

DRAFT AGREEMENT

Mr. Matthias Christoph Lohner
Gurgaon

Dear Matthias,

We are pleased to inform you that the Members of the Company have approved your appointment as Director and Whole-time Director designated as 'Executive Director – Technical' of the Company, for a period of consecutive five years with effect from 1st November, 2020, subject to approval of the Central Government, on the following terms and conditions:

I) Salary, Allowances and Commission (hereinafter referred to as “Remuneration”):

a) Salary Comprising

- (i) Basic salary: At the rate not exceeding Rs.96,00,000/- per annum; and
- (ii) Allowances : Not exceeding 4 times Basic Salary

With increments as may be decided by the Board of Directors of the Company from time to time, subject to a ceiling on increment of 30% in a year (following April to March year) over the existing Basic salary and Allowances as on 1st April every year, commencing from 1st April, 2022.

b) Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 as per the criteria and rate to be determined by the Board of Directors, from time to time, but not exceeding an amount equivalent to the Salary in I(a) above, for the relevant period. The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board. Commission shall include elements of fixed remuneration payable based on net profits as per Rules of the Company. The performance linked incentive shall also be linked to the performance during the relevant year.

II) Perquisites

1. In addition to the Remuneration as stated above, you shall be entitled, as per Rules of the Company, to perquisites like:
 - a. Rent-free furnished residential accommodation with free use of all the facilities and amenities, such as air conditioners, geysers etc. In case no accommodation is provided by the Company, you shall be entitled to House Rent Allowance as per policy of the Company.
 - b. Reimbursement of medical expenses incurred, including premium paid on health insurance policies whether in India or abroad for self and family including hospitalization.
 - c. Personal Accident Insurance Premium.
 - d. Air passage and / or Leave travel allowance for self and members of family residing in India and for visit to India of the members of your family not residing in India.
 - e. Subscription to clubs.

- f. Use of Company maintained cars with drivers for business and personal use.
- g. Use of communication devices for business and personal use.
- h. Education Allowances for children, whether abroad or in India.
- i. Encashment of leave at the end of your tenure as per policy of the Company.
- j. Contribution to provident fund and any other retirement benefits.
- k. Terminal benefits.

Air/Sea passage together with cost of transportation of household belongings to such places as may be approved by the Board of Directors at the time of leaving the service of the Company.

- l. Expenses on shifting of residence.
- m. Joining allowances and other benefits.
- n. Participation in any/ all employee stock option schemes/ performance stock unit plans of the Company or that of Nestlé S.A.
- o. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and yourself.

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in l(a) above for the relevant period. The perquisites mentioned above from (h) to (n) shall be based in the actual amounts and excluded from the aforesaid perquisite limit.

III) Minimum Remuneration:

Notwithstanding anything herein contained, in the event of loss or inadequacy of profits in any financial year during the period of your office as the Whole-Time Director, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to you as provided herein above.

IV) Other Terms:

- a) Subject to the superintendence, control and direction of the Board of Directors, you shall manage and conduct the business and affairs of the Company relating to Technical function as Executive Director - Technical.
- b) You shall give an undertaking to the Company that so long as you are the "Executive Director- Technical" of the Company, not to become interested or otherwise concerned directly or indirectly through your wife or minor children in selling agency of the Company without the prior approval of the Board and such other approvals, if any, as may be applicable.
- c) You shall keep the secrets of the Company.
- d) You shall be entitled to the reimbursement of entertainment and other expenses including travel actually and properly incurred in the course of legitimate business of the Company.
- e) You shall be entitled to leave, in accordance with rules of the Company.
- f) You shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.
- g) This Agreement can be terminated by you or the Company by one party giving to the other three (3) calendar months' notice in writing or by payment of a sum equivalent to remuneration for the notice period or part thereof in case of shorter notice or on such other terms as may be mutually agreed.

- h) You shall be stationed at Gurugram or such other place as may be decided by the Board from time to time.
- i) Duties and Liabilities: The duties and liabilities that come with your appointment as the Whole-time Director, designated as Executive Director- Technical, would be as per the applicable laws; Nestlé Corporate Business Principles and other Nestlé policies; and the Articles of Association of the Company. The laws that currently govern the duties and liabilities of a Director are the Companies Act, 2013 (including Rules thereunder) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), some of which are specifically outlined below:
You will adhere to the Corporate Governance Framework enshrined in the Listing Regulations.
You are required to make disclosure of your interest as per the requirements of Section 184 of the Companies Act, 2013 and not participate in the meeting of the Board where any contract or arrangement in which you are interested is discussed.
- j) Nestlé India Code of Business Conduct: You will follow the Nestlé India Code of Business Conduct and furnish an annual affirmation of the same. You will apply the highest standards of confidentiality, and not disclose to any person or company (whether during the course of the tenure as the Executive Director – Technical or at any time after its cessation), any confidential information concerning the Company and any group companies with which you come into contact by virtue of your position as the Executive Director – Technical, except as permitted by law or with prior clearance from the Board of Directors or the Chairperson.
- k) Prohibition on Insider Trading: You will follow the Nestlé India Code of Conduct for the Prevention of Insider Trading in Securities, Nestlé Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and SEBI Regulations, which *inter alia* requires that price-sensitive information is not used or transmitted and maintained securely. You should not make any statements that might risk a breach of these requirements.
- l) Availability of Directors and Officers Liability Insurance: You would be covered/ indemnified as per the policy of the Company.
- m) This agreement and any obligations arising out of or in connection with this agreement shall be governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of India.

V) Undertaking:

You shall immediately refund to the Company the Salary, Commission and perquisites received or enjoyed, or any portion thereof

- (i) in the event of the Shareholders and/or the Central Government either not approving your appointment as the “Executive Director – Technical” or to the extent the same is in excess of terms and conditions approved by the Shareholders.
- (ii) as is in excess of permissible limits, for the financial year the Company has no profits, or the profits are inadequate.

In terms of the provisions of the Companies Act, 2013, your office is liable to retire by rotation. In case you are re-appointed as a Director, immediately on retirement by rotation, you shall continue to hold your office of Whole – time Director, designated as Executive Director – Technical and such re-appointment, as Director shall not be deemed to constitute break in your appointment as a Whole Time Director, designated as Executive Director – Technical. Please note that your appointment is also subject to the approval of the shareholders and the Central Government.

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Thanking you,
Yours very truly,

NESTLÉ INDIA LIMITED

AUTHORISED SIGNATORY