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(1) The full Board of Directors Regulations and Committee Charters are published on [www.nestle.com/investors/corporate-governance/boardcommittees](http://www.nestle.com/investors/corporate-governance/boardcommittees)

## Preliminary remarks

Nestlé S.A. publishes a full Corporate Governance Report and Compensation Report, which forms an integral part of the Annual Report. We therewith comply with the requirements of the SIX Swiss Exchange (SIX) and its Corporate Governance Directive.

The present document is a partial update of the Nestlé Corporate Governance Report 2016, indicating changes occurred on the Board of Directors and the Executive Board up to 30 June 2017.

The Annual Report is available on-line as a PDF file at <http://www.nestle.com/investors/annual-report> in English, French and German.

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# Board of Directors

## 1. Board of Directors

### 1.1 Members of the Board of Directors (\*)

Name	Year of birth	Nationality	Education/Qualifications <sup>(a)</sup>	First Election	Expires <sup>(b)</sup>
Paul Bulcke Chairman	1954	Belgian/Swiss	Economics and Business Administration	2008	2018
Ulf Mark Schneider CEO	1965	German/ American	Economics, Business Administration and Finance & Accounting	2017	2018
Andreas Koopmann Vice Chairman	1951	Swiss	Mechanical Engineering and Business Administration	2003	2018
Henri de Castries Lead Independent Director <sup>(c)</sup>	1954	French	HEC, Law degree and ENA	2012	2018
Beat Hess	1949	Swiss	Law	2008	2018
Renato Fassbind	1955	Swiss	Economics, Business Administration and Accountancy	2015	2018
Steven G. Hoch	1954	American/Swiss	International Relations and Economics	2006	2018
Naïna Lal Kidwai	1957	Indian	Economics and Business Administration	2006	2018
Jean-Pierre Roth	1946	Swiss	Economics and Finance	2010	2018
Ann M. Veneman	1949	American	Law and Public Policy	2011	2018
Eva Cheng	1952	Chinese	Business Administration, History	2013	2018
Ruth K. Oniang'o	1946	Kenyan	Food Science and Human Nutrition	2015	2018
Patrick Aebischer	1954	Swiss	Medicine and Neuroscience	2015	2018
Ursula M. Burns	1958	American	Mechanical Engineering	2017	2018

(\*) Peter Brabeck-Letmathe left the Board of Directors on 6 April 2017.

(a) For more complete information on qualifications: please refer to section 1.2 and the individual CVs on [www.nestle.com/investors/corporate-governance/management/boardofdirectors](http://www.nestle.com/investors/corporate-governance/management/boardofdirectors)

(b) All Board members are elected annually in accordance with Swiss Corporate law and Nestlé S.A.'s Articles of Association.

(c) The Lead Independent Directors assumes the role of a prime intermediary between the Board and the Chairman. He may convene and he chairs Board meetings and "in camera" sessions where the Chairman is not present or conflicted.

#### 1.1.1 Management tasks of the members of the Board of Directors

With the exception of Ulf Mark Schneider, all members of the Board of Directors are non-executive members. Paul Bulcke is active Chairman and has certain responsibilities for the direction and control of the Group including Nestlé Health Science S.A., Nestlé Skin Health S.A. and Nestlé's engagement with L'Oréal.

#### 1.1.2 Information on non-executive members of the Board of Directors

With the exception of Paul Bulcke, all non-executive members of the Board of Directors are independent, were not previously members of the Nestlé management and have no important business connections with Nestlé. Pursuant to Nestlé's Board Regulations, a Director shall be considered independent, if he is not and has not been employed as an executive officer at the Company or any

of its principal subsidiaries or as employee or affiliate of the Group's external auditor for the past three years and does not maintain, in the sole determination of the Board, a material direct or indirect business relationship with the Company or any of its subsidiaries. Directors with immediate family members who would not qualify as independent shall not be considered independent, subject to a three-year cooling-off period.

Subject to specific exceptions granted by the Board, members are subject to twelve-year term limits.

#### 1.1.3 Cross-involvement

None.

## 1.2 Professional background and other activities and functions (\*)

### Paul Bulcke Chairman

Paul Bulcke began his career in 1977 as a financial analyst for Scott Graphics International in Belgium before moving to the Nestlé Group in 1979 as a marketing trainee. From 1980 to 1996, he held various responsibilities in Nestlé Peru, Nestlé Ecuador and Nestlé Chile before moving back to Europe as Managing Director of Nestlé Portugal, Nestlé Czech and Slovak Republic, and Nestlé Germany. In 2004, he was appointed Executive Vice President, responsible for Zone Americas. In April 2008, Paul Bulcke was elected member of the Board of Directors of Nestlé S.A. and the Board appointed him Chief Executive Officer (CEO).

As of 31 December 2016, Paul Bulcke relinquished his function as CEO remaining member of the Board of Directors. At the Annual General Meeting of Shareholders in April 2017, Paul Bulcke was elected Chairman of the Board of Directors of Nestlé S.A.

As a Nestlé S.A. representative, he serves as Vice Chairman on the Board of L'Oréal S.A., France.

Paul Bulcke is also a Board member of Roche Holding Ltd., Switzerland.

In addition, he is a member of the Board of Trustees of Avenir Suisse, Switzerland, the European Round Table of Industrialists (ERT), Belgium, the IMD Foundation Board as well as of the International Business Council of the World Economic Forum (WEF).



### Ulf Mark Schneider CEO

Mark Schneider started his career in several senior executive positions since 1989 with Haniel Group, Germany. In 2001 he joined Fresenius Medical Care as Chief Financial Officer and became CEO of Fresenius Group, Germany in 2003, a function he relinquished in 2016. As from January 2017, Mark Schneider has been appointed Chief Executive Officer (CEO) of Nestlé S.A. At the Annual General Meeting of Shareholders in April 2017, Mark Schneider was elected member of the Board of Directors of Nestlé S.A.



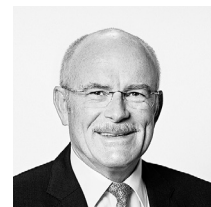
As a representative of Nestlé, Mark Schneider serves as Co-Chairman of the Board of Directors of Cereal Partners Worldwide S.A., Switzerland.

Furthermore, he is a member of the Board of the Consumer Goods Forum and a member of the Advisory Board of the Swiss Innovation Park.

### Andreas Koopmann Vice Chairman

Andreas Koopmann began his career in 1979 as Assistant to the Chairman and CEO of Bruno Piatti AG, Switzerland, and from 1980 to 1982 was Assistant to the Group Executive at Motor Columbus AG, Holding, Switzerland. From 1982, he was at Bobst Group, starting as Vice President of Engineering and Manufacturing in Roseland, New Jersey, USA. In 1989, he returned to Switzerland, holding a number of senior positions in the company, including member of the Group Executive Committee in charge of Manufacturing. He was a member of the Board of Directors for Bobst Group from 1998 to 2002 and was appointed CEO in 1995, a position he held until May 2009. From 2010 to 2012, Andreas Koopmann was Chairman of Alstom (Suisse) S.A. and Country President.

Presently, he serves as Chairman of Georg Fischer AG, as a Board member of Credit Suisse Group, the CSD Group, as well as of Sonceboz SA. Andreas Koopmann is also a member of the Board of Directors of economiesuisse.



### Henri de Castries Lead Independent Director

Henri de Castries started his career in the French Finance Ministry Inspection Office, auditing government agencies from 1980 to 1984. In 1984, he joined the French Treasury Department. As of 1989, he joined AXA Corporate Finance Division. Two years later, he was appointed Senior Executive Vice President for the Group's asset management, financial and real-estate business. Henri de Castries was Chairman of the AXA Management Board from May 2000 to April 2010. Since April 2010, following a modification of the corporate governance structure, he was Chairman and CEO of AXA, functions he relinquished in 2016.

In March 2016, Henri de Castries joined the Board of HSBC Holdings Inc.



(\*) Mandates and functions are listed in the following order: (1) mandates in listed companies, (2) mandates in non-listed companies, (3) mandates held at the request of Nestlé or companies controlled by it, (4) mandates held in associations, charitable organizations, foundations, trusts and employee welfare foundations.

### Beat Hess

Beat Hess started his career in 1977 at BBC Brown Boveri Ltd in Baden as Legal Counsel where he was promoted to General Counsel in 1986. From 1988 to 2003, he was Senior Group Officer, General Counsel and Secretary for ABB Ltd in Zurich. From 2003 until his retirement in January 2011, Beat Hess was Group Legal Director and a member of the Group Executive Committee of Royal Dutch Shell plc, The Hague, The Netherlands.

Beat Hess is Chairman of LafargeHolcim Ltd and Vice Chairman of Sonova Holding AG, Switzerland. He is also a member of the Curatorium of The Hague Academy of International Law.



### Renato Fassbind

Renato Fassbind started his career in 1982 as Managing Director of Kunz Consulting AG. From 1984 until 1990 he was Auditor and ultimately Head of Internal Audit at F. Hoffmann-La Roche AG.

Renato Fassbind then joined ABB Ltd and served between 1990–1997 as Head of Corporate Staff Audit, and then as Chief Financial Officer and member of the Executive Board from 1997 to 2002. Subsequently, he joined Diethelm Keller Holding AG as Chief Executive Officer from 2002 to 2004. He joined Credit Suisse Group AG as Chief Financial Officer and member of the Executive Board from 2004 until 2010.

Currently Renato Fassbind serves as Vice Chairman of the Board of Directors of Swiss Re AG, is the Chairman of its Audit Committee and member of its Compensation Committee. Furthermore, Renato Fassbind sits on the Board of Kühne + Nagel International AG and is a member of its Audit Committee.



### Steven G. Hoch

Steven G. Hoch started his career in 1978 at the Chemical Bank in New York and Zurich, where he held a series of positions in commercial banking, principally advising multinational companies. Steven G. Hoch was Senior Vice President at Bessemer Trust Company, N.A., New York, from 1990 to 1994, and a member of the Executive Committee at Pell Rudman Trust Company, Boston, from 1994 to 2002. Since 2002, he served as a founder and CEO of Highmount Capital LLC, a US-based investment management and fiduciary firm. In 2015, Highmount joined Brown Advisory LLC, where he serves as a Partner and a member of the International Advisory Board.

Steven G. Hoch is Chairman Emeritus of the American Swiss Foundation and serves as Chairman of the Corporation Board of the Woods Hole Oceanographic Institution, USA. He served two terms as a member of the National Board of the Smithsonian Institution, USA, and is an Advisory Board member of the Smithsonian Tropical Research Institute, Panama.



### Naïna Lal Kidwai

Naïna Lal Kidwai started her career in 1982 and until 1994 was at ANZ Grindlays Bank Plc. From 1994 to 2002, she was Vice Chairman and Head of Investment Banking at Morgan Stanley India before moving to HSBC, where she was Chairman of the HSBC Group of Companies in India and on the Board of HSBC Asia Pacific, until her retirement in December 2015. She was elected President of the Federation of Indian Chambers of Commerce & Industry (FICCI) for 2013.

Naïna Lal Kidwai is Chairman of Max Financial Services Ltd and a non-Executive Board member of Cipla Ltd., Larsen&Toubro Ltd., India and Altico India Pvt Ltd. She serves the BRICS Business Council and South Asia Advisory Board of the Harvard Business School, where she is also a Global Advisor. Other engagements include the Advisory Boards of Oxford University India Center, NCAER (National Council of Applied Economics Research) and the US India Innovation Forum Steering Committee. Her interests in the environment include being Chair of the Sustainability Council & Energy Mission at FICCI, Chair of the India Sanitation Coalition, Board member of Shakti Sustainable



Energy Foundation and a commissioner for the global commission on the Economy and Climate.

Naina Lal Kidwai was given the Padma Shri Award by the Indian government in 2007 for her contribution to trade and industry and has been recognised in India and abroad with awards and rankings in lists of top women in business.

### **Jean-Pierre Roth**

Jean-Pierre Roth spent his whole career at the Swiss National Bank, which he joined in 1979. After various senior positions, he was appointed a member of the Governing Board in 1996 before becoming its Chairman in 2001 until 2009. From 2001 he was a member of, and since 2006 the Chairman of the Board of Directors of the Bank of International Settlements until his retirement in 2009. Jean-Pierre Roth also served as Swiss Governor of the International Monetary Fund from 2001 until 2009 and as a Swiss representative on the Financial Stability Board from 2007 until 2009.

As of 2010, Jean-Pierre Roth has been a member of the Board of Swatch Group.

In May 2014, he joined the Board of MKS (Switzerland) SA, a company active in gold processing and trading. Furthermore, Jean-Pierre Roth is a member of the Advisory Board of the University of Geneva, the Feris Endowment Fund IHEI, Geneva, the Foundation Board and Programme Committee of Avenir Suisse, Switzerland, and the Foundation of the Swiss Pontifical Guard, Vatican City.



### **Ann M. Veneman**

An attorney by training, Ann M. Veneman was Secretary of the United States Department of Agriculture (USDA) from 2001 to 2005. She then served a five-year term as the Executive Director of the United Nations Children's Fund. Earlier in her career she practiced law and was in various positions in the USDA. She also served four years as the Secretary of the California Department of Food and Agriculture. She is currently a member of the Boards of Alexion Pharmaceuticals, the Global Health Innovative Technology Fund and JUST Capital. She is on a number of advisory boards including BRAC, Terra Vesco, The Feed Project, The Chicago Council Global Agriculture Development Initiative and the Clinton Health Access Initiative. She is a member of the Council on Foreign Relations and the Trilateral Commission.



In 2009, she was named to Forbes The World's 100 Most Powerful Women list, and she has been the recipient of numerous awards and honours throughout her career.

Ann M. Veneman also serves as member of the Nestlé CSV Council.

### **Eva Cheng**

Eva Cheng joined Amway Corporation – a US-based global consumer product company – in 1977 as an Executive Assistant in Hong Kong and moved to become Corporate Executive Vice President in 2005 responsible for Greater China and Southeast Asia Region, a position she held until her retirement in 2011. Eva Cheng is most well known for leading Amway's entry into China in 1991. She also held Amway China's Chairperson and CEO position since market launch until her retreat in 2011.

In 2008 and 2009, Eva Cheng was twice named to Forbes The World's 100 Most Powerful Women list. She had also received numerous awards and honours for her business leadership and community service.

Presently, Eva Cheng serves on the Boards of Trinity Limited, Haier Electronics Group Co. Ltd. in Hong Kong, China, and Amcor Ltd., Australia. She is also the Executive Director of the Our Hong Kong Foundation, a member of the Executive Committee of the All-China Women's Federation, a Director of China Children and Teenagers Foundation, a Member of the China People's Political Consultative Conference – Guangdong Commission and a Permanent Honorary Director of the Chinese General Chamber of Commerce in Hong Kong.



### **Ruth K. Oniang'o**

Ruth K. Oniang'o was formerly Professor of Food Science and Nutrition at Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya, and is adjunct Professor of Nutrition at Tufts University, USA. She is also Founder and Executive Director of the Rural Outreach Program Kenya, as well as Founder and Editor-in-Chief of the African Journal of Food, Agriculture, Nutrition and Development (AJFAND).

She has steered the development of nutrition policies across Africa and advocated for healthy diets globally. She has special focus on maternal and child nutrition.



Ruth K. Oniang'o is a former Member of Parliament in Kenya and she works in rural developments focused on women smallholder farmers, and the youth.

Furthermore, she chairs the Boards of the Sasakawa Africa Association (SAA) and the Sasakawa Africa Fund for Extension Education (SAFE). Other engagements include being a Board member of the USTADI Foundation, Kenya, and a Trustee of the Board of CABI Centre for Agriculture and Biosciences International.

Ruth K. Oniang'o also serves as a member of the Nestlé CSV Council. Furthermore, she has earned a distinguished service medal from the Government of Kenya.

### **Patrick Aebischer**

Patrick Aebischer was trained as an MD and neuroscientist at the University of Geneva and the University of Fribourg, Switzerland.

He is a Professor in neurosciences and Director of the Neurodegenerative Disease Research Laboratory at the Brain Mind Institute EPFL.

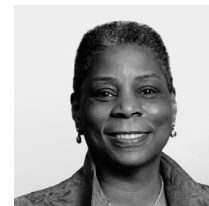


From 1984 to 1992, he worked at Brown University, USA, as Research Scientist, Assistant and then Associate Professor of Medical Sciences. In 1992, he returned to Switzerland as a Professor and Director of Surgical Research Division and Gene Therapy Center at the University Hospital of Lausanne (CHUV). From 2000 to end 2016, Patrick Aebischer is the President of the Swiss Federal Institute of Technology Lausanne (EPFL). Furthermore, Patrick Aebischer is founder of three start-ups: CytoTherapeutics Inc. (1989), Modex Therapeutics Inc. (1996) and Amazentis SA (2007).

Currently, he serves as Board member of Lonza Group Ltd, and Logitech International S.A. and is Chairman of the Advisory Board of the Novartis Venture Fund. Furthermore, Patrick Aebischer is a member of the Foundation Boards of the Verbier Festival and the Montreux Jazz Festival, Switzerland.

### **Ursula M. Burns**

Ursula M. Burns joined Xerox in 1980 and advanced through engineering and manufacturing functions to leadership positions in manufacturing, operations and product development. From 2009 to 2016 Ursula M. Burns was Chief Executive Officer (CEO) of Xerox. Since 2010, she is the Chairman of the Board of Xerox Corporations, USA. She also serves on the Boards of American Express Company, Exxon Mobil Corporation and Datto, Inc., USA.



Furthermore, Ursula M. Burns also provides leadership counsel to various community, educational and non-profit organisations including the Massachusetts Institute of Technology, NAF (National Academy Foundation) and FIRST (For Inspiration and Recognition of Science and Technology), the Mayo Clinic and the Ford Foundation.

Ursula Burns is a member of the National Academy of Engineering and the American Academy of Arts and Sciences.



### 1.3 Mandates outside Nestlé

Pursuant to art. 21<sup>sexies</sup> of the Articles of Association (\*), no member of the Board of Directors may hold more than 4 additional mandates in listed companies and 5 additional mandates in non-listed companies.

The following mandates are not subject to these limitations:

- a) mandates in companies which are controlled by Nestlé;
- b) mandates which a member of the Board of Directors holds at the request of Nestlé or companies controlled by it. No member of the Board of Directors shall hold more than 10 such mandates; and
- c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors shall hold more than 10 such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

The Board of Directors has promulgated regulations that determine additional restrictions.

All members of the Board of Directors comply with the provisions set out in art. 21<sup>sexies</sup>.

### 1.4 Elections and terms of office

Pursuant to art. 6 par. 2 of the Articles of Association, the General Meeting has the competence to elect and remove the members of the Board of Directors.

The Chairman of the Board of Directors, the members of the Board of Directors and the members of the Compensation Committee are elected individually by the General Meeting for a term of office until completion of the next Annual General Meeting (art. 15 of the Articles of Association).

Members of the Board of Directors whose term of office has expired are immediately eligible for re-election.

The Board of Directors elects one or two Vice Chairmen and the members of the Committees other than the Compensation Committee.

The term of office of a Board member shall expire no later than at the Annual General Meeting following the member's 72nd birthday.

Rules in the Articles of Association are compliant with the statutory legal provisions with regard to the appointment of the Chairman, the members of the Compensation Committee and the independent proxy.

For the principles of the selection procedure, see point 1.5.2 below (Nomination and Sustainability Committee).

For the time of first election and term of office, see point 1.1 above.

(\*) Nestlé S.A.'s Articles of Association can be found on [www.nestle.com/investors/corporate-governance/articles](http://www.nestle.com/investors/corporate-governance/articles)

## 1.5 Internal organisational structure

### 1.5.1 Allocation of tasks within the Board of Directors

	Chairman's and Corporate Governance Committee	Compensation Committee	Nomination and Sustainability Committee	Audit Committee
Paul Bulcke Chairman	• (Chair)		•	
Ulf Mark Schneider CEO	•			
Andreas Koopmann Vice Chairman	•	•		
Henri de Castries Lead Independent Director	•		• (Chair)	•
Beat Hess	•	• (Chair)		
Renato Fassbind	•			• (Chair)
Steven G. Hoch			•	
Nāina Lal Kidwai				•
Jean-Pierre Roth		•		
Ann M. Veneman			•	
Eva Cheng				•
Ruth K. Oniang'o				
Patrick Aebischer		•		
Ursula M. Burns				

#### 1.5.2 Tasks and area of responsibility for each Committee of the Board of Directors <sup>(1)</sup>

The powers and responsibilities of each Committee are established in the applicable Committee Charter, which is approved by the Board. Each Committee is entitled to engage outside counsel.

The **Chairman's and Corporate Governance Committee** consists of the Chairman, any Vice Chairman, the Lead Independent Director, the CEO (Administrateur délégué) and any other member elected by the Board. It liaises between the Chairman and the full Board of Directors in order to act as a consultant body to the Chairman and to expedite whenever necessary the handling of the Company's business. The Committee regularly reviews the corporate governance of the Company and prepares recommendations for the Board. It also advises on certain finance-related matters including the Company's financing and financial management and periodically reviews its asset and liability management.

While the Committee has limited authority as per the Board Regulations, it may in exceptional and urgent matters deal with business matters which might arise between Board meetings. In all cases it keeps the Board fully apprised. It reviews the Board's annual work plan.

The **Compensation Committee** consists of the Vice Chairman and a minimum of two other non-executive members of the Board. All members are independent (art. 19<sup>bis</sup> par. 1 of the Articles of Association). The members of the Compensation Committee are elected individually by the General Meeting for a term of office until completion of the next Annual General Meeting. Members of the Compensation Committee whose term of office has expired are immediately eligible for re-election. The Compensation Committee determines the system and principles for remuneration of the members of the Board of Directors and submits them to the Board for approval. It oversees and discusses the remuneration principles for Nestlé S.A. and the Nestlé Group. It prepares the proposals of the Board to be submitted for approval by the General Meeting in relation

(1) For complete information please refer to the Board of Directors Regulations and Committee Charters on [www.nestle.com/investors/corporate-governance/boardcommittees](http://www.nestle.com/investors/corporate-governance/boardcommittees)

to the compensation of the Board of Directors and the Executive Board. In addition, it proposes the remuneration of the Chairman and the CEO, and approves the individual remuneration of the members of the Executive Board. It reports on its decisions to the Board and keeps the Board updated on the overall remuneration policy of the Nestlé Group. It reviews the Compensation Report.

The **Nomination and Sustainability Committee** consists of a Chairperson, who is an independent and non-executive member of the Board, preferably the Lead Independent Director; the other members are the Chairman of the Board of Directors and a minimum of two independent and non-executive members of the Board. The Nomination and Sustainability Committee oversees the long-term succession planning of the Board, establishes the principles and criteria for the selection of candidates to the Board, performs a regular gap analysis, selects candidates for election or re-election to the Board and prepares a proposal for the Board's decision. The nomination process for the Board of Directors is highly structured and seeks to ensure a balance of necessary competencies and an appropriate diversity of its members. It ensures an appropriately wide net is cast on key successions. The candidates to the Board must possess the necessary profile, qualifications and experience to discharge their duties. Newly appointed Board members receive an appropriate introduction into the business and affairs of the Company and the Group. If required, the Nomination and Sustainability Committee arranges for further training.

The Nomination and Sustainability Committee reviews, at least annually, the independence of the members of the Board as well as their outside mandates, and prepares the annual self-evaluation of the Board and its Committees. Furthermore, it reviews reports and gives advice on measures which ensure the long-term sustainability of the Company in its economic, social and environmental dimension and monitors the Company's performance against selected external sustainability indexes. It reviews the annual Nestlé in society report and discusses periodically how other material non-financial issues affect the Company's financial performance and how its long-term strategy relates to its ability to create shared value. It reviews as well the Company's shareholder base and other significant stakeholders and their material interests. It meets as frequently as necessary to fulfil its tasks and prepares the relevant in camera sessions of the Board of Directors.

The **Audit Committee** consists of a Chairperson, who is an independent and non-executive member of the Board, and a minimum of two other non-executive members of the Board, excluding the CEO and any former member of the Executive Board. All members shall be independent. At least one member has to have recent and relevant financial expertise, the others must be familiar with the issues of accounting and audit. In discharging its responsibilities, it has unrestricted access to the Company's management, books and records. The Audit Committee supports the Board of Directors in its supervision of financial controls through a direct link to KPMG (external auditors) and the Nestlé Group Audit (corporate internal auditors).

The Audit Committee's main duties include the following:

- to review, and challenge where necessary, the actions and judgements of management, in relation to the Company's year-end financial accounts;
- to make recommendations to the Board of Directors regarding the nomination of external auditors to be appointed by the shareholders;
- to discuss the audit procedures, including the proposed scope and the results of the internal and external audit;
- to keep itself regularly informed on important findings of the audits and of their progress;
- to oversee the quality of the internal and external auditing;
- to present the conclusions on the approval of the Financial Statements to the Board of Directors;
- to review certain reports regarding internal controls and the Group's annual risk assessment.

The Audit Committee regularly reports to the Board on its findings and proposes appropriate actions. The responsibility for approving the annual Financial Statements remains with the Board of Directors.

# Executive Board

## 2. Executive Board

### 2.1 Members of the Executive Board

Name	Year of birth	Nationality	Education/Current function
Ulf Mark Schneider	1965	German/ American	Economics, Business Administration and Finance & Accounting CEO: Nestlé S.A.
Laurent Freixe	1962	French	Business Administration EVP & CEO: Zone Americas
Chris Johnson	1961	American	Economics and Business Administration EVP: Nestlé Business Excellence
Patrice Bula	1956	Swiss	Economics and Business Administration EVP: Strategic Business Units, Marketing, Sales and Nespresso
Wan Ling Martello	1958	American	Business Administration and Accountancy, Postgraduate in Management Information Systems EVP & CEO: Zone Asia, Oceania and Sub-Saharan Africa
Stefan Catsicas	1958	Swiss	Natural Sciences and Postgraduate in Neurosciences EVP: Chief Technology Officer: Innovation, Technology and R&D
Marco Settembri	1959	Italian	Business Administration EVP & CEO: Zone Europe, Middle East and North Africa
François-Xavier Roger	1962	French	Business Administration and Accounting EVP: CFO (includes Finance and Control, Legal, IP, M&A, Tax, Treasury, Investor Relations)
Magdi Batato	1959	Swiss	Mechanical Engineering and PhD in Thermodynamics EVP: Operations
Peter Vogt	1955	Swiss	Economics and Finance & Accounting Deputy EVP: Human Resources
Heiko Schipper	1969	Dutch	Business Economics Deputy EVP: Nestlé Nutrition
Maurizio Paternello	1966	Italian	Business Administration Deputy EVP: Nestlé Waters
Grégory Behar	1969	Swiss	Mechanical Engineering and Business Administration CEO: Nestlé Health Science
David P. Frick	1965	Swiss	Law SVP: Corporate Governance, Compliance and Corporate Services

(EVP: Executive Vice President; SVP: Senior Vice President, CEO: Chief Executive Officer)

For complete information, please refer to individual CVs on [www.nestle.com/investors/corporate-governance/management/executiveboard](http://www.nestle.com/investors/corporate-governance/management/executiveboard)



## 2.2 Professional background and other activities and functions (\*)

### Ulf Mark Schneider

Please refer to point 1.2 above.

### Laurent Freixe

Laurent Freixe joined Nestlé France in 1986 as a sales representative and got increasing responsibilities in the field of sales and marketing. In 1999, he became a member of the Management Committee and was nominated Head of the Nutrition Division. In 2003, Laurent Freixe became Market Head of Nestlé Hungary. In January 2007, he was appointed Market Head of the Iberian Region taking responsibility for Spain and Portugal. From November 2008 to October 2014, Laurent Freixe served as Executive Vice President in charge of Zone Europe.



Effective October 2014, he was appointed Executive Vice President for Zone Americas.

As a representative of Nestlé, he is a member of the Board of Directors of Cereal Partners Worldwide S.A., Switzerland, and of the Regional Board of Directors of the Consumer Goods Forum in Latin America.

### Chris Johnson

Chris Johnson started his career with Nestlé in 1983 as a marketing trainee at Carnation Inc. During his first eight years, he took on increasing responsibilities mainly in the commercial area at Nestlé USA and then, from 1991, in Japan. Senior Area Manager for the Asian region of Nestlé Waters in Paris from 1995, he was then transferred to Taiwan in 1998 as Market Head. From 2000, Chris Johnson led the worldwide development and implementation of GLOBE (Global Business Excellence; IS/IT), the Strategic Supply Chain as well as eNestlé. He was appointed Deputy Executive Vice President in April 2001, and later moved back to Japan in 2007 as Market Head. From January 2011 to October 2014, Chris Johnson was Executive Vice President responsible for Zone Americas.



Effective October 2014, he was appointed Executive Vice President of Nestlé S.A. in charge of Nestlé Business Excellence.

Chris Johnson is a Board member of GS1, Belgium and Treasurer of the Swiss-American Chamber of Commerce.

### Patrice Bula

Patrice Bula joined Nestlé S.A. in 1980 and was entrusted with various responsibilities in Marketing and Sales in Kenya, Japan and Taiwan before being promoted to Market Head for Taiwan in 1992, Market Head for Czech Republic in 1995, then Head for the South and Eastern Africa Region in 1997. In 2000, he was appointed Head of Chocolate, Confectionery and Biscuits Strategic Business Unit based at Nestlé's International Headquarters in Vevey. In October 2003, Patrice Bula was transferred as Market Head of Nestlé Germany and in August 2007 he took up the role as Market Head for the Greater China Region.



As of May 2011, Patrice Bula was appointed to the Executive Board of Nestlé S.A. as Executive Vice President with responsibility for the Strategic Business Units, Marketing and Sales, and Nespresso.

Patrice Bula serves on the Boards of Schindler Holding Ltd. and Bobst Group SA, both in Switzerland.

As a representative of Nestlé, Patrice Bula serves as a Board member of Beverage Partners Worldwide S.A., of Cereal Partners Worldwide S.A., Switzerland, and of Froneri Ltd., UK.

He is a Board member of both Yinlu Food Group Companies and Hsu Fu Chi Group Companies, China.

### Wan Ling Martello

Wan Ling Martello joined Nestlé S.A. as Executive Vice President in November 2011 and was the Chief Financial Officer from April 2012 until May 2015. As of May 2015, she was appointed Executive Vice President of Nestlé S.A. in charge of Zone AOA (Asia, Oceania and Sub-Saharan Africa). Wan Ling Martello came to Nestlé S.A. from Walmart Stores Inc., where she was EVP, Global eCommerce in 2010 and 2011. From 2005 to 2009, she was SVP, CFO & Strategy for Walmart International. Prior to Walmart, Wan Ling Martello built her career in the consumer packaged goods industry. She worked at Kraft in increasingly broader finance roles from 1985 to 1995. She was the Corporate Controller at Borden Foods during its turnaround years owned by KKR in 1995 until 1998. Wan Ling Martello was the CFO and then the President of the U.S. business of NCH, a former subsidiary of AC Nielsen, from 1998 to 2005.



(\*) Mandates and functions are listed in the following order: (1) mandates in listed companies, (2) mandates in non-listed companies, (3) mandates held at the request of Nestlé or companies controlled by it, (4) mandates held in associations, charitable organizations, foundations, trusts and employee welfare foundations.

Wan Ling Martello serves on the Board of Alibaba Group Holding Ltd., China.

As a representative of Nestlé, Wan Ling Martello is a member of the Board of Cereal Partners Worldwide S.A., Switzerland.

### **Stefan Catsicas**

Stefan Catsicas started his career at the pharmaceutical company Glaxo in Geneva, Switzerland, as Head of Neurobiology at the company's Institute of Molecular Biology. He continued his career in academia at the University of Lausanne as Professor and Chairman of the Cell Biology and Morphology Institute, and later as Vice President Research and Professor of Cellular Engineering at the Swiss Federal Institute of Technology (EPFL) in Lausanne, Switzerland.

In 2005, Stefan Catsicas co-founded a private group of biotechnology companies and he returned to academia in 2011 as Provost and Executive Vice President of the King Abdullah University of Science and Technology in Saudi Arabia.

Effective September 2013, Stefan Catsicas was appointed to the Executive Board of Nestlé S.A. as Executive Vice President, Chief Technology Officer, Head of Innovation, Technology, Research and Development.

Furthermore, Stefan Catsicas serves on the Board of Biomedical Research Council of A\*STAR, Singapore as well as on the Board of "Fondation Solar Impulse", Switzerland, the International Board of Governors of the New York Academy of Sciences, USA, and the Economic Advisory Board of Swiss Innovation Park, Switzerland.



### **Marco Settembri**

Marco Settembri joined Nestlé S.A. with Nestlé Italiana in 1987 and was entrusted with various responsibilities, mainly in the PetCare area. He was appointed Managing Director of the Sanpellegrino water business in 2004 and largely contributed to the successful consolidation of the water activities in Italy and to the development of a strong export stream of the emblematic Italian brands. In 2006, he took over the position of Market Head in Italy in addition to his responsibility as Head of Nestlé Waters Italy. In 2007, Marco Settembri was appointed CEO of Nestlé Purina PetCare Europe.



Effective December 2013, Marco Settembri was appointed to the Executive Board of Nestlé S.A. as Executive Vice President, Head of Nestlé Waters of the Nestlé Group.

As of January 2017, Marco Settembri was appointed Executive Vice President in charge of Zone EMENA (Europe, Middle East and North Africa).

As a representative of Nestlé, he is Board member of Lactalis Nestlé Produits Frais S.A.S, France and of Cereal Partners Worldwide S.A., Switzerland.

In addition, Marco Settembri is a member of the Boards of FoodDrinkEurope and of the Association des Industries de Marque de l'Union Européenne (AIM) in Belgium.

### **François-Xavier Roger**

François-Xavier Roger joined Nestlé S.A. as Executive Vice President in July 2015 as Chief Financial Officer.

François-Xavier Roger came to Nestlé S.A. from Takeda Pharmaceutical, Tokyo, where he was CFO since 2013. From 2008 to 2013, he was Chief Financial Officer of Millicom based in Luxembourg. As of 2000 to 2008, he worked as Chief Financial Officer for Danone Asia, followed by Head of Finance, Treasury and Tax for the Danone Group based in Paris, France.



### **Magdi Batato**

Magdi Batato is a mechanical engineer and a PHD in Energetics of the human body from the Ecole Polytechnique de Lausanne (EPFL). He spent few years teaching in university and consulting before joining Nestlé S.A. in 1991 in Switzerland as Engineer in Industrial Services, Energy & Environment. His factory and production management experiences took him to Germany, Lebanon and South Africa. In 2004, he was transferred to Malaysia as Executive Director of Production and, in 2009, he moved to Nestlé UK & Ireland as Head of Group Technical. In May 2012, he took up the position of Market Head Pakistan.

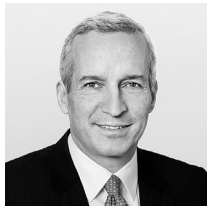
Effective October 2015, he was appointed Executive Vice President of Nestlé S.A. in charge of Operations.



### **Peter Vogt**

Peter Vogt joined Nestlé S.A. in 1980 as a trainee in marketing before being appointed in Japan as Product Specialist. He returned to the Swiss market in 1985. Starting 1987, Peter Vogt resumed his international career with a series of assignments in Asia, first as Manager Hong Kong, then as Marketing Division Manager in Malaysia in April 1990 and finally as Market Head Sri Lanka until the end of 1995. In 1996, he returned to Europe to take over the Swiss Frozen Food & Ice Cream business and became Market Head Nordic Region in 2000. From 2002 to 2004, he was in charge of the newly created Nestlé Ice Cream Europe unit. Peter Vogt returned to Asia as Market Head Indonesia in 2005 and was nominated Market Head Malaysia and Singapore in 2009.

As of March 2013, Peter Vogt was appointed to the Executive Board of Nestlé S.A. as Deputy Executive Vice President, Human Resources.



### **Heiko Schipper**

Heiko Schipper joined Nestlé S.A. in 1996 as a trainee in marketing before being appointed in Bangladesh as Regional Sales Manager in the course of the same year. He was then, in 1999, transferred to Nestlé Indonesia as Group Product Manager Dairy.

In 2003, he returned to Nestlé's International Headquarters in Vevey, Switzerland, in the position of Marketing Advisor, Dairy SBU. Starting 2005, Heiko Schipper resumed his international career with a series of assignments in Asia. First as Business Executive Manager, Dairy, Philippines, then as Business Executive Manager, Dairy (2007), as Regional Business Head, Infant Nutrition & Dairy (2010), and finally as Managing Director, Nestlé Food & Beverage Division of Nestlé Greater China Region. At the end of 2013, he returned to Nestlé's International Headquarters where he was appointed Global Business Head, Infant Nutrition at Nestlé Nutrition.

As of October 2014, Heiko Schipper was appointed to the Executive Board of Nestlé S.A. as Deputy Executive Vice President, Head of Nestlé Nutrition.



### **Maurizio Patarnello**

Maurizio Patarnello joined Nestlé S.A. in 1993 and held several positions in Finance before moving to Sanpellegrino in 1999. In 2002, he was appointed as Country Business Manager for Lebanon and Jordan, where he led the development of the Nestlé Waters business. In September 2004, he joined the regional management team in Dubai and was promoted Chief Operating Officer and Regional Business Head of Nestlé Waters for Middle East and Africa. In 2007, Maurizio Patarnello took over the additional responsibility for Nestlé Waters Asia. In October 2010, he was promoted to Market Head for Ukraine and Moldova. Maurizio Patarnello took up the position of Market Head for Nestlé Russia and Eurasia Region in October 2012.

Effective January 2017, he was appointed Deputy Executive Vice President of Nestlé S.A. and Head of Nestlé Waters.



### **Grégory Behar**

Grégory (Greg) Behar joined Nestlé S.A. in 2014 as CEO of Nestlé Health Science. Greg Behar came to Nestlé S.A. from Boehringer Ingelheim Pharmaceuticals Inc., USA where he was President and CEO since 2011. From 2010 to July 2011, Greg Behar was Corporate Vice President Region NECAR (North European Union, Canada and Australasia) for Boehringer-Ingelheim GmbH and was its Corporate Vice President of the Cardiovascular and Metabolism Franchise from 2009 to 2010. Furthermore, Greg Behar held previous roles at Bula & Fils, Nestlé and Novartis Pharma. As of January 2017, he was appointed to the Executive Board of Nestlé S.A.

Currently, he serves as Chairman of the Board of Nutrition Science Partners, HK. Greg Behar is also a Board member of Accera, Inc., USA, Seres Therapeutics, Inc., USA, Aimmune Therapeutics Inc., USA and Axcella Health Inc., USA.



### David P. Frick

David P. Frick began his career at the Meilen District Court in Zurich and as an assistant to the Banking Law Chair at Zurich University Law School.

From 1994, he was an attorney in the International Corporate and Litigation practice groups of Cravath, Swaine & Moore, the New York law firm.

In 1999, he became Group General Counsel and Managing Director of Credit Suisse Group, Zurich, where he was appointed a Member of the Executive Board and served as the company's Head of Legal and Compliance.

David P. Frick joined Nestlé S.A. in 2006 and serves as Senior Vice President, Corporate Governance, Compliance and Corporate Services.

He is a member of the Board of Allianz Suisse, Switzerland.

Furthermore, he is a member of the Board of economiesuisse and chairs its Legal Commission. David P. Frick represents Nestlé at SwissHoldings and serves on the SIX Regulatory Board, ICC Switzerland and the Legal Committee for the Swiss-American Chamber of Commerce.



### 2.3 Mandates outside Nestlé

Pursuant to art. 21<sup>sexies</sup> of the Articles of Association (\*), no member of the Executive Board may hold more than 2 additional mandates in listed companies and 4 additional mandates in non-listed companies. Each of these mandates is subject to a specific approval by the Board of Directors.

The following mandates are not subject to these limitations:

- a) mandates in companies which are controlled by Nestlé;
- b) mandates which a member of the Executive Board holds at the request of Nestlé or companies controlled by it. No member of the Executive Board shall hold more than 10 such mandates; and
- c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Executive Board shall hold more than 10 such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

The Board of Directors has promulgated regulations that determine additional restrictions.

All members of the Executive Board comply with the provisions set out in art. 21<sup>sexies</sup>.

### 2.4 Management contracts

There are no management contracts with third parties at Nestlé.

(\*) Nestlé S.A.'s Articles of Association can be found on [www.nestle.com/investors/corporate-governance/articles](http://www.nestle.com/investors/corporate-governance/articles)



# General Organisation of Nestlé S.A.

at 30 June 2017

## Executive Board

Ulf Mark Schneider  
Laurent Freixe  
Chris Johnson  
Patrice Bula  
Wan Ling Martello  
Stefan Catsicas  
Marco Settembri

François-Xavier Roger  
Magdi Batato  
Peter Vogt  
Heiko Schipper  
Maurizio Patarnello  
Greg Behar  
David P. Frick

