

# NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

Registered Office: 100 / 101 World Trade Centre,

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## Postal Ballot Notice

[Pursuant to Section 110 read with Section 108 of the Companies Act, 2013, Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014 and the Circulars issued by the Ministry of Corporate Affairs, Government of India]

Dear Member(s),

NOTICE is hereby given that pursuant to Section 110 and 108 of the Companies Act, 2013 ("Act") including any statutory modification(s) or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Act and Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended from time to time, read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), the Ordinary Resolution as set out in this Notice for appointment of Mr Matthias Christoph Lohner (DIN 0008934420), as a Director and Whole-Time Director, designated as "Executive Director-Technical" for a term of five consecutive years with effect from 1<sup>st</sup> November 2020 on the terms and conditions of appointment and remuneration as contained in the draft Agreement, material terms of which are set out in the Explanatory Statement attached to this Notice, is proposed for consideration by Members of Nestlé India Limited ("the Company") for passing by means of Postal Ballot through voting by electronic means only ("remote e-voting"). Members are requested to read the instructions in the Notes under the section "Voting through Electronic Means". The communication of the assent or dissent of the Members would only take place through the remote e-voting system.

In compliance with MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. If Member's e-mail address is not registered with the Company/Depositories, then please follow the process provided in the Notes to receive this Postal Ballot Notice and login ID and password for remote e-voting.

An Explanatory Statement pursuant to Section 102 of the Act and other applicable provisions of the Act, pertaining to the resolution setting out the material facts and reasons thereof, is appended to this Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company vide Resolution dated 20<sup>th</sup> November 2020 has appointed Mr Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner S C V & Co. LLP, Chartered Accountants, as the Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner.

The remote e-voting period commences at 9:00 a.m. (IST) on Wednesday, 25<sup>th</sup> November 2020 and will end at 5:00 p.m. (IST) on Thursday, 24<sup>th</sup> December 2020, when remote e-voting will be blocked and voting shall not be allowed beyond said time. Based on the Scrutinizer's Report, the Result of remote e-voting will be declared at or before 5:00 p.m. (IST) Saturday, 26<sup>th</sup> December 2020.

The declared Result, along with the Scrutinizer's Report, will be available forthwith on the Company's website [www.nestle.in](http://www.nestle.in) under the 'Investors' Section' and will also be forwarded to the BSE Limited, where the Company's shares are listed. National Securities Depository Limited ('NSDL'), engaged by the Company for facilitating e-voting, will also display the Result on its website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

### **ORDINARY RESOLUTION**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules, Circulars, Orders and Notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Matthias Christoph Lohner (DIN : 0008934420), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 1<sup>st</sup> November 2020 in terms of Section 161(1) of the Act and Article 127 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company and the period of his office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Circulars, Orders and Notifications issued under the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and subject to approval by the Central Government, the Company hereby accords its approval to the appointment of Mr Matthias Christoph Lohner (DIN 0008934420), as Whole-Time Director, designated as "Executive Director-Technical", for a term of five consecutive years with effect from 1<sup>st</sup> November 2020 on the terms and conditions of appointment and remuneration as contained in the draft Agreement, material terms of which are set out in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Act as may be agreed to by the Board of Directors and Mr Lohner and to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto."

By Order of the Board  
For Nestlé India Limited

Place: Gurugram  
Date: 20<sup>th</sup> November 2020

**B. Murli**  
General Counsel & Company Secretary

### **Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the Resolution in the accompanying Notice, is annexed hereto.
2. In compliance with Sections 110 and 108 of the Act and Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically through e-voting facility provided by NSDL. The instructions for electronic voting are annexed to this Notice.

3. Voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on Friday, 20<sup>th</sup> November 2020 ("Cut-off date"). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting.
4. The remote e-voting period commences at 9:00 a.m. (IST) on Wednesday, 25<sup>th</sup> November 2020 and will end at 5:00 p.m. (IST) on Thursday, 24<sup>th</sup> December 2020, when remote e-voting will be blocked and voting shall not be allowed beyond said time. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date, i.e. 20<sup>th</sup> November 2020, may cast their vote electronically. Once a Member casts the vote on the Resolution, he or she will not be allowed to change it subsequently.
5. Mr Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner of S C V & Co. LLP, Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and casting vote through the e-voting system in a fair and transparent manner.
6. In conformity with the applicable regulatory requirements, the Postal Ballot Notice is being sent only through electronic mode to those Members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories, on 20<sup>th</sup> November 2020, and who have registered their e-mail addresses with the Company or with the Depositories.
7. Members who have not registered their email address with the Company or Depositories, may complete the email registration process as under:
  - i) Members holding shares in physical form and whose email addresses are not registered with the Company, may register their email address by sending scanned copy of a signed request letter mentioning name, folio number and complete address, self-attested scanned copy of the PAN Card; and self-attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the member as registered with the Company, by email to investor@in.nestle.com.
  - ii) Members holding shares in demat form can update their email address with their Depository Participant.
8. Members may note that this Postal Ballot Notice will also be available on the Company's website at www.nestle.in, websites of BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com
9. The draft Agreement referred to in the Notice and the Explanatory Statement would be available on the Company's website www.nestle.in under 'Investors' Section' and also available for inspection without any fee by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday, up to closure of remote e-voting on 24<sup>th</sup> December 2020.
10. The Resolution, if passed by requisite majority, will be deemed to be passed on the last date specified for remote e-voting i.e. Thursday, 24<sup>th</sup> December 2020.

#### Voting through Electronic Means

- i. In compliance with the provisions of Sections 110 and 108 of the Act, Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014 ("Rules 2014"), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide remote e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL.

The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

#### Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b. For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the e-mail and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digits client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. In case you have not registered your e-mail address with the Company/Depository, please follow instructions mentioned in this Notice.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d. Members can also use the OTP (One-Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 are given below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 114981.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsd.com> to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsd.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. E-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: 91 22 2499 4545 / 91 22 2499 4360.

**Other Instructions:**

1. The Scrutinizer shall, immediately after the conclusion of voting through remote e-voting unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the remote e-voting, a scrutinizer's report of the total votes cast in favour and against, if any, to the Chairman of the Company or any person authorised by him.
2. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's website [www.nestle.in](http://www.nestle.in) under 'Investors' Section ' and will also be forwarded to the BSE Limited, where the Company's shares are listed. National Securities Depository Limited ("NSDL"), engaged by the Company for facilitating e-voting, will also display these Results on its website [www.evoting.nsd.com](http://www.evoting.nsd.com).

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 23<sup>rd</sup> October 2020 appointed Mr Matthias Christoph Lohner (DIN : 0008934420), as an Additional Director of the Company with effect from 1<sup>st</sup> November 2020, under Section 161(1) of the Companies Act, 2013 read with Article 127 of the Articles of Association of the Company. A notice has been received from a Member proposing Mr Lohner as a candidate for the office of Director of the Company.

Further, at the same Meeting, the Board of Directors appointed Mr Matthias Christoph Lohner as a Whole-Time Director designated as "Executive Director- Technical" of the Company for a term of five consecutive years with effect from 1<sup>st</sup> November 2020, subject to requisite approvals.

Brief Profile of Mr Lohner

Mr Lohner aged 49 years holds qualification of Bachelor in Chemical Engineering and has over 23 years of rich and exhaustive experience in the Technical function including the Production function. He has held senior management positions during his career. Before joining Nestlé India, Mr Lohner was Operations Manager NESCAFÉ Dolce Gusto, GBU which he successfully led for almost four years. He joined Nestlé Group in 1996 and held positions of increasing responsibility in Vietnam, Mexico, El Salvador, Canada, Chile before being appointed as the Technical Manager – Plata Region from 2012 to 2015. Early 2015 Mr Lohner was transferred to Nestlé S.A., Switzerland, joining the Zone America's Technical team, responsible for the Beverages and Confectionary Category.

Mr Lohner brings with him a diverse background with solid experience around different Markets and Zones including Nestlé Head Quarter, Switzerland. Mr Lohner is responsible for, amongst others, the management and conduct with respect to the technical areas of the Company including all existing and future factory locations.

Mr Lohner is not a Director or a Committee Member of any other Company in India and he does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr Lohner has been nominated as a member of Risk Management Committee of the Company with effect from 1<sup>st</sup> November 2020.

The approval of Members is being sought to the terms, conditions and stipulations for the appointment of Mr Lohner as a Director and Whole-time Director and the remuneration payable to him. The terms and conditions proposed are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of the 'Executive Director- Technical'.

The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

- 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 four times the 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 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April 2022.
  - b) Commission/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/performance-linked incentive shall be linked to the performance during the relevant year.

II) Perquisites

1. In addition to the Remuneration as stated above, Mr Lohner 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, entitlement 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 the family residing in India and for visit to India of the members of the 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 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 Mr Lohner.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 I(a) above for the relevant period. The perquisites mentioned above from (h) to (n) shall be based on the actual amounts and excluded from the aforesaid perquisite limit.

2. The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

III) Minimum Remuneration:

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

IV) Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr Lohner shall manage and conduct the business and affairs of the Company with respect to the technical areas of the Company including all existing and future factory locations. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr Lohner or the Company, by one party giving to the other 3 (three) 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.

The period of office of Mr Lohner shall be liable to determination by retirement of directors by rotation. If Mr Lohner is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director, designated as "Executive Director-Technical" and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director, designated as "Executive Director-Technical".

Given Mr Lohner's expertise, knowledge and experience, on the recommendation of the Nomination and Remuneration Committee, the Board considers the appointment of Mr Lohner as Director and Whole-time Director, designated as "Executive Director-Technical" to be in the interest of the Company and in view of the provisions of Sections 196, 197 and any other applicable provisions of the Act, recommends the Ordinary Resolution as set out in the accompanying Notice for the approval of the Members.

Copy of the Draft Agreement referred to in the Resolution would be available for inspection without any fee by the Members on the Company's website [www.nestle.in](http://www.nestle.in) under 'Investors' Section' and also at the Registered Office of the Company during business hours on any working day, excluding Saturday, up to closure of remote e-voting on 24<sup>th</sup> December 2020.

Except Mr Lohner, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in the Notice. Mr Lohner is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

By Order of the Board  
For Nestlé India Limited

Place: Gurugram  
Date: 20<sup>th</sup> November 2020

**B. Murli**  
General Counsel & Company Secretary