

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

The Nomination and Remuneration Policy ("Policy") of KSR Footwear Limited (the "Company") has been formulated pursuant to Section 178 of the Companies Act, 2013 read with the applicable rules made there under (collectively, 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 ("Listing Regulations").

As per the provisions of the Act and the Listing Regulation, the nomination and remuneration committee of the Board shall lay appropriate criteria for selection of Directors, Key Managerial Personnel (KMP) and Senior Management and formulate appropriate policy for payment of equitable remuneration to them.

2. OBJECTIVES AND PURPOSE

The objectives and purposes of the Policy are:

2.1. To formulate the criteria for determining qualifications, positive attributes and independence of a director (executive/non-executive/independent) of the Company ("Director"); and

2.2. To recommend policy relating to the remuneration of the Directors, KMP and other employees to the Board of Directors of the Company ("Board").

2.3. To formulate the criteria for evaluation of performance of independent directors.

2.4. To devise a policy on diversity of board of directors.

2.5. To identify 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.

2.6. To determine 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.

2.7. To recommend to the Board, all remuneration, in whatever form, payable to senior management and the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the company successfully.

2.8. To review and ensure that the remuneration policies and practices are aligned with the company's business strategy, financial performance, and risk management framework, to promote long-term value creation for the company and its stakeholders. This includes reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with

respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. DEFINITIONS

“Board” means Board of Directors of the Company.

“Director” means Director as defined under Section 2(34) of the Act.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of the Act and Listing Regulations.

“Independent Director” means a director referred to in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

“Key Managerial Personnel”, means:

- a) the Chief Executive Officer or the Managing Director or the Manager;
- b) the Whole -Time Director;
- c) the Chief Financial Officer;
- d) the Company Secretary;
- e) 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
- f) such other officer as may be prescribed under the Act.

“Senior Management” mean personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

4. GENERAL

This Policy is divided into four parts as under:

Part-A -Covers criteria for determining qualifications, positive attributes of Directors, KMP and Senior Management Personnel and also independence of Independent Directors.

Part-B - Covers induction of Directors

Part-C - Covers Performance Evaluation of Board, its Committees and Directors including independent directors / Non-executive Directors.

Part-D - Covers Remuneration of Directors, KMP and Senior Management Personnel.

PART-A

Criteria for determining qualifications, positive attributes of Directors, KMP and Senior Management Personnel and also independence of Independent Directors:

- a) The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
- b) A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient /satisfactory for the concerned position.
- c) The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with Listing Regulations.
- d) 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 the members by a special resolution.
- e) The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act and rules thereunder.

PART-B

Induction of Directors:

- a) On appointment, the directors shall receive a Letter of Appointment setting out the terms of appointment, duties and responsibilities. Each newly appointed director will be taken through a formal induction programme.
- b) The induction process should be designed in such a way so as to familiarize them with the Company, their rights and responsibilities in the Company, nature of industry in which the Company operates, and business model of the company.
- c) It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
- d) The Company may organize site visits for Directors from time to time

PART-C

Performance Evaluation of Board, its Committees and Directors including Independent Directors / Non-executive Directors:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on annual basis.

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency.

The independent directors in the meeting shall, inter alia-

- (a) review the performance of non-independent directors and the board of directors as a whole;
- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;

The evaluation of independent directors shall be done by the entire board of directors which shall include-

- i. performance of the directors; and
- ii. fulfilment of the independence criteria as specified in these regulations and their Independence from the management.

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

An indicative list of factors upon which evaluation of performance can be conducted:

- a) Meeting participation & value contribution by a Director.
- b) Number of meetings attended.
- c) Commitment (includes guidance provided to senior management outside of Board / Committee meetings).
- d) Effective management of relationship with stakeholders.
- e) Effective deployment of knowledge & expertise in the various fields.
- f) Integrity & maintenance of confidentiality.
- g) Impact & influence inside / outside of the Company.

Implementation & Monitoring of performance evaluation process

The Nomination and Remuneration Committee in consultation with Board may be responsible for implementation of evaluation of performances.

PART-D

Remuneration of Directors, KMP and Senior Management Personnel:

- a) The remuneration of the Executive Directors, KMP and Senior Management Personnel should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract, retain and motivate the aforesaid persons.
- b) Remuneration to Executive Directors shall be paid by way of salary (including fixed pay and variable pay), perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and Shareholders.

- c) The Non-Executive Directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees.
- d) The KMPs shall be paid remuneration approved and / or noted by the Board of Directors.
- e) The Senior Management Personnel shall be paid remuneration as per Company's policy.
- f) Exceptional increments in the existing remuneration of Executive Directors and KMP shall be approved and or noted by the Committee within the limits prescribed under the Act. Increments in the remuneration of Senior Management Personnel shall be as per Company's policy.

5. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

- i. This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the Nomination and Remuneration Committee.
- ii. This Policy may be reviewed at such intervals as the Board or Nomination and Remuneration Committee may deem necessary.
- iii. Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

6. REVIEW OF THE POLICY

In case of any amendment(s), clarification(s), circular(s) etc. issued by relevant authorities, not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail and this Policy shall stand amended automatically to that extent.

The Board of Directors of the Company has the power to replace and or amend this Policy on recommendation by the Nomination and Remuneration Committee from time to time as and when needed.

7. DISSEMINATION OF POLICY

This Policy shall also 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.

Note: This Policy has been approved and adopted by the Board of Directors of KSR Footwear Limited vide its meeting held on June 10, 2025 and shall be effective from the said date.