

Dividend Reinvestment Plan

Nestlé S.A.
American Depositary Shares

This Program is sponsored and administered by Citibank, N.A. The issuer of the American Depositary Shares has consented to the establishment of the Program by Citibank, N.A., but does not, and should not be deemed to, sponsor such Program.

Issuer Services



Dividend Reinvestment Plan for Nestlé S.A.

Available to Holders of American Depositary Shares Representing Registered Shares of Nestlé S.A.

With the consent of Nestlé S.A. ("Nestlé"), Citibank, N.A. ("Citibank"), as depositary (the "Depositary") for the Nestlé ADR Program, has established a Dividend Reinvestment Plan (the "Plan") for United States resident holders of Nestlé American Depositary Shares (the "Nestlé ADSs") representing Nestlé registered shares, nominal value CHF 1.00 per share (the "Nestlé Shares"). If Nestlé ADSs are held in certificate form, the certificate is called a Nestlé American Depositary Receipt (a "Nestlé ADR"). Citibank administers the Plan. As a U.S. resident holder of Nestlé ADSs, the Plan provides you with two convenient methods for increasing your investment in Nestlé ADSs:

- **Dividend Reinvestment** – for all or part of the dividends paid by Nestlé on the Nestlé Shares represented by your Nestlé ADSs, with or without voluntary cash contributions; and
- **Voluntary Cash Contributions Only** – of any amount from \$50 up to a maximum of \$100,000 in any calendar year.

You may elect to participate in either option.

The Plan is available only to holders of record of Nestlé ADSs who reside in the United States of America.

If you select the Voluntary Cash Contributions Only option, you will receive the dividends Nestlé pays on the Nestlé Shares represented by the Nestlé ADSs registered in your name in the form of cash. Under both options all cash dividends will be reinvested in additional Nestlé ADSs if such dividends are paid on the Nestlé ADSs you have contributed to the Plan for safekeeping and on the Nestlé ADSs purchased on your behalf under the Plan and safekept on your behalf in the Plan.

Features of the Plan

- Systematically reinvest your dividends and/or additional voluntary cash contributions in additional Nestlé ADSs.
- All dividends you receive from Nestlé on all Nestlé ADSs held in the Plan, even small dividend amounts, will be reinvested in additional Nestlé ADSs.
- Reinvest the dividends Nestlé pays on less than all of the Nestlé ADSs registered in your name (and that have not been contributed to the Plan for safekeeping) and receive cash dividends on any remaining Nestlé ADSs you hold.
- Invest additional voluntary cash contributions of any amount from \$50 to a maximum of \$100,000 each calendar year in additional Nestlé ADSs on a weekly basis.
- Receive an easy-to-understand statement (a "Plan Participant Account Statement") whenever Citibank invests your dividends or your additional voluntary cash contributions in additional Nestlé ADSs.
- Citibank will hold and safekeep all the Nestlé ADSs it purchases on your behalf under the Plan in uncertificated, book-entry only form in your Plan account (the "Plan Participant Account").
- Upon receipt of your request, Citibank will deliver to you a single certificate (a "Nestlé ADR") evidencing the aggregate number of whole Nestlé ADSs credited to your Plan Participant Account or any portion of the whole Nestlé ADSs held in your Plan Participant Account.
- Citibank will also hold on your behalf for safekeeping, free of charge, any other Nestlé ADSs you own. Do not endorse any Nestlé ADRs evidencing the Nestlé ADSs you send to Citibank for safekeeping under the Plan. Because you bear the risk of loss for delivering your Nestlé ADRs to Citibank, you should send your Nestlé ADRs to Citibank by registered mail, return receipt

requested, and properly insured. Citibank will reinvest the dividends paid on all Nestlé ADSs deposited with Citibank for safekeeping under the Plan.

- Your participation in the Plan is entirely voluntary. You may terminate your participation at any time by giving written notice to Citibank. To be effective on any given dividend payment date, your notice to terminate your participation in the Plan must be received by Citibank on or before the record date for that dividend payment.
- Upon termination of your participation in the Plan, your Nestlé ADSs will be maintained as book-entry direct registration ADSs registered in your name or, if you so request, you will receive a single Nestlé ADR evidencing the number of whole Nestlé ADSs credited to your Plan Participant Account and a check representing the proceeds from the sale of any fractional entitlement to a Nestlé ADS less any applicable costs, fees and brokerage commissions. If you so instruct, Citibank will sell the Nestlé ADSs it holds on your behalf under the Plan and will send you a check for the proceeds, less any applicable brokerage commissions, any other fees or costs of sale and applicable withholding taxes.

Withholding Taxes upon Dividends

Under the Swiss federal corporate tax system, when a Swiss company pays a dividend, it must also pay withholding tax to the Swiss Federal Tax Administration. The withholding tax rate is 35%.

Citibank will reinvest the amount of the dividend Nestlé pays, net of Swiss withholding taxes, and adjusted as described below.

Tax Information for Holders of Nestlé ADSs Resident in the United States

Holders of Nestlé ADSs held under the Plan (each, a "Plan Participant") must be residents of the United States. Under the United States – Swiss Tax Treaty, most non-corporate United States residents and

United States corporate portfolio investors who receive a dividend from a Swiss company are entitled to claim a payment from the Swiss Federal Tax Administration in an amount equal to 20% of the dividend before withholding tax.

Citibank, as a Depositary for the Nestlé ADSs, has concluded an arrangement with the Swiss Federal Tax Administration whereby certain holders of Nestlé ADSs with registered addresses in the United States are entitled to receive the additional payment from the Swiss Federal Tax Administration at the same time as the related dividend is paid to Nestlé ADS holders without filing an individual claim. As a result, Citibank, as Depositary, will pay 85% of the pre-withholding dividend it receives from Nestlé to the holders of Nestlé ADSs.

In order to take advantage of this favorable tax treatment on the dividends being reinvested on your behalf under the Plan, you must complete and sign the Tax Declaration Endorsement and Declaration of Residence Form (the "Tax Declaration Form") that is enclosed with the enrollment authorization form (the "Enrollment Authorization Form") for the Plan. The Tax Declaration Form will be retained by Citibank, as Plan Administrator and Depositary, and will remain in effect so long as the dividends on your Nestlé ADSs are reinvested in accordance with the terms and conditions of the Plan.

Citibank recommends that you consult your tax advisor before taking any action.

Eligibility

Holders of record of Nestlé ADSs residing in the United States of America, who have certificates and/or direct registration book-entry Nestlé ADSs registered directly in their names, are eligible to participate in the Plan.

If you own Nestlé ADSs that are held by a broker in "street name" at least one (1) Nestlé ADS must be re-registered in your own name before you will

be eligible to participate in the Plan. To re-register your Nestlé ADSs, you may instruct your broker to issue or to arrange for the issuance of direct registration book-entry Nestlé ADSs or a Nestlé ADR evidencing Nestlé ADSs in your own name for some or all of your Nestlé ADSs. You will then be eligible to participate in the Plan as a holder of record.

If you do not own any Nestlé ADSs, you are not eligible to participate in the Plan.

How The Plan Works

To enroll in the Plan you must complete and sign the enclosed Enrollment Authorization Form and the Tax Declaration Form enclosed with this brochure. All applicable enrollment materials should be completed, signed and returned to Citibank in the envelope provided with this brochure. Be sure to sign your name exactly as your name appears on Enrollment Authorization Form. If you hold your Nestlé ADSs jointly, all joint owners of the Nestlé ADSs participating in the Plan must sign all applicable enrollment materials.

Option I – Dividend Reinvestment (with or without Voluntary Cash Contribution)

If you choose the Dividend Reinvestment option, the net cash dividends you receive on all or part of your Nestlé ADSs will be reinvested automatically. Citibank will purchase or cause a broker to purchase on your behalf (i) additional Nestlé ADSs in open market transactions in the U.S. over-the-counter market or (ii) in the event the broker is unable to effectuate the purchase of Nestlé ADSs in the United States on a commercially practicable basis, Nestlé Shares on any stock exchange upon which the Nestlé Shares are listed for trading (or in an over-the-counter transaction outside the United States). Any Nestlé Shares so purchased outside the United States under the Plan will be deposited with the Depositary upon the terms of the Deposit Agreement for delivery in the form of Nestlé ADSs to Citibank as administrator of the Plan. Citibank will credit your Plan Participant Account with the Nestlé ADSs purchased on your

behalf, whether such purchase was made in the form of Nestlé Shares or Nestlé ADSs, with the net amount of dividends paid on your Nestlé ADSs. Unless you indicate otherwise, the entire amount of net dividends received on your behalf will be reinvested in Nestlé ADSs.

Participants in Option I may also invest additional voluntary cash contributions as often as once per week in amounts varying from \$50 up to a maximum of \$100,000 each calendar year to purchase additional Nestlé ADSs. Under Option I, you need not make any additional voluntary cash contributions.

Option II – Additional Voluntary Cash Contributions Only

If you choose this option, you can invest additional cash in the same way as is described under Option I above, without any automatic reinvestment of the dividends paid on the Nestlé ADSs you hold. Please note that all cash dividends paid on Nestlé ADSs purchased on your behalf and safekept on your behalf in your Plan Participant Account will be reinvested in additional Nestlé ADSs.

Instead of reinvesting the dividends paid on your Nestlé ADSs held outside the Plan, Citibank will deliver your dividends in cash, in the form of a check in U.S. dollars, upon the terms described in the Deposit Agreement.

Features Common To Both Options

All additional voluntary cash payments must be made to Citibank in U.S. dollars by personal check drawn on a U.S. bank, made payable to "Citibank-Nestlé-DRIP."

Future dividends paid on all Nestlé ADSs held on your behalf by Citibank in your Plan Participant Account will be reinvested in additional Nestlé ADSs. All additional Nestlé ADSs purchased under the Plan on your behalf will be held in your Plan Participant Account and all future dividends paid on those Nestlé ADSs will be reinvested in additional Nestlé ADSs, unless you instruct Citibank otherwise.

Upon termination of your participation in the Plan, either by your voluntary termination of your participation in the Plan or if the Plan or your participation in the Plan should be terminated by Citibank, the whole number of your Nestlé ADSs will be maintained by Citibank in your name as book-entry direct registration ADSs or, if you so request, Citibank will deliver a single Nestlé ADR evidencing the whole number of Nestlé ADSs credited to your Plan Participant Account, together with a check for any fractional entitlements to a Nestlé ADS. All dividends paid on your Nestlé ADSs after termination of your participation in the Plan will be paid to you in cash under the terms of the Deposit Agreement.

Purchases

Citibank will invest your additional voluntary cash contributions in additional Nestlé ADSs purchased (i) in the form of Nestlé ADSs in the U.S. over-the-counter market, or (ii) in the event the broker is unable to effectuate the purchase of Nestlé ADSs on a commercially practicable basis, in the form of Nestlé Shares on any non-U.S. exchange on which Nestlé Shares are traded (or in an over-the-counter transaction outside the U.S.), in each case promptly, but in no event later than five (5) business days after receipt of good funds by Citibank. Dividends will be invested beginning on the dividend payment date. Dividends are customarily paid on Nestlé ADSs in May.

The purchase price per Nestlé ADS for Plan Participants (in the event of a purchase of Nestlé ADSs in the U.S.) shall be the weighted average price (including brokerage commissions and any other fees or costs of purchase) of all Nestlé ADSs so purchased by the broker at that time. In the event of a purchase of Nestlé Shares, the purchase price per Nestlé ADS for Plan Participants shall be the U.S. dollar equivalent of the weighted average price for all Nestlé Shares so purchased by the broker at that time (plus all applicable brokerage commissions, other costs of purchase and reasonable costs of foreign currency exchange) adjusted in accordance with the applicable Nestlé ADS-to-Nestlé Shares ratio.

No interest will be paid on funds held by Citibank pending investment. You may obtain a refund of any voluntary cash contribution if a written request for such refund is received by Citibank at least 48 hours before each investment date.

Sales

You may also request Citibank to sell all or part of the Nestlé ADSs held in your Plan Participant Account, in which case the broker will sell (i) your Nestlé ADSs in open market transactions in the U.S. over-the-counter market or (ii) in the event the broker is unable to effectuate the sale of Nestlé ADSs in the United States on a commercially practicable basis, the Nestlé Shares represented by your Nestlé ADSs on any non-U.S. exchange on which Nestlé Shares are traded (or in an over-the-counter transaction outside the United States). The sale price per Nestlé ADS for the selling Plan Participants (in the event of a sale of Nestlé ADSs) shall be the weighted average price for all Nestlé ADSs so sold by the broker (minus all applicable brokerage commissions and other costs of sale). In the event of a sale of Nestlé Shares, the sale price per Nestlé ADS for the selling Plan Participants shall be the U.S. dollar equivalent of the weighted average price for all Nestlé Shares so sold by the broker (minus applicable brokerage commissions, other costs of sale and reasonable costs of foreign currency exchange) multiplied by the applicable Nestlé ADS-to-Nestlé Shares ratio.

Cost To You

You pay your proportionate share of the brokerage commissions and any other applicable fees or costs on the total number of Nestlé ADSs purchased or sold on your behalf under the Plan. Because purchases and sales for all Plan Participants are consolidated, brokerage commission rates are likely to be lower than for individual purchases. You will only pay your proportionate share of any fees, costs and brokerage commissions and will receive the benefit of all such savings.

Income Tax Information

Even though Citibank will reinvest your dividends in additional Nestlé ADSs, your dividends are still subject to income taxes as if they were paid to you in cash.

Citibank will provide you with the required income tax information on all dividends paid on the Nestlé ADSs held on your behalf under the Plan at the end of each calendar year.

Your gross dividend (*i.e.*, before deduction of the applicable Swiss withholding tax) is subject to U.S. income tax just as if you received your dividend payment in cash. You may be eligible to use the amount of Swiss tax withheld as a deduction from your income or, subject to the certain limitations, as a credit against your U.S. Federal income tax. All holders of Nestlé ADSs should obtain professional advice regarding their tax situation.

Voting

Subject to certain limitations, you have the right to cause the Nestlé Shares represented by the whole number of Nestlé ADSs held in your Plan Participant Account to be voted at any meeting of holders of Nestlé Shares in accordance with the terms of the Deposit Agreement for the Nestlé ADSs.

Enrollment

Holders of record of Nestlé ADSs who reside in the United States of America can enroll in the Plan at any time. As a holder of record of Nestlé ADSs, you can enroll in the Plan by completing and signing the enclosed Enrollment Authorization Form and the enclosed Tax Declaration Form. Please check Option I or Option II on your Enrollment Authorization Form and return the completed and signed Enrollment Authorization Form and Tax Declaration Form to Citibank in the envelope provided.

If you elect the Voluntary Cash Contribution Only option (Option II), please make sure to include your check, payable to Citibank, N.A. – Nestlé DRIP, in any amount from \$50 to \$100,000 with your enrollment materials.

If you elect Option I and Citibank receives your completed Enrollment Authorization Form and the Tax Declaration Form on or before the record date for Nestlé's next dividend payment, your participation in the Plan will be effective for that dividend payment.

Correspondence

All written communications regarding the Nestlé ADS Dividend Reinvestment Plan should be addressed to Citibank at:

Citibank Shareholder Services
Nestlé ADS Dividend Reinvestment Plan
P.O. Box 43077
Providence, Rhode Island 02940-3077

The toll free telephone number for inquiries relating to the Plan is: 1-877-CITI-ADR (1-877-248-4237).

Be sure to include a reference to the "Nestlé DRIP" in all correspondence relating to the Plan.

Terms and Conditions (March 2016) Dividend Reinvestment Plan

Nestlé S.A. American Depositary Shares

1. **Appointment** – Citibank, N.A. (“Citibank”), as agent for a participant (“Plan Participant”) in the Dividend Reinvestment Plan (the “Plan”) for American Depositary Shares (“Nestlé ADSs”) representing registered shares (“Nestlé Shares”) of Nestlé S.A. (“Nestlé”) will, upon the terms of the Plan as in effect from time to time and upon acceptance by it of a completed and signed Enrollment Authorization Form and the Tax Declaration Endorsement and Declaration of Residence Form (together, the “Enrollment Forms”) from a person wishing to become a Plan Participant, (a) establish a Plan Participant account (the “Plan Participant Account”) in the name of the Plan Participant, (b) accept and hold the Nestlé ADSs that are the subject of the Plan and funds delivered to it from time to time for the Plan Participant, and (c) provide the Plan Participant with the services selected by the Plan Participant under the terms of the Plan.
2. **Custody and Safekeeping** – Citibank shall accept and hold Nestlé ADSs and funds as custodian for the Plan Participants. Citibank will hold a Plan Participant’s Nestlé ADSs registered in the name of the Plan Participant in book-entry direct registration form. Unless certificated at the request of a Plan Participant on the terms hereof, all Nestlé ADSs subject to the Plan will be maintained in the Plan Participant Accounts and safekept in electronic form on Citibank’s books. For purposes of executing purchases and sales under the Plan, Citibank may combine a Plan Participant’s funds and Nestlé ADSs with those of other Plan Participants. No interest will accrue or be paid on any funds maintained in the Plan Participant Accounts. All of the property held from time to time in the Plan Participant Accounts shall be subject to the terms and conditions of the Plan as in effect at such time. Nothing in the Plan shall obligate Citibank to extend credit, grant financial accommodations or otherwise advance funds to any Plan Participant.
3. **Purchases** – As agent for the Plan Participants, Citibank will, or will cause a broker to, in accordance with each Plan Participant’s authorization and otherwise upon the terms and conditions of the Plan:
 - (a) apply the cash dividends paid on (i) all Nestlé ADSs held on behalf of the Plan Participants in the Plan Participant Accounts and (ii) all, part or none of the Nestlé ADSs held by Plan Participants in certificated or direct registration form outside the Plan Participant Accounts, to the purchase on behalf of such Plan Participants of additional full and fractional Nestlé ADSs in open market transactions either (A) in the form of Nestlé ADSs in the U.S. over-the-counter market, or (B) in the event the broker is unable to effectuate the purchase of Nestlé ADSs in the United States on a commercially practicable basis, in the form of Nestlé Shares on any stock exchange on which Nestlé Shares are listed for trading (or in an over-the-counter transaction outside the U.S.); and

- (b) apply all additional voluntary cash contributions of \$50 to \$100,000 (not to exceed \$100,000 in any calendar year) received from the Plan Participants for such purpose to the purchase of additional full and fractional Nestlé ADSs on behalf of such Plan Participants in the manner described in 3(a) above.

In each case, Citibank will instruct the broker to make such purchases only upon receipt of immediately available funds. All Nestlé ADSs or Nestlé Shares Citibank purchases or causes to be purchased on behalf of Plan Participants will be credited to the applicable Plan Participant Accounts in the form of Nestlé ADSs. All additional Nestlé ADSs or Nestlé Shares so purchased will be held in the form of Nestlé ADSs on the same terms (*i.e.*, dividend reinvestment) as the Nestlé ADSs theretofore held in the Plan Participant Accounts. Citibank will make commercially reasonable efforts to return any additional voluntary cash contributions received, provided Citibank receives written cancellation of a Plan Participant's purchase instruction not less than 48 hours before the purchase transaction is to take place.

Citibank will use commercially reasonable efforts to purchase additional Nestlé ADSs on behalf of Participants with any additional voluntary cash contributions it holds in immediately available funds promptly, but in no event later than five (5) business days after receipt of funds by Citibank, except where deferral is necessary under any applicable U.S. federal securities laws. For the purpose of making purchases, Citibank will commingle each Plan Participant's additional voluntary cash contributions with those of all other Plan Participants.

Citibank will use commercially reasonable efforts to purchase Nestlé ADSs with dividend payments received promptly beginning on the applicable dividend payment date, but in no event later than thirty (30) days after receipt of funds (except where deferral is necessary under any applicable U.S. federal securities laws).

The price at which Nestlé ADSs are purchased for each Plan Participant shall be the weighted average price (including brokerage commissions and any other fees or costs of purchase) of all Nestlé ADSs purchased through the broker appointed for such purpose by Citibank on that investment date. In the event of a purchase of Nestlé Shares, the purchase price per Nestlé ADS for the Plan Participants shall be the U.S. dollar equivalent of the weighted average price for all Nestlé Shares so purchased by the broker (plus all applicable brokerage commissions, other costs of purchase and reasonable costs of foreign currency exchange) adjusted in accordance with the applicable Nestlé ADS-to-Nestlé Shares ratio. Citibank will have no responsibility for the value of such Nestlé ADSs after their purchase.

4. **Sales** – A Plan Participant may instruct Citibank to sell all or part of the Nestlé ADSs held in his or her Plan Participant Account at any time by means of written instructions. Citibank will process all sales instructions promptly upon receipt and in no event later than five (5) business days after the date on which such written or telephone sale instructions are received (except when deferral is necessary under any applicable U.S. federal securities laws or when certificates for Nestlé ADSs have not

been received from the selling Plan Participant). Citibank may and intends to combine sales instructions from Plan Participants. Citibank will not act upon any sales instructions unless and until it is in possession of the Nestlé ADSs to be sold.

All sales of Nestlé ADSs will be executed by a broker appointed for such purpose in open market transactions in the United States over-the-counter market. In the event the broker is unable to execute the sale of Nestlé ADSs in the United States over-the-counter market on a commercially practicable basis, the sale of Nestlé Shares evidenced by the applicable Nestlé ADSs will be executed on any non-U.S. exchange on which Nestlé Shares are traded (or in an over-the-counter market outside the United States). The sale price per Nestlé ADS for the selling Plan Participants (in the event of a sale of Nestlé ADSs) shall be the weighted average price for all Nestlé ADSs so sold by the broker on that date (minus all applicable brokerage commissions and other fees and costs of sale). In the event of a sale of Nestlé Shares, the sale price per Nestlé ADS for the selling Plan Participants shall be the U.S. dollar equivalent of the weighted average price for all Nestlé Shares so sold by the broker on that date (minus applicable brokerage commissions, other costs of sale and reasonable costs of foreign currency exchange) multiplied by the applicable Nestlé ADS-to-Nestlé Shares ratio. Citibank will have no responsibility for the value of the proceeds of the sale of such Nestlé ADSs.

To maximize cost savings, Citibank will make commercially reasonable efforts to sell Nestlé ADSs in round lot transactions. Citibank will make every effort to accept from a Plan Participant cancellation of sales instructions provided the Plan Participant's written instructions to cancel such sale is received by Citibank at least 48 hours before the sales transaction is to take place.

- 5. Dividends** – Whenever Nestlé shall declare a dividend payable only in cash, Citibank shall remit to each Plan Participant all or part of any cash dividends payable on the Nestlé ADSs held in the Plan Participant Accounts and apply any cash dividends so received to the purchase of additional full and fractional Nestlé ADSs (“Dividend Reinvestment”) upon the terms described in Condition 3 above, in each case as directed by the Plan Participants within the terms of the Plan. Nestlé ADSs held by a Plan Participant in certificated form and not safekept in the Account are eligible for dividend reinvestment only if so designated by the Plan Participant. If the reinvestment of dividends is authorized by a Plan Participant under the Enrollment Forms, dividends will be reinvested promptly following receipt of funds by Citibank, but in no event later than thirty (30) days after receipt of such funds (except where deferral is necessary under any applicable U.S. federal securities laws). Purchases of Nestlé ADSs pursuant to dividend reinvestment shall be made on the terms and conditions described in Condition 3 above. To be effective, any changes to the allocation of dividends must be processed on or before the applicable record date for the dividend payment. Whenever Nestlé shall declare and distribute a dividend payable only in Nestlé ADSs, Citibank shall credit the full and fractional Nestlé ADSs received on behalf of the Plan Participants to each Plan Participant Account on a *pro rata* basis. Whenever Nestlé

provides to the holders of its Nestlé ADSs the opportunity to elect to receive dividend payments in cash or in Nestlé ADSs (an “Elective Dividend”), Citibank will provide to the Plan Participants the opportunity to elect to receive such dividend payment in cash or in Nestlé ADSs on a commercially practicable basis and to the extent such election is made available to holders of Nestlé ADSs under the terms of the Deposit Agreement. Any election made by a Plan Participant as part of an Elective Dividend will take place under the terms of the Deposit Agreement and outside the operation of the Plan. Plan Participants electing to receive any Elective Dividend payment in cash, shall receive a check in U.S. dollars in the amount of such dividend payment (net of applicable taxes withheld), payable to the Plan Participant. Citibank shall credit to the applicable Plan Participant Accounts electing to receive an Elective Dividend in Nestlé ADSs, without deduction of the brokerage fees or transaction costs provided for in the Plan, the number of Nestlé ADSs distributable to such electing Plan Participant. In the absence of any election from a Plan Participant as part of an Elective Dividend, payments of cash received by Citibank shall be applied in accordance with the Plan Participant’s prior directions within the terms of the Plan.

6. **Certification of Nestlé ADSs** – A Plan Participant may obtain a certificate evidencing any whole number of Nestlé ADSs held in the applicable Plan Participant Account upon written instructions to Citibank. Citibank will make every effort to mail the certificate to the Plan Participant promptly, but in no event later than five (5) business days after receipt of written or telephone instructions from such Plan Participant (except where deferral is necessary under any applicable U.S. federal securities laws). Nestlé ADSs so certificated continue to be eligible for the dividend reinvestment services that are part of the Plan unless so designated by the Plan Participant. Certificates can be delivered only for a whole number of Nestlé ADSs. Fractional entitlements to Nestlé ADSs will be held on behalf of the Plan Participant until termination of the Plan Participant Account or upon receipt of such Plan Participant’s written or telephone request for sale of such entitlements.
7. **Brokers** – Citibank will select one or more brokers (which may be affiliates of Citibank) to effectuate sales and purchases of Nestlé ADSs and Nestlé Shares upon the terms described in Conditions 3 through 5 above and may be subject to such terms with respect to price, delivery, etc., as Citibank may agree. Neither Nestlé, nor any of its affiliates, nor any holder of Nestlé ADSs shall have any authority or power to direct the specific time or price at which Nestlé ADSs or Nestlé Shares (as applicable) may be purchased or sold, or to select the broker or dealer through or from whom purchases or sales are made. Neither Citibank nor Nestlé shall have any responsibility for any error, neglect, delay, omission or default of any such broker.
8. **Fees and Charges** – To maintain the Plan Participant Account and benefit from the services contemplated in the Plan, the Participants shall be required to pay the fees, expenses, commissions and charges set forth in the Fee Schedule provided to Plan Participants. Fees, expenses, commissions and charges payable by a Plan Participant are subject to change by Citibank

at any time (in accordance with Section 15 of the Terms and Conditions).

9. **Deposit and Withdrawal of Nestlé ADSs** – Plan Participants may at any time deliver to Citibank Nestlé ADSs to be deposited in his or her Plan Participant Account. All Nestlé ADSs so contributed to the Plan Participant Accounts will benefit from the same services (*i.e.*, dividend reinvestment services) as the Nestlé ADSs theretofore held in such Plan Participant Account. Plan Participants may at any time withdraw any whole numbers of Nestlé ADSs credited to their Plan Participant Account upon receipt of written withdrawal instructions by Citibank. Citibank will make every effort to mail a certificate representing the whole number of Nestlé ADSs to be withdrawn to the Plan Participant promptly, but in no event later than five (5) business days after receipt of such written or telephone withdrawal instructions (except where deferral is necessary under any applicable U.S. federal securities laws). Unless otherwise instructed, Citibank will hold fractional entitlements to Nestlé ADSs on behalf of the Plan Participant until termination of his or her Plan Participant Account. A withdrawal of all Nestlé ADSs from the Plan Participant Account shall be deemed to be a termination of the Plan Participant Account by the Plan Participant (see Condition 10 below).
10. **Termination** – Participation in the Plan may be terminated by the Plan Participant at any time by written instructions to that effect to Citibank. Upon receipt of such instructions to terminate the Plan Participant Account (and receipt of payment of applicable fees and expenses) from the Plan Participant, Citibank shall (i) credit the Nestlé ADSs (exclusive of fractional entitlements to Nestlé ADSs) in direct registration book-entry form in the name of the Plan Participant or, if so instructed, shall promptly mail to the Plan Participant (at the address of record with Citibank) a certificate for the number of Nestlé ADSs (exclusive of fractional entitlements to Nestlé ADSs) held in such Plan Participant Account, and (ii) promptly mail a check issued in the name of the Plan Participant for any funds then held on behalf of the Plan Participant in the Plan Participant Account. Any fractional entitlements to Nestlé ADS held for such Plan Participant will be sold and proceeds will be remitted to the Plan Participant (after deduction of applicable fees and charges) by check. To be effective on any given dividend payment date, a Plan Participant's notice to terminate the Plan Participant Account must be processed by Citibank on or before the record date for that payment. If a notice to terminate the Plan Participant Account is received by Citibank after the record date for a dividend payment, that notice may not become effective until such dividend has been reinvested and the Nestlé ADSs purchased have been credited to such Plan Participant Account. Citibank, in its sole discretion, may either pay such dividend in cash or reinvest it in Nestlé ADSs on behalf of the terminating Plan Participant. Citibank may terminate, for whatever reason at any time as it may determine, a Plan Participant's participation in the Plan upon mailing a notice of termination to the Plan Participant at the Plan Participant's address as it appears on Citibank's records. Upon such termination, Citibank will (i) credit the whole number of Nestlé ADSs (exclusive of fractional entitlements to Nestlé ADSs) in direct registration book-entry

form in the name of the Plan Participant or, if so instructed by the Plan Participant, mail to the Plan Participant a certificate for the whole number of Nestlé ADSs (exclusive of fractional Nestlé ADSs) held in the applicable Plan Participant Account, and (ii) promptly mail a check issued in the Plan Participant's name for any funds then held on behalf of the Plan Participant in his or her Plan Participant Account. Citibank will sell fractional entitlements to Nestlé ADSs and remit the proceeds to the Plan Participants (after deduction of applicable fees and charges) by check.

11. **Voting** – Citibank will make available to the Plan Participant any voting rights accruing to holders of Nestlé ADSs for the whole number of Nestlé ADSs (exclusive of fractional entitlements to Nestlé ADSs) held in his or her Plan Participant Account as of the applicable record date. Citibank will forward to the Plan Participants any and all applicable proxy and voting materials timely received from Nestlé and requested to be distributed to holders of Nestlé ADSs.
12. **Stock Splits/Rights** – Any stock split distributed on Nestlé ADSs will be credited to the Plan Participant Accounts on a *pro rata* basis, provided that such securities are of the same type, class and series as the deposited securities represented by the Nestlé ADSs held in the Plan Participant Accounts. In the event that rights are made available to holders of Nestlé ADSs to subscribe to additional Nestlé ADSs or other securities upon the terms of the Deposit Agreement, Citibank will make such rights available to Plan Participants to the extent reasonably practicable and permitted by law. The number of whole Nestlé ADSs held for any Plan Participant may be (but shall not be required to be) combined with other Nestlé ADSs registered in the name of the Plan Participant for purposes of calculating the number of rights to be issued to such Plan Participant. In the event of any other distribution, Citibank shall treat any Plan Participant on the same terms as the holders of Nestlé ADSs under the Deposit Agreement who are not Plan Participants, to the extent reasonably practicable and permitted by law.
13. **Transaction Advices and Account Statements** – Citibank will send to the Plan Participant transaction advices or statements after each transaction effectuated (*i.e.*, sale, purchase, dividend reinvestment, etc.) and annual Plan Participant Account statements indicating all activity for the calendar year. Plan Participant Account statements will include any cash contributions received from the Plan Participant, the price per Nestlé ADS purchased or sold, the number of Nestlé ADSs held, purchased and/or sold for the Plan Participant by Citibank, the number of Nestlé ADSs on which dividends are being reinvested and fees paid. These statements are the Plan Participant's continuing record of the cost basis of the purchases of Nestlé ADSs and should be retained by the Plan Participant for tax purposes. There may be a service charge for providing copies of statements for any period in a prior calendar year. Citibank will send to each Plan Participant copies of the communications sent to the holders of Nestlé ADSs by Nestlé.
14. **Standard of Care** – In performing the services contemplated herein, Citibank shall act in good faith and without negligence. Citibank shall not be liable in connection with its operation of

the Plan for any act done in good faith and without negligence or for any good faith omission to act. Citibank will have no responsibility for the market value of Nestlé ADSs maintained in the Plan Participant Accounts or for the prices at which Nestlé ADSs are purchased or sold through the Plan.

15. **Amendments and Modifications** – Citibank reserves the right to modify these Terms and Conditions at any time by mailing a copy of such modification to the Plan Participants. Such modifications shall become effective upon the expiration of 30 days after the mailing, unless a different time period is required by law.
16. **Taxes** – U.S. law imposes certain reporting obligations upon Citibank in its capacity as sponsor and administrator of the Plan. As a result, Citibank will report to the Internal Revenue Service and the Plan Participant any sale of Nestlé ADSs effected on behalf of the Plan Participant and any dividends received on behalf of the Plan Participant. Although Citibank will reinvest dividends upon the Plan Participant's instructions, the Plan Participant remains responsible for any income taxes payable on such dividends. A Plan Participant may be required from time to time to file such proof of taxpayer status or residence, to execute such certifications and to make such representations and warranties, or to provide any other information or documents, as Citibank may deem necessary or proper to fulfill its obligations. If any tax or other governmental charge or assessment shall become payable with respect to any payment due to the Plan Participant, such tax, charge and assessment may be withheld from such payment in accordance with applicable law. Citibank may withhold any payment due a Plan Participant if a Plan Participant fails to provide Citibank with such information and documents as Citibank may deem necessary or proper or if such Plan Participant fails to pay such taxes, charges or assessments. Each Plan Participant shall indemnify and hold harmless Citibank against any taxes, penalties, addition to tax, and interest, and costs and expenses related thereto, arising out of claims against Citibank by any governmental authority for failure to withhold taxes on the basis of information provided by the Plan Participant.
17. **No Partnership or Joint Venture** – Nothing herein or in any materials pertaining to the Plan shall be deemed to give rise to a partnership or joint venture among Nestlé, Citibank or any Plan Participant. Citibank may, in its sole discretion, use a broker-dealer affiliated with Citibank to execute purchase or sale transactions (in which event, brokerage commissions will be paid to Citibank's affiliate). Citibank and its affiliates may from time to time have banking and other business relationships with Nestlé and its affiliates, the existence of which may or may not be disclosed to Plan Participants. Such relationships shall not be deemed to conflict with the relationship between Citibank and the Plan Participant under the terms of the Plan. Nothing herein shall give rise to any obligations for Citibank to disclose any banking or business relationship between Nestlé (or any of its affiliates) and Citibank (or any of its affiliates) or any information that Citibank may obtain in the course of such relationship.

18. **No Recommendation** – While Citibank sponsors and administers the Plan, Citibank provides no advice and makes no recommendations with respect to the Nestlé ADSs or any purchase or sale transaction initiated by any Plan Participant. Any decision to purchase or sell any Nestlé ADSs must be made by the individual Participant, based upon his or her own research and judgment.
19. **Nestlé Involvement** – Nestlé has consented to the establishment of the Plan by Citibank but does not, and should not be deemed to, sponsor or administer the Plan. From time to time Citibank may disclose to Nestlé the names (and other relevant information) of the Plan Participants.
20. **Transfer Agency** – Citibank is a transfer agent registered with the Board of Governors of the Federal Reserve System pursuant to Section 17A of the Securities Exchange Act of 1934. The Plan Participant Accounts are not insured by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, or any similar agency.
21. **Nestlé ADSs** – The Nestlé ADSs that are the subject of the Plan are issued pursuant to a Deposit Agreement (as amended from time to time) governing the rights and obligations among holders and beneficial owners of Nestlé ADSs, Citibank, as Depositary, and Nestlé. Nothing herein is intended, or should be deemed, to modify, amend or waive any of the terms of the Deposit Agreement or the receipt evidencing the Nestlé ADSs. Plan Participants agree to be bound by the terms of the Deposit Agreement. Copies of the Deposit Agreement (as amended from time to time) can be obtained from Citibank.
22. **Ineligible Persons** – The Plan is available to residents of the United States of America only. Senior officers and directors of, or shareholders holding 5% or more of the shares of, Nestlé are not eligible to participate in the Plan. By signing and mailing the Enrollment Forms or initiating a transaction, the Plan Participant shall be deemed to represent that he or she is not such a senior officer, director, or holder of 5% or more of the shares, of Nestlé. The Plan is not designed for institutional investors or financial intermediaries.
23. **Force Majeure** – Citibank shall be excused from performance of its obligations hereunder and shall not be liable for any losses, damages, or expenses caused by the occurrence of any contingency beyond its control, including, without limitation, nationalization, expropriation, currency restrictions, work stoppages, strikes, fire, computer failure, civil unrest, insurrection, revolution, riot, rebellion, terrorism, accident, explosion, flood, storm, act of war, and of terrorism, act of God or similar occurrence.
24. **Governing Law** – The Plan and the Terms and Conditions shall be governed by the laws of the State of New York. The signing and mailing of the Enrollment Forms shall constitute an offer by a person to establish a principal-agency relationship with Citibank, acceptance of which shall occur in the offices of Citibank, in Citibank's discretion, upon the opening by Citibank of a Plan Participant Account in the name of such person, at which point Citibank shall become the Plan Participant's agent for the purposes hereof.

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25. **Entire Agreement** – These Terms and Conditions set forth the entire understanding of the parties with respect to the subject matter hereof and supersede any and all prior agreements, arrangements and understandings relating thereto. Titles to sections of the Terms and Conditions are included for convenience only.
26. **Partial Invalidity** – In the event that any provision of the Terms and Conditions (or any portion thereof) or the application thereof to any person or circumstances shall be determined by a court of proper jurisdiction to be invalid or unenforceable to any extent, the remaining provisions of the Terms and Conditions, and the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall be unaffected thereby and such provisions shall be valid and enforced to the fullest extent permitted by law in such jurisdiction. In the event that any provision of the Terms and Conditions (or any portion thereof) or the application thereof to any person or circumstances shall be determined by a court of proper jurisdiction to be invalid or unenforceable to any extent in such jurisdiction, the provisions of the Terms and Conditions and the application of such provisions to persons or circumstances shall be unaffected thereby in any other jurisdiction and such provisions shall be valid and enforced to the fullest extent permitted by law in any such other jurisdiction.
27. **Exoneration** – Citibank shall not be liable to Nestlé or any Plan Participant under the Plan for any act made in good faith or for any good faith omission to act, including, without limitation, any claims for liability (i) arising out of failure to terminate a Plan Participant's participation in the Plan upon the Plan Participant's death or incapacity prior to receipt of notice in writing of such death or incapacity, and (ii) with respect to the prices at which Nestlé ADSs are purchased or sold for any Plan Participant Accounts or the time, place or manner such purchases or sales are made.

Nestlé S.A. American Depositary Shares Dividend Reinvestment Plan

Fee Schedule

Service	Fee	Brokerage Commission
Dividend Reinvestment on Nestlé ADSs	No Fee	\$0.10 per Nestlé ADS purchased
Additional Cash Purchases of Nestlé ADSs	\$5.00 per transaction	\$0.10 per Nestlé ADS purchased
Sales of Nestlé ADSs	\$10.00 per transaction	\$0.12 per Nestlé ADS sold

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