

Mystic Electronics Limited

(Following are the material terms and conditions for appointment of Independent Directors of the Company and specimen Letter of Appointment)

Sub.: Appointment as an Independent Director of Mystic Electronics Limited. ('Mystic')

We are glad to welcome you on the Board of **Mystic Electronics Limited**. This letter sets out the major terms of your appointment pursuant to the requirements of Section 149 read with Schedule IV of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Your appointment is considered as an Independent Director and will be identified as such in the Annual Report and other documentation. Your appointment is pursuant to the applicable provisions of the Companies Act, 2013 (the 'Act'), Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations').

Your Appointment as an Independent Director is for a term of _____ years, not liable to retire by rotation which shall commence from _____ to _____.

2. As prescribed under the provisions of the Companies Act, 2013 and LODR Regulations, Independent Director shall, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an Independent Director, submit a declaration that he/she meets the criteria of independence and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Accordingly, you shall comply with the same.
3. As an Independent Director, you shall adhere to the following guidelines of professional conduct:
 - a) Uphold ethical standards of integrity and probity;
 - b) Act objectively and constructively while exercising your duties;
 - c) Exercise your responsibilities in a bona-fide manner in the interest of the Company;
 - d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
 - e) Not allow any extraneous considerations that will vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
 - f) Not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
 - g) Refrain from any action that would lead to loss of your independence;
 - h) Where circumstances arise which make to lose your independence, the Independent Director must immediately inform the Board accordingly;
 - i) Assist the Company in implementing the best corporate governance practices.
4. As an Independent Director, your role and functions shall include:

- a) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) bring an objective view in the evaluation of the performance of Board and Management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;
- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest; and
- i) as may be prescribed under the Act and LODR Regulations, as may be amended from time to time.

5. As an Independent Director, your duties shall include:

- a) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c) strive to attend all meetings of the Board of Directors and of the Board Committees of which you are a member;
- d) participate constructively and actively in the Committees of the Board in which you are a Chairperson or member(s);
- e) strive to attend the general meetings of the Company;
- f) where you have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep yourself well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- j) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law; and

- n) as may be prescribed under the Act and LODR Regulations, as may be amended from time to time.
6. During the tenure of office, you may require to serve on one or more Committees of the Board formed by Company subject to the ceiling on the number of Committees as may be prescribed. The tasks which you are required to perform as an Independent Director at Committees of the Board is as per the terms of reference approved by the Board of the Company from time to time.
 7. Your fiduciary obligations as an Independent Director are:
 - a) to demonstrate loyalty to the Company's shareholders at all times;
 - b) to exercise due diligence in making decisions, discover as much information as possible with due application of mind and objective, unbiased reasoning, so that independent judgment which is in the best interest of the Company and its shareholders can be taken;
 - c) to disclose to the Board, material facts and circumstances relevant to conflicted transaction(s) so that Informed decision is possible.
 8. Subject to applicable laws, for any breach of duties, you will be liable to consequences prescribed under applicable law and in relation to the Company, you would be liable for such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance, or where you have not acted diligently.
 9. You are required to abide by the Code of Conduct for Directors and Senior Managerial Personnel of the Company.
 10. As an Independent Director, you will be entitled to sitting fees for attending Board meetings and Committee meetings, as and when determined by the Board.
 11. As an Independent Director, you will be entitled to reimbursement of actual out of pocket expenses incurred for attending the meeting of the Board and Committees and for all official work of the Company which you are required to perform as an Independent Director of the Company and as may be necessary for business purposes of the Company.
 12. As an Independent Director, you shall not be entitled to any stock option as per the provisions of the Act and LODR Regulations.
 13. Your Performance Evaluation as an Independent Director shall be carried out as per the provisions of the Act and LODR Regulations.
 14. Independent Directors of the Company are required to hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management to:
 - a) review the performance of Non-Independent Directors and the Board as a whole;
 - b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
 - c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
 15. No person shall be appointed or continue as an Alternate Director for an Independent Director of the Company.

You are requested to acknowledge the copy of this letter in token of your acceptance of terms and conditions stated above.

Thanking You,

Yours faithfully,

For **Mystic Electronics Limited**

Accepted:

Director

Name of the Director
Date: