



B.S. SPONGE LIMITED

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

CIN U27102WB2000PLCO91975

E: info@bsstm.com

W: www.bsstm.com

T: +913335376881

B. S. SPONGE LIMITED

POLICY ON INDEPENDENCE OF DIRECTORS

CONTENTS

1	APPOINTMENT
2	BACKGROUND
3	PURPOSE
4	ASSESSMENT OF INDEPENDENCE
5	RELATIONSHIPS TO BE CONSIDERED BY THE BOARD WHEN ASSESSING INDEPENDENCE
6	CONFLICT OF INTEREST
7	MEDIA
8	DEFINITIONS
9	DISCLOSURE
10	MISCELLANEOUS
11	PERFORMANCE EVALUATION OF NON-EXECUTIVE DIRECTORS
12	RESPONSIBILITY AND DUTIES OF INDEPENDENT DIRECTORS
13	CONFIDENTIALITY AND NON-DISCLOSURE
14	APPOINTMENT OF INDEPENDENT DIRECTOR
15	REMUNERATION AND REIMBURSEMENT OF EXPENSES
16	DIRECTORS AND OFFICER'S LIABILITY INSURANCE
17	LIABILITY
18	WARRANTIES
19	INTELLECTUAL PROPERTY
20	DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS
21	RESIGNATION OR REMOVAL:
22	CHANGE IN PERSONAL DETAILS
23	CONTACT PERSON
24	SEPARATE MEETINGS OF INDEPENDENT DIRECTORS
25	KEY PERFORMANCE ISSUES FOR THE CONSIDERATION OF EVALUATION
26	ACCEPTANCE OF APPOINTMENT

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



TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR OF B.S. SPONGE LIMITED (“Company”)

This letter of appointment sets out terms and conditions of appointment of independent director (“**Independent Director(s)**”) which are subject to the extant provisions of the Companies Act, 2013, as amended read with rules made there under (“**Act**”), articles of association (“**AoA**”) of the Company and any other applicable laws as amended from time to time. Collectively this Act, AoA of the Company and any other applicable laws will be referred to as “**Applicable Laws**”.

1. APPOINTMENT

- i. The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/her appointment. Independent Director, you will not be liable to retire by rotation,
- ii. Appointment of every independent director shall be approved by the Board of Director of the Company and thereafter members’ of the Company in Annual General Meeting. Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members.
- iii. The board of directors may, if it deems fit, invite you for being appointed on one or more existing board committees or any such committees that is set up in the future. Your appointment on such committee(s) will be subject to Applicable Laws.

2. BACKGROUND

The Company is committed to meeting the standards of corporate governance. The Listing Regulations provide that the board of directors should have optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty percent of the directors on the board (“**Board/Board of Directors/Directors**”) comprising non-executive Directors. It also provides that 1/3rd (one third) of the Board should be independent where chairman of the Board is non-executive Director and in case the company does not have a regular non-executive chairman, at least 1/2 (one half) of the Board of Directors of the Company should be independent.

In terms of the Listing Regulations, the nomination and remuneration committee (“**Nomination and Remuneration Committee/NRC**”) is required to lay down the evaluation criteria for performance evaluation of independent Directors and to disclose the criteria for performance evaluation, in its annual report. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated). The Act also provides for appointment of Independent Directors on Board of the Company.

This policy on terms and conditions for appointment of Independent Directors (“**Policy**”) has been developed in compliance with Listing Regulations and the Act. The independence of Directors of the Company will be assessed by the Board pursuant to this Policy and, as described below, the Board will have discretion to determine if a Director is independent.

3. PURPOSE

The purpose of this Policy statement is to:

- i. describe how the Board will assess the independence of each Director;
- ii. identify the information that will be collected from each Director to make the assessment of independence; and
- iii. outline the disclosure to shareholders of the assessment of independence of Directors, including the disclosure of any relationships and associations that may be perceived to affect the independence or objectivity of a Director.

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



4. ASSESSMENT OF INDEPENDENCE

The Board will assess the independence of Directors with reference to the definition of an Independent Director contained in the listing agreement, namely: -

“An Independent Director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.”

5. RELATIONSHIPS TO BE CONSIDERED BY THE BOARD WHEN ASSESSING INDEPENDENCE

Generally, all facts and circumstances will be considered in determining the independence of a Director. It is not possible to provide explicitly for all circumstances that will indicate a conflict of interest or a material relationship, nor is it possible to pre-determine whether such circumstances will be assessed for certain as likely to affect Directors' independent exercise of judgment.

In assessing independence, the Board will take into consideration those relationships which have been prescribed under the listing agreement and the Act.

Directors will update the Board with any new information in relation to interests or relationships relevant to independence. Family ties and cross directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed by Directors to the Board. The Board will assess the independence of Directors annually and will reassess determinations of independence when any new interests or relationships are disclosed by a Director.

6. CONFLICT OF INTEREST

- i. During the term of the appointment of Independent Director and for a period of 6 (six) months thereafter, without prior written consent of Company, the Independent Director shall not:
 - a) act as a director, contractor, partner, employee of any of the competing entities; competing entities shall be defined as any entity that is engaged, directly or indirectly, in a competitive business that is identical or substantially similar to that of the Company or its subsidiaries;
 - b) solicit or encourage any employee, contractor, vendor or customer of Company to terminate their association with the Company;
 - c) acquire more than 2% (two percent) stake in any which is similar to or competes with the business of the Company or its subsidiaries and whose shares are listed on any recognised stock exchange;”
 - d) invest in any company whose business is similar to or competing with that of Company or its subsidiaries..
- ii. Nothing in this clause shall prohibit the Independent Director from continuing his/her existing relationships and investments made prior to the execution date.
- iii. In case any other conflict of interest arises which the Independent Director believes that it shall interfere the performance of his/her duties, he/she shall report the same to the Board at the earliest convenience.

7. MEDIA

During the term of appointment of the Independent Director and for a period of 6 (six) months thereafter, neither Party may directly or indirectly make any statements to the media in respect of the other Party or mentioning the other Party without prior written consent of such other Party.

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



8. DEFINITIONS

- i. **Applicable Laws** means any applicable law, rule, regulation, ordinance, order, treaty, judgment, notification, decree, bye-law, governmental approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law and shall include any of the foregoing, injunction, permit or decision of any central, state or local, municipal government, authority, agency, court having jurisdiction over the matter in question, whether in effect as of the date of this appointment letter or thereafter, in India.
- ii. **Confidential Information** means and includes the following:
- a) all information relating to such matters which comes to the knowledge of the Independent Director or possession in the course of his/her engagement with Company and which by reason of its character and/or the manner of its coming to its knowledge or possession, is evidently confidential (whether or not marked as confidential);
 - b) information obtained from any Persons in the course of carrying out duties set out in this appointment letter including through any interviews conducted with the Company management and employees;
 - c) all information relating to business plans, marketing plans, product plans, research and development plans, proprietary search engine optimization strategies, other strategies, service manuals, game related artifacts, systems, standard operating procedures, work sheets, flow charts, and financial information (including unpublished financial statements);
 - d) data, program code, scripts, database definitions, site design and functionality, graphical design concepts and marketing concepts, training, and development material;
 - e) any and all proprietary information.
- iii. **Governmental Authority** means any government department, local authorities (such as corporation, municipality, panchayat), commission, board, agency, regulatory authority, instrumentality, court or other judicial or administrative body having jurisdiction over the matter or matters in question.
- iv. **Intellectual Property Rights or IPRs include:**
- a) any and all rights, title, and interest in intellectual property under any Applicable Law or under common law including in relation to brands, trademarks, tradenames and the goodwill associated therewith, patent rights, copyrights including moral rights, all domain names, electronic email domains, systems, computer programs, game-related artifacts, source codes, object codes, databases, algorithms, drawings, concepts, applications, formulas, blue prints, database, designs, processes (including industrial processes), software, research and data; trade secrets, works of authorship, inventions, mask works, discoveries, ideas, developments, techniques, improvements, Confidential Information, know-how, and all other proprietary rights, domestic and foreign (in each case whether registered or unregistered); all registrations, applications, extensions and renewals for any of the foregoing; the right to apply or obtain extensions and renewals for the foregoing; and any similar rights in respect of intellectual property, anywhere in the world, whether negotiable or not;
 - b) any and all licenses, permissions, and grants in connection therewith;
 - c) causes of action in the past, present or future, related thereto including the rights to damages and profits, due or accrued, arising out of past, present, or future infringements or violations thereof and the right to sue for and recover the same;
- v. **Parties** shall mean the Independent Director and the Company;

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

- vi. **Person** shall mean and include an individual, an association, a corporation, a body corporate, a partnership, a joint venture, a trust or other entity or organization or any other legal entity.
- vii. **Proprietary Information** means all works, programs, papers, records, data, notes, drawings, files, documents, samples, devices, opinions, research material, checklists, dockets, processes and other materials, including copies in whatever form and translations into any other language and Intellectual Property Rights, relating to Company that the Independent Director possesses or creates during the term of his/her appointment under this appointment letter or in performance of the duties hereunder, whether or not confidential;

9. DISCLOSURE

The Board will make the following disclosure to shareholders in the annual report:

- i. independent and non-independent Directors will be identified and the basis of the assessment of independence will be stated;
- ii. an assessment of independence for a director who has one or more of the relationships referred to above will be specifically explained;
- iii. material relationships, associations and other business of each Director will be described (whether or not falling within the categories listed above). This will include details of any relationships or circumstances which the Board believes do not affect independence but which could be perceived as influencing the Director's judgment, objectivity or ability to act in the best interests of the Company; and
- iv. materiality adopted by the Board to assist in the assessment and determination of independence.

Independent and non-independent directors standing for re-election will also be identified in the notice of annual general meeting.

10. MISCELLANEOUS

- i. Appointment of Independent Director is subject to maximum permissible directorships that one can have as under Applicable Laws.
- ii. Independent Director will not be employee of the Company and this letter shall not constitute a contract of employment.
- iii. Upon any dispute arising out of or in connection with the agreement captured in this appointment letter, including any question regarding its existence, validity or termination (Dispute), the disputing parties hereto shall negotiate in good faith to resolve and / or settle such Dispute, including any question regarding its existence, validity, construction, performance, termination or alleged violation. If said negotiations do not resolve the Dispute to the reasonable satisfaction of the Parties within 30 (thirty) days of any Party seeking negotiation by notice to the other Party, then such Dispute shall be referred to and finally resolved by arbitration in Mumbai in accordance with the Arbitration Rules of the Mumbai Centre for International Arbitration ("MCIA Rules"), which rules are deemed to be incorporated by reference in this clause. The parties agree that any arbitration commenced pursuant to this clause shall be conducted in accordance with the expedited procedure set out in Rule 12.3 of the MCIA Rules. The seat of the arbitration shall be Mumbai, India. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. The law governing this arbitration agreement shall be Indian law. The law governing the contract shall be Indian law.

11. PERFORMANCE EVALUATION OF NON-EXECUTIVE DIRECTORS

With reference to the evaluation mechanism of non-executive Independent Directors, it is worthwhile to see the provision of combined code on this subject since the non-executive Independent Directors are not involved on day-to-day operation of the company. The combined code requires that the performance evaluation of the non-

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

executive Independent Directors should include an assessment of the individual's continuing commitment to the role, in terms of commitment of time for Board and committee meetings and other duties.

12. RESPONSIBILITY & DUTIES OF INDEPENDENT DIRECTORS

- i. safeguard the interests of all stakeholders, particularly the minority shareholders;
- ii. 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;
- iii. bring an objective view in the evaluation of the performance of Board and management;
- iv. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- v. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- ix. strive to attend all meetings of the Board of Directors and of the Board committees of which they are members and the general meetings of the Company;
- x. where they 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;
- xi. keep themselves well informed about the Company and the external environment in which it operates; not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- xii. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xiii. 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;
- xiv. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- xv. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi. bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial integrity and corporate governance;
- xvii. observe and comply with Applicable Laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorships and business of the Company.

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



- xviii. 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.

The role, functions and duties will be those normally required of an Independent Director under Applicable Laws and in conformity with Section 149(8) read with Schedule IV of the Act including in relation to discussion/meeting with the Company representatives on an on-going basis on the agenda items leading up to the relevant meetings, attendance of meetings as per the terms of reference of the respective meeting, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgment, asking clarifications, etc.

13. CONFIDENTIALITY AND NON-DISCLOSURE

- i. The Independent Director understands that all the Information regarding company business that is confidential and agrees to respect the confidentiality and secrecy of the same. He / She further understand and agree that the relationship between the Independent Director and the Company is of a confidential nature and imposes an affirmative obligation upon him/her to protect, foster and respect the confidentiality of Information. Independent Director shall never, either during the term or thereafter, use for any purpose or disclose to any person any part of the Such Information.
- ii. The Independent Director acknowledges that all Confidential Information is the property of the Company. You further agree that the use by or unauthorized disclosure of such Confidential Information could materially and adversely affect the Company, its businesses, and its customers. The confidentiality obligations under this letter will not apply to information which: (i) the Independent Director is required to disclose pursuant to the Applicable Law, provided, he/she shall provide notice of such requirement to the Company, as soon as they become aware of the same; and (ii) is disclosed by the Independent Director to his/her legal counsel or accountant for obtaining personal counsel, provided that such persons are required by the Independent Director to observe confidentiality in relation to the Confidential Information disclosed.
- iii. The obligation of confidentiality will not apply to information that (a) has been published or is otherwise readily available to the public other than by a breach of this Agreement; (b) was known to the Independent Director without restriction on, prior to disclosure by either Party (c) has been rightfully received by the Independent Director from a third party without confidential limitations; or (c) has been independently developed for the Independent Director by his/her personnel or agents having no access to the Company's information.
- iv. Independent Director at any time, upon request by the Company, shall, within 5 (five) days of receipt of notice to that effect, or immediately upon termination of his/her appointment, return all Confidential Information furnished to them in the form of electronic data or printed copies, whether such Confidential Information is in his/her possession or under his/her control, or whether prepared by him/her or otherwise. Independent Director shall, whenever requested by the Company, give a prompt and full account of all Confidential Information created or otherwise in his/her possession and all copies or reproductions thereof. Confidential Information shall remain the property of Company even if the Independent Director is in possession thereof.

14. APPOINTMENT OF INDEPENDENT DIRECTOR

The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders. The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfills the conditions specified in the Act and that the proposed Director is independent of the management.

- i. The appointment of Independent Directors shall be formalized through a letter of appointment which shall set out:-

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

- a) the term of appointment;
- b) the expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
- c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- d) provision for Directors and Officers (D and O) insurance, if any;
- e) the code of business ethics that the Company expects its Directors and employees to follow;
- f) the list of actions that a Director should not do while functioning as such in the Company;
- ii. The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- iii. The re-appointment of Independent Director shall be on the basis of report of performance evaluation.
- iv. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

15. REMUNERATION AND REIMBURSEMENT OF EXPENSES

You will be paid such remuneration for the scope of work provided above or as may be decided by the Board from time to time in compliance with Applicable Laws. The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to Applicable Laws.

A sitting fee will be paid for attending each meeting of the board as well as the Audit committee meeting attended, as per the provisions of Section 197 of the Act 2013 and the Articles of Association of the Company, as fixed by the board from time to time;

The ID will be entitled to claim reimbursement of all his/ her travelling, hotel and other incidental expenses incurred by him/ her in performance of duties as director of the Company, as per the provisions of the Companies Act 2013.

16. DIRECTORS AND OFFICER'S LIABILITY INSURANCE

The Company has an appropriate Directors' and officers' liability insurance policy in force. It is intended to maintain such insurance cover for the term of appointment of the Independent Director.

17. LIABILITY

Subject to the Applicable Laws for any breach of duties, the Independent Director will be liable to consequences prescribed under Applicable Laws and in relation to the Company, he/she will be liable to for such acts of omission or commission by the Company which has occurred with his/her knowledge, attributable through Board processes with his/her consent or connivance or where he/she has not acted diligently.

18. WARRANTIES

The Independent Director represents, warrants and covenants that (i) he/she are a resident and tax-resident of India; (ii) he/she is qualified to be appointed as a Director in accordance with Applicable Law and are also qualified to perform all duties as set out herein; and (iii) he/she does not have any conflicts of interest in the performance of the duties and if any conflicts of interest arise in the future, the same shall be disclosed to the Board.

19. INTELLECTUAL PROPERTY

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

All Intellectual Property Rights which result whether directly or indirectly from the duties carried out by the Independent Director, including any work product as a result of access to Company's Confidential Information or property (of any kind) or which he/she may otherwise create while carrying out the duties (or performing any other activities in relation on to Company) at any time during the course of his/her association with to Company, whether or not registrable as Intellectual Property Rights under Applicable Law, shall be the sole and absolute property of Company.

20. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. In the event that he/she becomes aware of any potential conflict of interest with his/her position as Director of the Company, he/she shall promptly disclose the same to the chairman and the Company and provide such disclosures and information as may be required under Applicable Laws. You are required to declare to the Company any such directorships, appointments and interest to the Board at present and/or in future. Thereafter you are required to declare to the Company whenever there is any change in the circumstances which may affect your status as Independent Director.

21. RESIGNATION OR REMOVAL:

- i. The resignation or removal of an Independent Director shall be in the same manner as is provided in Act
- ii. An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director in terms of the Act and listing agreement.
- iii. Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.
- iv. Continuation of the appointment of the Independent Director is contingent on his/her willingness to continue as Director and he/she getting appointed by the shareholders in accordance with Applicable Laws. He/She will not be entitled to compensation in case the shareholders of the Company do not appoint him/her at any point in time.

22. CHANGE IN PERSONAL DETAILS

During the term of the Independent Director, he/she shall promptly intimate the Company and Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

23. CONTACT PERSON

During the term of the appointment of Independent Director, he/she may reach out at cs@bsstmx.com in case of any query or clarity.

24. SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting. The Independent Directors of the Company shall:

- i. review the performance of non-Independent Directors and the Board as a whole; review the performance of the chairperson of the Company, taking into account the views of executive Directors and non-executive Directors;
- ii. 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.

25. KEY PERFORMANCE ISSUES FOR THE CONSIDERATION OF EVALUATION

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

The following key performance issues could be identified for the purpose of evaluation relating to the processes of the Board / committees: -

- i. the frequency of meetings
- ii. the length of meetings
- iii. the administration of meeting
- iv. the number of committees and their roles
- v. the follow of information to Board members and between Board members
- vi. the quality and quantity of information
- vii. the selection and retirement of directors
- viii. the performance of individual Director
 - a) personal relationship
 - b) the collective performance of the Board / committee as a team
 - c) individual performance and contribution

26. ACCEPTANCE OF APPOINTMENT

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

We look forward to your support and commitment towards the Company.

We are excited about the prospect of working with you in this key leadership role and look forward to your contribution toward the achievement of our strategic objectives. Please confirm your acceptance of this appointment by signing and returning the enclosed copy of this letter.

Should you have any questions or require further clarification, please feel free to reach out to me directly.

Once again, congratulations on your appointment and we look forward to a successful and rewarding association.

Thanking You,

For B.S. Sponge Limited

Authorized Signatory

Date:

Place:

Acknowledgement

I have read and agree to the above terms regarding my appointment as an Independent Director of the Company.

Name:

DIN:

Place:

Date:

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

CONCLUSIONS

This process of critical analysis of the performance of non-executive / Independent Directors will not only enable the Directors to focus more on their area of weaknesses but it will also build on their strengths enabling them to add value to the company and thereby to the shareholders in enhancing the value creation. So long as the process is not that of another item on the box ticking exercise of compliance checklist and the process is really followed in spirit by the corporate in the evaluation mechanism, it would definitely turned out to be a very fruitful exercise and create greater value to all the stakeholders of the Company and strengthen the governance practices.

Place:

Date:

Managing Director

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

As per Schedule IV of the Act

Code for Independent Directors

The code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

I. Guidelines of professional conduct

An Independent Director shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his 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;
- vi. not abuse his 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;
- vii. refrain from any action on that would lead to loss of his independence;
- viii. where circumstances arise which make an Independent Director loses his independence, the Independent Director must immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

II. Role and functions

The Independent Directors shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of Board and management;
- iii. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The Independent Directors shall-

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii. 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;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the Company;
- vi. where they 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;
- vii. keep themselves well informed about the Company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- x. 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;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- xii. "acting within his authority", assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii. 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.

IV. Manner of appointment

- i. Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- ii. The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.
- iii. The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and that the proposed Director is independent of the management.

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

- iv. The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out :
- (a) the term of appointment;
 - (b) the expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors' and officers' insurance, if any;
 - (e) the code of business ethics that the Company expects its Directors and employees to follow;
 - (f) the list of actions that a Director should not do while functioning as such in the Company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
 - (h) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
 - (i) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.

V. Re-appointment

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

VI. Resignation or removal

- i. The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- ii. An Independent Director who resigns or is removed from the Board of the company shall be replaced by a new Independent Director within three months from the date of such resignation or removal, as the case may be.
- iii. Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

VII. Separate meetings

- i. The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-Independent Directors and members of management;
- ii. All the Independent Directors of the company shall strive to be present at such meeting;
- iii. The meeting shall:
 - (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.

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)

CIN U27102WB2000PLCO91975

E: info@bsstmx.com

W: www.bsstmx.com

T: +913335376881

VIII. Evaluation mechanism

- i. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- ii. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

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