

MYSTIC ELECTRONICS LIMITED

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Non-Executive Directors of the Company play an essential role as a part of the Board. The responsibilities and obligations imposed on the Non-Executive Directors have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

As per Regulation 46 (2) (f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Listed entity shall disseminate following information on the website of the Company:

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

❖ **Sitting Fee:**

Non-Executive Directors ("NEDs") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and other applicable law.

❖ **Remuneration:**

Section 197 of the Companies Act, 2013, allows a Company to pay remuneration (excluding sitting fees) to its Non-Executive Directors either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.

Remuneration referred to above, may be paid to Non-Executive Directors as may be decided by the Board of Directors of the Company from time to time. Currently the Company is not paying Commission to its "NEDs".

❖ **Reimbursement of actual expenses incurred:**

Non-Executive Directors may also be paid/reimbursed such sums incurred as actual for travel, incidental and/or actual out of pocket expenses incurred by such Director/Member for attending Board/Committee Meetings, depending upon the discretion of the Board.

❖ **Payment to Independent Directors:**

An Independent Director shall not be entitled to any stock option and shall receive sitting fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related remuneration up to a specified percentage of net profits in such proportion, as may be permissible under the Companies Act, 2013 and any other applicable law at the discretion of the Board.

Currently the Company is not paying any sort of fees/remuneration to "NEDs".

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.