

**BALKRISHNA PAPER MILLS LIMITED**

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**Nomination and Remuneration Policy**

**of**

**Balkrishna Paper Mills Limited**

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## **BALKRISHNA PAPER MILLS LIMITED**

### **NOMINATION AND REMUNERATION POLICY:**

#### **1. INTRODUCTION**

The Company is committed to attracting and retaining the best people to work in the organization, including Board of Directors, Key Managerial Personnel and Senior Management. A key element in achieving that objective is to ensure that the Company is able to appropriately remunerate the key personnel in the organization.

The Company is committed to the application of good management practices, compliance of law and adherence to ethical standard and commitment to values.

The Nomination and Remuneration Policy of Balkrishna Paper Mills Limited (hereinafter referred to as the "Policy") is designed to attract, motivate and retain manpower in a competitive market. The Policy reflects the Company's objectives for good Corporate Governance and compliance of Section 178 and other applicable provisions of the Companies Act, 2013.

#### **2. APPLICABILITY**

The Policy applies to the Company's Board of Directors, Key Managerial Personnel and Senior Management of the Company.

#### **3. OBJECTIVE OF THE POLICY**

The objective of the Policy is to attract, motivate and retain qualified Board, Key Managerial Personnel and Senior Management having industry experience. The remuneration structure for the Board, Key Managerial Personnel & Senior Management is aimed at an optimum balance between the company's short-term results and long-term objectives.

#### **4. DEFINITIONS:**

- **"Company"** :- Company means Balkrishna Paper mills Limited.
- **"Board"** :- Board means Board of Directors of the Company.
- **"Director"** :- Directors means Directors of the Company.
- **"Committee"**:-Committee means Nomination and Remuneration Committee of the Company as constituted or

reconstituted by the Board, from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013.

- **“Independent Director”** : As provided under the Listing Agreements and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a managing director or an executive director or whole time director or a nominee director of the Company.
  - a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b)
    - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company.
    - (iii) apart from receiving Director’s remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - c) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent, or more of its gross turnover or total income or fifty lakhs rupees or with higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - d) who, neither himself or any of his relatives -
    - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary, or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
    - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of :-

- (A) a firm of auditors or company secretaries in practice or cost auditors of the company of its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate or that holds two per cent or more of the total voting power of the company;
- e) who is not less than 21 years of age.
- f) Who possesses such other qualifications as may be prescribed under the act.

- **“key Managerial Personnel (KMPs)”**:- Key Managerial Personnel (KMP) means
  - i. Managing Director, or Chief Executive Officer or the Manager
  - ii. The Whole-Time Director;
  - iii. Company Secretary;
  - iv. Chief Financial Officer; and
  - v. such other officer as may be prescribed under the applicable statutory provisions/regulations.
- **“Senior Management(SMs)”**:- The expression “Senior Management” means personnel of the Company who are Members of its core Management Team excluding Board of Directors & KMPs and comprising of all Members designated as General Manager (GM) and having designation above GM.

Unless the context otherwise requires, words and expressions used in the Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **5. NOMINATION AND REMUNERATION COMMITTEE**

### **A) CONSTITUTION**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company and such other class or classes of companies, as may be prescribed should constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent Directors. Minimum two (2) members shall constitute a quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report. Term of the Committee shall be continued unless terminated by the Board of Directors.

### **B) CHAIRPERSON**

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **C) Frequency of the Meetings**

The Committee can hold Meetings at such places or time or intervals as it may deem fit or as may be prescribed by regulations framed under the Companies Act, 2013.

### **D) Terms of Reference:**

Nomination and Remuneration Committee shall:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the appointment and remuneration of the Directors, key Managerial Personnel and Senior Management;
- b) formulation of criteria for evaluation of Independent Directors and the Board;

- c) to determine, with delegated responsibility, the remuneration packages of individual executive directors, KMPs and SMs, including benefits in kind, including any compensation payable for loss or termination of office or appointment;
- d) devising a policy on Board diversity;
- e) identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- f) The Committee shall carry out evaluation of performance of Independent Directors and the Board of Directors and its Committees annually. The policy on criteria on performance evaluation is annexed herewith as "**Annexure - 1**".

**E) Powers of the Committee:**

**i. Nomination:**

The Powers of the Nomination and Remuneration Committee in relation to its nomination function are to:

- a) be responsible for identifying and nominating, for the approval, of the Board and ultimately the shareholders, candidates to fill Board vacancies and vacancies at the level of KMPs & SMs and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;
- b) Ensure that on appointment to the Board, non-executive directors receive a format of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board Meetings;
- c) regulate its affair in such a manner as it may deem fit; and
- d) exercise such other powers as may be delegated by the Board from time to time.

**ii. Remuneration :-**

The Powers of the Nomination and Remuneration Committee in relation to its remuneration function are to:

- a) make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board;
- b) make proposals for re-appointments of the Directors;
- c) review the Nomination and Remuneration policy and framework for Directors and top Management;
- d) make recommendations to the Board on the remuneration of the Directors, KMPS & SMS;
- e) regulate its affairs in such manner as it may deem fit; and
- f) exercise such other powers as may be delegated by the Board from time to time.

**6. CRITERIA FOR DETERMINING QUALIFICATIONS AND POSITION ATTRIBUTES OF A DIRECTOR/KMP/SENIOR MANAGEMENT AND HIS/HER REMUNERATION**

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This criteria is divided in two parts:

- Part – A covers the appointment and nomination; and
- Part – B covers remuneration and perquisites etc.

**“PART -A”**

**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:**

**❖ Appointment criteria and qualifications:-**

The Criteria for appointment of Directors, KMPs and Senior Management are as follows:

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs or at Senior Management level and recommend to the Board his/her appointment.
- 2) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether



qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

- 3) A whole-Time KMPs of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a Whole-Time KMPs can be appointed as a Director in any company subject to the same being intimated to the Board or being in accordance with the policy of the Company.

❖ **Term/Tenure:**

**1. Managing Director/Executive Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director or Whole time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**2. Independent Director:-**

- i) An independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms.
- ii) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a whole-time Director of a listed company.
- iii) The Independent directors of the listed entity shall hold at least one Meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such Meeting.
- iv) The independent directors in the Meeting referred in point (iii) above shall , inter alia:

- (a) review the performance of non-independent directors and the board of directors as a whole;
  - (b) review the performance of the chairperson of the listed entity, 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 management of the listed entity and the board of directors that is necessary for the Board of directors to effectively and reasonably perform their duties.
- v) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.
- vi) An Independent director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next Meeting of the board of directors or three months from the date of such vacancy, whichever is later; Provided that where the listed entity fulfills the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.
- vii) The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:
- (a) nature of the industry in which the listed entity operates;
  - (b) business model of the listed entity;
  - (c) roles, rights, responsibilities of independent directors; and
  - (d) any other relevant information.

❖ **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the committee may recommend, to the Board with reasons recorded in writing, removal of an Independent Director or Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations and applicable policies of the Company.

❖ **Retirement:**

The Independent Directors shall not be liable to retire by rotation, the other Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**“PART B”**

**POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR/EXECUTIVE DIRECTOR/WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:**

❖ **General:**

1. The remuneration/compensation/commission/benefits etc. to the Managing Director/Executive Director/Whole-time Director, KMPs, and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission/benefits etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Executive Director/Whole-time Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and/or as per the provisions of the Companies Act, 2013 and the rules made thereunder.
3. Increment to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the

Shareholders in the case of Managing Directors/Executive Directors/Whole-Time Directors.

4. While determining the Remuneration for Managing Director/Executive Director/Whole-Time Director and Senior Management Personnel, the Committee shall keep in mind the following criteria:

- That the remuneration is aligned with market when compared to relevant peer companies.
- Understandable and valuable to the talent the Company wishes to attract, motivate engage and retain.

❖ **Remuneration packages for Managing Director/Executive Director/Whole time Director/KMPs and Senior Management Personnel**

Remuneration for Managing Director/Executive Director/Whole time Director/KMPs and Senior Management Personnel may incorporate fixed and variable pay performance elements with both a short term and long term focus. Remuneration packages may contain any or all of the following:

- (a) The Managing Director/Executive Director/Whole time Director/KMPs and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- (b) performance based remuneration: rewards, bonuses, special payments and other measures having regard to clearly specified performance targets;
- (c) other benefits: such as holidays, sickness benefits superannuation payments and long service benefits;
- (d) expense reimbursement: for any expenses incurred in the course of the personnel's duties; and

- (e) termination payments: any termination payments should reflect contractual and legal obligations and will not be made when an executive is removed for misconduct.
- (f) The Managing Director/Executive Director/Whole time Director/KMPs and Senior Management Personnel and any other employee as per the Employee Stock Option Scheme, if any, introduced by the Company in the future, would be entitled for stock options.
- (g) Minimum Remuneration: In the event of absence or inadequacy of profits in any financial year during the tenure of appointment, the Managing Director/Executive Director/Whole-time Director shall be paid remuneration by way of salary, perquisites, allowance and other benefits subject to the limits prescribed in Schedule V of the Companies Act, 2013 (including any Statutory modification or re-enactment thereof) and if it is not able to comply with such provisions, with the previous approval of the Central Government, as minimum remuneration.
- (h) Provisions for excess remuneration: If the Managing Director/Executive Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

❖ **Remuneration to Non-Executive/Independent Directors**

- Non-Executive/Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The Board may at its discretion revise the sitting fees payable to the Non-Executive/Independent Directors from time to time provided that the amount of such fees shall not exceed the limits prescribed under the Companies Act, 2013 or rules made thereunder.
- Independent Directors shall not be entitled to any stock option as per section 149 (9) of the Companies Act, 2013.

## **7. DIRECTORS AND OFFICERS' LIABILITY INSURANCE**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/Senior Management Personnel etc. for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to Company, the premium paid on such insurance shall not be as part of the remuneration payable to any such personnel.

## **8. COMPANY SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **9. VOTING**

- i. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **10. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## **11. DISCLOSURE OF INFORMATION**

The Company shall disclose the following in the Board's report and the Financial Statements:

- a. In the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and Rules made thereunder and
- b. In the Corporate Governance Report, the particulars as prescribed in Clause 49 of the Listing Agreement.

## **12. ADOPTION OF POLICY AND BOARD REVIEW**

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the Listing Agreement with the Stock Exchanges and was adopted by the Board on 11<sup>th</sup> February, 2015, and takes effect from the date

on which the Board approves it. However, the Company reserves the right to modify, cancel, add, or amend any provisions of the Policy. The Policy can only be amended with the approval of the Board.

In case of any doubt with regard to any provision of the policy and in respect of matters not covered herein, a reference to be made to the Chairman of the Nomination and Remuneration Committee. In all such matters the interpretation and decision of the Chairman of the Nomination and Remuneration Committee shall be final.


Due to any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which make any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations will prevail over the policy and the provisions in the policy will be modified in due course to make it consistent with law.

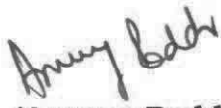
### **13. GENERAL**

This Policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be given for approval to the Board of Directors.

The Company Secretary will communicate any amendments in the Policy to the Board of Directors, key Managerial Personnel and Senior Management.

By Order of the **Nomination and Remuneration Committee For Balkrishna Paper Mills Limited**

  
**(R. B. Golecha)**  
**Director**  
**(DIN: 0007987241)**

By Order of the Board  
  
**(Anurag Poddar)**  
**Managing Director**  
**(DIN:00599143)**

**Place: Mumbai.**  
**Date : Modified on 30<sup>th</sup> January, 2018**



**ANNEXURE I****POLICY OF CRITERIA FOR PERFORMANCE EVALUATION:**

Pursuant to the requirement of the Listing Agreement and the Companies Act, 2013, the Nomination and Remuneration Committee shall prescribe the criteria for performance evaluation of the Board as a whole, Chairperson, Independent Directors, Non-Independent Directors and Committees of the Board.

**I. Evaluation of the Board as a Whole**

No.	Criteria	Score	Remarks, if any
<b>A. Structure of the Board</b>			
<b>Competency of Directors:</b>			
1.	Whether Board as a whole has directors with proper competencies to conduct its affairs effectively.		
<b>Experience of Directors:</b>			
2.	Whether Board as a whole has directors with enough experience to conduct its affairs effectively.		
<b>Mix of Qualifications:</b>			
3.	Whether Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.		
<b>Diversity in Board under various parameters gender/ background/ competence/ experience, etc.:</b>			
4.	Whether there is sufficient diversity in the Board on the aforesaid parameters.		
<b>Appointment to the Board:</b>			
5.	Whether the process of appointment to the board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.		
<b>B. Meetings of the Board</b>			
<b>Regularity of Meetings:</b>			
6.	Whether meetings are being held on a regular basis.		
<b>Frequency:</b>			
7.	Whether the Board meets frequently.		
8.	Whether the frequency of such meetings is enough for the Board to undertake its duties properly.		
<b>Logistics:</b>			
9.	Whether the logistics for the meeting is being handled properly-venue, format, timing, etc.		
<b>Agenda:</b>			
10.	Whether the agenda is circulated well before the meeting.		
11.	Whether the agenda has all relevant information to take decision on the matter.		
12.	Whether the agenda is up to date, regularly reviewed and involves major substantial decisions.		



13	Whether the quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.).		
14	Whether outstanding items of previous meetings are followed-up and taken up in subsequent agendas.		
15	Whether the time allotted for the every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject.		
16	Whether the Board is able to finish discussion and decision on all agenda items in the meetings.		
17	Whether adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting.		
18	Whether the agenda includes adequate information on Committee's activities.		
<b>Discussions &amp; Dissent:</b>			
19	Whether the Board discusses every issue comprehensively and depending on the importance of the subject.		
20	Whether the environment of the meeting induces free flowing discussions, healthy debate and contribution by everyone without any fear or fervor.		
21	Whether the discussions generally add value to the decision making.		
22	Whether the Board tends towards groupthink and whether critical and dissenting suggestions are welcomed.		
23	Whether all members actively participate in the discussions.		
24	Whether overall, the Board functions constructively as a team.		
<b>Recording of Minutes:</b>			
25	Whether the minutes are being recorded properly- clearly, completely, accurately and consistently.		
26	Whether the minutes are approved properly in accordance with set procedures.		
27	Whether the minutes are timely circulated to all the Board members.		
28	Whether dissenting views are recorded in the minutes.		
<b>Dissemination of information:</b>			
29	Whether all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly.		
30	Whether Board is adequately informed of material matters in between meetings.		
<b>C. Functions of the Board</b>			
<b>Role and responsibilities of the Board:</b>			
31	Whether the same are clearly documented E.g. Difference in roles of Chairman and CEO, matters reserved for the Board, etc.		
<b>Strategy and performance evaluation:</b>			
32	Whether significant time of the Board is being devoted to management of current and potential strategic issues.		
33	Whether various scenario planning is used to evaluate strategic risks.		
34	Whether the Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.		

<b>Governance and compliance:</b>		
35	Whether adequate time of the Board is being devoted to analyse and examine governance and compliance issues.	
36	Whether the Board monitors the effectiveness of its governance practices and makes changes as needed	
37	Whether the Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.	
38	Whether the Board oversees the process of disclosure and communications.	
39	Whether the Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance.	
<b>Evaluation of Risks:</b>		
40	Whether Board undertakes a review of the high risk issues impacting the organization regularly.	
41	In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.	
<b>Grievance redressal for Investors:</b>		
42	Whether the Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.	
<b>Conflict of interest:</b>		
43	Whether the Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.	
44	Whether a sufficient number of non-executive members of the board of directors capable of exercising independent judgment are assigned to tasks where there is a potential for conflict of interest.	
<b>Stakeholder value and responsibility:</b>		
45	Whether the decision making process of the Board is adequate to assess creation of stakeholder value.	
46	Whether the Board has mechanisms in place to communicate and engage with various stakeholders.	
47	Whether the Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders.	
48	Whether the Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently.	
49	Whether the Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc..	
<b>Corporate culture and values:</b>		
50	Whether the Board sets a corporate culture and the values by which executives throughout a group shall behave.	

<b>Review of Board evaluation:</b>			
51	Whether the Board monitors and reviews the Board evaluation framework.		
<b>Facilitation of independent directors:</b>			
52	Whether the Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.		
<b>D. Board and Management</b>			
<b>Evaluation of performance of the management and feedback:</b>			
53	Whether the Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance.		
54	Whether the measures used are broad enough to monitor performance of the management.		
55	Whether the management's performance is benchmarked against industry peers.		
56	Whether remuneration of the management is in line with its performance and with industry peers.		
57	Whether remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders.		
58	Whether the Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation.		
59	Whether the Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.		
<b>Independence of the management from the Board:</b>			
60	Whether the level of independence of the management from the Board is adequate.		
<b>Access of the management to the Board and Board access to the management:</b>			
61	Whether the Board and the management are able to actively access each other and exchange information.		
<b>Secretarial support:</b>			
62	Whether adequate secretarial and logistical support is available for conducting Board meetings.		
<b>Fund availability:</b>			
63	Whether sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice e.g. legal, accounting, etc.		
<b>Succession plan:</b>			
64	Whether an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board.		
<b>Professional Development:</b>			
65	Whether adequate induction and professional development programmes are made available to new and old directors.		
66	Whether continuing directors training is provided to ensure that the members of board of directors are kept up to date.		

## **II. Evaluation of Committees of the Board**

### **1. Audit Committee:**

No.	Criteria	Score	Remarks, if any
<b>Mandate and composition:</b>			
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.		
<b>Effectiveness of the Committee:</b>			
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
<b>Structure of the Committee and meetings:</b>			
3	Whether the Committees have been structure properly and regular meetings are being held		
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
<b>Independence of the Committee from the Board:</b>			
5	Whether adequate independence of the Committee is ensured from the Board		
<b>Contribution to decisions of the Board:</b>			
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.		

### **2. Nomination and Remuneration Committee:**

No.	Criteria	Score	Remarks, if any
<b>Mandate and composition:</b>			
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.		
<b>Effectiveness of the Committee:</b>			
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
<b>Structure of the Committee and meetings:</b>			
3	Whether the Committees have been structure properly and regular meetings are being held		
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
<b>Independence of the Committee from the Board:</b>			
5	Whether adequate independence of the Committee is ensured from the Board		
<b>Contribution to decisions of the Board:</b>			
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.		

**3. Stakeholders Relationship Committee:**

No.	Criteria	Score	Remarks, if any
<b>Mandate and composition:</b>			
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.		
<b>Effectiveness of the Committee:</b>			
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
<b>Structure of the Committee and meetings:</b>			
3	Whether the Committees have been structure properly and regular meetings are being held		
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
<b>Independence of the Committee from the Board:</b>			
5	Whether adequate independence of the Committee is ensured from the Board		
<b>Contribution to decisions of the Board:</b>			
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.		

**4. Corporate Social Responsibility Committee:**

No.	Criteria	Score	Remarks, if any
<b>Mandate and composition:</b>			
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.		
<b>Effectiveness of the Committee:</b>			
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
<b>Structure of the Committee and meetings:</b>			
3	Whether the Committees have been structure properly and regular meetings are being held		
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
<b>Independence of the Committee from the Board:</b>			
5	Whether adequate independence of the Committee is ensured from the Board		
<b>Contribution to decisions of the Board:</b>			
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.		

**5. Risk Management Committee:**

No.	Criteria	Score	Remarks, if any
<b>Mandate and composition:</b>			
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.		
<b>Effectiveness of the Committee:</b>			
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
<b>Structure of the Committee and meetings:</b>			
3	Whether the Committees have been structure properly and regular meetings are being held		
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
<b>Independence of the Committee from the Board:</b>			
5	Whether adequate independence of the Committee is ensured from the Board		
<b>Contribution to decisions of the Board:</b>			
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.		

**6. Share Transfer Committee:**

No.	Criteria	Score	Remarks, if any
<b>Mandate and composition:</b>			
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.		
<b>Effectiveness of the Committee:</b>			
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable		
<b>Structure of the Committee and meetings:</b>			
3	Whether the Committees have been structure properly and regular meetings are being held		
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board		
<b>Independence of the Committee from the Board:</b>			
5	Whether adequate independence of the Committee is ensured from the Board		
<b>Contribution to decisions of the Board:</b>			
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.		

**7. Any Other Committee:**

No.	Criteria	Score	Remarks, if any

<b>Mandate and composition:</b>		
1	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.	
<b>Effectiveness of the Committee:</b>		
2	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable	
<b>Structure of the Committee and meetings:</b>		
3	Whether the Committees have been structure properly and regular meetings are being held	
4	In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board	
<b>Independence of the Committee from the Board:</b>		
5	Whether adequate independence of the Committee is ensured from the Board	
<b>Contribution to decisions of the Board:</b>		
6	Whether the Committee's recommendations contribute effectively to decisions of the Board.	

### III. Evaluation of Non – Independent Directors and Chairperson

#### A. Non-Independent Directors:-

	Name	Designation

No.	Criteria	Score	Remarks, if any
<b>Qualifications:</b>			
1	Details of professional qualifications.		
<b>Experience:</b>			
2	Details of prior experience of the member, especially the experience relevant to the entity.		
<b>Knowledge and Competency:</b>			
3	How the person fares across different competencies as identified for effective functioning of the entity and the Board.		
4	Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates.		
<b>Fulfillment of functions:</b>			
5	Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law.		
<b>Ability to function as a team:</b>			
6	Whether the person is able to function as an effective team- member.		
<b>Initiative:</b>			
7	Whether the person actively takes initiative with respect to various areas.		
<b>Availability and attendance:</b>			
8	Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.		
<b>Commitment:</b>			

9	Whether the person is adequately committed to the Board and the entity.		
<b>Contribution:</b>			
10	Whether the person contributed effectively to the entity and in the Board meetings.		
<b>Integrity:</b>			
11	Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)		

**B. Chairperson:-**

Name	Designation

No.	Criteria	Score	
<b>Qualifications:</b>			
1	Details of professional qualifications		
<b>Experience:</b>			
2	Details of prior experience of the member, especially the experience relevant to the entity		
<b>Knowledge and Competency:</b>			
3	How the person fares across different competencies as identified for effective functioning of the entity and the Board		
4	Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates		
<b>Fulfillment of functions:</b>			
5	Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law		
<b>Ability to function as a team:</b>			
6	Whether the person is able to function as an effective team-member		
<b>Initiative:</b>			
7	Whether the person actively takes initiative with respect to various areas		
<b>Availability and attendance:</b>			
8	Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.		
<b>Commitment:</b>			
9	Whether the person is adequately committed to the Board and the entity		
<b>Contribution:</b>			
10	Whether the person contributed effectively to the entity and in the Board meetings		
<b>Integrity:</b>			
11	Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)		
<b>Effectiveness of leadership and ability to steer the meetings:</b>			
12	Whether the Chairperson displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to		



	coordinate the discussion, etc. and is overall able to steer the meeting effectively		
<b>Impartiality:</b>			
13	Whether the Chairperson is impartial in conducting discussions, seeking views and dealing with dissent, etc.		
<b>Commitment:</b>			
14	Whether the Chairperson is sufficiently committed to the Board and its meetings.		
<b>Ability to keep shareholders' interests in mind:</b>			
15	Whether the Chairperson is able to keep shareholders' interest in mind during discussions and decisions.		

**Legend:**

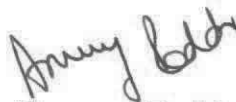
1. A- Good
2. B- Satisfactory
3. C-Needs to Improve

By Order of the **Nomination  
and Remuneration Committee**

By Order of the Board  
**For Balkrishna Paper Mills Limited**



**(R. B. Golecha)**  
**Director**  
**(DIN: 0007987241)**



**(Anurag Poddar)**  
**Managing Director**  
**(DIN:00599143)**



**Place: Mumbai.**

**Date : Modified on 30<sup>th</sup> January, 2018**