

BIHAR SPONGE IRON LIMITED

SUCCESSION PLAN FOR APPOINTMENT TO THE BOARD AND SENIOR MANAGEMENT

[Regulation 17(4) SEBI Listing Regulations, 2015]

1. INTRODUCTION

According to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Board of Directors of every listed company shall satisfy itself that plans itself are in place for orderly succession for appointments to the Board and to senior management.

The term “senior management” would mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the “chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

2. OBJECTIVE

The objective of this policy is to make a plan for orderly succession for appointment to the Board and to the Senior Management.

3. PROCESS

(a) Board Level Appointment:

The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

(b) Sr. Management Level Appointment:

The Nomination and Remuneration Committee of the Company would identify the suitable person to be appointed for the position of Company Secretary and Chief Financial Officer and recommend for appointment to the Audit Committee and/or Board of Directors, as the case may be.

The other vacancies at Senior Management shall be filled up by the Chairman & President in line with the internal policy adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

4. CONSISTENCY OF POLICY WITH THE STATUTORY REQUIREMENT

(a) The Board shall review the succession policy periodically and if required, will make suitable changes in the policy keeping in view the regulatory changes or changes due to business environment.

(b) Chairman & President shall be empowered to keep update the policy in line with the regulatory requirement and make suitable changes in the existing policy subject to the approval of Nomination and Remuneration Committee.

POLICY ON BOARD DIVERSITY OF BIHAR SPONGE IRON LIMITED

[Regulation 19(4) SEBI Listing Regulations, 2015]

1. PURPOSE

The policy on Board Diversity ("the Policy") sets out the approach to diversity on the Board of Directors (the "Board") of Bihar Sponge Iron Limited ("the Company").

2. POLICY STATEMENT

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspective appropriate to the requirements of the business of the Company. The Company see 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. The differences will be considered in determining the optimum composition of Board and when possible should be balanced appropriately.

The Company maintains that Board appointments should be based on merits 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:

2.1 Optimum Composition

(a) The Board shall have an optimum combination of executive and non-executive directors and not less than fifty per cent of the Board of directors comprising non-executive directors.

(b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).

In any case, the 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.

(c) The Company shall have at least one women director on the Board to ensure that there is no gender inequality on the Board.

(d) The Company shall maintain the minimum number of directors on the Board as per regulatory compliances. At present the board of directors of the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.

2.2 Functional Diversity

(a) 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.

(b) Knowledge of and experience in domain areas such as Chemicals, Textiles, Mines, Wind Mills, Salt Industry, Law, Banking and Finance, Corporate, Investment Banking, Governance and Risk, Management, Administration, CSR, etc., should be duly considered while making appointments to the Board level.

(c) While appointing independent directors, care would be taken as to the independence of the proposed appointee.

(d) Directorships in other companies may also be taken into account while determining the candidature of a person.

2.3 Stakeholder Diversity

The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provision of its articles of association and/or any agreement between the Company and the nominating agency.

3. 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 qualifications, positive attributes and independence.

In reviewing Board composition, NRC 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.

4. REVIEW OF THE POLICY

The NRC will review the policy from time to time keeping in view the statutory requirement and need of the organization and recommend the same to the Board for their approval.
