SPARC ELECTREX LIMITED

(Formerly known as Sparc Systems Limited)
CIN: L31100MH1989PLC053467

CRITERIA OF MAKING PAYMENTS TO NON EXECUTIVE DIRECTOR

(Revised on 01st February, 2019 and 14th August, 2026)

REGULATORY PROVISIONS:

In terms of requirement stated under Companies Act, 2013 read with related rules issued thereon and as per Regulation 46 of the provisions of SEBI (LODR), Regulations, 2015, Sparc Electrex Limited ("the Company") has formulated a criteria document namely "Remuneration Policy for Non-Executive Directors.

COMPANY POLICY:

At Sparc Electrex Limited, Board of Directors and Management lays great emphasis on adding and practicing good Corporate Governance practices with a view to achieve transparency in its operation so as to boost stakeholders confidence.

The objective of this Policy is to ensure that the Non-executive Directors are governed by comprehensive compensation criteria that is based on their merits and valuable contribution made by them towards the success of the Company. Remuneration packages are designed to attract and retain higher caliber management people as required to run the Company successfully.

CRITERIA:

Criteria of making payments to Non-Executive Directors will be decided by the Board it and it is based on:

1. Contribution during the Meeting
2. Active Participation in strategic decision making.

HEADS UNDER WHICH PAYMENTS CAN BE MADE:

Any fee/ remuneration payable to the Non-Executive Director of the Company shall be in the following manner:

Sitting Fee:

Non-Executive Director(s) may receive remuneration by way of fee for attending meetings, Provided that such fee shall not exceed ₹1,00,000 (Rupees One Lakh) per meeting, of the Board or Committee thereof or any other meetings as required by Companies Act, 2013 and rules made thereunder, SEBI (LODR) Regulations, 2015 or other applicable law or for any other purpose whatsoever as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Remuneration and Commission:

Under the Companies Act, 2013 Section 197 allows a Company to pay remuneration to its Non-Executive Director(s) either by way of a monthly payment or at a specified percentage of the net profits of the Company. Where the annual remuneration payable to a single Non-Executive Director exceeds 50% of the total remuneration payable to all Non-Executive Directors, prior approval of the shareholders by the way of special resolution shall be obtained.

The Company is however not obligated to remunerate its Non-Executive Directors(s).

Further, the Section 197 of the Act provides that the remuneration payable to Directors who are neither Managing Director nor the Whole Time Directors, shall not exceed-

(i) One percent of the net profits of the Company, if there is a Managing or Whole Time Director or Manager,
(ii) Three percent of the net profits in any other case.

Refund of excess remuneration paid:

If anu such Director draws or receives directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction of the shareholders, where it is required, he/she shall refund such sum to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any such sum refundable to it unless permitted by the shareholders.

Reimbursement of actual expenses incurred:

Non-Executive Director(s) may also be paid/reimbursed such sums either as fixed allowance and / or actual as fair compensation for travel, boarding and lodging and incidental and/or actual out of pocket expenses incurred by such Directors for attending Board/ Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Non-Executive Director(s).

Payment to Non-Executive Directors and Independent Directors:

In compliance with section 149 of the Companies act, 2013 and SEBI (LODR) Regulations, 2015, Independent Diretors shall not be entitled to any stock options.

The Independent Director shall not be entitled to any stock options and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

AMENDMENTS:

The Board shall be responsible for the administration, interpretation, application and review of this criteria. The Board shall be empowered to bring about necessary changes to this policy if required at any stage in compliance with the prevailing laws.

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