



Board Diversity Policy

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POLICY ON BOARD DIVERSITY

1. Purpose of this Policy:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Nomination & Remuneration Committee of the Board (NRC) shall devise a Policy on 'Board Diversity'. This Policy on Board Diversity (the "Policy") sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board. The policy will be posted on the Company's website.

2. Scope of Application:

The Policy applies to the Board of Heritage Foods Limited (the "Company").

3. Policy Statement:

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

It's rightly said that, "The best boards always blended with individuals with different skills, knowledge, information, power, and time to contribute."

Composition of the Board:

The Board of directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with at least one Woman Director on the Board and not less than fifty per cent of the Board of Directors shall comprise of non-executive directors. The composition of the Board shall be in compliance with the requirements of the Articles of Association of the Company, Provisions of the Companies Act, 2013 read with Rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Rules, 2015, as amended from time to time.



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In order to ensure a balanced composition of executive, non-executive, independent directors including woman Directors on the Board, the Company shall consider individuals from a wide variety of backgrounds, without discrimination, and based on the following factors:

- **Gender**- the Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board.
- **Ethnicity** - The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- **Physical disability** - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.
- **Educational qualification**- The Directors of the Company shall have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

4. Skills/Expertise/Competencies of the Board of Directors

The core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively and those available with the Board as a whole are as follows.

- **Sales & Marketing**: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry, developing strategies to grow sales and market share, build brand awareness, equity and enhance enterprise reputation.



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- **General management/Governance and Compliance:** Service on a company board to develop insights about maintaining board and management accountability, Strategic thinking, decision making, protecting shareholder interests, and observing appropriate governance practices. Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
- **Financial skills:** Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc. Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a financial officer, accounting officer, controller, auditor or person performing similar functions
- **Technical and professional skills/ Policy Development:** Ability to identify key issues and opportunities for the Company within the Dairy industry and develop appropriate policies to define the parameters within which the organisation should operate and knowledge including legal and regulatory aspects
- **Operational Skill/ Strategy planning, Mergers and Acquisitions:** Experience in operating and managing on dairy business. Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities. Leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plan.
- **Leadership:** Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. Oversee strategic human resource management including workforce planning, employee and industrial relations and oversee large scale organisational change.



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- **Information Technology:** A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models. Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.
- **International Business:** Knowledge of and experience in companies with operations outside India.

The Directors of the Company comprises of qualified individuals who collectively possess the above skills, competencies and experience across diverse fields that enable them to make effective contributions to the Board and its Committees.

5. Role of Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') of the Company shall review and assess Board composition and shall recommend to the Board, the appointment of new directors based on their qualification, skills, experiences, positive attributes and independence.

6. Review of the Policy:

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also its compliance with applicable Acts/Regulations.

7. Scope and Limitation:

In the event of any conflict between the provisions of this Policy and the LODR Regulations/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such LODR Regulations/Companies Act, 2013 or statutory enactments, Rules shall prevail over this Policy.

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