
Nestlé India – Nomination and Remuneration Policy

[Last amended on 17th February 2022]

This Nomination and Remuneration Policy relating to appointment and remuneration for the directors, key managerial personnel (KMP), senior management and other employees, has been formulated by the Nomination and Remuneration Committee (hereinafter “Committee”) and approved by the Board of Directors.

OBJECTIVES:

The objectives of this policy is to stipulate criteria for:

- Appointment, re-appointment, removal of directors, KMP, senior management and other employees.
- Determining qualifications, positive attributes and independence of a director.-
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully.
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth.

CRITERIA FOR APPOINTMENT

The appointment/ re-appointment shall be based on the followings criteria:

- Ethical standards of integrity and probity, qualification, expertise and experience of the person.
- Age, number of years of service, specialized expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.
- Sufficient devotion of time to the meetings and/or assigned tasks.
- Diversity of the Board.
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest.
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- For the appointment of an independent director, evaluation of balance of skills, knowledge, experience on the Board, independence, wide range of backgrounds, having regard to the diversity, and the ability to fulfil required time commitments.
- For the identification of suitable candidature, amongst other sources, use of services of an external agency(ies), if required.

CRITERIA FOR REMUNERATION

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The remuneration of the non-executive directors shall be based on their contributions and current trends, subject to regulatory limits. Sitting fees is paid for attending each meeting(s) of the Board and Committees thereof. Additionally, equal amount of commission is paid to Non-executive directors on a pro-rata basis, within limits approved by shareholders.

Appointment, re-appointment and criteria for remuneration of directors, KMPs, senior management and other employees shall be in compliance with the provisions and procedure(s) laid down under the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other enactment for the time being in force.

Nestlé India Limited

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