

**MCGRAW-HILL EDUCATION, INC.  
COMPENSATION COMMITTEE CHARTER**

**May 28, 2013**

This Compensation Committee Charter (this “Charter”) has been adopted by the Board of Directors (the “Board”) of McGraw-Hill Education, Inc.

**1. Purpose**

The Compensation Committee (the “Committee”) is responsible for formulating, evaluating and approving the compensation and employment arrangements of McGraw-Hill Education, Inc. (collectively with McGraw-Hill Global Education Holdings, LLC, McGraw-Hill School Education Holdings LLC and their respective subsidiaries, the “Company”) executive officers (collectively, the “Executives”), assisting the Board in overseeing the Company’s executive compensation policies and practices, and overseeing all compensation programs, including the McGraw-Hill Education, Inc. Management Equity Plan, and any other management incentive plan the Company may institute from time to time.

**2. Organization and Membership**

The Committee shall be comprised of three (3) directors, at least two (2) of whom shall be Apollo Directors (as defined in the Stockholders’ Agreement). The members of the Committee may qualify as independent under the NASDAQ Stock Market LLC standards of independence for directors, as determined by the Board. The members of the Committee and the Committee Chair shall be appointed by the Board, considering the recommendations of the Nominating and Corporate Governance Committee of the Board.

**3. Meetings and Procedures**

*Meetings.* The Committee shall meet at such times and with such frequency as the Committee shall determine as appropriate to meet its responsibilities. The Chair of the Committee or a majority of the members of the Committee may call meetings of the Committee.

*Procedures.* The Chair of the Committee shall develop the agenda of items to be addressed at each meeting, taking into account the suggestions of the members of the Committee, and shall, if practicable, circulate the agenda to each member of the Committee in advance of each meeting. A majority of the members of the Committee shall constitute a quorum and the Committee may act by a majority of the directors present at any meeting at which there is a quorum. Meetings may be held telephonically to the extent permitted by law.

#### **4. Specific Authority, Responsibilities and Duties**

Among its specific duties and responsibilities, the Committee shall:

*Compensation Philosophy.* Oversee the Company's overall compensation philosophy, policies and programs, and assess whether the Company's compensation philosophy establishes appropriate incentive for Executives, management and employees.

*Executive Compensation.* Periodically review and approve corporate goals and objectives relevant to the Executives' compensation, evaluate the performance of the Chief Executive Officer (the "CEO") and the Executives in light of those goals and objectives, approve the compensation of the Company's CEO and the Executives based on this evaluation and approve the aggregate amount of compensation to be provided to the other members of management (the allocation of such compensation among the remaining members of management to be determined in good faith by the CEO). An Executive shall not be present during voting or deliberations relating to that Executive's compensation.

*Executive Employment Arrangements.* Approve such employment contracts, severance arrangements, change in control provisions and other compensatory arrangements of the Company's CEO and the Executives and approve the aggregate amount of such compensatory arrangements for the other members of management (the allocation of such compensatory arrangements to be provided to the remaining members of management may be determined in good faith by the CEO). An Executive shall not be present during voting or deliberations relating to that Executive's employment arrangements.

*McGraw-Hill Education, Inc. Management Equity Plan.* Administer the McGraw-Hill Education, Inc. Management Equity Plan in accordance with the terms thereof, including approval of the issuance of awards under that Plan. Also administer and approve the awards under any other incentive compensation and equity-based compensation plan to key employees of the Company that may be instituted from time to time.

*Benefits.* Periodically review executive supplementary benefits and, as appropriate, the Company's retirement, benefit, and special compensation programs involving significant cost. Establish and review policies with respect to Executive and management perquisites and other non-cash benefits.

*Annual Evaluation of Committee and Charter.* At least annually, evaluate the performance of the Committee, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board, as appropriate.

*Reporting.* Report regularly to the Board and other committees, as applicable, with respect to compensation matters, policies and practices of the Company or any of

the foregoing matters, and make recommendations to the Board or such committees, as appropriate.

*Other.* Perform any other activities or functions consistent with governing law as the Board deems necessary or appropriate.

## **5. Outside Advisors; Reliance**

*Retention of Advisors and Counsel.* The Committee shall have the authority to retain such consultants, outside counsel, experts and other advisors as it deems necessary or appropriate to assist it in carrying out its duties, including any compensation consultant to assist in the evaluation of compensation pursuant to this Charter. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any consultants, outside counsel, experts and other advisors retained by the Committee, and shall receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such advisors.

*Determine Administrative Expenses.* The Committee shall receive appropriate funding, as determined by the Committee, from the Company for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

*Reliance Permitted.* In fulfilling its duties and responsibilities hereunder, the Committee will be entitled to reasonably rely on the integrity of those persons within the Company and of the professionals and experts (such as the Company's independent registered public accounting firm) from which it receives information.

*Participation of Employees.* The Committee may request any executive or employee of the Company or representative of the Company's outside counsel or independent registered public accounting firm to attend a meeting of the Committee or to meet with any members of, or advisors or consultants to, the Committee.