



## **ANDHRA PAPER LIMITED**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Company has adopted a Code of Conduct specifically for the Directors of the Company and Members of Senior Management of the rank of Vice President and above (Covered Employee) which sets out as follows:

- To act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of the position of Director;
- To comply with all applicable laws, rules and regulations;
- To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- To act in a manner to enhance and maintain the reputation of the company;
- To disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest;
- To respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, while continuing as such a director and even after ceasing to be such a director, for a reasonable period of say two years, except when authorized or legally required to disclose such information;
- To refrain from using the Company's property or position for personal gain;
- To avoid using any information or opportunity received in the capacity as Directors for personal gain, or in a manner that would be detrimental to the Company's interests;
- To abstain from discussion, voting or otherwise influencing decision on any matters that may come before the Board in which they may have a conflict or potential conflict of interest;

- Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity in which they have a direct or indirect interest, or where they occupy a position of board or executive responsibility with influence over their decisions;
- To help create and maintain a culture of high ethical standards and commitment to compliance;
- To comply with the Code of Conduct for Prevention of Insider Trading.

**Duties of Independent Directors: \*\***

The Independent Directors shall—

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;

- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

No Director shall seek, or accept, any gifts or incentives in their capacity as director of the Company, except what is duly authorised as acceptance under the Company's Gift Policy.

If any Director believes that there is a violation or significant deviation from the Code has taken place, he must report the same to the Chairman who will deal with the same. If any Member of the Senior Management believes that a violation or significant deviation from the Code has taken place, he must report the same to CEO.

No waiver or suspension of any or all requirements of this Policy, or any modifications of this policy, shall be valid unless approved by the Board and formally minuted with reasons for such action.

Every Director and member of Senior Management shall affirm compliance with the Code on or before 15th April of each year in the prescribed format given in the Appendix.

**\*\*Inserted the Duties of Independent Directors as per the Board's approval dated October 17, 2014**

Date:

To  
The Board of Directors  
Andhra Paper Limited  
Rajahmundry - 533 105  
East Godavari District  
Andhra Pradesh  
India

Dear Sirs,

I, \_\_\_\_\_, am a Director/covered employee under the Code of Business Conduct and Ethics of the Company adopted by the Board of Directors on 23<sup>rd</sup> July, 2013

I hereby affirm compliance with the said Code for the financial year ended 31<sup>st</sup> March, \_\_\_\_\_.

Thanking you,

Yours faithfully,

( \_\_\_\_\_ )

Note: In case any section of the Code has not been complied with, please state exact section and circumstances in which the Code was not complied with and/or waiver granted by the Board, if any.