

AAKASH EDUCATIONAL SERVICES LIMITED

NOMINATION AND REMUNERATION POLICY

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination, Remuneration & Compensation Committee (the “**Committee**”) and approved by the Board of Directors of the Company.

This Nomination and Remuneration Policy (“**Policy**”) shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of Directors, matters relating to the remuneration, appointment, removal and manner of effective evaluation of performance of the Board, its committee and individual Director(s), Key Managerial Personnel, Senior Management and other employees.

2. Objectives of the Policy

The Nomination, Remuneration & Compensation Committee shall formulate the Policy: -

- i. To lay down the criteria for determining qualifications, positive attributes and independence of a Director(s).
- ii. To lay down the criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management.
- iii. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- iv. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- v. To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- vi. To lay down the criteria and terms & conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
- vii. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- viii. To ensure that the evaluation of the performance of Board, its committee(s), and individual Director(s) is carried out by the Board and /or by the Committee or by independent external agency.
- ix. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- x. To devise a Policy on Board Diversity.
- xi. To oversee, monitor, administer, the employee stock option plan(s) formulated by the Company from time to time.

3. Definitions

- i. **"AAKASHESOP-2015" or "Scheme"** means the Aakash Educational Services Limited - Employee Stock Option Plan 2015 of the Company and shall include any alterations, amendments, modifications, or variations made thereto from time to time.
- ii. **'Act'** means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- iii. **'Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the Directors of the Company.
- iv. **'Committee'** means Nomination, Remuneration & Compensation Committee of the Company as constituted or reconstituted by the Board.
- v. **'Company'** means Aakash Educational Services Limited.
- vi. **'Directors'** means Directors of the Company.

- vii. **‘Independent Director’** means a director referred to in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. **‘Key Managerial Personnel’, ‘KMP’**, in relation to the Company, means:
- i. the Chief Executive Officer or the Managing Director or the Manager;
 - ii. the Whole-time Director;
 - iii. the Chief Financial Officer;
 - iv. the Company Secretary;
 - v. such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board and
 - vi. Such other officer as may be prescribed.
- ix. **‘Regulations’** refers to and comprise of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and such other rules as amended from time to time and provisions as applicable to the matters dealt in by this Policy.
- x. **‘Senior Management Personnel’** shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this shall comprise all members of management one level below the Executive Directors, including all functional heads.

All other Words and expressions used but not defined in this policy but defined in the Companies Act, 2013, the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder, shall have the same meaning as respectively assigned to them in such Acts, or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. Nomination, Remuneration & Compensation Committee (the “Committee”)

Constitution of Nomination, Remuneration & Compensation Committee

1. The Board of Directors shall constitute the Nomination, Remuneration & Compensation Committee as follows:
 - The Committee shall comprise of at least three directors;

- All Directors of the Committee shall be Non-Executive directors; and
 - Not less than one half of the Committee members shall be Independent Directors.
2. The Chairperson of the Committee shall be an Independent Director.
 3. The Chairperson of the Company, whether Executive or Non-Executive, may be appointed as a member of the Committee but shall not chair such Committee.
 4. The Committee will meet at such intervals as it deems fit to carry out the objectives set out in this Policy. Minimum two (2) members shall constitute a quorum for the Committee meeting.
 5. The Company Secretary shall act as Secretary to the Committee.

5. Role of the Nomination, Remuneration & Compensation Committee

The role of the Committee, inter-alia, will be the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors, its Committees and individual Director(s), to be carried out either by the Board and/or by the Committee or by an independent external agency;
- (3) devising a policy on diversity of Board of Directors;
- (4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors and
- (6) for monitoring, administering, superintending, and implementing the "AAKASHESOP-2015" or "Scheme".

6. Applicability of the Policy

This Policy is applicable to:

- i. Directors viz. Executive, Non-Executive and Independent;
- ii. Key Managerial Personnel;
- iii. Senior Management Personnel and
- iv. Other Employees of the Company, as may be decided by the Board of Directors of the Company.

7. Appointment of Director, KMP and Senior Management Personnel

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and Senior Management Personnel and recommend to the Board for his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- iii. Appointment of Independent Directors is subject to the compliance of Regulations.

8. Term / Tenure of appointment

a. Managing Director / Whole-time Director

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

b. Independent Director

Subject to the provisions of the Regulations, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company but shall be eligible for re-appointment on passing a Special Resolution by the Company for further term of up to five years. 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.

9. Evaluation

The Committee shall carry out evaluation of performance of Board, its Committee and individual Director(s) annually by the Board and /or by the Committee or by independent external agency based on the criteria formulated by the Committee.

The Committee shall specify the manner for effective evaluation of performance of Board, its Committee and individual Director(s). The criteria which will evaluate Directors shall inter alia include knowledge to perform the role, time and level of participation, performance of duties, and level of oversight, professional conduct and independence.

The appointment / re-appointment / continuation of Director(s) on the Board shall be subject to the outcome of the evaluation.

10. Removal

Due to disqualifications, if any, prescribed under the Regulations, the Committee may recommend, to the Board with reasons for removal of a Director(s), KMP or Senior Management Personnel, subject to compliance of the Regulations.

11. Retirement

The Director(s), KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the policies of the Company.

12. Remuneration

1. The remuneration/compensation/ profit related commission etc. to the Managing Director, Whole-time Director, Non-Executive Director(s) (including Independent Director) will be recommended by the Committee to the Board for approval subject to the compliance of Regulations and as approved by Shareholders, wherever applicable.
2. The remuneration of KMP, Senior Management Personnel and other employees shall be determined by the Committee in consultation with the management and as per the policies of the Company.
3. Increments to the existing remuneration / compensation structure shall be approved by the Committee. Increments will be effective in line with Company policy for KMP, Senior Management Personnel and other employees of the Company.
4. Where any insurance policy is taken by the Company on behalf of its Managing Director, Whole-time Director, Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees 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.

13. Remuneration to Managing Director / Whole-time Director

1. Remuneration

The Managing Director / Whole-time Director shall be paid remuneration on the recommendation of the Committee and approval of the Board of Directors. The said payment of remuneration shall be subject to compliance of Regulations and approval of shareholders, wherever applicable.

2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time Directors / other Director(s) in accordance with the provisions of the Regulations and such approvals as may be required.

3. Excess Remuneration

If Managing Director or Whole-time Director or any Director(s) draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Regulations or without necessary approval(s),

the same shall be refunded to the Company in line with the Regulations and until such sum is refunded, hold it in trust for the Company.

4. The remuneration of Managing Director / Whole-time Director including perquisites shall also be governed by the agreement executed between:
 - a. the Managing Director and the Company.
 - b. the Whole-time Director and the Company.

14. Remuneration to Non-Executive / Independent Director

a. Sitting Fees

The Non-Executive / Independent Director(s) of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or committee(s) thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Act.

b. Profit-linked Commission

The profit-linked Commission may be paid within the monetary limit approved by the shareholders of the Company as percentage of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

c. Stock Options

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

15. Remuneration to KMP, Senior Management Personnel and Other Employees

The KMP (except Managing Director and Whole-time Director), Senior Management Personnel and other employees of the Company shall be paid remuneration as per the Company's policies.

The HR Head and/or the Chief Financial Officer of the Company will make presentation(s) before the management with requisite details setting out the proposed performance bonus payouts for the current financial year as well as the proposed increments for the next financial year. The Committee in consultation with the Chairman of the Board shall approve the same subject to approvals if any required as per Regulations.

16. “AAKASHESOP-2015” or “Scheme”

- a. The Committee shall identify the eligible Employees as per the Eligibility Criteria at its sole discretion to participate in the AAKASHESOP - 2015 and to help in quantifying the Options to be granted to such Employees.
- b. The Committee shall in accordance with the Scheme and the applicable laws, determine the Eligibility Criteria for Employees under AAKASHESOP- 2015 based on evaluation of various parameters, such as criticality, length of Service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and as per the appraisal process of the Company, as may be amended from time to time and to do acts, deeds and things as may be required for monitoring and administration of the Scheme in accordance with the applicable Regulations and
- c. Grant of options to eligible employees, determination of exercise price, allotment of equity shares against exercise of options, from time to time.

17. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Committee can amend this Nomination & Remuneration Policy, as and when it deems fit. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.