



PUDUMJEE PAPER PRODUCTS LTD.

Registered Office:

Survey No. 25, 26, 29 & 30, Chinchwad Road, Near Aditya Birla Hospital,
Thergaon, Mulshi, Pune, Maharashtra 411 033, India.

E-mail: pune@pudumjee.com | Telephone: +91 20 4077 3333 / 3061 3333

CIN: L21098PN2015PLC153717 | GSTIN: 27AAHCP9601Q1ZQ

Date: _____

Dear Shri _____,

Subject: Appointment as Independent Director of Pudumjee Paper Products Limited ('the Company')

It is indeed a matter of privilege for us to have you on our Board as an Independent Director. The Companies Act, 2013 ('Act') has mandated that the Company should formalize the appointment through a letter of appointment setting forth therein certain particulars as mentioned therein. This letter therefore, refers to those particulars in fulfillment of that stipulation.

This letter sets out the broad terms of your appointment as an Independent Director, on the Board of the Company.

• **Appointment:**

- (i) The Shareholders of the Company through Postal Ballot had appointed you as an Independent Director of the Company for a period of 5 years w.e.f. _____ till _____ subject to other provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] (Copy of Resolution is enclosed).
- (ii) You will not be liable to retire by rotation.
- (iii) During the tenure as an Independent Director, you may be requested to serve on one or more of the Board committees, from time-to-time.
- (iv) 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 and, if required, approved by the Shareholders from time to time.

• **Time Commitment:**

As an Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. The Audit Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, which are convened as per the requirement to comply with provisions of the Act and Listing Regulations. You will be expected to attend Board, Board Committees to which you are/may be appointed and Shareholders meetings or invited thereto and to devote such time to your duties, as appropriate for you to discharge your duties and contribute your views effectively.

Corporate Office:

Jatia Chambers, 60, Dr. V. B. Gandhi Marg,
Kalaghoda, Mumbai 400 001, India

E-mail: pudumjee@pudumjee.com |

Telephone: +91 22 4355 3333, 2267 4485

Website: www.pudumjee.com

Certification by ICS
Integrated Management System (IMS)
Registration No.: RH91/11027, Complying with Standards:
QMS - ISO 9001:2015
EMS - ISO 14001:2015
OHSMS - ISO 45001:2018
HACCP based Food Safety Management System
Registration No.: RH91/10093, Complying with Standards:
FSMS - ISO 22000:2018





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• Role & Duties:

Your role and duties will be those normally required of an Independent Director under the Companies Act, 2013 and Listing Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- (i) You shall act in accordance with the Articles of Association of the company.
- (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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (iii) You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) 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.
- (v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.
- (vi) You shall not assign your office and any such assignment shall be void.

The Non-Executive Independent Directors are also required to abide by the provision of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013 (Copy enclosed).

• Fees:

The Company as a customary practice, allows sitting fees of Rs.50,000/- per meeting of the Board, Rs.25,000/- per meeting of Audit Committee, Rs.5,000/- per meeting of the Nomination & Remuneration Committee & Corporate Social Responsibility Committee and Rs.1,000/- per meeting of the Stakeholders Relationship Committee.

• Reimbursement of Expenses:

In addition to the fee, the Company will reimburse Independent Directors for all reasonable documented expenses that Independent Directors may incur in connection with the travel to attend the Board Meeting to and from place of your residence. Independent Directors may submit any details of such expenses incurred for reimbursement.

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• Conflict of Interest:

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment, and update whenever any change therein occurs.

• Confidentiality:

You are expected not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information etc., unless such disclosure is expressly approved by the Board or required by law.

• Separate meetings:

The Independent Directors of the Company periodically hold exclusive Meetings without the attendance of non-Independent Directors and Members of the Management. You shall strive to be present at such Meetings; 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.

• Resignation/ Removal

The resignation or removal of an Independent Director shall be in the same manner as provided in sections 168 and 169 of the Act.

• General:

- (a) Unless specifically authorized by the Company, the Independent Directors will not disclose information in respect of the Company's affairs to the media, the financial community, the employees, the members, or to any existing or potential competitor or any other person.

The obligation of confidentiality of the Independent Directors shall survive the cessation of their directorship in the Company.

- (b) In the interest of the Company, the Independent Directors shall not engage in any activity which may adversely affect their independent judgement.

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- (c) All the terms and conditions as mentioned above shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance Requirements under the Listing Regulations from time to time.

We look forward to your active involvement in the Company's decision making process and valuable guidance towards a better and stronger Company.

Thanking you, we remain;

Yours faithfully,

On behalf of the Board,

Chairman.

Encl.: A/a.

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SCHEDULE IV OF THE COMPANIES ACT, 2013
[See Section 149(8)]
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:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) 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;
- (6) 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) 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;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) 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 –

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) "act within their authority", assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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:

- (1) 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.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) 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 the rules made thereunder and that the proposed director is independent of the management.
- (4) 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 (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; and

- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) 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.
- (6) 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:

- (1) 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.
- (2) 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.
- (3) 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:

- (1) 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;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) 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.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies."