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**CIN :** U99999MH1989PLC054206



 **Works :** Plot # 31 to 36, 45 to 49/2, 142 (Exp. Area), G.I.D.C. Umbergaon, & Survey No. 102/2 & 102/3, Village - Dehri, District - Valsad, Gujarat - 396171, India.  
**Tel. :** (+91) 260 7128999/800/802. **Email :** info@chandansteel.com  
**VAT / GSTIN :** 24AAACC4713B1ZG

## **Nomination and Remuneration Policy**

**Effective from 20<sup>th</sup> March 2026**

**(As approved by the Board of Directors in their meeting held on 20<sup>th</sup> march 2026)**

**Chandan Steel Limited**

**CIN: U99999MH1989PLC054206**

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# Nomination and Remuneration Policy

## 1. INTRODUCTION

Chandan Steel Limited (hereinafter referred to as “Company”) has formulated this Nomination and Remuneration Policy pursuant to the provisions of Section 178(4) of the Companies Act, 2013 (“the Act”) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment or modification thereof).

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel’s (KMP), Senior Management Personnel’s (SMP) and other employees of the Company. The Company considers that human resources are its invaluable assets and as a Policy, aims to realize full potential of such invaluable assets by harmonizing the aspirations of the human resources with the goals of the Company.

This Policy is effective from 20<sup>th</sup> March 2026.

## 2. OBJECTIVES AND PURPOSE OF THE POLICY

The objectives and purpose of the Policy are as under:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director and to recommend their appointment/removal;
- To lay out the remuneration principles for the directors, KMP, SMP and other employees;
- To formulate the criteria for evaluation of the Board and all the directors;
- To devise a policy on Board Diversity;
- To lay down the criteria for identifying people who can be appointed in senior management and recommend their appointment.

## 3. DEFINITIONS

“**The Board**” means the Board of Directors of the Company.

“**Committee**” means the Nomination and Remuneration Committee (NRC) as constituted or reconstituted by the Board, in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

“**Company**” means Chandan Steel Limited.



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**“Director”** means a director appointed on the Board of the Company including executive, non-executive and independent directors.

**“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and regulation 16 of the Listing Regulations.

**“Key Managerial Personnel” (KMP)** means

- The Chief Executive Officer or the Managing Director or the manager;
- The Whole-Time Director;
- The Chief Financial Officer; and
- The Company Secretary;

and such other officer as may be prescribed under the Companies Act, 2013 from time to time.

**“Senior Management Personnel (SMP)”** means personnel of the Company who are members of its core management team excluding the Board of Directors and comprising all members of the management one level below the Chief Executive Officer/ Managing Director/ Whole-time Director/ Manager and shall specifically include Chief Financial Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and the Listing Regulations as may be amended from time to time shall have the same meaning assigned to them therein.

#### **4. CRITERIA FOR THE APPOINTMENT OF DIRECTORS, KMP AND SMP**

The Nomination and Remuneration Committee shall consider the following criteria for the appointment of Directors, KMP and SMP:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment. The committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the position.
- A person, to be appointed as Director/KMP/SMP, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company’s growth.
- A person, to be appointed as Director/KMP/SMP shall not be disqualified in accordance with any law applicable for the time being in force.
- A person, to be appointed as an Independent Director shall qualify the independence criteria and other criteria’s as per applicable laws applicable for the time being in force and the NRC shall review the candidature on skills, experience and knowledge to ensure an overall balance in the Board.



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- A person, to be appointed as a KMP/SMP shall possess leadership skills, decision making skills, effective communication skills and shall have ability to build team and foster team spirit.
- A person, to be appointed as Director/KMP/SMP must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

## **5. COMPENSATION STRUCTURE**

The compensation structure shall ensure that the remuneration is competitive in order to attract, retain and motivate the Directors/KMP/SMP/other employees and can be divided into fixed and variable components to motivate and reward high performers.

### **5.1 Remuneration to Non-Executive/Independent Directors:**

- i. The Non-Executive/Independent Directors of the Company shall be paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-Executive/Independent Directors shall be fixed by the Board and reviewed from time to time in accordance with Company's performance and the provisions of the applicable laws.
- ii. The Non-Executive/Independent Directors may be paid commission as the Board may approve from time to time on recommendation of the Nomination and Remuneration Committee subject to limits prescribed in the Companies Act, 2013 or Rules made thereunder and approved by the shareholders.
- iii. Travelling, fooding & lodging expenses of outstation Non-Executive/Independent Directors for attending Board/Committee meetings shall be borne by the Company.
- iv. The Independent Directors shall not be entitled to any stock option of the Company.
- v. Where the annual remuneration payable to a single Non-Executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, then approval of the shareholders by special resolution shall be obtained every year.

### **5.2 Remuneration to Executive Directors:**

- i. The remuneration paid to Executive directors shall be recommended by the Nomination and Remuneration Committee and shall be approved by the Board of Directors, subject to the subsequent approval by the shareholders at the general meeting, as the case may be.
- ii. The remuneration for Executive Directors shall be arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution and the financial position of the Company.



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- iii. The remuneration of the Executive Directors may be divided into fixed and variable pay.
- iv. The remuneration to be paid to the Executive Directors shall be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.
- v. The fees or compensation payable to Executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if the remuneration payable to such Executive director exceeds the limits as specified in Section 198 of the Companies Act, 2013.

### **5.3 Remuneration to KMP/SMP and other employees:**

As per the provisions of Section 178 of the Act and Listing Regulations, the Nomination and Remuneration Committee shall recommend the remuneration of the KMP/SMP of the Company.

The compensation for the other employees would be guided by the external competitiveness and internal parity and shall be based on the KRA's identified and the achievement thereof. The increments shall usually be linked to their performance as well as performance of the Company. The remuneration structure can be divided into fixed and variable components and can also include issuance of stock options.

## **6. TERM/TENURE**

### **Managing Director/Whole-time Director:**

The Company may appoint or re-appoint a person as its Executive Chairman, 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 for another term up to five consecutive years. No Independent Director shall hold office for more than two consecutive terms. The terms and conditions of appointment will be as prescribed from time to time under the Companies Act, 2013 and the Listing Regulations.



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## **7. REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder or for such other compelling reasons, the Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director, KMP or SMP subject to the provisions and compliance to the Act, Rules and Regulations and applicable policies of the Company.

## **8. RETIREMENT**

The Independent Directors shall not be liable to retire by rotation. The other Directors, KMP and SMP shall retire as per the applicable provisions of the Act and prevailing policies of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP or other Senior Management Personnel in the same position/remuneration or otherwise, for the benefit of the Company.

## **9. AMENDMENT OF THE POLICY**

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy. On recommendation of the Nomination & Remuneration Committee or otherwise, the Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.