

DATSON EXPORTS LTD

REMUNERATION POLICY:

- (A) The remuneration of the Managing Director, Executive Directors and CFO of the Company is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing Director and Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1, every year.
- (B) A sitting fee as per the Articles of Association of the Company for attendance at each meeting of the Board, Audit Committee, Nomination & Remuneration Committee and Shareholder's/Investors' Grievance Committee is paid to its Members (excluding Managing Director and Executive Directors) and also to Directors attending as Special Invitees. The sitting fees paid/payable to the non Executive Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 197 of the Companies Act 2013. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.
- (C) Remuneration, by way of commission to the Non Executive Directors is decided by the Board of Directors, based on recommendation of the Remuneration Committee and distributed to them based on their participation and contribution at Board/certain Committee meetings as well as time spent on matters other than at meetings.
- (D) Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives

The Company does not have a stock option scheme for its Executive Directors and employees.

Retirement Policy for Directors:

The Company has adopted the Guidelines for retirement age wherein Managing and Executive Directors retire at the age of 65 years. Any Executive Director, who is retained on the Company's Board beyond the age of 65 years as non Executive Director for special reasons may continue as a Director at the discretion of Board but in no case beyond the age of 70 years. The retirement age for Independent Directors is 75 years. The Company has also adopted a Policy for offering special retirement benefits including pension, ex-gratia and medical to Managing and Executive Directors which has also been approved by the Members of the Company. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the Remuneration Committee.