



October 1, 2022

Reappointment Letter for Independent Director

Dear Mr. Sudarshan Vijaynarain Somani,

I am pleased to inform you that upon the recommendation of Nomination and Remuneration Committee and the Board of Directors ("the Board") of Andhra Paper Limited ("the Company"), the shareholders of the Company through Postal ballot have approved your reappointment as an Independent Director of the Company ("Independent Director"). This letter sets out the terms and conditions governing your reappointment which are as follows:

1. Reappointment:

- 1.2 In accordance with the provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), you will serve as an Independent Director of the Board for a further period of 3 (three) years from October 30, 2022 to October 29, 2025. Your reappointment is also subject to the maximum permissible directorships as per the provisions of Companies Act, 2013 and the LODR Regulations.
- 1.2 The term "Independent Director" should be construed as per the definition given in the Act and the LODR Regulations.
- 1.3 The Company has adopted the provisions relating to appointment/reappointment and term of Independent Directors consistent with the Act and the LODR Regulations. Accordingly, your reappointment shall be construed as second term as Independent Director of the Company.

2. Code for Independent Directors:

- 2.1 Please note that as per Section 149 (8) of the Act, the Company and Independent Directors shall abide by the provisions specified in Schedule IV of the Act.

A copy of Schedule IV covering the Code for Independent Directors is attached for your reference.

ANDHRA PAPER LIMITED

(Corporate Identity Number: L21010AP1964PLC001008)

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Corp. Office: 31, Chowringhee Road, Park Street, Kolkata – 700 016, India. Tel: +91-33-71500500

Website: www.andhrapaper.com; Email: info@andhrapaper.com

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3. Committees:

3.1 The Board of Directors of the Company may, if it considers necessary, invite you for being appointed as a Member of one or more of the existing Committees of Board or any such Committee that may be constituted in future. Your reappointment on such Committees will be subject to the applicable regulations.

4. Commitment of Time:

4.1 As a Non-Executive Independent Director, you are expected to bring objectivity and independent view to the discussions of the Board and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management besides ensuring higher standards of financial probity and corporate governance. The Board and the Audit Committee meet at least 4 times in a year. In addition, there are other meetings of Committees of Board like Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee which are ordinarily held twice in a year. You will be expected to attend the Meetings of Board of Directors and Committees of Board of which you are a Member and the Meetings of shareholders. You are also expected to devote sufficient time and attention to discharge your duties effectively. Usually, all Meetings of Board of Directors and Committees of Board are held in Rajahmundry.

4.2 By accepting this reappointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

5. Role and Duties:

5.1 Your role and duties will be those normally required of a non-Executive Independent Director under the Act and the LODR Regulations. However, there are certain duties described for all directors, both Executive and Non-Executive, which are fiduciary in nature and re-produced below:

- g) You shall act in accordance with the Articles of Association of the Company;
- h) You shall act in good faith in order to promote the objects of the Company for the benefit of its stakeholders as a whole and in the best interests of the Company;
- i) You shall discharge your duties with due and reasonable care, skill and diligence;
- j) You shall not involve yourself in a situation in which you may have direct or indirect interest that conflicts or may conflict with the interests of the Company. Please refer to Clause No.8 for Conflict of Interest;

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- k) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partner or associates;
- l) You shall not assign your office as director and any assignments so made shall be void.

5.2 In addition to the above requirements which are applicable to all directors, the role of Non-Executive Independent Director has the following:

- (i) Strategy** You should constructively challenge and help develop proposals on strategy.
- (ii) Performance** You should scrutinize the performance of Management in meeting agreed goals and objectives.
- (iii) Risk** You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- (iv) People** You are responsible for determining the appropriate levels of remuneration of Executive Directors as per the recommendation of Nomination and Remuneration Committee and have a primary role in appointing and where necessary, removing the Executive Directors and in their succession planning.
- (v) Reporting** You should take responsibility for the processes for accurate reporting on the performance and financial position of the Company.
- (vi) Compliance** You should keep governance and compliance with the applicable legislations and regulations under review and the conformity of the Company's practices to accepted norms.

6. Status of reappointment:

6.1 Please note that you will not be treated as an employee of the Company and this letter shall not be construed as a contract of employment. You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and its Committees as may be decided by the Board from time to time.

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7. Reimbursement of Expenses:

- 7.1 In addition to the remuneration described in paragraph (6), the Company will, during the period of your reappointment, either arrange your travel and hotel or reimburse the travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

8. Conflict of Interest:

- 8.1 It is expected and acknowledged that you may have business interests other than those of the Company. As a condition to your reappointment commencing, you are required to declare any other future directorships, appointments, interests to the Board in writing in the prescribed form from time to time.
- 8.2 In the event, that your circumstances seem likely to change and might give rise to conflict of interest or when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

9. Confidentiality:

- 9.1 All the information acquired during your tenure is confidential to the Company and should not be released either during your reappointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by the Law or by the Rules of any Stock Exchange or Regulatory Body. On the request of the Company, you shall surrender any documents and other materials made available to you by the Company.
- 9.2 Your attention is also drawn to the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Company's Code of conduct for Regulating, Monitoring and Reporting of trading by Designated Persons and Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information which govern dealing in the securities of the Company and the disclosure of price sensitive information. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.
- 9.3 You are also required to comply with the Company's Code of Conduct and Ethics, enclosed with this letter of reappointment.

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10. Induction:

10.1 You will be provided with ongoing training and familiarization sessions including briefings from the Management and Site visits. Please avail yourself all these opportunities as fully as possible.

11. Evaluation:

11.1 The Nomination and Remuneration Committee/Board of Directors will conduct annual performance evaluation of all the directors including Independent Directors.

12. Insurance:

12.1 The Company has taken Directors' and Officers' Liability Insurance Policy. The Company will maintain such cover for the full term of your reappointment.

13. Independent Professional Advice:

13.1 There may be occasions when you consider that you need professional advice in furtherance of your duties as Director and it will be appropriate for you to consult independent advisors at the Company's expense. Please consult the Chairman before engaging any independent advisors after which, the Company will reimburse the expenditure incurred by you in accordance with its policy.

14. Disclosure of Interest:

14.1 The Company is required to include in its Annual Report a note of any material interest that a Director may have for any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and the Company's records are updated. A general notice in the prescribed form disclosing that you are interested in any contract(s) with particular person, firm or company is acceptable.

15. Termination:

15.1 You may resign from your position at any time and should you wish to do so, you are requested to send a reasonable written notice to the Chairman of the Company.

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15.2 Your reappointment may also be terminated in accordance with the provisions of Act or LODR Regulations or Articles of Association of the Company in force from time to time.

16. Governing Law:

16.1 This reappointment is governed by and will be interpreted in accordance with the current applicable Laws and your engagement will be subject to the jurisdiction of the Courts in India.

If you are willing to accept these terms of reappointment as a Non-Executive Independent Director of the Company, please confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely,

For and on behalf of ANDHRA PAPER LIMITED

**SHREE KUMAR BANGUR
CHAIRMAN & MANAGING DIRECTOR**

To:

**Mr. Sudarshan Vijaynarain Somani,
Shriniketan, 2nd Floor, 86/A,
N.S. Road, Marine Drive,
Mumbai – 400 020**

I hereby acknowledge the receipt and accept the terms set out in this letter.

(Signature)

Enclosures: 1. Code for Independent Directors
2. Company's Code of Conduct and Ethics

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