

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

Overall remuneration practices should be consistent with recognised best practices.

Accordingly, the following criteria is laid down for DCX Systems Limited (hereinafter referred as "the Company").

In keeping with the above, any fee/remuneration payable to the Independent Directors (ID) and Non-Executive Directors (NED) of the Company shall abide by the following:

1. SITTING FEES AND COMMISSION:

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required. However, the approval is only obtained to pay sitting fees to Independent Directors.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board.

No commission shall be payable to all the NEDs and IDs till approval is obtained as required under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

2. PROFESSIONAL FEES:

Section 197 of the Companies Act, 2013, allows a Company to pay remuneration to its NEDs for services rendered by any such Director if:

- a. The services rendered are of Professional nature;
- b. In the opinion of NRC, the Director possess the requisite qualification for the practice of the profession.

As per the provisions of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non- Executive Director(s), and with the approval of the Shareholders wherever required.

Professional fees will be paid only after requisite approval obtained as required under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

3. REIMBURSEMENT OF ACTUAL EXPENSES INCURRED:

The Company may pay to IDs and NEDs such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reimbursement of expenses incurred for attending the Shareholders Meetings, Board Meetings and Committee Meetings thereof, induction and training (organised by the Company for Directors).

4. STOCK OPTIONS:

As per the Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to Non-Executive Directors, in any in financial year and in aggregate. Provided that an Independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.
