

NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi - 110 001

Email: investor@in.nestle.com, Website: www.nestle.in

Phone: 011-23418891, Fax: 011-23415130

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY FIRST ANNUAL GENERAL MEETING ("AGM") OF NESTLÉ INDIA LIMITED will be held on Friday, 19th June 2020 at 10:00 a.m., Indian Standard Time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year 2019 including Balance Sheet as at 31st December 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of three interim dividends, aggregating to ₹ 101/- per equity share, for the year 2019 out of current year profits and a special interim dividend of ₹ 180/- per equity share out of accumulated profits of previous years (surplus in the profit & loss account) and to declare a final dividend on equity shares for the financial year ended 31st December 2019.
3. To appoint a Director in place of Mr Martin Roemkens (DIN: 07761271), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 00019), appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records for the products falling under the specified Customs Tariff Act Heading 0402, manufactured by the Company for the financial year ending 31st December 2020 be paid, ₹ 2,07,000/- plus out of pocket expenses and applicable taxes."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr Suresh Narayanan (DIN: 07246738) as Managing Director of the Company for another term of five consecutive years effective from 1st August 2020 until 31st July 2025 on the terms and conditions of re-appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr Narayanan."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr David Steven McDaniel (DIN: 08662504), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 1st March 2020 in terms of Section 161(1) of the Companies Act, 2013 and Article 127 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director 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, 203 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, the Company hereby accords its approval to the appointment of Mr David Steven McDaniel (DIN 08662504), as the whole-time Director, designated as "Executive Director-Finance & Control and Chief Financial Officer" for a term of five consecutive years effective from 1st March 2020 until 28th February 2025 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 and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr McDaniel."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr Ramesh Prathivadibhayankara Rajagopalan (DIN 01915274), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company with effect from 1st July 2020, to hold office for a term of five consecutive years i.e. upto 30th June 2025.”

By Order of the Board

B. Murli

Senior Vice President - Legal
& Company Secretary

Date : 20th May 2020

Place : Gurugram

IMPORTANT NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 4 to 7 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 12th May 2020 considered that the special business under Item Nos. 4 to 7, being considered unavoidable, be transacted at the 61st AGM of the Company.
2. **General instructions for accessing and participating in the 61st AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**
 - a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 61st AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 61st AGM shall be the Registered Office of the Company.
 - b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 61st AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 61st AGM through VC/OAVM Facility and e-Voting during the 61st AGM.
 - c. In line with the MCA Circulars and SEBI Circular, the Notice of the 61st AGM will be available on the website of the Company at www.nestle.com, on the website of BSE Limited at www.bseindia.com and also on the website of NSDL at www.evoting.nsdl.com.
 - d. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
 - e. National Securities Depositories Limited (“NSDL”) will be providing facility for voting through remote e-Voting, for participation in the 61st AGM through VC/OAVM Facility and e-Voting during the 61st AGM.
 - f. Members may join the 61st AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 9:30 a.m. IST i.e. 30 minutes before the time scheduled to start the 61st AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 61st AGM.
 - g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 61st AGM without any restriction on account of first-come-first-served principle.
 - h. Attendance of the Members participating in the 61st AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of

India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 61st AGM and facility for those Members participating in the 61st AGM to cast vote through e-Voting system during the 61st AGM.

3. Instructions for Members for Remote e-Voting are as under:-

- a. The remote e-Voting period will commence on 16th June 2020 (9:00 am IST) and end on 18th June 2020 (5:00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12th June 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- b. A person who is not a Member as on the cut-off date should treat this Notice of 61st AGM for information purpose only.
- c. 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 is mentioned below:

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

- I. 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.
- II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. 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 ID as login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e. Cast your vote electronically.
- IV. 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 folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- V. Your password details are given below:
 - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii. 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.
 - iii. How to retrieve your 'initial password'?
 - a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit 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'.
 - b) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.

- VI. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password click on:
 - i. “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- VII. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- VIII. Now, you will have to click on “Login” button.
- IX. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

- I. 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.
 - II. 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.
 - III. Select “EVEN” of the Company.
 - IV. Now you are ready for e-Voting as the Voting page opens.
 - V. 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 “Confirm” when prompted.
 - VI. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- d. 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 www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Mhatre Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. : +91-22-24994360 or +91-99202 64780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company’s email address investor@in.nestle.com.

4. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:

- a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 61st AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company investor@in.nestle.com.
- b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self attested scanned copy of the PAN Card, to the email address of the Company investor@in.nestle.com.

5. Instructions for Members for participating in the 61st AGM through VC/OAVM are as under:

- a. Members will be able to attend the 61st AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the

Company's 61st AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice of the 61st AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

- b. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
- c. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 61st AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address investor@in.nestle.com atleast 48 hours in advance before the start of the meeting i.e. by 17th June 2020 by 10:00 a.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
- e. Members, who would like to ask questions during the 61st AGM with regard to the financial statements or any other matter to be placed at the 61st AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address investor@in.nestle.com atleast 48 hours in advance before the start of the 61st AGM i.e. by 17th June 2020 by 10:00 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 61st AGM, depending upon the availability of time.
- f. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 61st AGM through VC/OAVM Facility.

6. Instructions for Members for e-Voting during the 61st AGM are as under:

- a. Members may follow the same procedure for e-Voting during the 61st AGM as mentioned above for remote e-Voting.
- b. Only those Members, who will be present in the 61st AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 61st AGM.
- c. The Members who have cast their vote by remote e-Voting prior to the 61st AGM may also participate in the 61st AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.
- d. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 61st AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
 - I. Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number : +91-22-24994360 or +91-99202 64780
 - II. Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in, pallavid@nsdl.co.in or at telephone number +91 22 2499 4545.

7. Other Guidelines for Members

- a. 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 www.evoting.nsdl.com to reset the password.
- b. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of 12th June 2020.
- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 61st AGM by email and holds shares as on the cut-off date i.e. 12th June 2020, may obtain the User ID and password by sending a request to the Company's email address investor@in.nestle.com. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

- e. Mr Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner of M/s. SCV & 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 during the meeting in a fair and transparent manner.
 - f. During the 61st AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 61st AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 61st AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 61st AGM.
 - g. The Scrutinizer shall after the conclusion of e-Voting at the 61st AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 61st AGM, who shall then countersign and declare the result of the voting forthwith.
 - h. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.nestle.in and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
8. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 61st AGM and the Annual Report for the year 2019 including therein the Audited Financial Statements for year 2019, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 61st AGM and the Annual Report for the year 2019 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address investor@in.nestle.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
 9. The Notice of the 61st AGM and the Annual Report for the year 2019 including therein the Audited Financial Statements for the year 2019, will be available on the website of the Company at www.nestle.com and the website of BSE Limited at www.bseindia.com. The Notice of 61st AGM will also be available on the website of NSDL at www.evoting.nsdl.com.
 10. The Register of Members and the Share Transfer books of the Company will remain closed from 13th June 2020 to 19th June 2020, both days inclusive, for annual closing and determining the entitlement of the Members to the Final Dividend for 2019.
 11. The Board of Directors has recommended Final Dividend of ₹ 61.00 per Equity Share of ₹ 10.00 each for the year ended 31st December 2019 that is proposed to be paid on and from 6th July 2020, subject to the approval of the shareholders at the 61st AGM. During the year 2019, First Interim Dividend of ₹ 23.00 per equity share was paid on 15th May 2019; Second Interim Dividend of ₹ 23.00 per equity share out of current year profits and a Special Interim Dividend of ₹ 180.00 per equity share out of accumulated profits of previous years (surplus in the profit & loss account), both paid together on 23rd August 2019; and Third Interim Dividend of ₹ 55.00 per equity share paid on 20th December 2019.
 12. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at investor@in.nestle.com. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of 61st AGM.
 13. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.
 14. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address investor@in.nestle.com by 10th June 2020.

- a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received :
 - i) Name and Branch of Bank and Bank Account type;
 - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - iii) 11 digit IFSC Code;
- b. self attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self attested scanned copy of the PAN Card; and
- d. 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.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

15. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
16. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company had, accordingly, transferred ₹ 28,83,288/-, ₹ 33,43,770/- and ₹ 35,97,120/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2011, First Interim Dividend 2012; and Second Interim Dividend 2012, respectively, during the year 2019, to the IEPF.

The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at www.nestle.in. Members who have not encashed Interim Dividend 2013 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

17. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, 5248 Equity Shares of ₹ 10/- each on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred during the year 2019, to the IEPF Account, after following the prescribed procedure.

Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2013 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
20. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
21. Electronic copy of all the documents referred to in the accompanying Notice of the 61st AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at www.nestle.in.
22. During the 61st AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
23. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 61st AGM, forms integral part of the Notice of the 61st AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No. 4

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on 13th February 2020 approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No. 00019), as Cost Auditors to conduct the audit of the cost records of the Company pertaining to products (milk powder etc.), falling under the specified Customs Tariff Act Heading 0402, manufactured by the Company for the financial year ending 31st December 2020 at a remuneration of ₹ 2,07,000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice of 61st AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st December 2020.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed Resolution. The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice of 61st AGM for approval by the Members.

Item No. 5

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr Suresh Narayanan (DIN: 07246738) as Managing Director of the Company for a period of five consecutive years with effect from 1st August 2015 until 31st July 2020 was approved by the shareholders by means of postal ballot / electronic voting (e-Voting) on 17th September 2015 and thereafter approved by the Central Government on 29th October 2015.

Based on the intimation of Nestlé S.A., Switzerland under Article 118A and 106 of the Articles of Association of the Company which continues to be in force, on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, the Board of Directors of the Company at its meeting held on 13th February 2020, approved re-appointment of Mr Suresh Narayanan as Managing Director of the Company for another term of five consecutive years effective from 1st August 2020 until 31st July 2025 on the terms and conditions of re-appointment including remuneration as set out in the draft agreement for re-appointment.

Mr Suresh Narayanan, aged 60 years, holds a Master's Degree in Economics from the Delhi School of Economics. He has a Diploma from the IMD Program for Executive Development and has participated in the Nestlé Leadership Program of the London Business School. He has over 35 years of rich and exhaustive experience in the FMCG Industry and has held senior management and top leadership roles in leading global companies. Before his appointment as a Board Member of the Company, Mr Narayanan was Chairman and CEO of Nestlé Philippines.

Mr Narayanan joined Nestlé in 1999 as Executive Vice President for Sales in India, where he spearheaded major structural and strategic changes in Sales and Customer Management and set up the chilled dairy business. He moved to Nestlé Indochina in 2003, as Executive Director for Sales, Marketing and Food-Services, covering the countries of Thailand, Cambodia, Myanmar, Laos and Vietnam. Two years later in 2005, he returned to India as Head of Sales for India, Sri Lanka, Bangladesh and Nepal. In 2008, Mr Narayanan was appointed as Managing Director of Nestlé Singapore Pte. Ltd. and remained there until 2010. During his time, the overall business in Singapore witnessed sustained growth amidst the economic downturn. He was awarded the Medal of Commendation by the Government of Singapore in 2010, for excellence in employee relations during this challenging period. He moved to Nestlé Egypt as Chairman and CEO and Head of NEAR, where his initiatives resulted in significant business growth and investments despite the turbulence and volatility faced by the region at this time.

Mr Narayanan began his career as a management trainee with Hindustan Unilever, where he held numerous positions of increasing responsibility in Sales, Marketing and General Management. He has also worked with Colgate Palmolive in India.

Mr Narayanan is Chairman of Risk Management Committee and Member of Corporate Social Responsibility Committee of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He has attended all the Board Meetings (8) of the Company held during the year 2019. He is also an Independent Director and a Member of the Audit Committee of Asian Paints Limited.

Approval of the Members is being sought to the terms, conditions and stipulations for the re-appointment of Mr Narayanan as Managing Director of the Company and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 13th February 2020 based on the recommendation of Nomination and Remuneration Committee) continue to be in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that occupied by Mr Narayanan.

The material terms of re-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 ₹ 2,400,000/- Per Month; and
- (ii) Allowances : Not exceeding four times the Basic salary,

with increments as per the Company’s policy and as may be determined by Board of Directors, 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 2021.

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 may 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, Mr Narayanan 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, he shall be entitled to House Rent Allowance as per policy of the Company.
 - b. Reimbursement of all 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 his family residing in India and for visit to India of the members of his 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 Allowance for children, whether abroad or in India.
 - i. Encashment of leave at the end of his tenure as per policy of the Company.
 - j. Contributions to provident fund, superannuation or annuity 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. Participation in any/ all employee stock option schemes/ performance stock unit plans of the Company or that of Nestlé S.A.
 - n. 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 Narayanan.

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 (m) shall be based on the actual amounts and excluded from the aforesaid perquisite limit.

2. The Board of Directors or Committee thereof may, on 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 his office as the Managing Director, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr Narayanan as provided herein above.

IV) Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr Narayanan shall manage and conduct the business and affairs of the Company. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr Narayanan 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.

Given his expertise, knowledge and experience, the Board, considers the re-appointment of Mr Suresh Narayanan as Managing Director to be in the interest of the Company and in view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, recommends the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice of the 61st AGM, for the approval of the Members.

Electronic copy of the draft agreement referred to in the Resolution shall be available for inspection in the Investor Section of the website of the Company at www.nestle.in.

Except Mr Suresh Narayanan, 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 at Item No. 5 of the accompanying Notice of the 61st AGM. Mr Narayanan 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 and the Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

Item No. 6

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 8th November 2019 appointed Mr David Steven McDaniel (DIN: 08662504) as an Additional Director of the Company with effect from 1st March 2020. Under Section 161(1) of the Companies Act, 2013 read with Article 127 of the Articles of Association of the Company, he holds office up to the date of the Annual General Meeting of the Company. A notice has been received from a Member proposing Mr McDaniel as a candidate for the office of Director of the Company.

Further, at the same meeting held on 8th November 2019, the Board of Directors appointed Mr David Steven McDaniel as a Whole-time Director designated as "Executive Director – Finance & Control and CFO" of the Company for a term of five consecutive years effective from 1st March 2020 until 28th February 2025, subject to approval of the Shareholders at the Annual General Meeting and the Central Government.

Mr McDaniel, aged 51 years, is a Chartered Management Accountant. He has over 30 years of rich and exhaustive experience in Finance and Control Division and held senior management positions in various markets during his career with Nestlé Group.

Before joining the Company, he was the Chief Financial Officer of Nestlé UK & Ireland since April 2016. Prior to this, Mr McDaniel has had relevant exposure in Asia, having worked as Division Director Finance & Control of Nestlé Korea, and Head of Finance and Control – Nestlé Indochina. He has also worked in China in varied capacities within the Finance and Control function and at Nestlé S.A. Vevey, as the Head of Financial Services with the Global Business Services organization.

Mr McDaniel 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 McDaniel is a Member of Risk Management Committee and Stakeholders Relationship Committee of the Company with effect from 1st March 2020.

The approval of Members is being sought to the terms, conditions and stipulations for the appointment of Mr McDaniel as a Whole-time Director for a term of five consecutive years effective from 1st March 2020 until 28th February 2025 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- Finance & Control and CFO'.