



NOMINATION AND REMUNERATION POLICY

**HERITAGE NUTRIVET LIMITED
CIN: U15400TG2008PLC062054
Regd Off: # 6-3-541/C, 4th Floor
Punjagutta, Hyderabad-500 082
Telangana, India**

6. Remuneration:

The level and composition of remuneration to be paid to the VCMD/ED/WTD, KMPs, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMPs, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and should encourage meeting of appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive / performance related pay reflecting achievement of short and long-term performance objectives appropriate to the working of the company and meeting its goals

6.1 VCMD/ WTD/ED

Besides the above Criteria, the Remuneration/ Compensation/ Commission etc. to be paid to VCMD/WTD/ED shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force as also by Company policy.

6.2 Non-Executive Directors/ Independent Directors

The Non-Executive / Independent Directors may receive sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of fees shall be such as determined by the Board of Directors / Shareholders from time to time.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and, as amended from time to time.

In addition to the sitting fees, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits and induction and training organised by the Company for Directors.

6.3 Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be decided by the VCMD/ ED (for KMPs other than those who are at the WTD / Board level) of the Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

6.4 Other Employees

The power to decide structure of remuneration for other employees has been designed in the Remuneration policy and implementation of the same is to be ensured by VCMD/ ED of the Company or any other personnel that the VCMD / ED may deem fit to delegate.

7. Disclosure of this Policy:

This Nomination & Remuneration policy shall be disclosed in the Board's report as required under the Companies Act, 2013.

8. Review and Amendment:

The Committee may assess the adequacy of this Policy and make any necessary or desirable amendments from time to time to ensure it remains consistent with the Board's objectives, current laws and best practices.

9. Scope And Limitation

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

Annexure-A**Framework for performance evaluation of Independent Directors and the Board**

The Nomination and Remuneration Committee (the “Committee”) shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board.

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 - Part-1: Board Self Evaluation form,
 - Part-2: Chairpersons Assessment form &
 - Part-3: Individual Director Assessment form
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Directors’ Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Performance Evaluation of Independent Directors

The Nomination and Remuneration Committee of the Board to lay down evaluation criteria for performance evaluation of the Board.

SI No	EVALUATION FACTOR	RATINGS					Comments
		1	2	3	4	5	
Part-1: BOARD SELF EVALUATION FORM							
I	Board and Strategy Effectiveness: The Board...						
1	Has developed a strategic plan and is planning adequately for the future.						
2	Evaluates the strategic plan periodically to assess the Company performance, considers new opportunities and responds to unanticipated external developments.						
3	Focuses its attention on long-term policy issues rather than short-term administrative matters.						
4	Discusses thoroughly the annual budget of the Company and its implications before approving it.						
II	Board Structure and Committees						
1	The Company has an appropriate board size and structure.						
2	The board currently contains a sufficient range of expertise to make it an effective governing body.						
3	The composition of the board complies with the provisions of the Companies' Act, 2013, and rules made thereof						
4	The board has the proper number of committees as required by legislation and guidelines, with well defined terms of reference and reporting requirements.						
5	The Committees (Such as: Audit Committee, Stake Holder Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Management						

SI No	EVALUATION FACTOR	RATINGS					Comments
		1	2	3	4	5	
	Committee) are appropriately constituted.						
III Board/Committee Meetings and Procedures							
1	The number of board/committee meetings during the year is adequate.						
2	Board/committee members receive accurate minutes, written agendas and meeting notices; and relevant material to prepare in advance of meetings.						
3	Non-committee members are kept informed as to various board committee actions.						
4	All proceedings and resolutions of the board/committee are recorded accurately, adequately and on a timely basis.						
5	Board/committee meetings are conducted in a manner that encourages open communication and meaningful participation.						
6	Sufficient time is provided during board/committee meetings for thoughtful discussion in addition to management dialogue.						
7	All board decisions, other than those that have been delegated to the committee(s), are made in the board room.						
IV Board and Management Relations: The Board...							
1	Sets the overall tone and direction of the Company and establishes guidelines on the nature and amount of risk the Company may take.						
2	Has approved comprehensive policies and procedures for all material activities and risks in the Company.						
3	Has a range of appropriate performance						

SI No	EVALUATION FACTOR	RATINGS					Comments
		1	2	3	4	5	
	indicators that are used to monitor the performance of management.						
4	Is well informed on all issues (short and long-term) facing by the Company.						
5	Ensures that information adequately flows between the board and management on ongoing basis.						
V	Succession Planning and Training						
1	The Company induction and on-going training program assist board members in the execution of their duties.						
2	The board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director.						
3	The board has effective mechanisms that allow for taking corrective action against staff and management.						
Part-2: CHAIRPERSON ASSESSMENT FORM							
I	Managing Relationship: The Chairperson...						
1	Actively manages shareholder, board, management and employee relationships and interests.						
2	Meets with potential providers of equity and debt capital.						
3	Manages shareholder meetings effectively and promotes a sense of participation in all shareholders and promotes shareholder confidence in the board.						
II	Leadership: The Chairperson...						
1	Is an effective leader.						
2	Promotes effective participation of all board members in the decision making process.						
3	Takes action to correct deficiencies noted.						
4	Promotes the image of the Company.						

SI No	EVALUATION FACTOR	RATINGS					Comments
		1	2	3	4	5	
5	Is involved in determining board information packages.						
6	Promotes continuing training and development of directors.						
Part-3: INDIVIDUAL DIRECTOR ASSESSMENT FORM							
I	Corporate Governance: The Director...						
1	Has ability to remain focused at a governance level in board meetings.						
2	Contributes to the strategic planning process.						
3	Understands governance, regulatory, legal, financial, fiduciary and ethical requirements of the board.						
4	Adheres to high standards of personal integrity and gives high priority to ethical standards.						
5	Practices confidentiality.						
II	Commitment and Competence: The Director...						
1	Adds good value to the Company.						
2	Has ability to see the implications of broad organizational issues.						
3	Keeps abreast with latest developments in the sector.						
4	Has adequate knowledge of the Company key activities, financial condition and key developments						
5	Communicates convincingly yet diplomatically.						
6	Contributes to board deliberations or committee work.						
7	Comes prepared for meetings.						

Rating Scale: 1. Strong, 2. Satisfactory, 3. Fair, 4. Weak, 5. Critical

Annexure-B

Framework for Separate Meeting of Independent Directors

As required by the provisions of Schedule IV to the Act the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

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.

This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

Annexure-C**Familiarisation Programme for Independent Directors**

As required by the provisions of Schedule IV to the Act the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company.

The Company will impart Familiarisation Programmes for new Independent Directors inducted on the Board of the Company.

The Company has put in place a system to familiarise the independent directors about the Company, its products, business and the on-going events relating to the Company.

Independent directors of the Company are made aware of their role, responsibilities and liabilities at the time of their appointment/re-appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. They are also made aware of Company's board and board committee framework, policies and procedures.

As part of board discussions, presentations on business units are made to the directors from time-to time.

Important stock exchange announcements and press releases for various news related to the Company are also forwarded to the directors from time-to-time.

Factory visits are arranged for independent directors from time-to-time for better understanding of the Company's business.

Each member of the board, including the independent directors, have been given complete access to any information relating to the Company, whenever they so request.

Thus, all efforts are made to ensure that the Directors stay current on the state of the Company's affairs and the industry in which it operates.
