



**HERITAGE FOODS LIMITED**

(Formerly known as Heritage Foods (India) Limited)  
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**LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS**

**Date:** .....

Sri .....  
Add:.....

Dear Sri .....,

**Sub: Appointment/Re-appointment of Independent Director**

I am pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors (hereinafter referred as “the Board”) of M/s Heritage Foods Limited (“the Company”) has approved your appointment/reappointment as an Independent Director of the Company (“Independent Director”). This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

**i. Appointment /Reappointment**

In accordance with the provisions of the Companies Act,2013 and the Rules made there under read with Schedule IV to the Act, as amended from time to time, You will be Appointed /re-appointed as a Non-Executive Independent Director on the Board of Directors of Company. Your appointment is subject to approval of the Shareholders at the Annual General Meeting of the Company scheduled to be held on ..... Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement. .

The term Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Agreement.

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 Rules made there under read with Schedule IV to the Act, as amended from time to time and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at

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liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013 and the Listing Agreement.

### **ii. Board Committees**

The Board of Directors (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.

Currently, the Board has Five committees: Audit Committee, Management Committee, Nominations and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Normally, the Audit Committee, Stakeholders Relationship Committee meet four times a year and remaining committees shall meet whenever it is required. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings is either two members of the committee or one-third of the members of the committee, whichever is higher.

### **iii. Time Commitment**

As a Non-Executive 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 six times in a year.

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

### **iv. Professional Conduct**

As an Independent Director, you shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising your duties;
- exercise your responsibilities in a bona fide manner in the interest of the Company;

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- devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- not allow any extraneous considerations that may vitiate your 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
- not abuse your 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.
- refrain from any action that could lead to a loss of your independence;
- ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- assist the Company in implementing the best corporate governance practices.

### **v. Roles, Responsibilities and Duties**

Your roles, Responsibilities and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Act, as amended from time to time and the Listing Agreement with the Stock Exchanges. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- You shall act in accordance with the Company's Articles of Association.
- 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.
- You shall discharge your duties with due and reasonable care, skill and diligence.
- 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. Please refer to Clause ix for full explanation on conflict of interest.
- 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.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

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**Strategy:** Non-Executive Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

**Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

**Responsibilities:** Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

### vi. Status of Appointment

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 approved by the Shareholders from time to time.

The sitting fees presently paid to the Non-Executive Director is Rs. 10,000/- per meeting of the Board and Rs.5000/- per the Committee thereof. The Board of Directors of the Company pursuant to the provisions of Section 197 of the Companies Act 2013 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement approved for payment of Rs. 20,000 (Rupees Twenty Thousand only) for each meeting of the Board and Audit Committee and for payment of Rs. 10,000 (Rupees Ten Thousand only) as sitting fees for each meeting of the Committee other than the Audit Committee plus conveyance & traveling and such

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other expenses w.e.f 1<sup>st</sup> October 2014. Subject to the approval of the members of the Company

### **vii. Reimbursement of Expenses**

In addition to the sitting fee described in point No.vi the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

### **viii. Insurance**

The Company has Directors' and Officers' (D & O) liability insurance policy and it is intended that HFL will assume and maintain such cover for the full term of your appointment.

### **ix. 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.

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 judgment that you are independent, this should be disclosed to both the Chairman and the Secretary of the Company

### **x. Confidentiality**

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

Directors are **prohibited** from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Secretary / the Compliance Officer of the Company. You are required to comply

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with the applicable insider trading laws and regulations. You are also required to comply with the Company's *Code of Conduct and Ethics*, enclosed with this letter of appointment.

### **xi. Evaluation**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

### **xii. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent adviser(s) at the Company's expense. The Company will reimburse the full cost of expenditure incurred.

### **xiii. Disclosure of Interest**

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

### **xiv. Termination**

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.

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.

Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013 and as per the Articles of Association of the Company from time to time in force.

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**xv. Governing Law**

This appointment letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

For **Heritage Foods Limited**

**Vice Chairperson & Managing Director**

- Encls: 1. Copy of the Code of conduct & Ethics  
2. Copy of the D & O Policy

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

Signed .....

Dated .....