



**TATA CONSUMER PRODUCTS LIMITED**  
**(formerly known as Tata Global Beverages Limited)**

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**Nomination and Remuneration Committee Charter**

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## **Objectives of the Nomination and Remuneration Committee**

**1.1.** The Nomination and Remuneration Committee ("Committee") of the Board of Directors ("Board") of Tata Consumer Products Limited ("Company") shall discharge the following responsibilities:

- Periodical review and refresh of the composition of the Board with the objective of ensuring that there is an optimum balance of size, skills, independence, knowledge, diversity and experience.
- Support the Board in identification, selection, appointment/ reappointment, induction and development of Directors (including Independent Directors) to meet the needs of the Company.
- Devise a policy on Board Diversity.
- Support the Board in appointment of Senior Management and key managerial personnel of the Company including the terms of appointment.
- Periodic review and recommendation of the remuneration of the Senior Management and key managerial personnel of the Company
- Oversight of the HR philosophy, HR budget, HR strategy, talent management and succession planning for Board, Senior Management and key managerial personnel.
- Support the Board in setting, reviewing and monitoring the performance standards and targets for the MD&CEO, ED and Senior Management/ key managerial personnel of the Company.
- Support the Board in evaluation of the performance of the Board, its Committees and Directors.
- Recommendation of the remuneration policy for Directors, Senior Management/ key managerial personnel as well as the rest of the employees.
- Performing such other duties and responsibilities as may be consistent with the provisions of this charter.

**1.2.** The Nomination and Remuneration Committee will report to the Board on its activities at least twice in a year.

## **2. Composition**

**2.1.** The Nomination and Remuneration Committee shall comprise of three or more non-executive directors out of which not less than two-third shall be independent directors.

**2.2.** The Chairman of the Board (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

**2.3.** The Chairman of the Nomination and Remuneration Committee shall be an independent director, from amongst the members of the Committee.

### **3. Meetings and Quorum**

- 3.1. The Committee must establish an Annual Work Plan (“AWP”) for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The AWP must ensure proper coverage of the matters laid out in the Charter.
- 3.2. The Committee shall meet as often as needed to discuss the matters in accordance with the AWP. It is however recommended that the Committee meet at least 2 times during a financial year.
- 3.3. The Committee may invite such executives, as it considers appropriate to be present at the meetings of the Committee.
- 3.4. The Head of Human Resources for the Company shall assist the Committee and would be a permanent invitee to the meetings of the Committee.
- 3.5. A detailed agenda, together with supporting notes and documents, should be circulated, at least 7 days prior to each meeting to the members of the Committee and other invitees.
- 3.6. The minutes of each meeting must be recorded, circulated to the members of the Committee, and approved either before or at the next Committee meeting.
- 3.7. The quorum for the meetings of the Nomination and Remuneration Committee shall be either two members or one third of the total size of the Committee but shall include at least one independent director.

### **4. Authority and Power**

The Nomination and Remuneration Committee shall, subject to the approval of the Board, have the power to:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.

In the context of any of the above, it may also engage (at the expense of the Company) independent consultants and other advisors and seek their advice.

### **5. Responsibilities of the Nomination and Remuneration Committee**

The responsibilities of the Nomination and Remuneration Committee shall be the following:

#### **5.1. Review of HR Strategy, Philosophy and Practices:**

- Review the Human Resource strategy and its alignment with the business strategy

annually or when a change is made to either.

- Review the efficacy of HR practices such as talent management, succession planning for key positions and leadership development (including for promotion to the Board).
- Review remuneration philosophy and policy.
- Review any changes that might affect the terms and conditions of appointment, including remuneration, of the Managing Director & CEO (“MD&CEO”), Executive Directors (“ED”) and key managerial personnel/Senior Management.

## **5.2. Board Composition and Succession:**

- Assess and recommend the appropriate size and composition of the Board and its Committees with the objective of ensuring an optimum balance of skills, independence, knowledge, diversity and experience.
- Periodically analyse composition of the Board and identify gaps.
- Formulate a description of the role and capabilities required of an independent director and identify the candidates for independent directors’ basis such description.
- Review the CVs of the potential Board members vis-à-vis the required competencies.
- Meet and interact with potential Board members prior to making recommendations of their nomination to the Board.
- Make recommendations to the Board in relation to the appointment of new Board members/ re-appointment of existing Board members.
- Review the appointment contracts drawn for Non-Executive Directors.
- Ensure that the terms and conditions of appointment of Directors are made available for inspection, if needed.
- Support the Board in identification of an appropriate Managing Director. This would entail responsibility for driving the succession planning process for the Managing Director position.
- Support the management in filling-up key Senior Management positions by inviting appropriate members of the Board to participate in the selection process.
- Participate in the process of appointment of key managerial personnel/ Senior Management members.

## **5.3. Board Evaluation:**

- Support the Board, as may be required, in facilitation of the evaluation of the Board and its Committees.
- Organize annual evaluation of the individual Directors
- Establish/ review goals and performance metrics for the MD&CEO, ED and Senior Management. These goals should have a balance of quantitative and qualitative parameters and should balance the long term and short-term outcomes. If the Company is utilizing the Balanced Scorecard model, the goals should be in line with the Balanced Scorecard.
- Conduct year-end performance review of MD&CEO, EDs and Senior Management

and key managerial personnel based upon the extent to which the established goals have been met and provide timely feedback to these individuals. This review shall be done based on a mutually agreed, predetermined format for performance reporting.

**5.4. Board Remuneration:**

- Define the principles, guidelines and process for determining the remuneration (sitting fees and commission) to the Non-Executive Directors of the Company.
- Review and recommend to the Board the remuneration and performance linked bonus/ commission to be paid to the MD&CEO and the EDs.
- Recommend to the Board, retirement benefits to be paid to the MD&CEO and the EDs.
- Recommend the remuneration policy for the Senior Management/ key managerial personnel as well as the rest of the employees.

**5.5. Board Development:**

- Develop and oversee the execution of formal induction and development programmes for Board members.

**5.6. Share Based Employee Benefits and Sweat Equity:**

- Oversee the implementation of share-based employee benefits Scheme by whatever named called as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time (“ESOP Regulations”) and perform the function of overall administration and superintendence of the schemes including but not limited to:
  - formulate the detailed terms and conditions of the schemes which shall include the provisions as specified in Part B of Schedule – I of ESOP Regulations.
  - frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable.

**5.7. Other functions:**

- Perform other activities related to the Charter as requested by the Board of Directors from time to time.

- Any other matter as prescribed by the Companies Act, 2013 & Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 or such other Regulation prescribed by the SEBI from time to time.

## **6. Reporting**

- 6.1.** The Committee will periodically report to the Board on various matters that it has considered.
- 6.2.** The Board Report of the Company shall disclose the composition of this Committee (including names and profiles of members and Chairperson), brief description of the scope of the Committee Charter, number of meetings and attendance, sitting fees and commission paid to all Directors and the policy relating to remuneration of Directors, key managerial personnel and other employees.
- 6.3.** The disclosures to be made by listed companies in the Board Report include:
  - Ratio of remuneration of each director to the median remuneration of the employees of the company.
  - Percentage increase in remuneration of each director, key managerial personnel, if any, in the financial year.
  - Percentage increase in median remuneration of employees in the financial year.
  - Number of permanent employees on the rolls of the company.
  - Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
  - Comparison of remuneration of the key managerial personnel against the performance of the Company.
  - Affirmation that the remuneration is as per the remuneration policy of the Company.
  - The report to include the list of Top 10 employees in terms of remuneration drawn and the details of every employees who qualify under the below mentioned clauses:
    - If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakhs rupees.
    - If employed for the part of the financial year, was in the receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month.
    - If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the MD or the EDs and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company.

## **7. Compensation**

Members of Nomination and Remuneration committee shall receive such sitting fees and/ or commission, if any, for their services as Nomination and Remuneration Committee members as may be determined by the Board in its sole discretion.

## **8. Evaluation**

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board of Directors. Areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities
- Adequacy of Committee composition
- Effectiveness of meetings
- Committee Dynamics
- Quality of relationship with Board and Management.

## **9. Review of Charter**

The adequacy of this Charter shall be reviewed and reassessed by the Committee, periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory framework or otherwise.

## **10. Subsidiary Companies**

Subsidiary companies of the Company shall also form Nomination and Remuneration Committee, as applicable under law. In such cases, where there is a requirement to form separate charters for the subsidiary companies, such Committees shall adhere as much as is possible to the provisions of this Charter for their constitution and working.