



B.S. SPONGE LIMITED
Policy on Board Diversity

INTRODUCTION

The Nomination & Remuneration Committee of the Board (“**Committee**”) of B.S. Sponge Limited (“**Company**”) has decided to consider and formulate a policy on diversity of the composition of the Board of Directors (“**Board/Board of Directors/Directors**”) by the name of board diversity policy (“**Policy**”) in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**Listing Regulations**”). The Policy sets out the approach to have diversity on the Board of the Company in terms of thought, experience, knowledge, perspective and gender in the Board, based on the applicable laws, rules and regulations applicable to the Company. The Policy applies to the composition of the Board to ensure that the Board comprises of an optimal mix of executive and non-executive independent Directors.

PURPOSE

The Company aims to enhance decision-making, overall effectiveness and believes that a diverse Board will amongst others:

- i. Enhance the quality of decisions making and ensure better business performance;
- ii. Encourage diversity of perspectives thereby fuel creativity and innovation; and
- iii. Provide better corporate governance.

This Policy applies to members of the Board, and not to employees of the Company.

EFFECTIVE DATE

This Policy shall be effective from September 26, 2026 the date of approval of the Board.

POLICY STATEMENT

The Company recognizes and embraces the benefits of having a diverse Board that possesses the balance of skills, experience, expertise, and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time-to-time for it to function effectively.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

(1) Optimum composition:

The total number of Directors constituting the Board, and the composition of the Board, shall be in accordance with the articles of association (“**AoA**”) of the Company, subject to the provisions of the Companies Act, 2013, as amended (“**Act**”) and the Listing Regulations.

- i. The Board shall have an optimum combination of executive and non-executive Directors and not less than fifty percent of the Board of Directors comprising non-executive Directors.

REGISTERED OFFICE

34A, Metcalfe Street, 2nd Floor, Room No. 2C/3,
Kolkata - 700 013, West Bengal, India

CORPORATE OFFICE

202,2nd Floor, Block A, Crystal Arcade, Lodhipara
Chowk, Raipur - 492 001, Chhattisgarh, India

MANUFACTURING FACILITY

Village Taraimal, P. O. Gerwani, Tehsil Gharghoda,
District Raigarh, Chhattisgarh - 496 001



B.S. SPONGE LIMITED

(formerly known as B.S. Sponge Private Limited)

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- ii. At least half of the Board should comprise of independent Directors' (where the chairman of the Board is executive) or at least one third of the Board consisting of independent Directors (where the chairman of the Board is non-executive).

In any case, company should strive to ensure that the number of independent Directors do not fall below 3 (three) so as to enable the Board to function smoothly and effectively.

- iii. The Company shall have at least one women Director on the Board to ensure that there is no gender inequality on the Board.

(2) Functional diversity:

- i. Appointment of Directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
- ii. Knowledge of and experience in domain areas such as non-banking financial company industry, banking and finance, corporate, investment banking, legal, risk, management, etc., should be duly considered while making appointments to the Board level.
- iii. While appointing independent Director, care should be taken as to the independence of the proposed appointee.
- iv. Directorships in other companies may also be taken into account while determining the candidature of a person.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') of the Company shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualification, positive attributes and independence. Further, it shall ensure that selection process is formal. and non-discriminatory.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively. The Committee shall also review the Board composition in terms of the size of the Board, the composition of executive and non-executive Directors and the composition of independent Directors, each of which shall be in accordance with the requirements of the AoA of the Company, the Act, the Listing Regulations and any other statutory / regulatory requirements applicable to the Company.

The Committee shall support laying down a succession plan for the Board. As part of the exercise, it will also review and suggest training for Directors. The Company shall provide sufficient information about this Policy to its shareholders, and provide information regarding the composition of the Board, the areas of expertise of each Director and their qualification / characteristics etc. The necessary disclosures about the Policy and other details should be made as per the requirements of the Listing Regulations and Act. The Policy shall be made available on the website of the Company.

REVIEW OF THE POLICY

The Committee will review the policy annually, which will include an assessment of the effectiveness of the policy. The Committee will discuss any revision that may be required and recommend any such revisions to the Board for approval.

DISCLOSURE OF THE POLICY

The necessary disclosure about this Policy will also be made as per requirements of the Listing Regulations and the Act.

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INTERPRETATION

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any

subsequent amendment/modification in Listing Regulations and the Act and/or applicable laws in this regard shall automatically apply to this Policy.

SD/-

Ashish Agarwal
Managing Director

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