

LETTER FOR CONTINUATION OF APPOINTMENT AS INDEPENDENT DIRECTOR

Dear Sir,

We are pleased to inform you that the shareholders have at the Annual General Meeting held on 10th September 2015 have approved the continuation of your appointment as an Independent Director for a period of 5 consecutive years w.e.f 31.03.2015 , on the Board of The South India Paper Mills Limited (hereinafter referred to as 'SIPM Limited' or 'the Company').

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

**A. TERM OF APPOINTMENT:**

1.1 Your appointment as a Non-Executive Independent Director on the Board of SIPM Ltd continued with effect from 31st March, 2015 for a period of 5 consecutive years.

1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 read along with Schedule IV and the Listing Agreement.

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement, as and when applicable. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

1.4 The Board may, if it deems fit, invite you for being appointed on one or more existing Board committees or any such committee that is set up in the future. Your appointment on such committee(s) will be subject to the applicable regulations.

**B. EXPECTATION OF THE BOARD FROM THE APPOINTED DIRECTOR:**

As a Non-Executive Independent Director you are expected to:

- bring objectivity and independence of view to the Board's discussions,
- provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management and balanced decision-making,
- ensure high standards of integrity, financial probity and corporate governance.
- attend Board Meetings and meetings of committees, to which you may be appointed, and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

### C. FIDUCIARY DUTIES AND ACCOMPANYING LIABILITIES:

Your role and duties will be those required of a Non Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed which are fiduciary in nature and are as under

- I. You shall act in accordance with the Company's Articles of Association;
- II. You shall act in good faith in order to promote the objects of the company for the benefit of Its members as a whole, and in the best interest of the company;
- III. You shall discharge your duties with due and reasonable care, skill and diligence;
- IV You should scrutinise the performance of the management, in meeting agreed goals and objectives and monitor the reporting of performance;
- V You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- VI.You should ensure governance and compliance with the applicable legislation & regulations under review;
- VII. You should ensure that adequate deliberations are held before approving related party transactions and that the same are in the interest of the company;
- VIII. You shall safeguard the interests of all stakeholders.
- IX. You shall balance the conflicting interest of the stakeholders.

### D. DIRECTORS AND OFFICERS (D AND O) INSURANCE:

The Company, at present, does not hold any insurance policy for the Directors and Officers of the Company.

### E. CODE OF BUSINESS ETHICS:

- Conflict of interests

It is accepted and acknowledged that you may have business interests other than those of the Company. You are requested to declare any such directorships, appointments and interests to the Board in writing in the prescribed form.

In the event that your circumstances seem likely to change and might give rise to a 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 the Board.

- Confidentiality

All information acquired during your appointment is confidential to SIPM Limited and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Managing Director unless required by law or by the rules of any statutory or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by SIPM Limited.

- Ethical behavior

It is accepted that you will be in a position to act on behalf of the company with honesty, transparency and integrity and shall report concerns about unethical behaviour, actual or suspected fraud of the Company's code of conduct.

**F. BY ACCEPTING THIS APPOINTMENT YOU ACKNOWLEDGE THAT:**

- You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company as explained in one of the above clauses
- You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- You shall not assign your office as Director and any assignments so made shall be void.

**G. REMUNERATION :**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its committees as may be decided by the Board from time to time.

The sitting fees presently paid to the Non-Executive Independent Director is Rs. 10,000/- per meeting of the Board or a Committee thereof.

Non executive Directors are paid commission not exceeding 1% (aggregate for all Non Executive Directors) of the net profits of the Company, computed as per the Companies Act, 2013. The Commission shall be shared among all the Non Executive Directors in proportion to the period of holding directorship in that financial year.

Apart from the remuneration described above, the Company will, for the period of your appointment, reimburse the travel expenses incurred by you, for participation in the Board and other meetings of the Company.

## **H. TERMINATION :**

a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board as per the provisions of Companies Act 2013 And Listing agreement.

b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time, in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

## **I. GOVERNING I.AW:**

This agreement is governed by and will be interpreted in accordance with Companies Act, 2013, and Listing agreement, including any further modifications thereof and your engagement shall be subject to the jurisdiction of the Indian courts.

I trust that these terms relating to your appointment as a Non-executive Independent Director of SIPM Limited are acceptable to you. Kindly confirm your acceptance of these terms by signing and returning to us the copy of this letter.

Yours sincerely  
For and on behalf of The South India Paper Mills Limited

Manish M Patel  
Managing Director  
DIN 00128179

I, ----- hereby acknowledge the receipt of accept the terms set out in this appointment letter

Signature :  
Date :