

Nestlé Prize in Creating Shared Value
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Official Rules for 2009 – 2010

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1. Awarding of the Nestlé Prize

The Nestlé Prize in Creating Share Value (“Nestlé Prize”) is designed to recognise the development of an outstanding innovation in the areas of water, nutrition and rural development that:

- Has proven its worth on a pilot or small-scale basis.
- Is judged to be feasible on a broad-scale basis.
- Has high promise of improving access to nutrition, improving rural development, or having a significant impact on water management or access to clean water.
- Is built on a sound and sustainable business model.

The Nestlé Prize will be awarded to those who submit the best entries as determined by the Advisory Board on Creating Shared Value in accordance with these Official Rules.

2. Eligibility

Entities eligible for the Nestlé Prize are individuals having reached the legal age of majority or any public or private organisation (e.g. non-government organisations, governmental organizations, companies, universities, institutions, etc).

Teams of individuals, employees of Nestlé SA, their parent companies, affiliates and subsidiaries, joint ventures, participating advertising and promotion agencies (and members of their immediate family, defined as parents, children, siblings and spouse, regardless of where they reside, and/or those living in the same household) are not eligible.

The Nestlé Prize in Creating Shared Value is international in scope. Applicants may reside and work in any country in the world.

3. How to enter

The award process begins at 8:00 CET time on July 1st 2009 and ends on October 31st 2009 at 23:00 CET ("Award Period").

The Entries should be submitted to Nestlé SA during the Award Period through the Nomination Form which is available on the Nestlé corporate website www.nestle.com or by request at CSVPrize@Nestle.com. Entries

will be accepted by post or by email whereby a maximum size of 5 MB per email submitted is allowed.

Any application must be complete and contain the fully completed Nomination Form including all related documents. The entries must be postmarked or electronically submitted by October 31st 2009 by 23.00 CET latest.

One application per project is allowed. Applicants may submit additional information as well as reasonable corrections to the Nomination Form during the Award Period.

Additional information including testimonials and recommendations during the Award Period that might provide important and useful information for the selection process is welcome, but not mandatory.

All such amendments as well as any communication must be in writing. Oral communications will not be accepted and not taken into account during the selection process.

All costs related to the submission of the entry are to be borne by the entrants.

All Entries must be in English. Registration or Entries that are in any other language will not be considered.

Upon submission of the Nomination Form, the applicant attests that all information submitted is truthful and correct.

4. The Nestlé Prize

Nestlé will commit to up to the Laureate¹ an investment of up to CHF 500,000 in total for a specified period of time to assist in the development of the awarded project to bring it/them to scale. Project will also be evaluated on the relative value of the project proposed and the requested investment.

The investment may be a one-time grant or it may be awarded on a multi-year basis in increments to be determined by the Nestle Chairman and CEO upon the recommendation of the Creating Shared Value Advisory Board and the General Secretary of the Creating Shared Value Advisory Board.

¹ Exceptionally, the Advisory Board may decide to award the Prize to more than one Laureate. The value of each Nestlé Prize for each Laureate would then depend on its various merits and needs and defined at the sole discretion of the Advisory Board. The total value for all Laureates will not exceed CHF 500.000.

The Nestlé Prize may be subject to taxes at varying levels depending on the Laureate's country. It is the Laureate's responsibility to comply with tax requirements. The Nestlé Prize will be awarded in Swiss Francs. All costs associated with currency exchange are the sole responsibility of the Laureate.

5. Judging of the Nestlé Prize

Entries will be judged by the Nestle Prize Screening Committee, which will come up with a list of five finalists, based on the selection criteria set out below.

The Advisory Board on Creating Shared Value makes a final decision on the Laureate on the recommendation of the Screening Committee.

The Nestlé Advisory Board on Creating Shared Value reserve the right not to award any Prizes, if in their sole and absolute discretion, they do not receive a sufficient number of eligible or qualified entries for the Nestlé Prize. In the event that more than one entry is received with the same or nearly identical submission, only the first such entry received will be eligible. Decisions of the Creating Shared Value Advisory Board are final and binding. Laureate will be notified by email or postal mail, at Nestlé's discretion.

Details concerning the members of the Advisory Board are available on the Creating Shared Value website: www.nestle.com/csv

6. Selection Criteria

- The project must have proven its worth on a pilot or small-scale basis. The impact of this project must be measurable, quantifiable, or otherwise demonstrated either in terms of improvement in the access to and management of water, or in the lives of farmers and rural communities, or in bringing improved nutrition to populations suffering from nutritional problems. The number of people affected as well as the extent of the change they experienced will be a substantial factor in evaluating the relative significance of the various individual achievements being considered.

- The practical implementation of the project rather than developing basic schemes and research must be shown.
- It must be clearly shown that the project is the direct result of the specific actions and activities of the applicant.
- The project should be feasible on a broad-scale basis. It must have high promise of improving access to nutrition, improving rural development, or having a significant impact on water management or access to clean water.
- Fields of achievement include, but are not limited to: agriculture including plant and animal husbandry; food science and technology; nutrition; rural development; water and the environment; and distribution; social organization and poverty elimination; etc
- The project must be built on a sound and sustainable business model
- The project will also be judged on its ability to incorporate and leverage an investment by Nestlé to assist in the development of the project and its promotion to assist in its adoption by other communities and its continued growth and viability.

7. Selection Process and Timeline

The Nestlé Prize timeline is as follows:

1st July – 31 October: Application period.

1st November – 31 December: Review of nominations

January / February– The Advisory Board on Creating Shared Value may request additional information from nominees

April – Public announcement of the Nestlé Prize Laureate

The Nestlé Prize in Creating Shared Value will be awarded in April 2010 at the Annual Nestlé Creating Shared Value Forum

Between the close of nominations 31 December and until 28th February 2010, Nestlé Prize administration reserves the right to request additional information once the Nomination Form has been received and prior to the awarding of the Prize; In addition, the administrators of the Nestlé Prize may schedule on-site inspections to verify information in the Nomination Form prior to and following the awarding of the Prize to conduct interviews with

the leadership of the organization and others who have provided letters of recommendations or other communications of support.

8. Use of Prize to promote Creating Shared Value and Auditing

The Prize Laureate agrees upon receipt of the prize monies to use the funds for the exclusive use to support the furtherance of the winning entry and the purpose for which it has received the Prize. The Prize monies cannot be used to pay for fundraising activities.

The Prize Laureate also agrees to periodic oversight of the disbursement by the Nestlé Prize and Nestlé SA assigned third parties. Following the awarding of the Prize, Nestlé Prize reserves the right to review documentation of the disbursements of the monies paid to the winning entry, Nominees agree to regular and appropriate monitoring and evaluations as well as progress reports as may be required by Nestlé to monitor progress.

9. Award of the Nestlé Prize – Ceremony

The Prize Laureate is required to participate in the award ceremony in April 2010 and the attendant Creating Shared Value Forum.

Reasonable travel and hotel expenses for the candidate to attend will be organised and covered by Nestlé.

10. Conditions of Participation

Prizes are awarded without warranty of any kind from Nestlé, express or implied, without limitation, except where this would be contrary to federal, state, provincial, or local laws or regulations. Submission of entry for this Nestlé Prize deems that applicants agree to be bound by the terms of these Official Rules and by the decisions of Nestlé, which are final and binding on all matters pertaining to this Nestlé Prize. Return of any prize/prize notification may result in disqualification and selection of an alternate laureate. Any potential laureate who cannot be contacted within 15 days of attempted first notification will forfeit his/her prize.

Ownership of and all intellectual and industrial property rights in and to the application shall remain with the participant.

To the extent permitted by law, entrants, agree to hold Nestlé SA, its subsidiaries, agents, directors, officers, employees, representatives and assigns harmless from any injury or damage caused or claimed to be caused by participation in the Nestlé Prize and/or use or acceptance of any Nestlé Prize awarded, except to the extent that any death or personal injury is caused by the negligence of Nestlé SA. Nestlé SA is not responsible for any typographical or other error in the printing of the offer, administration of the Nestlé Prize or in the announcement of the Nestlé Prize. A participant may be prohibited from participating in this Nestlé Prize if, in Nestlé's SA sole discretion, it reasonably believes that the participant has attempted to undermine the legitimate operation of this Nestlé Prize by cheating, deception, or other unfair playing practices or annoys, abuses, threatens or harasses any other participants, Nestlé SA or associated agencies. In the event a laureate/potential laureate's employer has a policy, which prohibits the awarding of a prize to an employee, the Nestlé Prize will be forfeited and an alternate laureate will be selected.

Applicants certify that their entry is original and that they are the sole and exclusive owner and right holder of the submitted entry and/or that they have the right to submit the entry for the Nestlé Prize. Each applicant agrees not to submit any Nomination Form that (1) infringes any 3rd party proprietary, intellectual property, industrial property, personal rights or other rights, including without limitation, copyright, trademark, patent, trade secret or confidentiality obligation; or (2) otherwise violates applicable law in any countries in the world. To the maximum extent permitted by law, each applicant indemnifies and agrees to keep indemnified Nestlé SA, its subsidiaries, agents, directors, officers, employees, representatives and assigns harmless at all times from and against any liability, claims, demands, losses, damages, costs and expenses resulting from any act, default or omission of the applicant and/or a breach of any warranty set forth herein. To the maximum extent permitted by law, each participant indemnifies and agrees to keep indemnified Nestlé SA, its subsidiaries, agents, directors, officers, employees, representatives and assigns harmless at all times from and against any liability, actions, claims, demands, losses, damages, costs and expenses for or in respect of which Nestlé SA will or may become liable by reason of or related or incidental to any act, default or omission by a applicant under these Official Rules including without limitation resulting from or in relation to any breach, non-observance, act or omission whether negligent or otherwise, pursuant to these official rules by a participant.

11.Promotional Rights

The Nestlé Prize Laureate shall agree to reasonable promotional efforts to further the cause of the Nestlé Prize in Creating Shared Value, as well as the use of the project or program to illustrate and promote The Nestlé Prize in Creating Shared Value in any medium such as, but not limited to, radio, press, television, internet, etc. To this effect, the Nestlé Prize Laureate agrees to take part to interviews, photo shooting sessions, making of video clips and other promotional activities required to achieve this objective. The Nestlé Prize Laureate further grants, assigns and transfers to Nestlé S.A. all rights of every nature relating to the reproduction, distribution, use and communication of the promotional materials developed in connection with the promotion to further the cause of the Nestlé prize in Creating Shared Value, and waives any and all rights that she/he/it may have with respect thereto pursuant to any statute of law. The ownership of any promotional material created shall be vested in Nestlé S.A. and the Nestlé Prize Laureate agrees to release Nestlé S.A. and its representatives from any liability in connection therewith.

12.Rights of Revocation

The Nestlé Prize reserves the right to revoke the Nestlé Prize if it determines that the monies and administration of the Nestlé Prize have not been in accordance with the Official Rules of the Nestlé Prize or in the spirit of Creating Shared Value.

13. Confidentiality and Retention of submitted material

The application will be treated confidential and shared with third parties that need to be necessarily involved for the purpose of all activities around the Nestlé Prize. Forms will be stored and destroyed a year after the award ceremony. Upon prior request, individuals or organisations submitting entries can claim for their file to be returned.

14.Jurisdiction

The Official Rules are subject to change; any change will be published on www.nestlé.com website.

The rules and administration of the Nestlé Prize in Creating Shared Value will be governed by the laws of Switzerland.

NO RECOURSE TO JUDICIAL OR OTHER PROCEDURES: To the extent permitted by law, the rights to litigate, to seek injunctive relief or to make any other recourse to judicial or any other procedure in case of disputes or claims resulting from or in connection with this Nestlé Prize are hereby excluded, and any participant expressly waives any and all such rights.