

KRAUS CASUALS PRIVATE LIMITED

CIN: U14101MH2024PTC425636

Registered office Address: - Godown No.2, Punjab Foundry Compound, Opp Classic Studio, Kasimira Mira Bhayandar Road, Mira Road East, Thane, Maharashtra, India, 401107

E-mail:- info@krausjeans.com, Tel No.:- 022-29451226/8433732233,

Website: - www.krausjeans.com

NOMINATION AND REMUNERATION POLICY

Introduction:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (herein after called as 'the Act') read along with the applicable rules thereto, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Objective:

The Key Objectives and purpose of this policy are:

- To lay down criteria and terms and 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 and Key Managerial positions and to determine their remuneration;
- To evaluate the performance of the members of the Board as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- Remuneration to Directors, key managerial personnel and senior management 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:
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operation
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity; and
- To develop a succession plan for the Board and to regularly review the plan.

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Definitions:

- **Independent Director** means a director referred to in Section 149(6) of the Act, as amended from time to time.
- **Key Managerial Personnel** (the “KMP”) shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act.
- **Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act.
- **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- **Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act shall have the meanings assigned to them therein.

Applicability:

This policy is applicable to:

- a) Directors (Executive and Non Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

Composition of the committee:

The Composition of the Nomination & Remuneration Committee is / shall be in compliance with the Act, Rules made there under, as amended from time to time.

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Role of the committee:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To formulate the criteria for evaluation of Independent Director, the Board & Committee's of Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.

General:

This Policy is in three parts:

- Part A covers the matters to be dealt with and recommended by the Committee to the Board:
- Part B covers the appointment and nomination: and
- Part C covers remuneration and perquisites, etc.

The key features of this Company's policy shall be included in the Board's Report.

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Part - A

Matters to be dealt with, perused and recommended to the Board

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Part –B

Appointment and removal of Directors, Key Management Personnel and Senior Management

Appointment criteria and qualifications:

- 1) 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.
- 2) A person should possess adequate qualification, expertise and experience for the position he / she considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- 3) The Company shall not appoint or continue the employment of any person as whole time Director 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

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Terms / Tenure:

Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive 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.

Independent Director:

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.

No Independent Director shall hold office for more than two consecutive terms. However, such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, subject to the Independent Director, during the said period of three years, not being associated with the Company in any other capacity, either directly or indirectly.

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 to three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (Yearly).

Removal:

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

Retirement:

The Directors and KMP 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, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

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Part-C

Remuneration for Directors, Key Management Personnel and Senior Management personnel

The remuneration/compensation/commission, etc, to the Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation / commission, etc. shall wherever required in accordance with the provisions of the Companies Act 2013 and the rules made thereunder be subject to the prior/ post approval of the shareholders of the Company and Central Government.

Remuneration to Non-Executive / Independent Directors:

Sitting Fees:

The Non-Executive Directors shall be paid sitting fee for attending the Board and Committee meetings. The amount of such fees shall be as recommend by the Nomination and Remuneration Committee and approved by the Board subject to the limits specified under the Act or by the Central Government from time to time. In addition, the Directors shall be paid for travel and accommodation expenses in connection with Board/ Committee meetings of the Company

Commission:-

No Commission shall be paid to Non-Executive/ Independent Directors.

Stock options:-

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

Remuneration of Executive / Whole Time Director:

General principal for the remuneration of the Executive / Whole-Time Director/ Key Management Personnel and Others:

- To compensate all executive adequately so as to attract, retain and motivate the best talents at all levels. In order to attract and retain managerial expertise, the elements of the remuneration of the members of the Executive Board / Key Managerial Personnel and Senior management personnel shall be determined on the basis of their performance, the functions they perform and the value they create as well as of the conditions in other companies. Care should be taken to ensure that there is minimum disparity between compensation level of existing and new employees.

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•To compensate the employees for updating themselves with the changing requirements of the business and laws and enhance their capabilities for the benefit of the organization for attending skill development programmes and courses.

The Executive/ Whole-Time Directors shall be paid salary keeping in view the overall permissible managerial remuneration as per Section 197 of the Companies Act, 2013

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-Time Director.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration of key Management Personnel and Senior Management personnel:

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Key Managerial Personnel. The Chairman and the Managing Director of the Company are authorized to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management based on prevailing HR policies of the Company.

The Company shall have a process of carrying out an annual appraisal of all its KMP and Senior Management personnel to assess their performance for the previous financial year. This appraisal shall form the basis for any increments that may be considered.

Review and amendment

The Nomination & Remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amend or substitute the same as and when required, where there is any statutory changes necessitating the change in the policy.

Document title	Nomination & Remuneration Policy
Originally framed	08/02/2025
Last Revision Date	N.A
Authority approving the Policy	Board of Directors in Board meeting held on 08.02.2025