

Nestlé 401(k) Savings Plan

Highlights for 2016

Today, becoming financially prepared for your retirement is more important than ever – but that takes planning. Below is a summary of the important features of the Nestlé 401(k) Savings Plan (“Savings Plan”) that is designed to help you save for your future. Please refer to the Summary Plan Description (“SPD”) for more details.

- **Eligibility** You are eligible for the Savings Plan upon hire and can join as soon as you receive a Nestlé Smart\$aving Enrollment Kit and a password, which will be mailed to you (in separate mailings) within the first few weeks of your hire date. Your password allows you to access your Savings Plan account through the Nestlé Smart\$aving website or the Nestlé Smart\$aving Call Center.
- **Easy Enrollment** The Savings Plan offers automatic enrollment. Therefore, if you would like to begin your participation automatically with a contribution rate of 6%, invested entirely in a Target Date Fund determined by your date of birth as reflected in the HR system and an assumed retirement at age 62, you do not need to do anything. This means that before-tax payroll deductions of 6% of your eligible pay, plus employer matching contributions of 4% of your eligible pay, will begin with the next payroll processing period beginning approximately 30 days after your hire date. In addition, through the contribution rate escalator feature, your contribution rate will automatically increase in 1% increments annually, on or about the anniversary of your enrollment date, until you reach the maximum deferral percentage of 25% (13% for highly compensated employees (“HCE”)).

You may change any of your initial elections as described above or decline participation within this 30-day enrollment period by logging on to the Nestlé Smart\$aving website or by calling the Nestlé Smart\$aving Call Center.

If you choose not to make contributions to the Savings Plan, you must log on to the Nestlé Smart\$aving website or call the Nestlé Smart\$aving Call Center to decline participation within 30 days of the date on your *Automatic Enrollment Notification*, included in the Smart\$aving Enrollment Kit. Otherwise, you will be automatically enrolled in the Savings Plan. If you decline participation after you are automatically enrolled, any contributions made to your account will not be paid to you until you terminate your employment with Nestlé.
- **Your Contributions** You can choose to have 1% - 25%* of your eligible pay deducted from each paycheck. Once you reach the IRS annual limit on before-tax contributions (\$18,000 for the year 2016), your contributions will continue on an after-tax basis.

* You will be limited to a contribution rate of 13% for any year in which you are determined to be an HCE. For 2016, an HCE is anyone who has earned more than \$120,000 in 2015.

If you will be age 50 or older during the year and are eligible to participate in the Savings Plan, you can begin making “catch-up contributions” by contributing up to an additional \$6,000 on a before-tax basis for 2016.
- **Contribution Rate Escalator** You can elect automatic future increases to your contribution rate in set increments over a chosen time period (quarterly, semi-annually, or annually). Unless you specifically elect otherwise, the automatic future increases will continue even if you make a change in your contribution rate.
- **Convenient Payroll Deductions** Your contributions are deducted automatically from each paycheck and deposited into your Savings Plan account. You don’t have to remember to make a deposit, fill out a form, or go to the bank.
- **Employer Contributions** You will receive an employer matching contribution of \$1 for each \$1 you contribute, up to 3% of your eligible pay, and \$0.50 for each \$1 you contribute, up to the next 2% of your eligible pay, for a maximum employer matching contribution of 4% of your eligible pay. NOTE: Both before-tax and after-tax contributions receive employer matching contributions. Catch-up contributions are not eligible for employer matching contributions.

Additionally, certain employees who on or after January 1, 2016, are hired, rehired or transferred into eligible coverage under the Savings Plan may be eligible for an annual retirement contribution based on age and years of eligible service. Refer to the SPD for details on who is eligible to receive this contribution and how it is calculated.
- **Vesting** When you are vested, you have ownership of your account. You are always 100% vested in your own contributions and their earnings. You are vested in (own) the employer contributions (and any investment earnings on them) after the earlier of three years of service with Nestlé or upon attaining age 65.

- **Rollover Contributions** If you participated in another employer's eligible retirement plan, you can directly roll over the taxable and non-taxable portion of your distribution from your former employer's plan into the Savings Plan by completing a *Savings Plan Rollover Contribution Form*.
- **Lower Taxes** Your before-tax contributions are deducted from your pay before federal and state (except in Pennsylvania) income taxes are calculated. This lowers your current taxable income, so you pay less in current taxes. Since you pay less in taxes, you end up with more take-home pay than if you saved the same amount of money after paying taxes.
- **Tax-deferred Savings** You don't pay taxes on your before-tax contributions, employer contributions, or the investment earnings in your account until funds are withdrawn, so your account grows even faster.
- **Variety of Investment Options** The Savings Plan offers a variety of investment options offering different levels of potential risk and return:
 - Target Date Funds
 - Core Funds
 - Self-Directed Brokerage Account

Savings Plan investment fund information is available in the Nestlé Smart**Saving** Enrollment Kit, on the Nestlé Smart**Saving** website, or by requesting it via the Nestlé Smart**Saving** Call Center.
- **Automatic Portfolio Rebalancing** You can elect to have your Savings Plan account automatically rebalanced on a quarterly basis to the investment elections on file for your future contributions.
- **Money Available Before Retirement** Although the Savings Plan is designed to help you save long term, you may have access to a portion of your Savings Plan account even while you are actively employed by Nestlé or an Affiliate through loans and limited withdrawals, if necessary.
 - **Loans** You can borrow from the money accumulated in your account.
 - **Regular loans.** You may have up to five years to repay a Regular loan, and it is available for any reason.
 - **Home loans.** You may have up to 15 years to repay a Home loan. It is available if you are going to buy or build your primary residence.
 - **Hardship Withdrawals** You may be able to withdraw money from your Savings Plan account for certain approved hardship situations.
 - **Rollover Withdrawals** If you have rolled over a distribution from your former employer's eligible retirement plan into the Savings Plan, you may request a withdrawal of this money at any time.
 - **Age 59½ Withdrawals** If you have attained age 59½, you may request a withdrawal of all or a portion of your total vested Savings Plan account balance.
- **Investment Guidance and Advice** Online Advice and Professional Management, both powered by Financial Engines and offered by Voya Retirement Advisors, are available to you to receive professional investment advice. Refer to the *Personalized Investment Advice Overview* for more information.
- **Easy Access To Account Information** You can enroll, make changes, and obtain forms or information about your Savings Plan account generally 24 hours a day, 7 days a week, by logging onto the Nestlé Smart**Saving** website at **nestle.voya.com**. If you do not have access to a computer, Savings Plan account information is also available by using a touch-tone phone and calling the Nestlé Smart**Saving** Call Center toll-free at **1-877-NesCALL (1-877-637-2255)** and selecting the "401(k) Savings" prompt. English- and Spanish-speaking Nestlé Smart**Saving** Call Center Representatives are available to assist you, Monday through Friday, 7:30 a.m. to 8:00 p.m. (Eastern Time), excluding New York Stock Exchange holidays. You will always need your password to access your Savings Plan account.