

XED EXECUTIVE EDUCATION LIMITED

Nomination and Remuneration Policy

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Approved by	Board of Directors
Adopted on	02-08-2025
Effective From	02-08-2025

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

Section 178 of the Companies Act, 2013 requires the Nomination and Remuneration Committee (NRC) to recommend to the Board a policy for nomination of Directors, Key Managerial Personnel (KMP), Senior Management (SM) and other employees. This Policy was recommended by the NRC and adopted by the Board at its meeting held on **02-08-2025**.

The Policy will come into effect on 02-08-2025. XED Executive Education Limited (**‘Company’**) considers its human resources its invaluable assets. This Policy has been formulated so as to align the aspirations of the employees with the goals of the Company.

2. OBJECTIVES

The objectives and the purpose of the Policy are:

- 2.1 to provide an overall comprehensive framework for: (i) nomination, appointment, removal of; and (ii) payment of fair and equitable remuneration to, Directors, KMP, SM and other employees, in compliance with the provisions of the Act, and other applicable laws;
- 2.2 to set out the criteria for evaluation of performance of Directors (including Independent Directors) and KMP;
- 2.3 to adopt best practices to attract and retain talent by the Company; and
- 2.4 to ensure diversity of the Board of the Company.

For the purposes of this Policy, the following terms will have the meaning ascribed to them below:

- a) **‘Act’** means the Companies Act, 2013 including rules made thereunder, as amended, from time to time.
- b) **‘Articles of Association’** means articles of association of the Company
- c) **‘Board’ or ‘Board of Directors’** means the Board of Directors of the Company.
- d) **‘Director’** means a director on the Board of the Company.
- e) **‘Independent Director’** has the meaning ascribed to such term under Section 2(47) of the Act

- f) **‘Key Managerial Personnel’ or ‘KMP’** shall mean – (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole- time Director; (iv) the Chief Financial Officer; (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 in the Act.
- g) **‘Nomination and Remuneration Committee’ or ‘Committee’** means the nomination and remuneration committee constituted by the Board of Directors of the Company under provisions of the Act.
- h) **‘Policy’** means this Nomination and Remuneration Policy.
- i) **‘Relative’** has the meaning ascribed to it under the Act.
- j) **‘Senior Management’ or ‘SM’** has the meaning ascribed to it under Section 178 of the Act and as amended from time to time.
- k) Words and expressions used but not defined in this Policy shall have the same meaning as contained in the Act, or any other applicable laws or regulations for the time being in force.
- l) In case of any contradictions in the provisions of the Act or any other regulation and provisions of the Policy, the provisions of the Act will prevail over the Policy.

PART A - NOMINATION POLICY

3. Eligibility Criteria for Nomination of Directors

3.1 A Director should:

- comply with the eligibility criteria stipulated in the Articles of Association of the Company and Section 164 of the Act;
- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business and/or relevant to the role he/ she is required to perform, as decided by the Committee/ Board;
- possess the highest personal and professional ethics, integrity, values and stature; and
- be willing to devote sufficient time and energy in carrying out his/her duties and responsibilities.

3.2 A Managing Director or Whole-time Director or Manager should:

- fulfil the conditions specified in Section 196 read with Schedule V of the Act.

3.3 An Independent Director should:

- comply with the eligibility criteria stipulated in Sections 164 & 149(6) of the Act.

4. Eligibility Criteria for appointment of KMP and SM

4.1 A KMP and SM should:

- have relevant experience and track record in areas related to the Company's business and/ or relevant to the role he/ she is required to perform;
- possess the highest personal and professional ethics, integrity and values; and
- devote sufficient time and energy in carrying out his/ her duties and responsibilities.

5. Diversity

5.1 The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. The Committee will periodically review Board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency and operational efficiency and risk management. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and Board diversity at the time of nominating Directors. It will be the Committee's endeavour to have Board members from diverse backgrounds/ disciplines, including the following:

- o Education;
- o Accounting;
- o Corporate finance;
- o Legal;
- o Corporate laws;
- o Business management;
- o Business strategy; and
- o Any other background/discipline as deemed necessary by the Committee/ Board.

Tracking Metrics

The Company is committed to cultivating a Board and senior management team that possesses breadth of relevant expertise and drives high standards of performance and governance aligned with the company's long term strategic goals. The NRC will oversee nominations and appointments on the basis of a balanced, merit-based approach, focusing on key measures including:

- **Skills Matrix:** Identification and ongoing assessment of core and complementary skills, such as financial acumen, operational acumen, risk management, industry knowledge, technology, sustainability, international experience, mapped against strategic priorities.
- **Professional Experience:** Consideration of years and diversity of relevant leadership experience in various sectors, organizational types, and geographies.
- **Independence:** Tracking the proportion of independent directors and senior executives to promote unbiased, effective oversight in line with global benchmarks.
- **Diversity Attributes:** Monitoring parameters such as gender, ethnicity, and cultural background, but ensuring no sole reliance on quotas; instead, nominations will contribute to a well-rounded, effective, and merit-based collective leadership.

Progress against these metrics will be disclosed appropriately and the NRC will regularly update its criteria to reflect changing organizational and stakeholder needs.

6. Tenure of Directors and conditions of directorships

6.1 Chairman:

The Chairman shall be appointed as per the applicable provisions of the Act, other applicable regulatory provisions, and Articles of Association of the Company.

6.2 Directors shall:

- o be liable to retire by rotation in accordance with the Act and the Articles of Association of the Company (excluding Chairman and Independent Directors);
- o not hold office as a director, including alternate directorship, in more than 20 companies at the same time, provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed 10; and
- o not be a member in more than 10 committees or act as Chairperson of more than 5 committees across all public limited companies in which he/she is a Director. Furthermore, every Director shall inform the Company about the committee positions he/she occupies in other companies and notify the Company of the changes, as and when they take place.

- 6.3 A Managing Director or Whole-Time Director or Manager:
- o shall be appointed or re-appointed for a term not exceeding 5 years at a time;
 - o shall not be re-appointed 1 year before the expiry of his / her term; and
 - o shall retire at the age of 70 years unless his/ her appointment is extended beyond 70 years of age by passing a special resolution of the shareholders in accordance with the Act.
- 6.4 An Independent Director shall:
- o hold office for a term up to 5 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;
 - o notwithstanding the above, not hold office for more than 2 consecutive terms, but shall be eligible for appointment after expiry of 3 years of ceasing to become an Independent Director, provided that during the said period of 3 years he/ she is not appointed or associated with the Company in any other capacity either directly or indirectly;
 - o not be liable to retire by rotation; and
 - be appointed, re-appointed or removed subject to the approval of shareholders by way of a special resolution.
 - o for every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
 - not serve as an Independent Director on the Board of more than 7 listed entities; or 3 listed entities in case such person is serving as a Whole-time Director/Managing Director of a listed entity,(listed entity shall mean only those entity whose equity shares are listed on the stock exchanges);
- 6.5 The Company shall obtain approval of the shareholders for appointment of a person on the Board at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

- 6.6 The Company shall not appoint a person or continue with the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- 6.7 No independent director, who resigns from a listed entity, shall be appointed as an executive/ whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

PART B – BOARD EVALUATION POLICY

The Board acknowledges its intention to establish ‘best practices’ in board governance in order to fulfil its fiduciary obligation to the stakeholders. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board’s time, and increased effectiveness of the Board as a governing body.

7. Evaluation Criteria and Mechanism

- 7.1 The performance of the Directors shall be evaluated in the context of the Company’s performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agree upon. The evaluation criteria may be supplemented, when appropriate, with specific initiatives, projects or professional development objectives.
- 7.2 The Committee shall specify the manner for effective evaluation of performance of the Board, its committees and directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. The evaluation process shall be as follows:
- Formal review shall be conducted on an annual basis and shall commence immediately upon completion of the previous financial year and shall be completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board;
 - Format for formal review shall consist of the form for (a) Executive

Director evaluation; (b) Non-executive Director evaluation; (c) Board evaluation; (d) committees evaluation; (e) Chairman evaluation, as reviewed and approved by the Committee;

- Notwithstanding anything contained to the contrary in the Policy, the evaluation of the independent directors shall be done by the entire Board and such evaluation shall include (a) performance of such Directors; and (b) fulfilment of the independence criteria as specified in the Act and their independence from the management. Provided that in the above evaluation, such Directors who are subject to evaluation shall not participate;
- The evaluation form(s) are to be distributed to all Board and Committee members well in time such that the evaluation process is completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board; and
- Results of the evaluation shall be finalized on or before the date of board meeting wherein the notice and agenda for the annual general meeting is approved by the Board such that basis the evaluation process, recommendations of the Board for the re-appointment of the retiring Directors can be included in such notice and agenda for the annual general meeting.

PART C – REMUNERATION POLICY

8. Guiding Principles

8.1 The guiding principles of remuneration of the Directors, KMP, SM and other employees of the Company are that:

- the level and composition of remuneration is competitive, reasonable sufficient and aligned to market practices and sufficient to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company;
- the remuneration to Directors, KMP and SM has a fair balance between fixed and variable pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- the remuneration is linked to key deliverables, appropriate performance benchmarks and metrics and varies with performance and achievements;
- there is an alignment of performance metrics with business plans and strategy, corporate performance targets and interest of stakeholders;
- quantitative and qualitative assessments of performance are used to making informed judgments to evaluate performances;
- there is sufficient flexibility to take into account future changes in industry

and compensation practice; and

the pay takes into account both external market and company conditions to a balanced 'fair' outcome.

9. Remuneration to Directors, including Managing Director or Whole-time Director or Manager

- The remuneration and commission and increment thereon to be paid to the Directors, including Managing Director or Whole-time Director or Manager shall be determined in accordance with the conditions laid down in the Act.
- If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors, including the Managing Director or Whole-time Director or Manager in accordance with the provisions of the Act and Schedule V thereunder.
- If any Director or Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he/ she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the shareholders by a special resolution within two years from the date the sum becomes refundable.
- If the remuneration payable to executive directors who are promoters or members of the promoter group shall be subject to approval of shareholders by way of a special resolution, if the annual remuneration (i) exceeds INR 5 crore or 2.5% of the net profits of the Company (calculated in accordance with Section 198 of the Act), whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company (calculated in accordance with Section 198 of the Act); approval of shareholders by way of a special resolution is required for such payment, provided that such approval shall be valid only till the expiry of the term of such Director.
- The total remuneration of the Managing Director or Whole-time Director or Manager shall comprise of the following:
 - A fixed base salary and fixed allowances;
 - Annual performance award/ commission;
 - Employee stock/ shadow options;
 - Retiral benefits; and
 - Other benefits and reimbursements.

In addition to the above, the Managing Director or Whole-time Director or Manager shall also be entitled to, subject to the Act, severance pay in accordance with the terms and conditions of appointment of such Managing Director or Whole-time Director or Manager as set out in their respective appointment letters.

- The remuneration, compensation, commission etc. to the Whole-time Director, Managing Director and Manager will be determined by the Committee and recommended to the Board for approval. The remuneration, compensation, commission, etc. shall be subject to the prior or post approval of the shareholders of the Company, wherever required, and in accordance with the applicable provisions of the Act.

10. Remuneration to Non-Executive Directors

- The remuneration and commission to be paid to the non-executive Directors shall be determined in accordance with the conditions laid down in the Articles of Association of the Company and as per the Act.
- The total remuneration of the Non-executive Directors/ Independent Directors shall comprise of the Sitting Fee.
- They will also be entitled to reimbursement for out-of-pocket expenses.
- If in any year, the annual remuneration payable to a single non-executive director exceeds fifty percent of the total annual remuneration payable to all non-executive directors, the approval of shareholders by special resolution shall be obtained giving details of the remuneration thereof.

11. Remuneration to KMP & other Employees

- The remuneration, compensation, commission etc. to the KMPs will be determined in accordance with the provisions of the Act, and on the basis of discussions with the Committee after taking into account general market practice, performance of the Company and other relevant factors as prescribed by the Committee from time to time.
- Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

12. Insurance

- 12.1 Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they

may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to 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.

13. General n Periodicity

- 13.1 Subject to the provisions of the Act, the Board of Directors may deviate from this Policy if there are specific reasons to do so in an individual case. Any departure from the policy shall be recorded and reasoned in the Board/ committee minutes.
- 13.2 In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- 13.3 The adequacy of this Policy shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.
- 13.4 Additionally, **mid-cycle reviews will be triggered** under specific conditions, including but not limited to:
- Significant amendments to applicable laws or listing regulations.
 - Material changes in the company's business structure or strategy.
 - Major governance incidents or concerns raised by shareholders or regulators.
 - Recommendations stemming from internal or external audit findings, or Board initiated evaluations.

The NRC will report all review findings and, where appropriate, recommend policy revisions to the Board to reinforce effectiveness, transparency, and corporate integrity

14. Clawback Clause

The Company shall maintain the right to recover incentive-based compensation awarded to executives and other specified employees in instances where such compensation was based on erroneous data, misconduct, or subsequently restated financial results.

Both **clawback** and **malus** provisions shall apply to current and former executive officers and, where appropriate, may extend its scope to other employees whose actions impact the organization's financial reporting: (Wells Fargo example)

- **Clawback:** The Company reserves the right to require repayment or forfeiture of previously paid or vested incentive-based compensation from KMPs or directors



in circumstances including, but not limited to, significant financial misstatement, wilful misconduct, gross negligence, violation of the Company's code of conduct, or actions leading to undue risk-taking detrimental to the Company's long-term interests.

- **Malus:** The NRC may determine that unvested or unpaid variable remuneration be reduced, withheld, or cancelled before vesting/payout in cases where there is evidence of misstatement, misconduct, ethical breaches, or excessive risk-taking by KMPs or directors.

This clause will be reviewed periodically to remain aligned with legal standards, international norms, and stakeholder expectations.

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