such number of years as may be permitted by the Companies Act 2013.

**ii. Recommendation to the Board by the NRC Committee:**

Within the overall limit approved by the shareholders, the remuneration payable for a particular year shall be recommended by the Nomination, Remuneration and Compensation (NRC) Committee (comprising of all non-executive Directors, with majority of them being independent) to the Board of Directors. The key considerations shall be:

➤ **For Executive Directors:** Executive Directors may be paid remuneration by way of profit based commission, and/or a fixed monthly remuneration, to the extent permitted by law. Executive Directors, other than Promoter Directors will be eligible to receive stock options under the existing employee stock option scheme(s) (“ESOP”) of the Company.

a. The key considerations shall be:

- i) The provisions of the Companies Act, 2013, SEBI LODR, and/or any other applicable law for the time being in force;
- ii) The financial position of the company,
- iii) The management, executive and operational responsibilities handled by the such directors for the Company;
- iv) Trend in the industry-Market salary of people with similar background/educational qualification/ experience, to ensure that such directors receive a fair compensation and there is “headroom” to pay competitive salaries to the director’s direct reportees and for retaining and attracting new talent in the Company;
- v) Their qualification, experience, past performance, past remuneration etc.
- vi) Inflation index.
- vii) Other market factors;

The NRC Committee recommends the split between fixed and variable salaries payable to the Executive Directors of the Company for any Financial Year.

For calculating the variable compensation to be actually paid to the Executive Directors for any Financial Year, NRC Committee considers the Actual vs. Budgeted performance metrics based on Revenues and EBITDA.

➤ **For Non-Executive Directors:** Non-Executive Directors (“NEDs”) may be paid remuneration by way of sitting fees, and/or profit based commission, and/or a fixed monthly remuneration, to the extent permitted by law. Non-Executive Directors, other than Independent Directors will be eligible to receive stock options under the existing employee stock option scheme(s) (“ESOP”) of the Company. The key considerations shall be:

- i) The provisions of Companies Act, 2013 and any other law for the time being in force relating to Companies;
- ii) Number of meetings attended by the director during the year,
- iii) Contribution to the Board and Committees and
- iv) Industrial Trends and reward commensurate to the contribution by Non-executive directors towards the long term objectives of Company.
- v) Participation in the Board matters.

**iii. Approval by the Board:**

Based on the recommendation of the NRC Committee, the Board approves the remuneration payable to the Directors for the year.

**iv. Ensuring Compliance with the Companies Act, 2013**

At the year end, the Remuneration paid / payable during / for the year is checked against the provisional profitability position of the Company, in order to comply with the relevant provisions of the Companies Act, 2013 and the Rules made thereunder.

**4. FOR KEY MANAGERIAL PERSONNEL / OTHER EMPLOYEES**

4.1 Compensation for Key Managerial Personnel (as defined under the Act) / as well as other employees may consist of one or more of the following:

- Fixed compensation;
- Performance-Based variable compensation;
- ESOPs,
- Work related facilities and perquisites such as-
  - Health (hospitalization) insurance for self and dependants
  - Accident and life insurance,
  - Retirement-related benefits,
  - Contribution to superannuation fund (in addition to statutory benefits such as provident fund account, gratuity, etc.),
  - Telephone and Internet related reimbursements,
  - Leave Travel Allowance/Concession,
  - Bonus, fair share in profits and commission
  - Food Coupons,

Compensation of Key Managerial Personnel shall be recommended by the NRC Committee to the Board who shall approve the same.

Compensation of the employees other than Key Managerial Personnel shall be decided by the Management of the Company.

4.2 Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value, and the skills, experience and performance of the individual employee.

4.3 The variable pay of executives will be linked directly to the performance of the Company, as well as the performance of the individual.

A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employee.

- Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

## **5. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION**

This Policy has been prepared in accordance with the Provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the basis of NRC Committee and Board's recommendations from time to time.

## **6. DISSEMINATION OF POLICY**

A copy of this Policy be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Annual Report of the Company.