



CRITERIA FOR MAKING PAYMENTS TO NON EXECUTIVE DIRECTORS

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CRITERIA FOR MAKING PAYMENTS TO NED – FOCUS BUSINESS SOLUTION LIMITED

INTRODUCTION

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Overall remuneration paid to Independent Directors and Non-Independent Non-Executive Directors should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

1. Remuneration/ Sitting Fee:

Such Directors may receive remuneration and /or sitting fees as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and rules made there under as amended from time to time for attending and participating in meetings of Board or Committee thereof or any other meetings as required by Companies Act, 2013 or other applicable law for the time being in force or for any other purpose whatsoever as may be decided by the Board. The remuneration may be paid to NEDs in pursuance to valuable advice / services provided to the Company due to his expertise in the respective fields. The amount of remuneration/sitting fees shall be subject to recommendation of Nomination and Remuneration Committee and approval of Board.

2. Professional Fees:

As per Section 197 of the Companies Act, 2013, a Company may 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 Nomination and Remuneration Committee the Director possess the requisite qualification for the practice of the profession.



3. Refund of excess remuneration paid:

If any 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, where it is required, such remuneration shall be refunded 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 sum refundable to it.

4. Reimbursement of actual expenses incurred:

NEDs 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 member for attending Board/Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

5. Payment to independent directors:

An independent director shall not be entitled to any stock option and shall receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law as amended from time to time. They shall also be eligible for payment of Commission whether 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, subject to the overall limit prescribed for NEDs under the Companies Act, 2013. Further they may also be paid / reimbursed such sums incurred as actuals for travel, incidental and / or actual out of pocket expenses incurred by such Director for attending Board / Committee Meetings.

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

