



Nestlé Good food, Good life

Invitation to the Annual General Meeting 2022 of Nestlé S.A.

155th Annual General Meeting
Thursday, April 7, 2022 at 2:30 p.m.
En Bergère
Avenue Nestlé 55
1800 Vevey, Switzerland



Table of Contents

Letter from the Chairman	3
Agenda and Proposals of the Board of Directors	7
Information, Voting rights, Proxies, Documentation	15

Letter from the Chairman

Dear Shareholder,

Nestlé proved its resilience in 2021 and honored the trust placed in us by our stakeholders.

We continued to advance our strategic journey. We accelerated our focus on digital and sustainable business practices, while our Nutrition, Health and Wellness strategy and our Creating Shared Value approach continued to drive sustainable, long-term value. Based on a strong pipeline of innovations and renovations, we aligned our portfolio with the opportunities of changing consumer demands. Our value creation model, which combines the balanced pursuit of top-line and bottom-line growth with resource efficiency, enabled us to invest in our brands, our R&D, our sustainability initiatives and our people.

Even as our business has grown, we are proud to share that our peak carbon days are behind us. In 2021, we accelerated our work to reduce carbon emissions and remain on track with our detailed Climate Roadmap to achieve zero net greenhouse gas emissions by 2050. Our shareholders strongly supported this ambition at our 2021 Annual General Meeting, and we will provide a progress update at the upcoming meeting. Last year, we also created a separate, dedicated Sustainability Committee of the Board to reflect the importance of sustainability in our governance and to help drive our sustainability agenda.

We continue to listen to shareholders through roadshows, investor days and meetings, as well as Chairman's Roundtables for our investors from Switzerland, Europe, the United Kingdom, the USA and Asia. These discussions help us sharpen our strategic priorities and refine our environmental, social and governance agenda. Our experienced and diverse Board provides us valuable insights from all angles of society, each member bringing unique experience and expertise directly relevant to Nestlé's success.

Unfortunately, the pandemic forces us to make safety a priority again for our upcoming Annual General Meeting. Therefore, in line with applicable Swiss COVID-19 legislation, it will not be possible for shareholders to attend in person. Shareholders will be able to exercise their voting rights through the Independent Representative. All relevant questions will be answered prior to the meeting. Major topics will be addressed in the speeches by the Chairman and the CEO, which will be webcast during the meeting.

Our Board member Ann M. Veneman will not stand for re-election due to our age limit. Ann joined the Board in 2011 and served on our Nomination Committee since 2012, our Nomination and Sustainability Committee since 2016 and our Creating Shared Value Council since 2010. In 2021, she helped create and became the first chair of our dedicated Sustainability Committee, and she joined our Chair's and Corporate Governance Committee.

Our Board member Kasper Rorsted has decided not to stand for re-election. Kasper served on the Compensation Committee of the Board since 2021. He enriched the Board with his highly relevant experience in business transformations and leveraging digital.

The Board wishes to extend its sincere gratitude to both members for their strong engagement and their valuable, highly relevant contributions.

We will propose the re-election of all other Board members and the Chairman for annual terms at the Annual General Meeting. Each candidate is presented on our website. If elected, I will be honored to continue to serve as the Chairman of the Board of Directors. If elected, our Vice Chairman, Henri de Castries will continue to perform the role of Lead Independent Director and chair the Board's Nomination Committee. Pablo Isla, if elected, will continue to chair the Compensation Committee.

Additionally, we will propose the election of two new members to the Board of Directors. Chris Leong brings deep marketing expertise and a strong understanding of Asia and the developing world in general. If elected, she will contribute to building strong purpose-led brands and leveraging digital to increase customer intimacy and drive business growth.

Luca Maestri has been the Chief Financial Officer of Apple since 2014. In addition to his global experience in finance and strategic planning, he brings a proven track record in value creation from one of the world's most admired companies. He will further enhance the Board's financial and digital expertise.

On behalf of our executive management and our global Nestlé community, I would like to thank you, our shareholders, for your continued trust.

I truly hope to welcome you again in person at our Annual General Meeting next year. Meanwhile, please take care and stay safe.

Yours sincerely,



Paul Bulcke
Chairman of the Board of Directors

Agenda and Proposals of the Board of Directors

1 Annual Report 2021

1.1 Annual Review, financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group for 2021

Proposal

Approval of the Annual Review, the financial statements of Nestlé S.A. and the consolidated financial statements of the Nestlé Group for 2021

1.2 Advisory vote on the Compensation Report 2021

Proposal

Acceptance of the Compensation Report 2021 (advisory vote)

Explanation

As per Nestlé S.A.'s Articles of Association, the Board of Directors submits the Compensation Report 2021 to an advisory vote of the shareholders. The Compensation Report is part of the Corporate Governance Report included in the Annual Report. It is available on the internet (www.nestle.com/investors/publications) or from the Share Transfer Office in Cham.

2 Discharge of the Board of Directors and of the Management

Proposal

Discharge to the members of the Board of Directors and of the Management for the financial year 2021

3 Appropriation of profit resulting from the balance sheet of Nestlé S.A.

Proposal

Retained earnings

Profit brought forward	CHF	14 552 006 210
Dividends on own shares not distributed ^(a)	CHF	241 804 173
Cancellation of 66 000 000 shares (share buyback)	CHF	(6 778 698 422)
Profit for the year	CHF	22 419 903 013
	CHF	<u>30 435 014 974</u>

Proposed appropriation

Dividend for 2021, CHF 2.80 per share on 2 815 000 000 shares ^(b) (2020: CHF 2.75 on 2 881 000 000 shares)	CHF	<u>7 882 000 000</u>
---	-----	----------------------

Profit to be carried forward	CHF	<u>22 553 014 974</u>
------------------------------	-----	-----------------------

^(a) The amount of CHF 7 922 750 000 proposed to be distributed as dividend for 2020 was reduced by CHF 241 804 173 due to 87 928 790 own shares held by the Nestlé Group at the dividend payment date.

^(b) Depending on the number of shares issued as of the last trading day with entitlement to receive the dividend (April 8, 2022). No dividend is paid on own shares held by the Nestlé Group.

Provided that the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 2.80 per share, representing a net amount of CHF 1.82 per share after payment of the Swiss withholding tax of 35%.

The last trading day with entitlement to receive the dividend is April 8, 2022. The shares will be traded ex-dividend as of April 11, 2022. The net dividend will be payable as from April 13, 2022.

4 Elections

4.1 Re-election of the Chair and of the members of the Board of Directors

Proposal

Individual re-elections of Paul Bulcke as member and as Chairman of the Board of Directors, and of Ulf Mark Schneider, Henri de Castries, Renato Fassbind, Pablo Isla, Eva Cheng, Patrick Aebischer, Kimberly A. Ross, Dick Boer, Dinesh Paliwal, Hanne Jimenez de Mora as well as Lindiwe Majele Sibanda as members of the Board of Directors (each for a term of office until the end of the next Annual General Meeting)

Explanation

At the Annual General Meeting 2021, the shareholders elected the Chairman and all members of the Board of Directors for a term of office of one year in accordance with the Articles of Association. Their mandates will expire at the end of the Annual General Meeting of April 7, 2022.

Ann M. Veneman will not stand for re-election due to the age limit set forth in the Board Regulations. Also, Kasper Rorsted has decided not to stand for re-election.

Ann M. Veneman joined the Board of Directors in 2011, served the Company as a member of the Nomination Committee since 2012 and of the Nomination and Sustainability Committee since 2016. She was instrumental in creating the new dedicated Sustainability Committee in 2021 and chaired it since its creation. She also served on the Chair's and Corporate Governance Committee since 2021.

Kasper Rorsted joined the Board of Directors in 2018 and was a member of the Compensation Committee since 2021.

The Board wishes to extend its sincere gratitude to Ann M. Veneman and Kasper Rorsted for their highly appreciated services.

Pursuant to Nestlé's Articles of Association, the Board of Directors proposes the individual re-election of each of the following Directors, who have provided most valuable services to the Company as members of the Board of Directors:

- 4.1.1 Paul Bulcke, Belgian/Swiss, born 1954, Chairman of the Board of Directors, Chair of the Chair's and Corporate Governance Committee and member of the Nomination Committee. Paul Bulcke was the CEO (administrateur délégué) of Nestlé S.A. from 2008 to 2016. As a Nestlé S.A. representative, he serves as Vice Chairman of L'Oréal S.A., France. Paul Bulcke is also a Board member of

Roche Holding Ltd, Switzerland, until March 15, 2022. The Board of Directors proposes to re-elect Paul Bulcke as a member and also as Chairman of the Board of Directors in a single vote.

- 4.1.2 Ulf Mark Schneider, German/American, born 1965, CEO (administrateur délégué) of Nestlé S.A., member of the Chair's and Corporate Governance Committee. U. Mark Schneider was the CEO of Fresenius Group, Germany, from 2003 until June 2016.
- 4.1.3 Henri de Castries, French, born 1954, Vice Chairman and Lead Independent Director, Chair of the Nomination Committee, member of the Chair's and Corporate Governance Committee and of the Audit Committee. Henri de Castries was Chairman and CEO of AXA, France, until 2016. He serves as a Board member of Stellantis N.V., Netherlands.
- 4.1.4 Renato Fassbind, Swiss, born 1955, Chair of the Audit Committee and member of the Chair's and Corporate Governance Committee. Renato Fassbind serves as Vice Chairman of the Board of Directors of Swiss Re AG and is a Board member of Kühne + Nagel International AG, both in Switzerland.
- 4.1.5 Pablo Isla, Spanish, born 1964, Chair of the Compensation Committee and member of the Chair's and Corporate Governance Committee. Pablo Isla is the Executive Chairman of Inditex, Spain, one of the world's largest fashion retailers holding brands such as Zara. He will leave his position as Executive Chairman of Inditex on March 31, 2022. Pablo Isla is the former Co-Executive Chairman of Altadis, and was the General Secretary and an Executive Member of Banco Popular, both in Spain.
- 4.1.6 Eva Cheng, Chinese, born 1952, member of the Nomination Committee and of the Audit Committee. Eva Cheng is former Amway China Chairwoman and Executive Vice President of Amway Corporation USA. She is a non-executive Director of Haier Smart Home Co., Ltd., China.
- 4.1.7 Patrick Aebischer, Swiss, born 1954, member of the Compensation Committee. He is the President Emeritus of the Swiss Federal Institute of Technology Lausanne (EPFL). Patrick Aebischer serves as a member of the Board of Directors of Logitech International S.A. and of PolyPeptide Group AG and is Chairman of Novartis Venture Funds, all in Switzerland.
- 4.1.8 Kimberly A. Ross, American, born 1965, member of the Audit Committee. She held the position of CFO at WeWork, USA, from March 2020 until October 2020. She also served as CFO of Baker Hughes, USA, from 2014 to 2017 and was the CFO of Avon Products, USA, from 2011 to 2014, and of Royal Ahold,

Netherlands, from 2007 to 2011. Previously, Kimberly A. Ross held various senior management roles at Ernst & Young Global Limited and Joseph E. Seagram & Sons Inc., both in the USA. She serves as a non-executive member of the Board of Cigna Corporation and of KKR Acquisition Holdings I Corp., both in the USA.

- 4.1.9 Dick Boer, Dutch, born 1957, member of the Compensation Committee and the Sustainability Committee, was President and CEO of Ahold Delhaize N.V., Netherlands, until 2018. Prior to the merger of Ahold and Delhaize in 2016, he served as President and CEO of Ahold N.V., Netherlands. Dick Boer is member of the Board of Shell plc, United Kingdom. He is also Chairman of the Advisory Board of G-Star RAW CV and of the Rijksmuseum Fonds and serves as Chairman of the Supervisory Board of the Royal Concertgebouw N.V. as well as a non-executive Board member of SHV Holdings N.V., all in the Netherlands.
- 4.1.10 Dinesh Paliwal, American/Indian Overseas Citizenship, born 1957, member of the Nomination Committee, was Senior Advisor to the Harman International Industries Inc./Samsung Board and CEO until December 2020, after having been the CEO of Harman from 2007 to April 2020. Dinesh Paliwal serves on the Board of Raytheon Company and is a Partner of KKR & Co. Inc. NY, both in the USA.
- 4.1.11 Hanne Jimenez de Mora, Swiss, born 1960, member of the Sustainability Committee, is co-founder of a-connect (group) ag, a management consultant firm based in Switzerland, which she founded in 2002. Hanne Jimenez de Mora was partner at McKinsey and is a member of the Board of AB Volvo, Sweden, and the Chairperson of Microcaps AG, Switzerland. She serves also as Vice Chair and as member of the Supervisory and Foundation Boards of IMD Business School, Switzerland.
- 4.1.12 Lindiwe Majele Sibanda, Zimbabwean, born 1963, member of the Sustainability Committee, is Professor, Director and Chairwoman of the African Research Universities Alliance (ARUA) Centre of Excellence in Sustainable Food Systems at the University of Pretoria, South Africa. Lindiwe Majele Sibanda is the Managing Director of Linds Agriculture Services Pvt Ltd., Harare, Zimbabwe.

For further details on the nominees as well as their qualifications, see biographies in the Corporate Governance Report 2021 or on the internet (www.nestle.com/investors/corporate-governance/management/boardofdirectors).

4.2 Elections to the Board of Directors

Proposal

Individual elections of Chris Leong and Luca Maestri as members of the Board of Directors (each for a term of office until the end of the next Annual General Meeting)

Explanation

The Board proposes to elect the following candidates as members of the Board of Directors:

- 4.2.1 Chris Leong, citizen of Malaysia, born 1967, is Chief Marketing Officer and member of the Executive Committee of Schneider Electric SE, a French multinational company providing energy and automation digital solutions for efficiency and sustainability. Prior to joining Schneider Electric, Chris Leong led Nokia's Greater China, Korea and Japan region, where she oversaw the company's operations and held various global roles including Senior Vice President Global Marketing. Previously, she had a 14-year career with WWP plc, including managing its advertising agencies based in Asia. Chris Leong holds a Diploma in Management from the Malaysian Institute of Management. The Board believes that with her deep marketing expertise and strong understanding of Asia and the developing world in general, she will enrich the Board's knowledge in building strong purpose-led brands and leveraging digital to increase customer intimacy and drive business growth.
- 4.2.2 Luca Maestri, an Italian and American citizen, born 1963, is Apple Inc.'s Senior Vice President and Chief Financial Officer, a position he has held since 2014. Luca Maestri leads the company's finance teams and has helped Apple deliver unparalleled innovation and value for shareholders. Luca Maestri has three decades of experience building and leading finance teams in global companies with large operating scale and complexity. Prior to Apple, Luca Maestri was CFO at Xerox Corporation and at Nokia Siemens Networks. He started his career at General Motors and took on increasing levels of responsibility around the world culminating with his appointment as Vice President and CFO of General Motors Europe. Luca Maestri holds a degree in Economics from Luiss University, Rome, and a Master's degree in Science of Management from Boston University. The Board believes that with his extensive global experience in business services, digital and technology, he will significantly contribute to the Board's financial and digital expertise.

For further details on the nominees as well as their qualifications and current mandates, see biographies on the internet (www.nestle.com/investors/corporate-governance/annualgeneralmeeting).

4.3 Election of the members of the Compensation Committee

Proposal

Individual elections of Pablo Isla, Patrick Aebischer, Dick Boer and Dinesh Paliwal as members of the Compensation Committee (each for a term of office until the end of the next Annual General Meeting)

Explanation

The Board of Directors proposes the individual election of the following candidates, for a term of office until the end of the next Annual General Meeting. If elected, Pablo Isla will be appointed Chair of the Compensation Committee.

4.3.1 Pablo Isla

4.3.2 Patrick Aebischer

4.3.3 Dick Boer

4.3.4 Dinesh Paliwal

4.4 Election of the statutory auditors

(Financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group 2022)

Proposal

Re-election of Ernst & Young Ltd, Lausanne branch, as statutory auditors for the financial year 2022

4.5 Election of the Independent Representative

Proposal

Re-election of Hartmann Dreyer, Attorneys-at-law, P.O. Box, 1701 Fribourg, Switzerland, as Independent Representative (for a term of office until the end of the next Annual General Meeting)

5 Compensation of the Board of Directors and of the Executive Board

Pursuant to Nestlé's Articles of Association, the Board of Directors submits the compensation of the Board of Directors and of the Executive Board for approval by the shareholders.

5.1 Compensation of the Board of Directors

Proposal

Approval, prospectively, for the period from the Annual General Meeting 2022 to the Annual General Meeting 2023, of a total compensation for the 13 non-executive members of the Board of Directors (including the Chairman, but excluding the CEO) of CHF 10 million, including approximately CHF 3 million in cash remuneration, CHF 6.5 million in Nestlé S.A. shares (blocked for a 3-year period) and CHF 0.5 million for social security contributions and other fees

Explanation

Please refer to the enclosed Report of the Board of Directors on the proposals for the compensation of the Board of Directors and of the Executive Board.

5.2 Compensation of the Executive Board

Proposal

Approval, prospectively, for the period from January 1, 2023 to December 31, 2023, of a total maximum amount of compensation for the 15 members of the Executive Board, including the CEO, of CHF 68 million, including approximately CHF 17 million for base salary, CHF 22.5 million for short-term bonus (based on maximum target achievement), CHF 18.5 million for long-term incentive plans (based on market value at grant), CHF 4.5 million for contributions for future pension benefits and CHF 5.5 million for social security contributions, other benefits and unforeseen expenses

Explanation

Please refer to the enclosed Report of the Board of Directors on the proposals for the compensation of the Board of Directors and of the Executive Board.

6 Capital reduction

Proposal

- Reduction of the share capital of CHF 281500000 by CHF 6500000 to CHF 275000000 by cancellation of 65000000 own shares repurchased under the share buyback programs;
- Ascertainment of the findings of the report of the auditors which confirms that the claims of the creditors are fully covered notwithstanding the capital reduction;
- Amendment of Article 3 of the Articles of Association as follows:
“Article 3 Share capital
The share capital of Nestlé is CHF 275000000 (two hundred and seventy-five million Swiss francs) divided into 275000000 fully paid up registered shares with a nominal value of CHF 0.10 each.”

Explanation

The Board of Directors proposes that the shareholders approve the cancellation of 65000000 own shares. 51107859 of these own shares were repurchased under Nestlé S.A.'s share buyback program of up to CHF 20 billion launched on January 3, 2020 on a second trading line of SIX Swiss Exchange and terminated on December 30, 2021. 13892141 shares were repurchased until February 7, 2022 under the ongoing share buyback program of up to CHF 20 billion launched on January 3, 2022 on a second trading line of SIX Swiss Exchange. The share capital in Article 3 of the Articles of Association is to be reduced reflecting the cancellation of the 65000000 shares above.

The auditors Ernst & Young Ltd confirmed in their Report to the Annual General Meeting that the claims of the creditors are fully covered even after the capital reduction.

The capital reduction by cancellation of shares can only be accomplished after publication of three notices to creditors in accordance with art. 733 of the Swiss Code of Obligations. Such notices to creditors will be published after the Annual General Meeting 2022 in the Swiss Official Gazette of Commerce. After the two-month waiting period required by law has lapsed, the capital reduction will be effected and entered in the Commercial Register by the Board of Directors.

Information, Voting rights, Proxies, Documentation

Information

The uncertain development of the pandemic forces us to make safety a priority again for this meeting. Therefore, the Board of Directors has decided, in accordance with applicable Swiss legislation, to hold the Annual General Meeting without the attendance of shareholders. Voting rights can exclusively be exercised through the Independent Representative. No entry cards may be ordered and admission to the Annual General Meeting in person will not be granted.

All relevant questions of shareholders will be answered prior to the Annual General Meeting; major topics will be addressed in the speeches by the Chairman and the CEO. Virtual Chairman's Roundtables took place for institutional investors.

The speeches of the Chairman and the CEO to the Annual General Meeting will be webcast on www.nestle.com/investors/corporate-governance/annualgeneralmeeting on April 7, 2022 from 2:30 p.m. (CEST).

Voting rights

Only shareholders who are on record in the share register with voting rights on March 31, 2022 at 12:00 noon (CEST) are entitled to exercise their voting rights. The registration of shares for voting purposes does not affect the tradeability of such shares.

Shareholders registered with voting rights on March 17, 2022 will automatically receive an invitation to the Annual General Meeting. Shareholders whose registration in the share register with voting rights is made as from March 18, 2022 and who wish to exercise their voting rights are asked to contact the Share Transfer Office.

Proxy to the Independent Representative

You can exercise your voting rights exclusively through the Independent Representative, Hartmann Dreyer, Attorneys-at-law. Please use the Reply Form, specify your voting instructions on the reverse side of it and send it to the Independent Representative by March 31, 2022, using the enclosed envelope.

Alternatively, you have the possibility to give voting instructions to the Independent Representative electronically by accessing the electronic shareholder portal "GVMANAGER Online" via www.gvmanager.ch/nestle and entering your personal access code, or using the personal QR code provided in the Invitation Letter. Your personal access to the electronic shareholder portal is open until April 4, 2022 at 11:59 p.m. (CEST).

Documentation

Please find enclosed the summary of the Annual Report 2021 with an overview of the financial results of Nestlé S.A. and of the Nestlé Group for the business year 2021. For more detailed information on the financial results and an insight into our different areas of activity, we invite you to order the full Annual Report 2021 (which includes the Corporate Governance and Compensation Reports 2021) by ticking the corresponding box on the Reply Form. Using the same document, you can also pre-order the Half-Year Report January – June 2022 which will be published in July 2022. These documents will also be available on our website (www.nestle.com/investors/publications) or from the Share Transfer Office of Nestlé S.A.

Furthermore, the Annual Report 2021 is available for inspection by the shareholders at Nestlé S.A.'s registered office located at Avenue Nestlé 55, 1800 Vevey, Switzerland.

Please address all questions and correspondence regarding the Annual General Meeting to the Share Transfer Office of Nestlé S.A., P.O. Box 665, 6330 Cham, Switzerland, telephone +41 41 785 20 20, telefax +41 41 785 20 24 or e-mail shareregister@nestle.com.

Information

All shareholder information is available at www.nestle.com/investors.

Nestlé S.A.

Board of Directors

Cham and Vevey (Switzerland), March 8, 2022

