**PROSPECTUS** **30 May 2023**

# Nestlé Holdings, Inc.

*(incorporated in the State of Delaware with limited liability)*

and

# Nestlé Finance International Ltd.

*(incorporated in Luxembourg with limited liability)*

# Debt Issuance Programme

# Notes issued by Nestlé Finance International Ltd. and by Nestlé Holdings, Inc. will be guaranteed by Nestlé S.A.

*(incorporated in Switzerland with limited liability)*

Under this Debt Issuance Programme (the "Programme") each of Nestlé Holdings, Inc. and Nestlé Finance International Ltd. (each an "Issuer", and together the "Issuers") may from time to time, and subject to applicable laws and regulations, issue debt securities (the "Notes") denominated in any currency agreed by the Issuer of such Notes (the "relevant Issuer") and the relevant Dealer (as defined herein). Notes issued by Nestlé Holdings, Inc. and Nestlé Finance International Ltd. will be irrevocably guaranteed by Nestlé S.A. (the "Guarantor") as described in "Form of the Guarantee". This Prospectus (which constitutes two base prospectuses for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "Prospectus Regulation"): (i) a base prospectus for each Tranche (as defined herein) of Notes issued under the Programme by Nestlé Holdings, Inc. and (ii) a base prospectus for each Tranche of Notes issued under the Programme by Nestlé Finance International Ltd. (see "*Important Information*")) supersedes any previous Prospectus issued by the Issuers and the Guarantor.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 16 July 2019 on prospectuses for securities (the "Luxembourg Prospectus Act"), for the approval of this Prospectus as a base prospectus for the purpose of the Prospectus Regulation. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of twelve months from the date of this Prospectus to be listed on the official list of the Luxembourg Stock Exchange (the "Luxembourg Official List") and for such Notes to be admitted to trading on the regulated market operated by the Luxembourg Stock Exchange (the "Luxembourg Regulated Market"). The Luxembourg Regulated Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("MiFID II").

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuers in accordance with Article 6(4) of the Luxembourg Prospectus Act. Pursuant to the Luxembourg Prospectus Act, the CSSF is not competent to approve prospectuses for the offering to the public or for the admission to trading on regulated markets of money market instruments having a maturity at issue of less than 12 months.

This Prospectus has been approved as a base prospectus by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either of the Issuers, the Guarantor or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will expire as a base prospectus under the Prospectus Regulation 12 months from 30 May 2023. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

**Factors which may affect the relevant Issuer's or the Guarantor's ability to fulfil their respective obligations under Notes to be issued under the Programme and the Guarantee, respectively, and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out in "Risk Factors" below.**

*Arranger*

Barclays

*Dealers*

Barclays
Citigroup
HSBC
TD Securities

BNP PARIBAS
Deutsche Bank
RBC Capital Markets
UBS Investment Bank

## ABOUT THIS DOCUMENT

### What is this document?

This document (the "Prospectus") relates to the Debt Issuance Programme (the "Programme") of Nestlé Holdings, Inc. and Nestlé Finance International Ltd. (each an "Issuer", and together the "Issuers") under which each Issuer may from time to time issue notes (the "Notes") denominated in any currency agreed by the Issuer of such Notes (the "relevant Issuer") and the relevant Dealer(s) (as defined below). Payment obligations under Notes issued by Nestlé Holdings, Inc. and by Nestlé Finance International Ltd. will be guaranteed by Nestlé S.A. (the "Guarantor") as described in the "Form of the Guarantee" section of this Prospectus. This Prospectus contains information describing the business activities of each Issuer and the Guarantor as well as certain financial information and material risks faced by them. It is intended to provide the necessary information which is material to an investor for making an informed assessment of (i) the assets and liabilities, profits and losses, financial position, and prospects of each Issuer and the Guarantor, (ii) the rights attaching to the Notes, and (iii) the reasons for the issuance and its impact on the relevant Issuer.

This Prospectus is valid for one year from the date hereof and may be supplemented from time to time to reflect any significant new factor, material mistake or material inaccuracy relating to the information included in it.

### What types of Notes does this Prospectus relate to?

This Prospectus relates to the issuance of three different types of Notes: *Fixed Rate Notes*, on which the Issuer will pay interest at a fixed rate; *Floating Rate Notes*, on which the Issuer will pay interest at a floating rate; and *Zero Coupon Notes*, which do not bear interest. Notes may also be issued as a combination of these options.

### Where are the contractual terms of any particular Notes located?

The contractual terms of any particular issuance of Notes will be comprised of the terms and conditions set out in "Terms and Conditions of the Notes" at pages 79 to 116 of this Prospectus (the "Conditions"), as completed by a separate Final Terms document, which is specific to that issuance of Notes (the "Final Terms").

The Conditions are comprised of numbered provisions (1 – 18) including generic provisions that are applicable to Notes generally and certain optional provisions that will only apply to certain issuances of Notes.

The following provisions within the Conditions (together with the introductory wording appearing before Condition 1 on pages 79 to 80) apply to Notes generally:

- Condition 1 (*Form, Denomination, Title and Transfer*)
- Condition 2 (*Status of the Notes and Guarantee*)
- Condition 3 (*Negative Pledge*)
- Condition 7 (*Taxation*)
- Condition 8 (*Prescription*)
- Condition 9 (*Events of Default*)
- Condition 10 (*Replacement of Notes, Coupons and Talons*)
- Condition 11 (*Agent and Paying Agents, Registrar and Transfer Agent*)
- Condition 12 (*Exchange of Talons*)

- Condition 13 (*Substitution*)
- Condition 14 (*Notices*)
- Condition 15 (*Meetings of Noteholders, Modification and Waiver*)
- Condition 16 (*Further Issues*)
- Condition 17 (*Third Party Rights*)
- Condition 18 (*Governing Law and Submission to Jurisdiction*)

The following Conditions contain certain optional provisions that will only apply to certain issuances of Notes:

- Condition 4 (*Interest*)
- Condition 5 (*Payments*)
- Condition 6 (*Redemption and Purchase*)

The applicable Final Terms will specify which optional provisions apply to any particular issuance of Notes.

## What other documents should I read?

This Prospectus contains the necessary information which is material to an investor for making an informed assessment of (i) the assets and liabilities, profits and losses, financial position, and prospects of each Issuer and the Guarantor, (ii) the rights attaching to the Notes, and (iii) the reasons for the issuance and its impact on the relevant Issuer. Some of this information (such as the latest publicly available financial information relating to each Issuer and the Guarantor) is incorporated by reference into the Prospectus and some of this information is completed in the Final Terms.

**Before making any investment decision in respect of any Notes, you should read this Prospectus, together with the documents incorporated by reference, as well as the Final Terms relating to such Notes.**

Copies of the Prospectus and the Final Terms relating to any Notes will be made available for viewing on the Nestlé Group investor relations website at *www.nestle.com/investors* and are also expected to be published on the website of the Luxembourg Stock Exchange at *www.luxse.com.*

## What information is included in the Final Terms?

While this Prospectus includes general information about all Notes, the Final Terms is the document that sets out the specific details of each particular issuance of Notes.

The Final Terms will contain the relevant economic terms applicable to any particular issuance of Notes. The Final Terms will contain, for example:

- the issue date;
- the currency;
- the interest basis (i.e. fixed rate, floating rate or zero coupon) and the interest rate (if any);
- the interest payment dates (if any);
- the scheduled maturity date and redemption amount; and

- any other information needed to complete the Conditions (identified in the Conditions by the words "as specified in the applicable Final Terms" or other equivalent wording).

Wherever the Conditions provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Notes.

### Is any part of this Prospectus relevant to particular types of Note only?

This Prospectus includes information that is relevant to all types of Notes that may be issued under the Programme, however, certain sections of this Prospectus are relevant to particular types of Notes only.

As described above, certain of the Conditions provide optional provisions that will only apply to certain issuances of Notes. The Final Terms will specify which optional provisions within the Conditions will apply to a specific issuance of Notes.

### What if I have further queries relating to this Prospectus and the Notes?

Please refer to "How do I use this Prospectus?" below starting on page 10. If you have any questions regarding the content of this Prospectus, any Final Terms and/or any Notes or the actions you should take, it is recommended that you seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

## IMPORTANT INFORMATION

Unless otherwise specified, all references in this Prospectus to the "Prospectus Regulation" refer to Regulation (EU) 2017/1129.

This Prospectus (together with any supplements to this Prospectus published from time to time), together with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" on page 61) (a "Base Prospectus" which, as indicated below, shall be either a Retail Base Prospectus or a Wholesale Base Prospectus), constitute two base prospectuses for the purposes of Article 8 of the Prospectus Regulation: (i) a base prospectus for each Tranche of Notes issued under the Programme by Nestlé Holdings, Inc. and (ii) a base prospectus for each Tranche of Notes issued under the Programme by Nestlé Finance International Ltd.

The information on any websites included in this Prospectus do not form part of this Prospectus unless that information is incorporated by reference into the Prospectus.

The Base Prospectus in respect of Nestlé Holdings, Inc. for each Tranche of Notes issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in any other currency) (the "Nestlé Holdings, Inc. Retail Base Prospectus") includes all information contained within this Prospectus together with all documents which are deemed to be incorporated herein by reference, except for: (i) any information relating to Nestlé Finance International Ltd., Nestlé Finance International Ltd.'s Annual Financial Reports for the years ended 31 December 2022 and 2021 referred to in paragraphs (v) and (vi) of "Documents Incorporated by Reference", the Description of Nestlé Finance International Ltd. and the Selected Financial Information with respect to Nestlé Finance International Ltd. on pages 159 to 162; (ii) Nestlé Finance International Ltd.'s statements with respect to litigation and the statements of no significant change and no material adverse change; (iii) the "Overview of the Programme" section of the Prospectus on pages 47 to 52; and (iv) the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in any other currency) on pages 142 to 153.

The Base Prospectus in respect of Nestlé Finance International Ltd. for each Tranche of Notes issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in any other currency) (the "Nestlé Finance International Ltd. Retail Base Prospectus" and, together with the Nestlé Holdings, Inc. Retail Base Prospectus, each a "Retail Base Prospectus") includes all information contained within this Prospectus together with all documents which are deemed to be incorporated herein by reference, except for: (i) any information relating to Nestlé Holdings, Inc. or Nestlé Holdings, Inc. and its subsidiaries, the Annual Financial Report of Nestlé Holdings, Inc. and its subsidiaries for the years ended 31 December 2022 and 2021 referred to in paragraph (iv) of "Documents Incorporated by Reference", the Description of Nestlé Holdings, Inc. and its subsidiaries and the Selected Financial Information with respect to Nestlé Holdings, Inc. and its subsidiaries on pages 154 to 158; (ii) Nestlé Holdings, Inc.'s statements with respect to litigation and the statements of no significant change and no material adverse change; (iii) the "Overview of the Programme" section of the Prospectus on pages 47 to 52; and (iv) the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in any other currency) on pages 142 to 153.

The Base Prospectus in respect of Nestlé Holdings, Inc. for each Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in any other currency) (the "Nestlé Holdings, Inc. Wholesale Base Prospectus") includes all information contained within this Prospectus together with all documents which are deemed to be incorporated herein by reference, except for: (i) any information relating to Nestlé Finance International Ltd., Nestlé Finance International Ltd.'s Annual Financial Reports for the years ended 31 December 2022 and 2021 referred to in paragraphs (v) and (vi) of "Documents Incorporated by Reference", the Description of Nestlé Finance International Ltd. and the Selected Financial Information with

respect to Nestlé Finance International Ltd. on pages 159 to 162; (ii) the "About this Document" section on pages 3 to 5; (iii) the "How do I use this Prospectus?" section on pages 10 to 11; (iv) the section "Important Information relating to Public Offers of Notes" on pages 53 to 55; (v) Nestlé Finance International Ltd.'s statements with respect to litigation and the statements of no significant change and no material adverse change; (vi) the section "How the Return on your Investment is Calculated" on pages 56 to 60; and (vii) the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in any other currency) on pages 129 to 141.

The Base Prospectus in respect of Nestlé Finance International Ltd. for a Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in any other currency) (the "Nestlé Finance International Ltd. Wholesale Base Prospectus" and, together with the Nestlé Holdings, Inc. Wholesale Base Prospectus, each a "Wholesale Base Prospectus") includes all information contained within this Prospectus together with all documents which are deemed to be incorporated herein by reference, except for: (i) any information relating to Nestlé Holdings, Inc. or Nestlé Holdings, Inc. and its subsidiaries, the Annual Financial Report of Nestlé Holdings, Inc. and its subsidiaries for the years ended 31 December 2022 and 2021 referred to in paragraph (iv) of "Documents Incorporated by Reference", the Description of Nestlé Holdings, Inc. and its subsidiaries and the Selected Financial Information with respect to Nestlé Holdings, Inc. and its subsidiaries on pages 154 to 158; (ii) the "About this Document" section on pages 3 to 5; (iii) the "How do I use this Prospectus?" section on pages 10 to 11; (iv) the section "Important Information relating to Public Offers of Notes" on pages 53 to 55; (v) Nestlé Holdings, Inc.'s statements with respect to litigation and the statements of no significant change and no material adverse change; (vi) the section "How the Return on your Investment is Calculated" on pages 56 to 60; and (vii) the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in any other currency) on pages 129 to 141.

Each Issuer accepts responsibility for the information contained in its Base Prospectus as described above and the Final Terms for each tranche of Notes issued by it under the Programme. To the best of the knowledge and belief of each Issuer, the information contained in its Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Nestlé S.A. accepts responsibility only for the information contained in this Prospectus together with all documents which are deemed to be incorporated herein by reference, and any Final Terms, insofar as such information relates to itself and the Guarantee described in "Form of the Guarantee". To the best of the knowledge and belief of Nestlé S.A., the information about itself and the Guarantee contained in this Prospectus and in the documents which are deemed to be incorporated herein by reference is in accordance with the facts and makes no omission likely to affect its import.

Issues of Notes under the Programme will benefit from a guarantee given by the Guarantor. The Guarantor's (and each Issuer's) senior long term debt obligations have been rated:

- AA- by S&P Global Ratings, acting through S&P Global Ratings Europe Limited ("Standard & Poor's"). An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong. The minus (-) sign shows relative standing within the rating categories (Source: Standard & Poor's, *https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352*); and

- Aa3 by Moody's Italia S.r.l. ("Moody's"). Obligations rated Aa are judged to be of high quality and are subject to very low credit risk. The modifier '3' indicates a ranking in the lower end of that generic rating category (Source: Moody's, *https://www.moodys.com/Pages/amr002002.aspx*).

Each of Standard & Poor's and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "CRA Regulation").

Notes to be issued under this Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the applicable Final Terms.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings referred to in this Prospectus and/or the Final Terms will be disclosed in the applicable Final Terms.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes will be set out in a final terms document (the "Final Terms") which, with respect to Notes to be listed on the Luxembourg Official List and to be admitted to trading on the Luxembourg Regulated Market will be delivered to the CSSF and the Luxembourg Stock Exchange, in each case on or before the date of issue of the Notes of such Tranche.

As used herein, "Series" means each original issue of Notes together with any further issues expressed to form a single series with the original issue and the terms of which (save for the Issue Date, and/or the amount, and/or the date of the first payment of interest thereon, and/or the date from which interest starts to accrue and/or the Issue Price, as applicable (as indicated in the applicable Final Terms)) are identical (including Maturity Date, Interest Basis, Redemption/Payment Basis and Interest Payment Dates (if any) and whether or not the Notes are admitted to trading). As used herein, "Tranche" means all Notes of the same Series with the same Issue Date and Interest Commencement Date (if applicable).

Nestlé Holdings, Inc., subject to applicable laws and regulations, may agree to issue Notes in registered form ("Registered Notes"), substantially in the form scheduled to the Note Agency Agreement (as defined under "Terms and Conditions of the Notes"). With respect to each Tranche of Registered Notes, Nestlé Holdings, Inc. has appointed a registrar and a transfer agent and paying agent and may appoint other or additional transfer agents and paying agents either generally or in respect of a particular Series of Registered Notes.

Copies of Final Terms will be available for viewing on the Nestlé Group investor relations website at *www.nestle.com/investors*. Copies are also expected to be published on the website of the Luxembourg Stock Exchange.

No Dealer (as defined herein) has separately verified all the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by any of the Issuers or the Guarantor. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by any of the Issuers or the Guarantor in connection with the Programme or the issue of Notes.

No person has been authorised by any of the Issuers or the Guarantor to give any information or to make any representation which is not contained in or incorporated by reference in or which is not consistent with this Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor or any Dealer.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by any of the Issuers, the Guarantor or any Dealer that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and the Guarantor. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any of the Issuers, the Guarantor or any Dealer to any person to subscribe for or to purchase any Notes.

The delivery of this Prospectus does not at any time imply that the information contained herein concerning any of the Issuers or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of any of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

## HOW DO I USE THIS PROSPECTUS?

You should read and understand fully the contents of this Prospectus, including any documents incorporated by reference, and the relevant Final Terms before making any investment decision in respect of any Notes. This Prospectus contains important information about the Issuers, the Guarantor, the Nestlé Group, the terms of the Notes and the terms of the Guarantee, as well as describing certain risks relating to the Issuers, the Guarantor, the Nestlé Group and their businesses and also other risks relating to an investment in the Notes generally. The Guarantor is the ultimate holding company of the Nestlé group of companies (described in this Prospectus as the "Nestlé Group" or "Group"). An overview of the various sections comprising this Prospectus is set out below.

The "Important Information Relating to Public Offers of Notes" section contains important information regarding the basis on which this Prospectus may be used for the purpose of making public offers of Notes.

The "Risk Factors" section describes the principal risks and uncertainties which may affect the ability of the Issuers and/or the Guarantor to fulfil their respective obligations under the Notes and/or the Guarantee.

The "Information About the Programme" section provides an overview of the Programme in order to assist the reader.

The "How the Return on Your Investment is Calculated" section sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Notes.

The "Documents Incorporated by Reference" section sets out the information that is deemed to be incorporated by reference into this Prospectus. This Prospectus should be read together with all information which is deemed to be incorporated into this Prospectus by reference.

The "Form of the Notes" section provides a summary of certain terms of the global Notes which apply to the Notes (including Notes issued in registered form by Nestlé Holdings, Inc.) while they are held in global form by the clearing systems.

The "Terms and Conditions of the Notes" section sets out the terms and conditions which apply to any Notes that may be issued under the Programme. The relevant Final Terms relating to any offer of Notes will complete the terms and conditions of those Notes and should be read in conjunction with the "Terms and Conditions of the Notes" section.

The "PRC Currency Controls" section provides a general description of certain applicable currency controls in the People's Republic of China relating to Notes denominated in Renminbi.

The "Use of Proceeds" section describes the manner in which each Issuer intends to use the proceeds from issues of Notes under the Programme.

The "Form of the Guarantee" section sets out a summary of certain terms of the form of the Guarantee as well as the form of the Guarantee (subject to completion) to be executed and delivered by the Guarantor in respect of all Notes issued by Nestlé Holdings, Inc. and by Nestlé Finance International Ltd.

The "Form of Final Terms" section sets out the template for the Final Terms that the relevant Issuer will prepare and publish when offering any Notes under the Programme. Any such completed Final Terms will detail the relevant information applicable to each respective offer, amended to be relevant only to the specific Notes being offered.

The "Nestlé Holdings, Inc." section provides certain information about Nestlé Holdings, Inc., as well as the nature of its business and summary financial information relating to Nestlé Holdings, Inc. and its subsidiaries.

The "Nestlé Finance International Ltd." section provides certain information about Nestlé Finance International Ltd., as well as the nature of its business and summary financial information relating to Nestlé Finance International Ltd.

The "Nestlé S.A." section provides certain information about the Guarantor and its group structure, as well as the nature of its business and summary financial information relating to the Guarantor.

The "Taxation" section provides a brief outline of certain taxation implications regarding Notes that may be issued under the Programme, as well as certain other taxation considerations which may be relevant to the Notes.

The "Subscription and Sale" section contains a description of the material provisions of the Programme Agreement, which includes certain selling restrictions applicable to making offers of the Notes under the Programme.

The "General Information" section sets out further information on each Issuer, the Guarantor and the Programme which each Issuer and the Guarantor is required to include under applicable rules. This includes the availability for inspection of certain documents relating to the Programme, confirmations from each Issuer and the Guarantor and details regarding the listing of the Notes.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY

**MiFID II product governance / target market** – The applicable Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market** – The applicable Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**PRIIPs Regulation / IMPORTANT – EEA RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes includes a legend entitled "PRIIPs Regulation / Prospectus Regulation / Prohibition of Sales to

EEA Retail Investors", such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs Regulation / IMPORTANT – UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Singapore SFA Product Classification –** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**BENCHMARKS REGULATION** – Amounts payable on Floating Rate Notes to be issued under the Programme may be calculated by reference to the Euro Interbank Offered Rate ("EURIBOR"), which as at the date of this Prospectus is provided by European Money Markets Institute ("EMMI"), as specified in the applicable Final Terms. As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. Any such reference rate may constitute a benchmark for the purposes of the Benchmarks Regulation.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, Australia, New Zealand, the People's Republic of China ("PRC" (which for the purposes of this Prospectus, excludes the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), the Macau Special Administrative Region of the People's Republic

of China ("Macau") and Taiwan)), Hong Kong, Japan, Singapore, Switzerland, the European Economic Area (including Belgium, Luxembourg and the Netherlands) and the United Kingdom (see "Subscription and Sale").

None of the Issuers, the Guarantor or the Dealers represent that this Prospectus or any of the offering material relating to the Programme or any Notes issued thereunder may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material relating to the Programme or any Notes issued thereunder may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

**The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale"). Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code") and the U.S. Treasury Regulations thereunder). Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) may not be issued in bearer form by Nestlé Holdings, Inc.**

The Consolidated Financial Statements of Nestlé Holdings, Inc. do not comply with U.S. accounting standards and are not meant for distribution in the U.S. or to be used for investment purposes by U.S. investors.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the

appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## PRESENTATION OF INFORMATION

All references in this document to "European Economic Area" and "EEA" refer to the European Economic Area consisting of the Member States of the European Union and Iceland, Norway and Liechtenstein, those to "U.S. dollars", "USD", "U.S.$" and "$" refer to United States dollars, those to "Sterling" and "£" refer to pounds sterling, those to "SFr" or "CHF" refer to Swiss francs, those to "A$" refer to Australian Dollars, those to "NZ$" refer to New Zealand Dollars, those to "Renminbi", "RMB" and "CNY" refer to the lawful currency of the PRC and those to "euro", "EUR" or "€" refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

## STABILISATION

In connection with the issue of any Tranche of Notes, any Dealer or Dealers acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) in accordance with all applicable laws and rules.

## FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, statements regarding the intentions of the Issuers and/or the Guarantor, beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuers and/or the Guarantor.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "Risk Factors" below.

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## INFORMATION ABOUT THE PROGRAMME

This section constitutes the general description of the offering programme for the purposes of Article 25(1)(b) of Commission Delegated Regulation (EU) 2019/980.

| | | **Refer to** |
|---|---|---|
| **What is the Programme?** | The Programme is a debt issuance programme under which each of Nestlé Holdings, Inc. and Nestlé Finance International Ltd. (each an "Issuer" and together the "Issuers") may, from time to time, issue debt instruments which are referred to in this Prospectus as Notes. Notes are also commonly referred to as bonds.<br><br>The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by each of the Issuers to undertake any number of issues of Notes from time to time in the future.<br><br>The standard terms and conditions that can be used by each Issuer to undertake each issue of Notes are contained in a set of provisions referred to as the Terms and Conditions, as set out in this Prospectus in "Terms and Conditions of the Notes". | Terms and Conditions of the Notes beginning on page 79 |
| **How are Notes issued under the Programme?** | Whenever the relevant Issuer decides to issue Notes, it undertakes what is commonly referred to as a "drawdown". On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents of which you will need to be aware when deciding whether to invest in Notes issued as part of a drawdown over the 12-month period from the date of this Prospectus are: (a) any supplement to this Prospectus published by the relevant Issuer or both Issuers after the date of this Prospectus and (b) the applicable final terms document (referred to as the Final Terms) for such Notes.<br><br>In the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which may affect the assessment of any Notes and whose inclusion or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and the Nestlé Group, and the rights attaching to the Notes, the relevant Issuer or both Issuers will prepare and publish a | Terms and Conditions of the Notes beginning on page 79 and the Form of Final Terms beginning on page 129 |

supplement to this Prospectus or prepare and publish a new base prospectus, in each case, for use in connection with such Notes and any subsequent issue of Notes.

The Terms and Conditions of the Notes cater for all the permutations of provisions that the Issuers envisage being likely to be applicable to issues of Notes under the Programme, with the Final Terms for each issue setting out the specific commercial terms applicable to the issue of Notes and the extent to which the provisions in the Terms and Conditions of the Notes are applicable. Final Terms are intended to be read alongside the Terms and Conditions of the Notes, and the two together provide the specific terms of the Notes relevant to a specific drawdown.

**What types of Notes may be issued under the Programme?**

Three types of Notes may be issued under the Programme: Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes, or any combination of these.

Terms and Conditions of the Notes beginning on page 79 and the Form of Final Terms beginning on page 129

Fixed Rate Notes are Notes where the interest rate payable by the Issuer on the Notes is determined prior to issue, and remains fixed throughout the life of the Notes. See the "How the Return on Your Investment is Calculated" section for a worked example showing how the return on an issue of Fixed Rate Notes is calculated.

Floating Rate Notes are Notes where the interest rate is calculated by reference to a fluctuating benchmark rate. Under the Programme, that benchmark rate will be either an ISDA defined rate or the Euro Interbank Offered Rate ("EURIBOR"). The floating interest rate is recalculated on or around the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates. Although the floating interest rate will be based on the benchmark rate, it will typically also include a fixed percentage margin which is added to the benchmark rate. See the "How the Return on Your Investment is Calculated" section for a worked example showing how the return on an issue of Floating Rate Notes is calculated.

Zero Coupon Notes are Notes which do not carry any interest but which are generally issued at a deep discount to their principal or final redemption amount. Zero Coupon Notes are repaid at their full amount or the relevant premium, as the case may be. Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the principal or final redemption amount of the Zero Coupon Notes paid on

| | | |
|---|---|---|
| | maturity. Alternatively, you might realise a return on Zero Coupon Notes through a sale prior to their maturity.<br>The specific details of each Note issued will be specified in the applicable Final Terms. | |
| **How will the price of the Notes be determined?** | Notes may be issued at their principal amount or at a discount or premium to their principal amount. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer or Dealers at the time of "pricing" of the Notes in accordance with prevailing market conditions. The issue price for each Tranche will be specified in the applicable Final Terms. | Form of Final Terms beginning on page 129 |
| **What is the yield on Fixed Rate Notes?** | The yield in respect of each issue of Fixed Rate Notes will be calculated on the basis of the issue price and specified in the applicable Final Terms. Yield is not an indication of future price. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield. | Form of Final Terms beginning on page 129 |
| **Will the Notes issued under the Programme have a credit rating?** | Notes of the type issued under the Programme are senior long term debt obligations of the Issuers with the benefit of a guarantee from the Guarantor and have been rated AA- by S&P Global Ratings, acting through S&P Global Ratings Europe Limited ("Standard & Poor's") and Aa3 by Moody's Italia S.r.l. ("Moody's"). Notes issued under the Programme may or may not be specifically rated which will be specified in the Final Terms. Any such ratings will not necessarily be the same as the rating assigned to the relevant Issuer, Guarantor or to any other issues of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "CRA Regulation"). | Form of Final Terms beginning on page 129 |
| **Will I be able to trade the Notes issued under the Programme?** | Application has been made to admit Notes issued during the period of 12 months from the date of this Prospectus to the Luxembourg Official List and to admit them to trading on the Luxembourg Regulated Market.<br>Once listed, the Notes may be purchased or sold through a broker. The market price of the Notes may be higher or lower than their issue price depending on, among | General Information – paragraph 2 on page 196 |

| | | |
|---|---|---|
| | other things, the level of supply and demand for the Notes, movements in interest rates and the financial performance of the relevant Issuer, the Guarantor and the Nestlé Group. (See "Risk Factors - Risks related to the market generally - An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes"). | |
| **Who is issuing the Notes?** | The Notes may be issued by Nestlé Holdings, Inc. or Nestlé Finance International Ltd. | Form of Final Terms beginning on page 129 |
| **Who is guaranteeing the Notes?** | Nestlé S.A. (referred to in the Terms and Conditions of the Notes as the Guarantor) will guarantee the due payment of sums expressed to be payable by Nestlé Holdings, Inc. and by Nestlé Finance International Ltd. under all Notes issued by Nestlé Holdings, Inc. and by Nestlé Finance International Ltd. respectively. The terms of the Guarantee will limit the total amount payable by the Guarantor to the payment of the principal amount of each Note and three years' interest in respect of each Note. | Form of Final Terms beginning on page 129 |
| **What is the relationship between the Issuers and the Nestlé Group?** | The Issuers are both (indirectly in the case of Nestlé Holdings, Inc.) wholly owned subsidiaries of the Guarantor, and the Guarantor is the ultimate holding company of the Nestlé Group. | Nestlé Holdings, Inc., Nestlé Finance International Ltd. and Nestlé S.A. beginning on pages 154, 159 and 163, respectively |
| **What will Noteholders receive in a winding-up of an Issuer and/or the Guarantor?** | If an Issuer or the Guarantor becomes insolvent and is unable to pay its debts, an administrator or liquidator or trustee in any relevant insolvency proceeding would be expected to make distributions to creditors of the relevant Issuer or the Guarantor in accordance with a statutory order of priority. An investor's claim as a Noteholder would be expected to rank after the claims of any holders of the relevant Issuer's or Guarantor's secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of any shareholder of the relevant Issuer or the Guarantor, as applicable. A simplified diagram illustrating the expected ranking of the Notes compared to other creditors of the relevant Issuer and the Guarantor, as the case may be, is set out below: | N/A |

| | **Type of obligation** | **Examples of obligations/securities** |
|---|---|---|
| Higher ranking | Proceeds realised from the enforcement of a | Currently none |

| | |
|---|---|
| fixed charge or charge (i.e. a charge secured on particular property or assets of a borrower) | |
| Expenses of the liquidation/ administration or bankruptcy proceeding | Currently none |
| Preferential creditors | Including remuneration due to employees of the relevant Issuer and the Guarantor |
| Proceeds realised from the enforcement of a floating charge (i.e. a charge taken over all the assets or a class of assets of a borrower from time to time) | Currently none |
| Unsecured obligations, including guarantees in respect of them | **Notes issued under the Programme and the Guarantee of the Guarantor.**<br>Also includes various other unsecured obligations (including guarantee obligations of the Guarantor), such as various Notes issued under the Programme, whether or not guaranteed by the Guarantor that remain outstanding, notes issued under commercial paper programmes which are guaranteed by the Guarantor that remain outstanding, guarantees issued by the Guarantor with respect to other subsidiaries and the Nestlé Group's various banking facility agreements. |
| Shareholders | Ordinary shareholders |

**However, as well as being aware of the ranking of the Notes issued under the Programme compared to the other categories of creditor and the shareholders of the Guarantor, which is a publicly traded company whose shares are listed on the SIX Swiss Exchange, investors should note that the Guarantor is the ultimate holding company of the Nestlé Group, Nestlé Holdings, Inc. is primarily a holding company for a number of direct and indirect subsidiaries (see "Nestlé Holdings, Inc." for details of Nestlé Holdings, Inc.'s principal subsidiaries) and Nestlé Finance**

**International Ltd. is a finance company with the principal business activity of financing members of the Nestlé Group and has no subsidiaries. Nestlé Holdings, Inc. and Nestlé Finance International Ltd. are both wholly owned subsidiaries of the Guarantor.**

As a shareholder of a subsidiary, the Guarantor or Nestlé Holdings, Inc. will have a right to participate as a shareholder in a distribution of any such subsidiary's assets in the event of any liquidation, reorganisation (other than a solvent internal group reorganisation), bankruptcy or insolvency of any such subsidiary. However, the Guarantor's or Nestlé Holdings, Inc.'s right to participate is generally subject to any claims made against that subsidiary, including creditors such as any lending bank and trade creditors. The obligations of the Guarantor under its Guarantee in respect of Notes guaranteed by it, or the obligations of Nestlé Holdings, Inc. under Notes issued by Nestlé Holdings, Inc., are therefore structurally subordinated to any liabilities of the Guarantor's subsidiaries or Nestlé Holdings, Inc.'s subsidiaries, respectively. Structural subordination in this context means that, in the event of a winding up or insolvency of a subsidiary of the Guarantor or of a subsidiary of Nestlé Holdings, Inc., any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantor or of Nestlé Holdings, Inc., respectively (i.e. including Noteholders).

A simplified diagram illustrating the structural subordination of the Guarantor's obligations under its Guarantee in respect of any Notes that are guaranteed by it, or of Nestlé Holdings, Inc.'s obligations under the Notes issued by it, to any liabilities of the subsidiaries of the Guarantor or of Nestlé Holdings, Inc., respectively, is set out below:

| | Type of obligation of the subsidiary | Examples of obligations |
|---|---|---|
| Higher ranking ↕ | Proceeds of fixed charge or charge of assets | |
| | Expenses of the liquidation/ administration or bankruptcy proceeding | |
| | Preferential creditors | Including remuneration of the subsidiary's employees |
| | Proceeds of floating charge assets | |
| | Unsecured obligations, including guarantees in respect of them | For example, trade creditors and unsecured debt obligations as borrower or guarantor |
| | Shareholders | The Guarantor (i.e. the Guarantor under its Guarantee in respect of any Notes that are guaranteed by it)/Nestlé Holdings, Inc. (i.e. if the Notes are issued by Nestlé Holdings, Inc.) |

| | | |
|---|---|---|
| **Are the Notes secured?** | No, as of the date the Notes are issued, the obligations of the relevant Issuer to pay interest and principal on the Notes, and the payment obligations of the Guarantor under a guarantee in respect of the Notes, will not be secured by any of the relevant Issuer's, the Guarantor's or any other member of the Nestlé Group's assets or otherwise. | N/A |
| **Do the Notes have voting rights?** | Noteholders have certain rights to vote at meetings of the Noteholders but are not entitled to vote at any meeting of shareholders of the relevant Issuer, the Guarantor or any other member of the Nestlé Group. | Terms and Conditions of the Notes (*Condition 15 – Meetings of Noteholders, Modification and Waiver*) beginning on page 114 |
| **Do the Notes contain any covenants?** | Yes. The Notes contain a negative pledge covenant with respect to each Issuer and the Guarantor. In general terms, a negative pledge provision restricts an issuer of unsecured bonds from granting security over assets for other comparable bond financings. Its purpose is to provide price protection for the bonds containing the negative pledge: if an issuer issued similar bonds that had the benefit of security, investors might be more likely to purchase the secured bonds, which may adversely affect the price of the unsecured bonds. | Terms and Conditions of the Notes (*Condition 3 – Negative Pledge*) beginning on page 82 |

| | | |
|---|---|---|
| | Under the negative pledge provision in the Terms and Conditions of the Notes, therefore, neither the Guarantor nor any Issuer may create, assume or permit to subsist any security upon the whole or any part of their undertaking, assets or revenues to secure any bond type debt without securing the Notes and the obligations of the Guarantor under its Guarantee in respect of the Notes equally, subject to certain exceptions. | |
| **What will the proceeds be used for?** | Unless otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes. | Use of Proceeds on page 125 |
| **What if I have further questions?** | If you are unclear in relation to any matter, or uncertain if any Notes offered under the Programme are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest. | N/A |

# RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should consider carefully the factors and risks associated with any investment in the Notes, the business of the Nestlé group of companies (the "Nestlé Group" or the "Group") and the industry in which the Nestlé Group operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.*

*Prospective investors should note that the risks relating to the Nestlé Group, its industry and the Notes are the risks that each of the Issuers and the Guarantor believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Nestlé Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider, among other things, the risks and uncertainties described below.*

*Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme which may in turn result in investors losing the value of their investment. Most of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Each of the Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons that are not currently known to the Issuers and/or the Guarantor, or that the Issuers and/or the Guarantor currently deem immaterial. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*The factors described below are presented in categories with the most material risk factor in each category, in the assessment of the Issuers and the Guarantor, taking into account the expected magnitude of their negative impact and the probability of their occurrence, presented first. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

*Additional risks and uncertainties relating to the Nestlé Group that are not currently known to the Nestlé Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Nestlé Group's business, prospects, results of operations and financial position and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment.*

## Factors that may affect the Issuers' ability to fulfil their respective obligations under Notes issued under the Programme and the Guarantor's ability to fulfil its obligations under each Guarantee

### Consumer Risks

***The Nestlé Group operates in a competitive environment***

The business environment in which the Nestlé Group operates is competitive. In its major markets, the Group competes with other corporations that might also have significant financial resources to respond to and develop the markets in which both they and the Group operate. These resources may be applied to change areas of focus or to increase investments in marketing or new products. This could cause the Group's sales or margins to decrease in these markets.

In addition, the rapid and continuous emergence of new distribution channels, particularly in e-commerce, may create consumer price deflation, affecting the Group's retail customer relationships and presenting additional challenges to increasing prices in response to commodity and other cost increases. Moreover, if the Nestlé Group is unable to adjust to new distribution channels and developments in e-commerce, the Group may be disadvantaged with certain consumers, which could adversely impact the Group's business, financial condition and results of operations.

***Maintaining, extending and expanding the Nestlé Group's reputation and brand image are essential to its business success***

The Nestlé Group has many iconic brands with long-standing consumer recognition across the globe. The Nestlé Group's success depends on its ability to maintain the brand image for its existing products, extend its brands to new platforms and expand its brand image with new product offerings.

Reliance on the Nestlé Group's brands makes the Group vulnerable to brand damage in a variety of ways. For example, the Nestlé Group could become a victim of a food safety or other compliance issue, product tampering or contamination or brand dilution by people who use any of the Nestlé brands without the Nestlé Group's permission, resulting in negative publicity. Damage to the Nestlé Group's brands could result in the loss of revenue associated with the affected brands and higher costs to address these circumstances, including those associated with any product recall events that may occur.

The Nestlé Group's success in maintaining, extending and expanding its brand image depends, in part, on its ability to adapt to a rapidly changing media environment. The Nestlé Group is increasingly relying on social media and online dissemination of advertising campaigns. The growing use of social and digital media increases the speed and extent that information, including misinformation, and opinions can be shared. Negative posts or comments about the Nestlé Group, its brands or suppliers and, in some cases, its competitors, on social or digital media, whether or not valid, could seriously damage the Group's brands and reputation.

Furthermore, the Nestlé Group may fail to invest sufficiently in maintaining, extending and expanding its brand image. If the Nestlé Group does not successfully maintain, extend and expand its reputation or its brand image, then its business, financial condition and results of operations could be adversely impacted.

***The Nestlé Group may be unable to anticipate and successfully respond to changes in consumer preferences or trends, which may result in decreased demand for its products***

The success of the Nestlé Group depends, in part, on its ability to anticipate the tastes and dietary habits of consumers and to offer products that appeal to their preferences. Consumer preferences are susceptible to change. Any major change in demographics and/or any failure to anticipate, identify or react to changes in consumer preferences or trends or introduce new and improved products on a timely basis could result in reduced demand for the Nestlé Group's products, which would in turn cause the volume, revenue and operating companies' income to suffer. Moreover, there are inherent marketplace risks associated with new products or packaging introductions, including uncertainties about trade and consumer acceptance.

The Nestlé Group must distinguish between short-term fads, mid-term trends and long-term changes in consumer preferences. If the Nestlé Group does not accurately predict if shifts in consumer preferences will be long-term or if it fails to introduce new and improved products to satisfy those preferences, its sales could decline. In addition, because of its varied consumer base, the Nestlé Group must offer an array of products that satisfy a broad spectrum of consumer preferences. If the Nestlé Group fails to expand its product offerings successfully across product categories, or if it does not rapidly develop products in faster growing or more profitable categories, demand for the Group's products could decrease, which could adversely impact its business, financial condition and results of operations.

Successful innovation depends on the Nestlé Group's ability to correctly anticipate consumer acceptance, to obtain, protect and maintain necessary intellectual property rights and to avoid infringing upon the intellectual property rights of others. The Nestlé Group must also successfully respond to new products and technological advances made by competitors. Failure to respond to competitive moves and changing habits of consumers could compromise the Nestlé Group's competitive position and adversely impact the Group's business, financial condition and results of operations.

There is also the risk that the Nestlé Group's business, financial condition and results of operations may be adversely impacted by an overall reduction in consumer spending.

***Product recalls and product liability claims could adversely impact the Nestlé Group***

The Nestlé Group has a comprehensive food safety assurance programme and implements an array of preventive measures to ensure the safety of its products. Nevertheless, selling products for human and animal use and consumption involves inherent legal and other risks, including contamination or spoilage, misbranding, product tampering and other adulteration. The Nestlé Group could decide to, or be required to, recall products due to suspected or confirmed product contamination or any other such deficiencies. Product recalls or market withdrawals could result in losses due to their costs, the destruction of product inventory and lost sales due to the unavailability of the product for a period of time.

The Nestlé Group could be adversely impacted if consumers lose confidence in the safety and quality of certain food products or ingredients or the food safety assurance programme generally. Adverse attention about these types of concerns, whether or not valid, may damage certain of the Nestlé Group's brands and/or the Group's reputation, discourage consumers from buying its products or cause production and delivery disruptions.

The Nestlé Group may also suffer losses if its products or operations violate applicable laws or regulations, or if its products cause injury, illness, or death. In addition, the Nestlé Group's marketing could face claims of false or deceptive advertising or other criticism. A significant product liability or other legal judgment or a related regulatory enforcement action against the Nestlé Group, or a significant product recall, may adversely impact the Group's reputation and profitability. Moreover, even if a product liability or fraud claim is ultimately unsuccessful, has no merit, or is not pursued, the negative publicity surrounding assertions against the Nestlé Group's products or processes could adversely impact its business, financial condition and results of operations.

**Environmental, Social and Governance Risks**

***The Nestlé Group is subject to risks arising from the transition to a low-carbon economy***

Under the Paris Agreement scenario (the climate scenario where global warming is well below 2°C, preferably 1.5°C, compared to pre-industrial levels), macro shifts will be required to move the world to a low-carbon economy. Depending on the nature and, particularly, the speed of the transition, varying levels of financial and reputational risks exist. Policy and regulatory changes to constrain emission-intensive activities may include, but are not limited to, adoption of carbon pricing, reforms in agricultural subsidies and incentives for renewable energy. Investments in technology to adapt to and mitigate climate change will carry uncertainty due to the immaturity of technological solutions. Sector or business level reputation may be impacted (positively or negatively depending on the category) by increased stakeholder concern and shifts in consumer sentiment. Consumers may adopt more sustainable choices leading to wide ranging supply and demand shifts which may vary across different product categories. Competitor responses may change competitive dynamics and impact on the sector's reputation. This transition disruption to a low-carbon economy may impact revenue and growth projections, as well as indirectly impact the Nestlé Group in a number of additional areas including community relations, employee attraction and engagement.

***Climate change may have an adverse impact on the Nestlé Group's business, financial condition and results of operations***

Climate change is a major global challenge, with shifting weather patterns threatening food security and changes in consumption putting pressure on natural resources. Decreased agricultural productivity in certain regions of the world as a result of changing weather patterns may limit the availability or increase the cost of key agricultural commodities, which are important sources of ingredients for the Nestlé Group's products. Climate change may also exacerbate water scarcity and cause a further deterioration of water quality in affected regions, which could limit water availability for the Nestlé Group's water products. Increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt the Nestlé Group's supply chain or impact demand for the Nestlé Group's products. As a result, the effects of climate change could adversely impact the Nestlé Group's business, financial condition and results of operations.

***The Nestlé Group is subject to risks related to corporate social responsibility***

The Nestlé Group's business faces increasing scrutiny related to environmental, social and governance issues, including sustainable development, product safety, product packaging, renewable resources, environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, human rights, philanthropy and support for local communities. If the Nestlé Group fails to meet applicable standards or expectations with respect to these issues across all its products and in all its operations and activities, the Group's reputation and brand image could be damaged and its business, financial condition and results of operations could be adversely impacted.

Further, the Nestlé Group has developed a strong corporate reputation over many years for its focus on environmental, social and governance issues. The Nestlé Group seeks to conduct its business in an ethical and socially responsible way, through sustainable business practices and various programmes committed to sustainability, human rights and compliance, which it regards as essential to maximise shareholder value, while enhancing community quality and environmental stewardship. Implementation of these programmes, including Nestlé's commitments to net zero greenhouse gas emissions and sustainable packaging, which the Nestlé Group may not be able to achieve for reasons beyond its control, can require significant expenditures of financial and employee resources.

***Adverse weather conditions could reduce the demand for the Nestlé Group's products***

The Nestlé Group's business is subject to some seasonality and adverse weather conditions may impact the Group's sales. For example, the water business experiences seasonal business swings. Unusually prolonged periods of cold, rain, blizzards, hurricanes or other severe weather patterns could impact consumers' decisions to purchase goods associated with the spring and summer.

**Operational Risks**

***Price changes for raw materials and commodities may adversely impact the Nestlé Group's business, financial condition and results of operations***

The Nestlé Group relies to a varying degree on the sourcing of raw materials from around the world. This exposes the Nestlé Group to price fluctuations and supply uncertainties which are subject to factors such as commodity market price volatility, currency fluctuations, changes in governmental agricultural programmes, harvest and weather conditions including longer-term changes in weather patterns, water shortages, crop disease, crop yields, alternative crops and by-product values. Underlying base material price changes may result in unexpected increases in raw material and packaging costs and the Nestlé Group may be unable to fully reflect these increases by raising prices without suffering reduced volume, revenue and operating income.

The ability to maintain the profitability of products containing tradeable commodities is largely dependent on cost management capacity of both direct and indirect materials, including energy, as well as

market competitiveness. A significant or sustained decrease in the sale price of products based on commodities such as coffee, cocoa or milk products could have an adverse impact on the business, financial condition and results of operations of the Nestlé Group.

Although the Nestlé Group monitors its exposure to commodity prices and seeks to hedge against price changes for raw materials and commodities to the extent it deems appropriate, it does not fully hedge against changes in raw materials or commodity prices, and its hedging strategies may not protect the Group from increases in specific raw materials costs.

Should the price of commodities decline over a period of time, producers of raw materials may diversify their product range, which may restrict the availability of raw materials.

In addition, various governments throughout the world are considering regulatory proposals relating to genetically modified organisms or ingredients, food safety and market and environmental regulation which, if adopted, would increase costs. If any of these or other proposals are enacted, the Nestlé Group may experience difficulties in supply and may be unable to pass on the cost increases to consumers without incurring volume loss as a result of higher prices.

***The ability to attract and retain highly skilled and talented employees is critical to the success of the Nestlé Group***

The success of the Nestlé Group depends on its ability to attract and retain a highly-skilled and talented workforce. The Nestlé Group may not be able to successfully compete for and attract the high quality employee talent it wants, and its future business needs may require. Any unplanned turnover or unsuccessful implementation of the Nestlé Group's succession plans to backfill current leadership positions, or to hire, train, develop and retain a highly talented workforce could deplete the Group's institutional knowledge base and erode its competitive advantage or result in increased costs due to increased competition for employees, higher employee turnover or increased employee benefit costs. Any of the foregoing could adversely impact the Nestlé Group's reputation, business, financial condition or results of operations.

***Prolonged negative perceptions concerning health implications of certain foods could lead to an increase in regulation of the food industry or influence consumer preferences, which may adversely impact the Nestlé Group's brands, reputation and results of operations***

The food industry as a whole is faced with the global challenge of rapidly rising obesity levels. The Nestlé Group makes all of its products available in a range of sizes and varieties designed to meet all needs and all occasions. There is a possibility, however, of governments taking action against the food industry, for example, by levying additional taxes on products with high calories or salt levels or by restricting the advertising of products of this type. Further, even absent additional regulation, consumers may change their purchasing or consumption habits in response to perceived health concerns. Such actions or shifting preferences could have an adverse impact on the Nestlé Group's brands, reputation and results of operations.

***A significant disruption in one or many of the Nestlé Group's manufacturing facilities or to the Group's suppliers could impact the Group's business, financial condition and results of operations***

The Nestlé Group's manufacturing facilities and/or suppliers could be disrupted for reasons beyond the Group's control. These disruptions may include extremes of natural hazards, fire, supplies of materials or services, system failures, workforce actions, political instability, environmental issues or an event such as infectious disease. The Nestlé Group takes measures to limit these risks, and, in particular, the decentralised nature of the Group's manufacturing assets helps to limit the impact that any local disruption may have on the Group's manufacturing capabilities. However, any significant manufacturing disruptions or a major event in one of the Nestlé Group's key plants, at a key supplier, contract manufacturer, co-packer and/or warehouse facility could lead to a supply disruption and adversely impact the Group's ability to make and sell products,

which could adversely impact the Group's business, financial condition and results of operations. Shifts in production patterns and economic and social inequality in supply chains could also result in capacity constraints, as well as reputational damage.

***If the Nestlé Group does not realise the economic benefits it anticipates from its productivity and cost-saving initiatives or is unable to successfully manage such initiatives' possible negative consequences, the Group's business, financial condition and results of operations could be adversely impacted***

The Nestlé Group has implemented a number of productivity and cost-savings initiatives that it believes are important to position its business for future success and growth. The Nestlé Group's future success may depend upon its ability to realise the benefits of its productivity and cost-savings initiatives. In addition, certain of the Nestlé Group's initiatives may lead to increased costs in other aspects of its business such as increased outsourcing or distribution costs. Some of the actions the Nestlé Group takes in furtherance of its productivity and cost-savings initiatives may become a distraction for its managers and employees and may disrupt its ongoing business operations; cause deterioration in employee morale which may make it more difficult for the Group to retain or attract qualified managers and employees; disrupt or weaken the internal control structures of the affected business operations; and give rise to negative publicity which could affect the reputation of the Nestlé Group's brands. If the Nestlé Group is unable to successfully manage the possible negative consequences of its productivity and cost-savings initiatives, the Group's business, financial condition and results of operations could be adversely impacted.

***Disruption impacting the reliability, security and privacy of data, as well as the Nestlé Group's software applications, is a threat***

The Nestlé Group depends on accurate, timely information and numerical data from key software applications to enable day-to-day decision making. The Nestlé Group also uses computer systems to monitor financial conditions and daily cash flows and to process payments to internal and external counterparties. The management of daily cash flows at Nestlé Group companies depends on the timely receipt of funds from external institutions who act as counterparties to financial transactions, such as bonds, swaps or other derivative financial instruments.

Any disruption caused by a failure of a key software application, of underlying equipment or of communication networks, for whatever reason, could delay day-to-day decision making, payment processes, manufacturing processes, product delivery and/or cause the Nestlé Group adverse financial losses. Moreover, restoring or recreating information that has been lost could be costly, difficult or even impossible. Changes in the regulatory environment regarding data privacy and protection could have an adverse impact on the Nestlé Group's business.

***The Nestlé Group may not be able to protect its intellectual property rights***

The success of the branded goods industry in general and the Nestlé Group's business in particular depends, in a large part, on the Group's ability to protect its current and future trademarks, brand names and trade names and to defend the Group's intellectual property rights. The Nestlé Group has invested considerable effort in protecting its intellectual property rights, including registering trademarks and domain names. The Nestlé Group cannot, however, be certain that the measures it has taken to protect its intellectual property rights will be sufficient or that third parties will not infringe or misappropriate its intellectual property rights. Given the attractiveness of the Nestlé Group's brands to consumers, the Group is subject to the risk of third parties manufacturing counterfeit or similar products or using its trademarks or brand names without the Group's permission. The Nestlé Group cannot be certain that the steps it takes to prevent, detect and eliminate counterfeit products will be effective in preventing material loss of profits or erosion of brand equity resulting from lower quality or even dangerous counterfeit product reaching the market. Moreover, certain countries in which the Group operates offer less intellectual property protection than is available in North America and Europe. If the

Nestlé Group is unable to protect its intellectual property against infringement or misappropriation, this could adversely impact the Group's business, financial condition and results of operations.

***The Nestlé Group's strategy of growth through acquisitions and investments may not be successful***

From time to time, the Nestlé Group may evaluate acquisition candidates, alliances, joint ventures or investments that may strategically fit its business objectives. Such acquisitions, alliances, joint ventures and investments may expose the Nestlé Group to unknown liabilities and may lead the Group to incur additional debt, related interest expense and increase the Group's contingent liabilities. The Nestlé Group may not be able to successfully produce, market or sell the products of brands it acquires, and integrating acquired brands so they conform to the Group's trade practice standards may prove challenging and costly, may not deliver the anticipated benefits, cost savings or synergies, and may cause an impairment of goodwill and/or intangible assets.

In addition, the Nestlé Group may not be able to find suitable targets for acquisitions, alliances, joint ventures or investments on acceptable terms and conditions in the future.

**Legal and Regulatory Risks**

***Changes in, or failure to comply with, the laws and regulations applicable to the Nestlé Group's products or its business could adversely impact the Group's business, financial condition and results of operations***

The Nestlé Group is subject to various laws and regulations in numerous countries throughout the world in which it does business, including laws and regulations relating to competition, product safety, advertising and labelling, recycling and product stewardship, the protection of the environment and employment and labour practices. Changes in applicable laws or regulations or increased disclosures on environmental, social and governance performance or evolving interpretations thereof may result in increased compliance costs, capital expenditures and other financial obligations for the Nestlé Group, as well as reputational damage. For example, increased or additional regulations to discourage the use of plastic, including regulations relating to recovery and/or disposal of plastic packaging materials due to environmental concerns, could impact its profitability or may impede the production, distribution, marketing and sale of its products, which could adversely impact the Group's reputation, business, financial condition and results of operations.

In addition, failure to comply with privacy laws and regulations such as the General Data Protection Regulation, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and other applicable laws or regulations could result in the assessment of damages, the imposition of penalties, suspension of production or distribution, costly changes to equipment or processes due to required corrective action or a cessation or interruption of operations at the Nestlé Group's facilities (or those of suppliers), as well as damage to its image and reputation, all of which could harm the Group's business, financial condition and results of operations.

Further, the Nestlé Group conducts business in certain countries that are the target of trade sanctions imposed by the United States, EU and other countries. Such trade sanctions notably prohibit transactions with certain financial institutions and certain persons. If the Nestlé Group fails to comply with these trade sanctions, it could be subject to criminal penalties and/or significant financial penalties.

Some of the Nestlé Group's products, especially in its Nutrition and Health Science products segment, are subject to regulation by the U.S. Food and Drug Administration (the "FDA") and numerous international, supranational, federal and state authorities. The process of obtaining regulatory approvals to market a drug or other health care product can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain, approvals for future products, or new indications and uses, could result in delayed realisation of product revenues, reduction in revenues and substantial additional costs. In addition, no assurance

can be given that the Nestlé Group will remain in compliance with applicable FDA and other regulatory requirements once approval or marketing authorisation has been obtained for a product. Possible regulatory actions for non-compliance could include warning letters, fines, damages, injunctions, civil penalties, recalls, seizures of the Nestlé Group's products and criminal prosecution, any of which could negatively impact the Group's business, financial condition and results of operations.

***Significant additional labelling or warning requirements or limitations on the marketing or sale of the Nestlé Group's products may reduce demand for such products and could adversely impact the Group's business, financial condition or results of operations***

Certain jurisdictions in which the Nestlé Group's products are made, manufactured, distributed or sold have either imposed, or are considering imposing, product labelling or warning requirements or limitations on the marketing or sale of certain of its products as a result of ingredients or substances contained in such products. These types of provisions have required that the Nestlé Group provide a label that highlights perceived concerns about a product or warns consumers to avoid consumption of certain ingredients or substances present in the Group's products. For instance, a number of jurisdictions have imposed or are considering imposing labelling requirements, including color-coded labelling of certain food and beverage products where colours such as red, yellow and green are used to indicate various levels of a particular ingredient, such as sugar, sodium or saturated fat. The imposition or proposed imposition of additional product labelling or warning requirements could reduce overall consumption of the Nestlé Group's products, lead to negative publicity (whether based on scientific fact or not) or leave consumers with the perception (whether or not valid) that its products do not meet their health and wellness needs. Such factors could adversely impact the Nestlé Group's business, financial condition or results of operations.

***Failure to comply with environmental, occupational health and safety laws and regulations of the countries in which the Nestlé Group operates could adversely impact the Group's business, financial condition and results of operations***

The Nestlé Group is subject to various environmental laws and regulations in numerous countries throughout the world in which it does business and has to comply with legislation concerning the protection of the environment, including the use of natural resources (for example, water), release of air emissions and wastewater, and the generation, storage, handling, transportation, treatment and disposal of waste materials. In the ordinary course of business, the Nestlé Group's operations are subject to internal environmental policy and management procedures, environmental inspections and monitoring by governmental enforcement authorities. Costs may be incurred, including fines, damages and criminal or civil sanctions, or interruptions may be experienced in operations for actual or alleged violations arising under any environmental laws. Moreover, the Nestlé Group's production facilities require operating permits that are subject to renewal, modification and, in certain circumstances, revocation. Violations of permit requirements can also result in restrictions or prohibitions on plant operations, substantial fines and civil or criminal sanctions. Environmental legislation is also increasingly imposing requirements on the Nestlé Group's products and packaging (for example, eco-taxes or deposits), which affect costs.

Similarly, the Nestlé Group is subject to various health and safety laws and regulations in numerous countries throughout the world in which it operates and has to comply with legislation concerning the protection of the health and welfare of employees and contractors. Despite the Nestlé Group's internal policy decisions on safety, the training provided to employees, accident prevention and awareness, the risk of accidents and/or long-term health impacts cannot be excluded. Costs may be incurred, including fines, damages and criminal or civil sanctions, or interruptions may result from, actual or alleged violations arising under any health and safety laws and/or regulations. The failure to comply with any such laws may also adversely impact the Nestlé Group's reputation.

***The results of litigation claims and legal proceedings cannot be predicted and may adversely impact the Nestlé Group***

Several of the Nestlé Group's companies are party to litigation claims and legal proceedings arising out of the ordinary course of business. The relevant companies in the Nestlé Group believe that there are valid defences for the claims and proceedings and such companies intend to defend any such litigation claim or legal proceeding. However, the results of litigation and legal proceedings cannot be predicted with certainty. In the event that the relevant companies' assessment of the various litigation or legal proceedings proves inaccurate or litigation, claims, proceedings, inquiries or investigations that are material arise in the future, there may be an adverse impact on the Nestlé Group's business, financial condition or results of operations. Responding to litigation claims, legal proceedings, inquiries, and investigations, even those that are ultimately non-meritorious, may also require the Nestlé Group to incur significant expense and devote significant resources.

***Changes in tax laws and interpretations could adversely impact the Nestlé Group's business***

The Nestlé Group is subject to income and other taxes in various foreign jurisdictions in which it operates. The Nestlé Group's domestic and foreign tax liabilities are dependent on the jurisdictions in which its operations are determined to be taxable. A number of factors influence the Nestlé Group's effective tax rate, including changes in tax laws and treaties as well as the interpretation of existing laws and rules in the jurisdictions in which the Group operates. Significant judgment, knowledge, and experience are required as to the interpretation and application of these rules. The Nestlé Group's future effective tax rate is impacted by a number of factors including changes in the valuation of its deferred tax assets and liabilities, increases in expenses not deductible for tax and changes in available tax credits. In the ordinary course of the Nestlé Group's business, there are many transactions and calculations where the ultimate tax determination is uncertain. In addition, federal, state, and local governments and administrative bodies within various jurisdictions have implemented, or are considering, a variety of broad tax, trade, and other regulatory reforms that may impact the Nestlé Group. Developments in international tax reforms, either already implemented or being considered, may impact the Nestlé Group. This includes the Organization for Economic Co-operation and Development initiative to combat base erosion and profit shifting, which has led to the development of a number of measures which countries plan to introduce, including the Pillar Two initiative. The Pillar Two initiative is focused on the introduction of a global minimum corporate tax rate, with the possibility of top-up taxes being introduced in cases where jurisdictions do not comply with the minimum tax rate. The implementation of the Pillar Two Model Rules in national laws could impact us including additional taxation for the Group.

Increases in or the imposition of new taxes on the Nestlé Group's business operations or products would increase the cost of products or, to the extent levied directly on consumers, make the Group's products less affordable, which may negatively impact on the Group's net operating revenues and profitability. The Nestlé Group is also regularly subject to audits by tax authorities. Although the Nestlé Group believes its tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from the Group's historical income tax provisions and accruals. Economic and political pressures to increase tax revenue in various jurisdictions may make resolving tax disputes more difficult. The occurrence of any of the foregoing tax risks could have an adverse impact on the Nestlé Group business, financial condition and results of operations.

***The Nestlé Group's results could be adversely impacted as a result of increased obligations under its retirement benefit schemes***

The Nestlé Group has various retirement benefit schemes which are funded via investments in equities, bonds and other external assets, the liabilities for which reflect the latest salary levels. The values of such assets are dependent on, among other things, the performance of the equity and debt markets, which are volatile. Any shortfall in the Nestlé Group's funding obligations may require significant additional funding from the employing entities, which may adversely impact the Group's results of operations.

## Economic and Political Risks

***Changes to international trade policies, treaties and tariffs, or the emergence of a trade war could adversely impact the Nestlé Group's business, financial condition and results of operations***

Changes to international trade policies, treaties and tariffs, or the perception that these changes could occur, could adversely impact the financial and economic conditions of some or all of the jurisdictions in which the Nestlé Group operates. Any trade tensions or trade wars, for example, between the United States and China, or changes in the European Union (including as a result of the departure of the UK from the EU), or news and rumours of a potential trade war, could have an adverse impact on the Nestlé Group's business, financial condition and results of operations. Additionally, the imposition of increased or new tariffs could increase the Nestlé Group's costs and require the Group to raise prices on certain of its products, which may adversely impact the demand for such products. If the Nestlé Group is not successful in offsetting the impacts of any such tariffs, the Group's business, financial condition and results of operations could be adversely impacted.

***Adverse economic, political and business conditions or other developments, as well as other geopolitical risks, such as armed conflict or terrorism, in the countries in which the Nestlé Group operates, may adversely impact the Group's business, financial condition and results of operations***

The Nestlé Group sells products in more than 180 countries worldwide, so its business is subject to a variety of risks and uncertainties related to trading in many different countries, including political, economic or social upheaval. Such upheaval could lead governments to make changes, including the imposition of sanctions, import, investment or currency restrictions, such as tariffs and import quotas and restrictions on the repatriation of earnings and capital, or changes in trade regulation. Any trade tensions or trade wars, for example, between the United States and China, or changes in the European Union (including as a result of the departure of the UK from the EU), or news and rumours of a potential trade war could negatively impact the Nestlé Group's operations and sales. In addition, the loosening of any such restrictions impacting the Nestlé Group's competitors could lead to increased competition in some of the Group's markets, negatively impact the Group's market share and adversely impact the Group's business, financial conditions and results of operations.

Political, fiscal or social unrest, potential health issues (including pandemic issues), conflict and terrorist threats or acts may also occur in various places around the world, which could have an impact on trade, infrastructure, tourism and travel. These disruptions may directly impact the Nestlé Group's physical facilities and ability to operate (e.g. access to energy), along with that of the Nestlé Group's, suppliers' or customers' physical facilities and operations. In addition, terrorist threats or acts may make travel and the transportation of supplies and products more difficult and more expensive and ultimately impact the Nestlé Group's operating results.

Unfavourable global economic conditions, such as a recession or economic slowdown could adversely impact the Nestlé Group's sales and profitability. Under difficult economic conditions, consumers may seek to reduce discretionary spending by foregoing purchases of the Nestlé Group's products. The Nestlé Group cannot predict how current or future global economic conditions will impact the Group's customers, consumers, suppliers, distributors or other third parties and any negative impact on the foregoing may also have an adverse impact on the Group's business, financial condition or results of operations.

Following the outbreak of the war in Ukraine in late February 2022, several countries imposed sanctions on Russia, Belarus and certain regions in Ukraine. These new circumstances strongly limited the freedom of Nestlé Russia Region businesses to operate. The Group has assessed and confirmed that the changes in the legal and operating environment of Russia and Ukraine have not impacted the ability to exercise control over the Group entities in these countries. However, the implications for the Group and the global economy of the war in Ukraine as well as potential escalations are highly uncertain, and remain difficult to predict or quantify.

Any of these developments and uncertainties may have a significant adverse effect on the Nestlé Group's business, financial condition and results of operations.

***Currency fluctuations could adversely impact the financial condition of the Nestlé Group***

The Nestlé Group operates in many different countries and thus is subject to currency fluctuations, both in terms of its trading activities and the translation of its financial statements. While the Nestlé Group uses short-term hedging for trading activities, it does not believe that it is appropriate or practicable to hedge long-term translation exposure. The Nestlé Group does, however, seek some mitigation of such translation exposure by relating the currencies of trading cash flows to those of its debt by using broadly similar interest cover ratios. If the Nestlé Group experiences significant currency fluctuations or is unable to use effectively similar interest cover ratios, then the Group's financial condition could be adversely impacted.

***Changes in interest rates could adversely impact the Nestlé Group's results of operations***

The Nestlé Group holds a substantial volume of interest rate sensitive financial assets, liabilities and derivatives for operational, financing and investment activities. Changes in interest rates can have adverse impacts on the financial condition and operating results of the Nestlé Group. In order to mitigate the impact of interest rate risk, the Nestlé Group continually assesses the exposure of the Group to this risk. Interest rate risk is managed and hedged through the use of derivative financial instruments, such as interest rate swaps and forward rate agreements. When deemed appropriate, there might be unhedged positions.

***Global capital and credit markets could adversely impact the Nestlé Group's liquidity, increase its costs of borrowing and disrupt the operations of its suppliers and customers***

Certain Nestlé Group companies raise finance by the issuance of term debt, principally in the capital markets. Therefore, the Nestlé Group depends on broad access to these capital markets and investors. Changes in demand for term debt instruments in the capital markets could limit the ability of the Nestlé Group to fund operations.

In connection with its financing activities, the Nestlé Group deals with many banks and financial institutions and thus is exposed to a risk of loss in the event of non-performance by the counterparties to financial instruments. While the Nestlé Group seeks to limit such risk by dealing with counterparties which have high credit ratings, the Group cannot give assurances that counterparties will fulfil their obligations, the failure of which could adversely impact the Group's business, financial condition and results of operations.

In addition, increases in the cost of borrowing could negatively impact the operating results of the Nestlé Group. Increases in borrowing costs could arise from changes in demand for term debt instruments in the capital markets and a decreasing willingness of banks to provide credit lines and loans.

The Nestlé Group's business could also be negatively impacted if its suppliers or customers experience disruptions resulting from tighter capital and credit markets or a slowdown in the general economy.

## Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

***Risks related to the structure of a particular issue of Notes***

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

*General*

If an investor chooses to sell its Notes issued under the Programme in the open market at any time prior to the maturity of the Notes, the price the investor will receive from a purchaser may be less than its original investment, and may be less than the amount due to be repaid at the maturity of the Notes if an investor were to hold onto the Notes until that time. Factors that will influence the price received by investors who choose to sell their Notes in the open market may include, but are not limited to, market appetite, inflation, the period of time remaining to maturity of the Notes, prevailing interest rates and the financial position of the Issuer and the Guarantor.

*Fixed Rate Notes bear interest at a fixed rate, which may affect the secondary market value and/or the real value of the Notes over time due to fluctuations in market interest rates and the effects of inflation*

Fixed Rate Notes bear interest at a fixed rate. Investors should note that (i) if market interest rates start to rise then the income to be paid on the Notes might become less attractive and the price the investors get if they sell such Notes could fall (however, the market price of the Notes has no effect on the interest amounts due on the Notes or what investors will be due to be repaid on the Maturity Date if the Notes are held by the investors until they expire); and (ii) inflation will reduce the real value of the Notes over time which may affect what investors can buy with their investments in the future and which may make the fixed interest rate on the Notes less attractive in the future.

*If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

Each Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this will affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the prevailing rates on Fixed Rate Notes or the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing interest rates and could affect the market value of an investment in the relevant Notes.

*Uncertainty about the future of "benchmarks" may adversely affect the value of, and return on, any Notes linked to a "benchmark" and the trading market for such Notes*

EURIBOR and other interest rates or other types of rates and indices which are deemed "benchmarks" are the subject of national, international and other regulatory guidance and proposals for reform.

The euro risk free-rate working group for the euro area published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have an adverse effect on any Notes linked to such a "benchmark".

The Benchmarks Regulation was published in the official journal on 29 June 2016 and has applied since 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical "benchmarks") that came into effect from 30 June 2016).

The Benchmarks Regulation could have an adverse impact on any Notes linked to EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the "benchmark". In addition, the Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmarks Regulation and other applicable regulations, and the risks associated therewith.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". Uncertainty about the future of "benchmarks", any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have an adverse effect on the value of, and return on, any Notes linked to a "benchmark" and the trading market for such Notes.

*Benchmark discontinuation*

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where the Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions of the Notes provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent at the request of the relevant Issuer.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of

quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate and a public statement by the supervisor for the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, such rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market. If a Benchmark Event (as defined in Condition 4(b)(viii)) occurs, the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate, despite the continued availability of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to be referenced. In addition, the market (if any) for Notes linked to any such Successor Rate or Alternative Rate may be less liquid than the market for Notes linked to the Original Reference Rate.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed, to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue

to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods, as necessary.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. If a public statement is made by the supervisor for the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, such rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market and a Successor Rate or Alternative Rate is determined, ISDA Determination will not apply. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in interest rates*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

*Bearer Notes in NGN form and global registered Notes held under the NSS may not satisfy Eurosystem eligibility criteria*

Bearer Notes in new global note ("NGN") form and global registered Notes held under the new safekeeping structure ("NSS") allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "Eurosystem") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

***Notes denominated in Renminbi are subject to additional risks***

Notes denominated in Renminbi ("RMB Notes") may be issued under the Programme. RMB Notes are subject to particular risks:

*Renminbi is not completely freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Notes*

Renminbi is not completely freely convertible at present. The government of the PRC (the "PRC Government") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, and the People's Bank of China (the "PBoC") and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that any regulatory restrictions inhibit the ability of the relevant Issuer or the Guarantor to repatriate funds outside the PRC to meet its obligations under the Renminbi Notes, the relevant Issuer or the Guarantor will need to source Renminbi offshore to finance such obligations under the relevant Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

In addition, holders of beneficial interests in RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the relevant Issuer's and the Guarantor's ability to source Renminbi outside the PRC to service such RMB Notes. If the relevant Issuer is unable to source Renminbi, it may pay holders of RMB Notes in U.S. dollars*

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBoC has entered into agreements on the clearing of Renminbi business (the "Settlement Arrangements") with financial institutions (each, a "Renminbi Clearing Bank") in a number of financial centres and cities, including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the

PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi clearing banks only have limited access to onshore liquidity support from the PBoC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore market to square such open positions.

The offshore Renminbi market is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the relevant Issuer and/or the Guarantor is required to source Renminbi from the offshore market to service the RMB Notes, there is no assurance that the relevant Issuer and/or the Guarantor will be able to source such Renminbi on satisfactory terms, if at all. If certain events occur (such as illiquidity, inconvertibility or non-transferability in respect of Renminbi) which result in the relevant Issuer being unable or it would be impracticable for it to make payments in Renminbi, the relevant Issuer's obligation to make such payments in Renminbi under the terms of the RMB Notes is replaced by an obligation to make such payments in U.S. dollars pursuant to Condition 5(g) under "*Terms and Conditions of the Notes*".

*Remittance of proceeds into or outside of the PRC in Renminbi may be difficult*

In the event that the Issuer or the Guarantor, as the case maybe, decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

In the event that the Issuer or the Guarantor, as the case maybe, does remit some or all of the proceeds into the PRC in Renminbi and the Issuer or the Guarantor, as the case maybe, subsequently is not able to repatriate funds outside the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

*An investment in RMB Notes is subject to exchange rate risks*

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as other factors. In August 2015, the PBoC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBoC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. The relevant Issuer and the Guarantor will make all payments of interest and principal with respect to the Renminbi Notes in Renminbi unless otherwise specified. Except in the limited circumstances stipulated in Condition 5(g) under "*Terms and Conditions of the Notes*", all payments of interest and principal with respect to RMB Notes will be made in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in RMB Notes entails foreign

exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of RMB Notes below their stated coupon rates and could result in a loss when the return on RMB Notes is translated into such currency. Accordingly, the value of the investment made by a holder of RMB Notes in that foreign currency will decline.

*There may be PRC tax consequences with respect to investment in RMB Notes*

In considering whether to invest in RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situation as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in RMB Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

*An investment in RMB Notes is subject to interest rate risks*

The value of Renminbi payments under RMB Notes may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

If a RMB Note carries a fixed interest rate, then the trading price of such RMB Notes will vary with the fluctuations in Renminbi interest rates. If holders of RMB Notes propose to sell such RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

*Payments in respect of RMB Notes will only be made to investors in the manner specified for such RMB Notes in the "Terms and Conditions of the Notes"*

Investors may be required to provide certificates and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong (or such RMB Settlement Centre(s) as may be specified in the applicable Final Terms). Except in the limited circumstances stipulated in Condition 5(g) under "*Terms and Conditions of the Notes*", all payments to investors in respect of RMB Notes will be made solely (i) for as long as such RMB Notes are represented by a global Note, by transfer to a Renminbi bank account maintained in Hong Kong (or such RMB Settlement Centre(s) as may be specified in the applicable Final Terms) in accordance with prevailing rules and procedures of Euroclear Bank SA/NV, Clearstream Banking S.A. or any alternative clearing system as applicable, or (ii) for so long as such RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong (or such RMB Settlement Centre(s) as may be specified in the applicable Final Terms) in accordance with prevailing rules and regulations. Other than as provided in Condition 5(g) under "*Terms and Conditions of the Notes*", neither the relevant Issuer nor the Guarantor can be required to make payment by any other means (including, but not limited to, in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

## Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

*The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

*The Notes may be subject to withholding taxes in circumstances where the relevant Issuer is not obliged to make gross up payments and this would result in Noteholders receiving less interest than expected and could adversely affect their return on the Notes*

*Potential changes in Swiss withholding tax legislation*

On 3 April 2020, the Swiss Federal Council published draft legislation to reform the Swiss withholding tax system for interest payments on bonds. This draft legislation provided for, among other things, the replacement of the current debtor-based regime applicable to interest payments on bonds with a paying agent-based regime for Swiss withholding tax. Under such proposed paying agent-based regime, subject to certain exceptions, all interest payments on bonds made by paying agents acting out of Switzerland to individuals resident in Switzerland would have been subject to Swiss withholding tax, including any such interest payments made on bonds issued by entities organised in a jurisdiction outside Switzerland (such as interest payments on the Notes). Due to the controversial outcome of the consultation on the draft legislation, the Swiss Federal Council submitted new draft legislation to the Swiss Federal Parliament, which provided for the abolition of Swiss withholding tax on interest payments on bonds. This legislation was accepted by the Swiss Parliament, but was subsequently rejected in a popular referendum on 25 September 2022. In view of the rejection of this legislation, the Swiss Federal Council could again propose a paying agent-based regime as contemplated by the draft legislation published on 3 April 2020. If such legislation were to result in the deduction or withholding of Swiss withholding tax by a paying agent in Switzerland on any interest payments under a Note (or any payments under the Guarantee in respect thereof), neither the respective Issuer, nor the Guarantor nor a paying agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

*Withholding under the U.S. Foreign Account Tax Compliance Act ("FATCA")*

Under provisions of the Foreign Account Tax Compliance Act codified as sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as "FATCA"), payments of interest (including original issue discount, if any) on Notes issued by NHI generally will be subject to a 30 per cent. gross basis withholding tax if any such payments are made to a "foreign financial institution" or a "foreign non-financial entity" within the meaning of the FATCA rules, unless certain procedural requirements are satisfied and certain information is provided to the U.S. Internal Revenue Service ("IRS").

Under the intergovernmental agreement entered into between the United States and Luxembourg facilitating the implementation of FATCA and implemented by the Luxembourg law dated 24 July 2015, as amended or supplemented from time to time (the "FATCA Luxembourg Law"), NFI should not be treated as a financial institution. Accordingly, payments with respect to Notes issued by NFI generally should not be subject to FATCA withholding. Nevertheless, if NFI were to be treated as a financial institution and FATCA withholding were to be imposed, proposed regulations have been issued that provide that any such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru

payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless such Notes are materially modified after such date.

No additional amounts will be paid by the relevant Issuer in respect of any U.S. tax withheld or deducted under or in respect of FATCA. Prospective investors are encouraged to consult with their own tax advisers regarding the possible implications of this legislation on their investment in the Notes.

*Luxembourg implementation of FATCA and CRS*

Should NFI be treated as a Reporting (Foreign) Financial Institution under the terms of the FATCA Luxembourg Law and/or the CRS Luxembourg Law (as defined below), it may require Noteholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should NFI become subject to a withholding tax and/or penalties as a result of noncompliance under the FATCA Luxembourg Law and/or penalties as a result of non-compliance under the CRS Luxembourg Law, the value of the Notes held by Noteholders may be materially affected.

*The value of the Notes could be adversely affected by a change of law or administrative practice*

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Prospectus and the provisions of the Guarantee are based on Swiss law, each as in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice, or Swiss law or administrative practice, after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

*The Guarantees are not full and unconditional obligations of the Guarantor and it may be difficult for Noteholders to obtain, or enforce judgments obtained, in U.S. courts against the Guarantor*

Issues of Notes under the Programme will benefit from a guarantee given by the Guarantor. The Guarantee is a joint and several suretyship (*cautionnement solidaire*) pursuant to Article 496 of the Swiss Code of Obligations. A joint and several suretyship pursuant to Article 496 of the Swiss Code of Obligations is not a full and unconditional guarantee, but rather it is a guarantee that is accessory in nature, which means that its enforceability is dependent upon the legal validity and enforceability of the primary obligation to which it relates. This means that the Guarantor will only have an obligation to pay a Noteholder an amount under the Guarantee if and to the extent such Noteholder has a legally valid and enforceable claim against the relevant Issuer to pay such amount under the Notes. A joint and several suretyship pursuant to Article 496 of the Swiss Code of Obligations is also governed by a number of statutory provisions of Swiss law that are designed to protect the surety. Some of these provisions must be reflected in the terms of the suretyship itself, while others apply as a matter of mandatory Swiss law. Among other things, these provisions require the terms of any suretyship to fix the aggregate maximum amount that may be payable by the surety thereunder. Accordingly, the terms of the Guarantee will limit the aggregate amount payable by the Guarantor to the Noteholders under the Notes to a fixed amount in the Specified Currency of the Notes (being the aggregate of the principal and three years' interest in respect of each Note).

In addition, any dispute that might arise out of or in connection with the Guarantees will fall within the exclusive jurisdiction of the courts of the Canton of Vaud, Switzerland (venue being the City of Vevey). This means, among other things, that, in respect of any such dispute, service of process upon the Guarantor must be

effected in Switzerland in accordance with Swiss procedural rules, and it is unlikely that investors would be able to enforce in Switzerland against the Guarantor any judgment obtained from a U.S. court with respect to any such dispute.

Furthermore, the Guarantor is incorporated under the laws of Switzerland, certain of the Guarantor's directors and authorised officers reside or may reside outside the United States and certain of its or such persons' assets are or may be located outside the United States. As a result, in the case of disputes not arising out of or in connection with the Guarantee, it may not be possible for investors to effect service of process upon the Guarantor or such persons within the United States. It may also be difficult for investors to enforce in Switzerland against the Guarantor judgments obtained in U.S. courts; in particular, it is doubtful whether a Swiss court would enforce a judgment obtained in U.S. courts predicated solely upon the federal or state securities laws of the United States. Furthermore, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in jurisdictions outside the United States.

*Enforcement claims or court judgments against the Guarantor must be converted into Swiss francs*

Enforcement claims or court judgments against the Guarantor under Swiss debt collection or bankruptcy proceedings may be made only in Swiss francs and any foreign currency amounts must accordingly be converted into Swiss francs. With respect to enforcing creditors, any such foreign currency amounts will be converted at the exchange rate prevailing in particular on (i) the date of instituting the enforcement proceedings (*réquisition de poursuite*) and (ii), upon creditor's request, the date of the filing for the continuation of the enforcement procedure (*réquisition de continuer la poursuite*). In bankruptcy proceedings, foreign currency claims will be converted at the exchange rate prevailing at the time of the adjudication of bankruptcy (*ouverture de la faillite*).

*Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to the Specified Denomination.

If such Notes are issued in definitive form, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

## Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding and, in addition, the*

*imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

Each Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. For investors whose financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency in which the related Notes are denominated, or where principal or interest in respect of Notes is payable by reference to the value of a Specified Currency other than by reference solely to the Investor's Currency, an investment in such Notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in such Investor's Currency. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the applicable Specified Currency and the Investor's Currency and the possibility of the imposition or modification of exchange controls by authorities with jurisdiction over such Specified Currency or the Investor's Currency. Such risks generally depend on a number of factors, including financial, economic and political events over which none of the Issuers has control. The secondary market for the Notes will be affected by a number of factors independent of the creditworthiness of the relevant Issuer and the Guarantor and the value of the applicable Specified Currency, including the volatility of such Specified Currency, the method of calculating the nominal amount or any interest to be paid in respect of such Notes, the time remaining to maturity of such Notes, the outstanding amount of such Notes, the amount of other securities linked to such Specified Currency and the level, direction and volatility of relevant market interest rates generally. Such factors also will affect the market value of the Notes. In recent years, rates of exchange have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the value of the applicable Specified Currency would result in a decrease in the Investor's Currency equivalent yield on a Note denominated or the principal or interest of which is payable in such Specified Currency, in the Investor's Currency equivalent value of the principal of such Note payable at maturity and generally in the Investor's Currency equivalent market value of such Note. Depreciation in the value of the Investor's Currency relative to the value of the applicable Specified Currency would have the opposite effect. In addition, depending on the specific terms of a Note denominated in, or the payment of which is determined by reference to the value of, a Specified Currency (other than solely the Investor's Currency), changes in exchange rates relating to any of the currencies or currency units involved may result in a decrease in the effective yield on such Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note to the investor.

Government or monetary authorities have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of the Specified Currency in which a Note is payable at the time of payment of the principal or interest in respect of such Note. In addition, if the relevant Issuer is due to make a payment in Renminbi in Hong Kong in respect of any Note or Coupon and such currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the relevant Issuer's control, the relevant Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in U.S. Dollar as described under Condition 5(g) under "*Terms and Conditions of the Notes*". If the currency in which payment is to be made is not a holder's Investor's Currency, the holder will be subject to the risks described in the prior paragraph. In addition, the exchange rate applied in such circumstances could result in a reduced payment to the holder.

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes*

The Notes may not have an established trading market when issued. There can be no assurance of a secondary market for the Notes or the continued liquidity of such market if one develops. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile

market in such Notes. The secondary market for the Notes will be affected by a number of factors independent of the creditworthiness of the relevant Issuer and the Guarantor which may include the method of calculating the principal or any interest to be paid in respect of such Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any redemption features of such Notes and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of the Notes. In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities. Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless such investor understands and is able to bear the risk that certain Notes may not be readily saleable, that the value of Notes will fluctuate over time and that such fluctuations may be significant. The prices at which Zero Coupon Notes, as well as other instruments issued at a substantial discount from their nominal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do such prices for conventional interest bearing securities of comparable maturities.

### Credit ratings assigned to the relevant Issuer, the Guarantor or any of the Notes may not reflect all the risks associated with an investment in the Notes

One or more independent credit rating agencies may assign credit ratings to the relevant Issuer, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. If a credit rating agency in the European Union which rates the Notes ceases to be registered under the CRA Regulation, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### A downgrade in the Nestlé Group's credit ratings could adversely impact its financial condition and the market value of the Notes

Issues of Notes under the Programme will benefit from a guarantee given by the Guarantor. Senior long term debt obligations of the Issuers, which have the benefit of a guarantee from the Guarantor, have been rated AA- by Standard & Poor's and Aa3 by Moody's. The Nestlé Group's credit ratings are an assessment by rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in the Nestlé Group's credit ratings will generally affect the market value of the Notes. In addition, the Nestlé Group's credit ratings are important to its ability to issue commercial paper at favourable rates of interest. A downgrade in Nestlé Group's credit ratings could increase the cost of borrowing or make the commercial paper market unavailable to the Group, which could increase the Group's cost of capital.

If any of the credit rating agencies that have rated the Notes or the Nestlé Group's other debt securities downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a so-called "watch list" for a possible downgrading or lowering or otherwise indicates that its outlook for that rating is negative, it could have an adverse impact on the market value of the Notes and the Nestlé Group's costs and availability of capital, which could in turn have an adverse impact on the Group's financial condition, results of operations, cash flows and the Group's ability to satisfy its debt service obligations (including payments on the Notes).

## OVERVIEW OF THE PROGRAMME

*The following general overview of the Programme applies only to each Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in any other currency), does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of the relevant Wholesale Base Prospectus (see "Important Information") and, in relation to the terms and conditions of any such Tranche of Notes, the applicable Final Terms. Any decision to invest in the Notes should be based on a consideration of the relevant Wholesale Base Prospectus as a whole, including the documents incorporated by reference.*

*Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview of the Programme.*

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| Issuers: | Nestlé Holdings, Inc. ("NHI"), a corporation with unlimited duration, incorporated and domiciled in Delaware, United States. NHI primarily acts as a holding company for its direct and indirect subsidiaries which engage primarily in the manufacture and sale of food products, petcare products and beverage products. These businesses derive revenue across the United States.<br>Nestlé Finance International Ltd. ("NFI") is a public limited company (*société anonyme*) with unlimited duration, organised under the laws of the Grand Duchy of Luxembourg. Its principal business activity is the financing of members of the Nestlé Group. NFI raises funds and on-lends to other members of the Nestlé Group. |
| Legal Entity Identifier ("LEI"): | NHI: 549300EAEU8YV8MQXP30<br>NFI: 0KLLMNHINTFDRMU6DI05<br>Nestlé S.A.: KY37LUS27QQX7BB93L28 |
| Website of the Issuers: | *https://www.nestle.com/* |
| Guarantor: | Nestlé S.A. primarily acts as the holding company of the Nestlé Group which manufactures and sells food and beverages, as well as products related to the nutrition, health and wellness industries.<br>Nestlé S.A. is a company with unlimited duration and is organised under the Swiss Code of Obligations.<br>Notes issued by NHI and by NFI will be guaranteed. |
| Description: | Debt Issuance Programme |
| Arranger: | Barclays Bank PLC |
| Dealers: | Barclays Bank PLC<br>BNP Paribas<br>Citigroup Global Markets Limited<br>Deutsche Bank Aktiengesellschaft<br>HSBC Continental Europe<br>RBC Europe Limited<br>TD Global Finance unlimited company |

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| | UBS AG London Branch<br>and any other Dealer(s) approved in accordance with the Programme Agreement |
| Issuing and Principal Paying Agent and Transfer Agent: | Citibank, N.A., London Branch |
| Registrar: | Citigroup Europe plc |
| Legal and regulatory requirements: | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in accordance with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale") including the following restrictions applicable at the date of this Prospectus.<br>Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in any other currency. |
| Currencies: | Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms). |
| Maturities: | The Notes will have any maturity, subject to a minimum maturity of one month, and to such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Save as provided above, the Notes are not subject to any maximum maturity.<br>According to the Luxembourg Prospectus Act, the CSSF is not competent to approve prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and which also comply with the definition of securities in the Luxembourg Prospectus Act. |
| Issue Price: | Notes may be issued at an issue price which is at par or at a discount to, or premium over, par. |
| Form of Notes: | Notes may be issued by NFI only in bearer form as described in "*Form of the Notes*". Notes may be issued by NHI in bearer form or in registered form, provided that Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) may not be issued by NHI in bearer form as described in "*Form of the Notes*". Swiss Notes will be represented exclusively by a Permanent Global Note which will be deposited with the relevant intermediary on or prior to the |

original issue date. The Permanent Global Note will be exchangeable for definitive Notes in whole but not in part, only if the Swiss agent should, after consultation with the Issuer, deem the printing of definitive Notes to be necessary or useful or, if the presentation of definitive Notes (with any relevant Coupons attached) is required by Swiss or other applicable laws and regulations in connection with the enforcement rights of holders of Notes. Should the Swiss agent so determine, it shall provide for the printing of definitive Notes without cost to the holders of the Notes.

Fixed Rate Notes:

Fixed interest will be payable in arrear on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.

Floating Rate Notes:

Floating rate interest will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each issue of Floating Rate Notes and indicated in the applicable Final Terms.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.

Benchmark Discontinuation:

If Floating Rate Notes provide for a Rate of Interest (or any component thereof) to be determined by reference to a reference rate and a Benchmark Event in respect of such reference rate has occurred, then the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 4(b)(viii)) to determine a Successor Rate, failing which an Alternative Rate for use in place of the Original Reference Rate and to determine an Adjustment Spread (if any)

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| | and any Benchmark Amendments. If the relevant Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate (as applicable), then the Rate of Interest shall be determined by reference to the Original Reference Rate for the immediately preceding Interest Period and the fallback provisions set out in Condition 4(b)(iv). See Condition 4(b)(viii) for further information. |
| Changes of Interest or Redemption/Payment Basis: | Notes may be converted from one Interest or Redemption/Payment Basis to another if so provided in the applicable Final Terms. |
| Zero Coupon Notes: | Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest. |
| Redemption: | The Final Terms relating to each Tranche of Notes will indicate if such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or holders, and if so the terms applicable to such redemption. |
| Denomination of Notes: | Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms, save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency as at the issue date of such Notes), or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the Specified Currency, see "Legal and regulatory requirements" above.<br>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "Legal and regulatory requirements" above.<br>In the case of Notes issued by NHI with a maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), the minimum denomination for a Definitive Note or an interest in a Permanent Global Note shall be U.S.$500,000 (or the equivalent thereof at exchange rates applicable on the issue date of such Note). |
| Taxation: | All payments in respect of the Notes will be made without deduction for, or on account of, withholding taxes imposed within the jurisdiction in which the relevant Issuer or the Guarantor is incorporated, subject as provided in Condition 7 (Taxation).<br>In the event that any such withholding or deduction is required, the relevant Issuer or the Guarantor will be required to pay additional amounts to cover the amounts so withheld or |

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| | deducted, subject to certain limited exceptions provided in Condition 7 (Taxation).<br>All payments in respect of the Notes will be made subject to any deduction or withholding required by provisions of U.S. federal income tax law commonly referred to as the U.S. Foreign Account Tax Compliance Act ("FATCA") and any intergovernmental agreements (and related implementing rules) relating to FATCA, and no additional amounts will be paid to cover the amounts so withheld or deducted. |
| Negative Pledge: | The Notes will contain a negative pledge provision as described in Condition 3 of the Terms and Conditions of the relevant Notes. |
| Status of the Notes: | The Notes will constitute direct, unconditional, unsecured (subject to the provisions of Condition 3 (Negative Pledge)) and unsubordinated obligations of the relevant Issuer and will rank *pari passu* and rateably without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the relevant Issuer from time to time outstanding (other than obligations mandatorily preferred by law). |
| Status of the Guarantee: | The obligation of the Guarantor under each Guarantee constitutes a direct, unsubordinated (subject to the provisions of Condition 3 (Negative Pledge)) and unsecured obligation of the Guarantor and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations outstanding of the Guarantor (other than obligations mandatorily preferred by law applying to companies generally). |
| Currency Fallback (Notes denominated in Renminbi): | If as a result of certain circumstances as described in Condition 5(g) (Payment of U.S. Dollar Equivalent), the relevant Issuer (or the Guarantor, as the case may be) determines in good faith that it is not able, or it would be impracticable for it, to satisfy payments due under the Notes or Coupons (or the Guarantee, as the case may be) in Renminbi in Hong Kong, the relevant Issuer or the Guarantor may, after giving notice to the Noteholders, settle any such payment in U.S. dollars. |
| Rating: | Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. |
| Listing and Admission to Trading: | Application has been made for Notes issued under the Programme to be admitted to the Luxembourg Official List and to the Luxembourg Stock Exchange, for such Notes to be admitted to trading on the Luxembourg Regulated Market. |
| Governing Laws: | The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law. |

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| | The Guarantee will be governed by, and construed in accordance with, Swiss law. |
| Selling Restrictions: | There are selling restrictions in relation to the United States, Australia, New Zealand, the PRC, Hong Kong, Japan, Singapore, Switzerland, the European Economic Area (including Belgium, Luxembourg and the Netherlands) and the United Kingdom. |
| Risk Factors: | For a discussion of certain risk factors relating to the Issuers, the Guarantor and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see "Risk Factors". |

## IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES

If, in the context of a Public Offer (as defined below), you are offered Notes by any entity, you should check that such entity is authorised to use this Prospectus for the purposes of making such offer before agreeing to purchase any Notes. To be authorised to use this Prospectus in connection with a Public Offer (referred to below as an "Authorised Offeror"), an entity must either be:

- named as a Manager or relevant Dealer in the applicable Final Terms; and/or
- a financial intermediary specified in paragraph 9 of Part B of the applicable Final Terms as having been granted specific consent to use this Prospectus; and/or
- named on the website of Nestlé Group available at *https://www.nestle.com/* as an Authorised Offeror in respect of the relevant Public Offer (if the entity has been appointed after the applicable Final Terms were published).

Valid offers of Notes may only be made by an Authorised Offeror in the context of a Public Offer if the offer is made within the Offer Period and only in each Relevant Member State (as defined below) which will be specified in paragraph 9 of Part B of the applicable Final Terms and described as the "Public Offer Jurisdictions", and subject to any other conditions, specified in paragraph 9 of Part B of the applicable Final Terms. Other than as set out above, neither the relevant Issuer nor the Guarantor has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Notes.

Please see below for certain important legal information relating to Public Offers.

### Restrictions on Public Offers of Notes in Relevant Member States

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under Article 1(4) of the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a "Public Offer".

This Prospectus has been prepared on a basis that permits Public Offers of Notes. However, any person making or intending to make a Public Offer of Notes in any Member State of the European Economic Area (each, a "Public Offer Jurisdiction") may only do so if this Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Regulation, provided that the relevant Issuer has consented to the use of its Base Prospectus in connection with such offer as provided under "Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)" and the conditions attached to that consent are complied with by the person making the Public Offer of such Notes.

### Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)

In the context of any Public Offer of Notes, each Issuer and the Guarantor accepts responsibility, in each of the Public Offer Jurisdictions, for the content of this Prospectus in relation to any person (an "Investor") who purchases any Notes in a Public Offer made by a Manager, relevant Dealer or an "Authorised Offeror" (as defined below), where that offer is made during the Offer Period (as defined below) and provided that the conditions attached to the giving of consent for the use of this Prospectus are complied with.

**Except in the circumstances set out in the following paragraphs, neither the relevant Issuer nor the Guarantor has authorised the making of any offer by any offeror and the relevant Issuer has not**

**consented to the use of its Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the relevant Issuer is unauthorised and none of the relevant Issuer, the Guarantor or any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.**

If, in the context of a Public Offer, an Investor is offered Notes by a person who is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for the relevant Issuer's Base Prospectus in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the relevant Issuer's Base Prospectus and/or who is responsible for its contents it should take legal advice.

In connection with each Tranche of Notes, and provided that the applicable Final Terms specifies an Offer Period, each Issuer consents to the use of this Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes in the Public Offer Jurisdiction(s) specified in the applicable Final Terms and, subject to any other conditions set out in paragraph 9 Part B of the applicable Final Terms, by:

(i) the Managers or relevant Dealer(s) specified in the applicable Final Terms;

(ii) if the applicable Final Terms names financial intermediaries authorised to make such Public Offers, the financial intermediaries so named; and/or

(iii) any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the website of Nestlé Group (*https://www.nestle.com/*) and identified as an Authorised Offeror in respect of the relevant Public Offer.

The financial intermediaries referred to in paragraphs (ii) and (iii) above are together referred to herein as the "Authorised Offerors".

**Any offeror falling within sub-paragraph (ii) and (iii) above who meets all of the other conditions stated above and who wishes to use the relevant Issuer's Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website (i) that it has been duly appointed as a financial intermediary to offer the relevant Tranche of Notes during the Offer Period, (ii) it is relying on the relevant Issuer's Base Prospectus for such Public Offer with the consent of the relevant Issuer and (iii) the conditions attached to that consent.**

The consent referred to above relates to Offer Periods occurring within twelve months from the date of this Prospectus.

The Issuers may request the CSSF to provide a certificate of approval in accordance with Article 25 of the Prospectus Regulation (a "passport") in relation to the passporting of this Prospectus to the competent authorities of Austria, Germany and the Netherlands (the "Host Member States" and, together with Luxembourg, the "Public Offer Jurisdictions"). Even if the Issuers passport this Prospectus into the Host Member States, it does not mean that the relevant Issuer will choose to consent to any Public Offer in any such Public Offer Jurisdiction. Investors should refer to the Final Terms for any issue of Notes for the Public Offer Jurisdictions the relevant Issuer may have selected as such Notes may only be offered to Investors as part of a Public Offer in the Public Offer Jurisdictions specified in the applicable Final Terms.

***Arrangements between an Investor and the Authorised Offeror who will distribute the Notes***

None of the relevant Issuer, the Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the relevant Issuer, the Guarantor or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS.**

**THE RELEVANT ISSUER WILL NOT BE A PARTY TO ANY SUCH TERMS AND ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS DOES NOT, AND ANY FINAL TERMS WILL NOT, CONTAIN SUCH INFORMATION. INFORMATION ON THE TERMS AND CONDITIONS OF SUCH OFFER SHALL BE PROVIDED TO SUCH INVESTOR AT THE TIME OF THE OFFER BY THE RELEVANT AUTHORISED OFFEROR WHO WILL BE RESPONSIBLE FOR SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. NONE OF THE RELEVANT ISSUER, THE GUARANTOR OR ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

Save as provided above, no Issuer nor any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the relevant Issuer or any Dealer to publish or supplement a prospectus for such offer.

**Notes which are the subject of a Public Offer and/or admitted to trading on a regulated market within the European Economic Area shall be issued with a minimum denomination of €1,000 (or its equivalent in any other currency).**

## HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

The following section sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Notes.

**THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE NOTES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF YOUR NOTES AS SET OUT IN *TERMS AND CONDITIONS OF THE NOTES* AND THE FINAL TERMS RELATING TO THE NOTES.**

### Interest

**For the purposes of the scenarios below, the principal amount per Note is assumed to be €1,000 and the issue price is 100 per cent. (100%) of the aggregate principal amount.**

Three types of Notes may be issued pursuant to this Prospectus: Fixed Rate Notes which bear periodic fixed rate interest; Floating Rate Notes which bear periodic floating rate interest; and Zero Coupon Notes, which do not bear interest (or any combination of these). Upon maturity, the Notes will pay a fixed redemption amount. Notes may provide for early redemption at the option of the relevant Issuer (a call option) or at your option either upon a change of ownership of the relevant Issuer or as otherwise specified (a put option). The Issuer may also elect to redeem the Notes early in certain circumstances for tax reasons.

The examples below are intended to demonstrate how the return on your investment will be calculated depending on the interest type and the relevant redemption provisions specified to be applicable for your Notes.

#### *Fixed Rate Notes*

Fixed Rate Notes pay a periodic and predetermined fixed rate of interest over the life of the Note.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the relevant fixed rate to the principal amount, and then multiplying such amount by the applicable 'day count' fraction (which is a fraction used to reflect the number of days over which interest has accrued).

**WORKED EXAMPLE: FIXED RATE NOTES**

**Assuming, for the purpose of this worked example only, that:**

- the fixed rate is 3.00 per cent. (3%) per annum;
- the day count fraction is "Actual/360", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 360 days); and
- the actual number of calendar days in the interest period is 183,

**the interest amount payable on the interest payment date will be €15.25 (rounded to two decimal places). This figure is calculated as fixed interest of 3.00%, or 0.03 × €1,000 × day count fraction of 183/360 or 0.5083333.**

***Floating Rate Notes***

Floating Rate Notes pay interest that is calculated by reference to a fluctuating benchmark rate, either (i) an interest rate benchmark, such as the Euro Interbank Offered Rate ("EURIBOR"), or (ii) a rate of interest determined in accordance with market standard definitions, published by the International Swaps and Derivatives Association, Inc. ("ISDA Definitions"), plus or minus, in each case, a margin and subject, in certain cases, to a maximum or minimum rate of interest. Interest rate benchmarks reflect the rate at which banks are willing to lend funds to each other in a particular market (for EURIBOR this is the Euro-zone interbank market). Interest rates determined in accordance with the ISDA Definitions reference hypothetical derivative contracts to determine a rate of interest.

If the benchmark rate is, for example, EURIBOR, this will commonly be taken as the rate appearing at the relevant time on a specified screen service. This is referred to in the Terms and Conditions of the Notes and the Final Terms as "Screen Rate Determination" and, in the case of such an issue of Floating Rate Notes, the Final Terms will specify the relevant benchmark (referred to in the Final Terms as the "Reference Rate"), the date on which the benchmark rate will be determined for each interest period (the "Interest Determination Date") and the screen from which the rate will be taken (the "Relevant Screen Page"). If the screen rate is temporarily unavailable, the Terms and Conditions of the Notes contain fallback provisions which allow the rate to be determined on the basis of the arithmetic mean of rates quoted by reference banks in the relevant market. If an event constituting a Benchmark Event (as defined in the Terms and Conditions of the Notes), in respect of such benchmark rate has occurred, the Terms and Conditions of the Notes provide that the relevant Issuer shall use its reasonable endeavours to appoint an independent financial institution of international repute or an independent financial adviser with appropriate expertise (an "Independent Adviser") to determine a Successor Rate, failing which an Alternative Rate (each as defined in the Terms and Conditions of the Notes) for use in place of the original benchmark rate and to determine an Adjustment Spread (as defined in the Terms and Conditions of the Notes) (if any) and any Benchmark Amendments (as defined in the Terms and Conditions of the Notes). If the relevant Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate (as applicable), then the Rate of Interest shall be determined by reference to the original benchmark rate for the immediately preceding Interest Period and the fallback provisions set out in Condition 4(b)(iv).

If the interest rate is to be determined using the ISDA Definitions, this is referred to in the Terms and Conditions of the Notes and the Final Terms as "ISDA Determination". In such a case, the interest rate will be equivalent to the floating rate which would be determined in a hypothetical interest rate swap transaction for which the Floating Rate Option, the Designated Maturity and the relevant Reset Date are specified in the Final Terms. In an interest rate swap, each counterparty agrees to pay either a fixed or floating rate denominated in a particular currency to the other counterparty. The relevant ISDA Definitions on which the hypothetical swap transaction will be based will also be specified in the Final Terms.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the rate of interest for that interest period to the principal amount, and then multiplying such amount by the applicable 'day count' fraction (which is a fraction used to reflect the number of days over which interest has accrued). The rate of interest for any interest period will be determined by adding the relevant margin to the level of the interest rate benchmark or rate determined using the ISDA Definitions, as applicable, for such interest period (or subtracting the relevant margin, if the margin is a negative number). The result will be subject to any maximum or minimum rate which may be specified in the Final Terms.

**WORKED EXAMPLE: FLOATING RATE NOTES - SCREEN RATE DETERMINATION**

**Assuming, for the purpose of this worked example only, that:**

- the Reference Rate is 6 month EURIBOR;
- the margin is plus 2.00 per cent. (2.00%);
- the rate of interest is subject to a maximum rate of 7.00 per cent. (7.00%) per annum;
- the day count fraction is "Actual/360", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 360 days); and
- the actual number of calendar days in the interest period is 181,

**(i) if the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 2.10 per cent. (2.10%), the interest amount payable on the corresponding interest payment date will be equal to €20.61 (rounded to two decimal places). This figure is calculated as €1,000 × rate of interest of 4.10% (or 0.041) × day count fraction of 181/360. The rate of interest (4.10%) is calculated as the Reference Rate of 2.10% (or 0.021) plus 2.00% (or 0.02) margin, and is not affected by the maximum rate of interest; and**

**(ii) if the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 6.16 per cent. (6.16%), the interest amount payable on the corresponding interest payment date will be equal to €35.19 (rounded to two decimal places). This figure is calculated as €1,000 × rate of interest of 7.00% (or 0.07) × day count fraction of 181/360. The rate of interest (7.00%) is set as the maximum rate of interest because the Reference Rate of 6.16% (or 0.0616) plus 2.00% (or 0.02) margin, results in a rate of 8.16%. In this scenario, the rate of interest is capped at 7.00%.**

**WORKED EXAMPLE: FLOATING RATE NOTES - ISDA DETERMINATION**

**Assuming, for the purpose of this worked example only, that:**

- the Floating Rate Option is EUR-EURIBOR-Reuters;
- the Designated Maturity is 6 months;
- the margin is plus 1.50 per cent. (1.5%);
- the rate of interest is subject to a maximum rate of 6.00 per cent. (6.00%) per annum;
- the ISDA Definitions on which the hypothetical swap transaction will be based are the 2006 ISDA Definitions;
- the day count fraction is "Actual/360", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 360 days); and
- the actual number of calendar days in the interest period is 181,

**(i) if the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 2.40 per cent. (2.40%) on the basis of EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to €19.61 (rounded to two decimal places). This figure is calculated as €1,000 × rate of interest of 3.90% (or 0.039) × day count fraction of 181/360.**

**The rate of interest (3.90%) is calculated as the floating rate of 2.40% (or 0.024) plus 1.50% (or 0.015) margin, and is not affected by the maximum rate of interest; and**

**(ii) if the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 5.40 per cent. (5.40%) on the basis of EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to €30.17 (rounded to two decimal places). This figure is calculated as €1,000 × rate of interest of 6.00% (or 0.06) × day count fraction of 181/360. The rate of interest (6.00%) is set as the maximum rate of interest because the floating rate of 5.40% (or 0.054) plus 1.50% (or 0.015) margin, results in a rate of 6.90%. In this scenario, the rate of interest is capped at 6.00%.**

***Zero Coupon Notes***

No amount of interest will accrue or become payable on Zero Coupon Notes. Zero Coupon Notes are generally issued at discounted issue price (such as 95%) to their principal or final redemption amount and then repaid at their full amount (100%) or the relevant premium, as the case may be. Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the principal or final redemption amount of the Zero Coupon Notes paid on maturity.

**WORKED EXAMPLE: ZERO COUPON NOTES**

**Assuming, for the purpose of this worked example only, that the Zero Coupon Notes are issued in a principal amount of €1,000 at a discounted issue price of 95%. An investor will pay €950 to purchase a Note but on maturity will be repaid €1,000. The investor will not receive any interest on the Note but will earn €50 as a result of holding the Note to maturity.**

## Redemption

***Redemption at maturity***

All of the Notes to be issued under the Programme will be principal protected. This means that, provided you hold the Notes until maturity, the amount you receive when the Notes mature will at least equal your initial investment. Unless your Notes are redeemed early (as described below) or are purchased and cancelled, if you purchased €1,000 in principal amount of the Notes, you will receive €1,000 from the relevant Issuer on the maturity date of the Notes. This is known as redemption at par. In such circumstances, the "Final Redemption Amount" will be shown in the relevant Final Terms as "Par" or "€1,000 per Calculation Amount". The Calculation Amount is a notional amount which is used to calculate interest and redemption amounts on the Notes. It is identified in the Final Terms in paragraph 6(b) and, for the purposes of this example, is assumed to be €1,000.

***Call Options***

A call option gives the relevant Issuer the right to redeem the Notes before the final maturity date at a predetermined cash price on a specified date(s). If the Notes are redeemed, you will be paid the redemption amount specified in the Final Terms plus any accrued but unpaid interest. The Issuer is given the right to redeem the Notes in certain circumstances for tax reasons, as described in Condition 6(b) (*Redemption for Tax Reasons*), if Issuer Maturity Par Call is specified to be applicable in the Final Terms relating to the Notes, during the period of 90 days prior to the final maturity date as described in Condition 6(e) (*Issuer Maturity Par Call*) and, if Issuer Clean-up Call is specified to be applicable in the Final Terms relating to the Notes, if at any time after the relevant Issue Date 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased by the relevant Issuer or any of its subsidiaries (other than subsidiaries organised in or under

the laws of the United States) and cancelled as described in Condition 6(g) (Issuer Clean-up Call). The terms of any other call options will be set out in the Final Terms.

Following the exercise by the relevant Issuer of a call option, in respect of each Note, as well as any accrued but unpaid interest, you will receive an amount equal to the Early Redemption Amount specified in the Final Terms (in the case of a Redemption for Tax Reasons), the Final Redemption Amount specified in the Final Terms (in the case of Issuer Maturity Par Call) or the Optional Redemption Amount specified in the Final Terms (in the case of any other call option).

If the Optional Redemption Amount in respect of a Note is specified in the Final Terms as being the Special Redemption Amount, you will receive an amount calculated with reference to the then current yield of a benchmark government security (such as a UK gilt, a U.S. Treasury or a German *bund*), as adjusted to reflect the difference in creditworthiness of the relevant Issuer and the relevant government. The Special Redemption Amount is intended to produce an amount that, if reinvested in the government security, would continue to give you a yield on the money you originally invested equivalent to the yield that you would have received if the Notes had not been redeemed by the relevant Issuer.

***Put Options***

A put option gives you the right to require the relevant Issuer to redeem one or more of your Notes before the final maturity date at a predetermined cash price on a specified date(s). If you elect to exercise the put option in respect of one or more of your Notes, you will be paid the redemption amount specified in the Final Terms plus any accrued but unpaid interest. Notes that are not sold shall continue until the final maturity date.

You will also have the right to require the relevant Issuer to redeem one or more of your Notes in the event that the Guarantor shall cease to own, directly or indirectly, at least 51 per cent. of the outstanding voting stock or share capital, as the case may be, of the relevant Issuer. The terms of any additional put options will be set out in the Final Terms.

Following the exercise by you of a put option, in respect of that Note, as well as any accrued but unpaid interest, you will receive an amount equal to the Early Redemption Amount specified in the Final Terms (in the case of a Redemption on change of ownership of the Issuer) or the Optional Redemption Amount specified in the Final Terms (in the case of any other put option).

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents (excluding all information incorporated by reference in any such documents either expressly or implicitly and excluding any information or statements included therein either expressly or implicitly that is or might be considered to be forward-looking) which have previously been published or are provided simultaneously with this Prospectus and have been filed with the CSSF shall be deemed to be incorporated by reference in, and to form part of, this Prospectus:

(i) the financial statements of the Guarantor and the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2022 (including the following information set out in such financial statements of the Guarantor and such consolidated financial statements of the Nestlé Group) available at *https://www.nestle.com/sites/default/files/2023-02/2022-financial-statements-en.pdf*:

(a) Consolidated:

| | |
|---|---|
| Consolidated income statement | Page 72 |
| Consolidated statement of comprehensive income | Page 73 |
| Consolidated balance sheet | Pages 74-75 |
| Consolidated cash flow statement | Page 76 |
| Consolidated statement of changes in equity | Page 77 |
| Notes to the consolidated financial statements | Pages 79-155 |
| Companies of the Nestlé Group, joint arrangements and associates | Pages 156-173 |
| Report of the statutory auditor. Report on the audit of the consolidated financial statements | Pages 174-183 |

(b) Non-consolidated:

| | |
|---|---|
| Income statement | Page 189 |
| Balance sheet | Page 190 |
| Notes to the annual accounts | Pages 191-199 |
| Report of the statutory auditor. Report on the audit of the financial statements | Pages 202-204 |

The consolidated financial statements of the Guarantor comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and with Swiss law and the non-consolidated annual accounts of the Guarantor have been prepared in accordance with accounting principles required by Swiss law (32nd title of the Swiss Code of Obligations);

(ii) the financial statements of the Guarantor and the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2021 (including the following information set out in such financial statements of the Guarantor and such consolidated financial statements of the Nestlé Group) available at *https://www.nestle.com/sites/default/files/2022-02/2021-financial-statements-en.pdf*:

(a) Consolidated:

| | |
|---|---|
| Consolidated income statement | Page 70 |
| Consolidated statement of comprehensive income | Page 71 |
| Consolidated balance sheet | Pages 72-73 |

| | |
|---|---|
| Consolidated cash flow statement | Page 74 |
| Consolidated statement of changes in equity | Page 75 |
| Notes to the consolidated financial statements | Pages 77-152 |
| Companies of the Nestlé Group, joint arrangements and associates | Pages 154-170 |
| Statutory auditor's report on the audit of the consolidated financial statements | Pages 171-179 |

(b) Non-consolidated:

| | |
|---|---|
| Income statement | Page 185 |
| Balance sheet | Page 186 |
| Notes to the annual accounts | Pages 187-195 |
| Report of the statutory auditor on the financial statements | Pages 198-199 |

The consolidated financial statements of the Guarantor comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with Swiss law and the non-consolidated annual accounts of the Guarantor have been prepared in accordance with accounting principles required by Swiss law (32nd title of the Swiss Code of Obligations);

(iii) the Guarantor's Annual Review 2022 of the Nestlé Group for the financial year ended 31 December 2022 (including the following information set out in such Annual Review 2022 of the Nestlé Group) available at *https://www.nestle.com/sites/default/files/2023-03/2022-annual-review-en.pdf*:

| | |
|---|---|
| Financial review | Pages 44-67 |
| Corporate governance and compliance | Pages 68-74 |

(iv) the Annual Financial Report for the financial year ended 31 December 2022 of NHI and its subsidiaries (including the following information set out in such Annual Financial Report) available at *https://www.nestle.com/sites/default/files/2023-03/549300EAEU8YV8MQXP30-2022-12-31.pdf:*

| | |
|---|---|
| Report of Independent Auditors | Pages 10-14 |
| Consolidated income statement | Page 16 |
| Consolidated statement of comprehensive income | Page 17 |
| Consolidated balance sheet | Pages 18-19 |
| Consolidated cash flow statement | Page 20 |
| Consolidated statement of changes in equity | Page 21 |
| Notes to the consolidated financial statements | Pages 22-72 |

The consolidated financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB);

(v) the Annual Financial Report for the financial year ended 31 December 2021 of NHI and its subsidiaries (including the following information set out in such Annual Financial Report) available at *https://www.nestle.com/sites/default/files/2022-03/nestle-holdings-inc-fullyear-financial-report-2021-en.pdf*:

| | |
|---|---|
| Report of Independent Auditors | Pages 9-13 |
| Consolidated income statement | Page 14 |

| | |
|---|---|
| Consolidated statement of comprehensive income | Page 15 |
| Consolidated balance sheet | Pages 16-17 |
| Consolidated cash flow statement | Page 18 |
| Consolidated statement of changes in equity | Page 19 |
| Notes to the consolidated financial statements | Pages 20-71 |

The consolidated financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB);

(vi) the Annual Financial Report for the financial year ended 31 December 2022 of NFI (including the following information set out in such Annual Financial Report) available at *https://www.nestle.com/sites/default/files/2023-03/nestle-finance-international-ltd-fullyear-financial-report-2022-en.pdf:*

| | |
|---|---|
| Independent auditors' report | Pages 6-10 |
| Balance sheet | Page 12 |
| Income statement | Page 13 |
| Statement of comprehensive (loss) / income | Page 14 |
| Statement of changes in equity | Page 14 |
| Cash flows statement | Page 15 |
| Notes to the financial statements | Pages 16-34 |

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union as well as with the laws and regulations in force in the Grand Duchy of Luxembourg;

(vii) the Annual Financial Report for the financial year ended 31 December 2021 of NFI (including the following information set out in such Annual Financial Report) available at *https://www.nestle.com/sites/default/files/2022-03/nestle-finance-international-ltd-fullyear-financial-report-2021-en.pdf*:

| | |
|---|---|
| Independent auditors' report | Pages 6-11 |
| Balance sheet | Page 13 |
| Income statement | Page 14 |
| Statement of comprehensive (loss) / income | Page 15 |
| Statement of changes in equity | Page 15 |
| Cash flows statement | Page 16 |
| Notes to the financial statements | Pages 17-35 |

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union as well as with the laws and regulations in force in the Grand Duchy of Luxembourg;

(viii) the Terms and Conditions set out on pages 80-117 of the prospectus dated 30 May 2022 available at *https://www.nestle.com/sites/default/files/2022-05/base-prospectus-may-2022.pdf;*

(ix) the Terms and Conditions set out on pages 79-115 of the prospectus dated 28 May 2021 available at *https://www.nestle.com/sites/default/files/2021-05/base-prospectus-may-2021.pdf*;

(x) the Terms and Conditions set out on pages 84-121 of the prospectus dated 29 May 2020 available at *https://www.nestle.com/sites/default/files/2020-06/base-prospectus-may-2020.pdf*;

(xi) the Terms and Conditions set out on pages 87-118 of the prospectus dated 6 June 2019 available at *https://www.nestle.com/sites/default/files/2020-05/a41582821-nestle-dip-6-june-2019.pdf*;

(xii) the Terms and Conditions set out on pages 72-102 of the prospectus dated 19 May 2017 available at *https://www.nestle.com/sites/default/files/2020-05/a41568856-nestle-dip-19-may-2017.pdf*;

(xiii) the Terms and Conditions set out on pages 64-95 of the prospectus dated 23 May 2016 available at *https://www.nestle.com/sites/default/files/2020-05/a41568858-nestle-dip-23-may-2016.pdf*;

(xiv) the Terms and Conditions set out on pages 64-95 of the prospectus dated 29 May 2015 available at *https://www.nestle.com/sites/default/files/2020-05/a41568857-nestle-dip-29-may-2015.pdf*;

(xv) the Terms and Conditions set out on pages 48-77 of the prospectus dated 21 May 2014 available at *https://www.nestle.com/sites/default/files/2020-05/a41582822-nestle-dip-21-may-2014.pdf*;

(xvi) the Terms and Conditions set out on pages 45-73 of the prospectus dated 23 May 2013 available at *https://www.nestle.com/sites/default/files/2020-05/a41568855-nestle-dip-23-may-2013.pdf*; and

(xvii) the Terms and Conditions set out on pages 32-63 of the prospectus dated 10 May 2012 available at *https://www.nestle.com/sites/default/files/2020-05/a41568859-nestle-dip-10-may-2012.pdf*,

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any information which is not contained within the page numbers of the documents specified in paragraphs (i) to (xvii) above is not incorporated by reference in this Prospectus and is either not relevant to investors or is covered elsewhere in this Prospectus.

The audited consolidated financial statements of NHI do not comply with U.S. generally accepted accounting principles and are not meant for distribution in the U.S. or to be used for investment purposes by U.S. investors.

Copies of documents incorporated by reference in this Prospectus are available on the website of the Nestlé Group at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents* or on the website of the Luxembourg Stock Exchange at *http://www.luxse.com*, as applicable.

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which may affect the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

The Issuers and the Guarantor have undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale") to comply with Article 23 of the Prospectus Regulation.

The Guarantor's Annual Review 2022 of the Nestlé Group for the financial year ended 31 December 2022 contains certain financial performance measures, that are not defined by IFRS, that are used by the Guarantor to assess the financial and operational performance of the Nestlé Group. The Guarantor believes that these non-IFRS financial performance measures provide useful information regarding the Nestlé Group's business, and Nestlé Group's management considers these measures when analysing Nestlé Group's financial and operating performance. However, these measures should not be considered indications of, or alternatives to, corresponding measures determined in accordance with IFRS. In addition, such measures may not be comparable to similar measures presented by other companies. Such measures are disclosed, explained and/or reconciled with the Guarantor's IFRS measures as appropriate.

"**Organic Growth**" combines Real Internal Growth and Pricing and represents the growth of the business of Nestlé Group after removing the impact of acquisitions and divestitures and other changes in the Nestlé Group's scope of activity, and exchange rate movements. This provides a "like-for-like" comparison with the previous year, in constant scope and constant currency, enabling deeper understanding of the business dynamics which contributed to the Evolution of sales from one year to another.

In order to limit the distorting effect of hyperinflation, pricing in excess of around 2 per cent. per month (the level at which hyperinflation generally occurs) are excluded from Organic Growth calculations in hyperinflationary economies, with a corresponding adjustment in changes in exchange rates.

In addition, Venezuela and, since 1 January 2022, Nestlé Russia Region businesses (Russian Federation, Belarus, and countries managed by and highly dependent on Nestlé Russia (Kazakhstan, Uzbekistan, Georgia, Armenia, Azerbaijan, Turkmenistan, Tajikistan, Kirghizstan, and Mongolia)), are excluded from Organic Growth to remove the distorting effect on the like-for-like comparison due to limited freedom to operate in these extreme business environments. Corresponding impacts are recorded in the "effect of exchange rates" and "effect of acquisitions, divestitures and other changes in Nestlé Group scope activity".

The increases or decreases in sales of an acquired business compared to its historical baseline are included in Organic Growth immediately following the business combination, unless a reliable baseline for the 12 months prior to acquisition cannot be established, in which case all sales during the first 12 months of the acquisition are excluded from Organic Growth.

Sales of a divested business are removed from comparatives for the 12 months prior to the divestiture. Sales made under supply agreements related to the divested business are included in acquisitions and divestitures during a transitory period. The pricing impact of changes in the way that a business is transacted in an entire country (for example, establishing a local operating company instead of exporting to a distributor, or vice versa) are included in acquisitions and divestitures, respectively.

The effects of changes in foreign exchange rates are calculated as the current year's sales values converted at the current year's exchange rates, less the current year's sales converted at the prior year's rates.

"**Real Internal Growth**" represents the impact on sales of volume increases or decreases, weighted by the relative value per unit sold. It is calculated at the level of the individual product reference (stock-keeping unit) per distribution channel, by comparing the weighted sales (this year's volumes valued at the prior year's prices in local currency) to the prior year's sales. At the product level, it is therefore primarily driven by changes in volume, while when aggregated at Operating segments or Nestlé Group level, it embeds the impact of the evolution of the product mix.

Sales of newly launched products are included from the moment of launch which tends to increase the Real Internal Growth, while products which are discontinued have a negative impact on Real Internal Growth since the historical sales continue to be included in the prior year comparatives. This reflects in a balanced way the impacts of renovation and innovation and the impact on sales coming from ongoing product rationalisation

efforts. In hyperinflationary economies, the sales of newly launched products are deflated to the price level of the prior year.

As Real Internal Growth is a component of Organic Growth, it excludes the impact of changes in exchange rates and of acquisitions and divestitures (as described above).

"**Pricing**" is part of Organic Growth and represents the portion of sales growth caused by changes in prices over the period. It excludes the impact of Real Internal Growth, as well as the impact of acquisitions and divestitures, and exchange rates.

Analysing Pricing allows Nestlé Group's management to assess the degree to which inflationary (but not hyperinflation, see Organic Growth above) or deflationary factors have contributed to sales evolution, and the degree to which cost changes have been passed to customers.

"**Evolution of sales**" Nestlé Group uses Organic Growth (including Real Internal Growth and Pricing), exchange rate impacts, and the effects of acquisitions and divestitures in order to understand the Evolution of sales from one year to the prior year (either the increase or the decrease in the current year's sales compared with the prior year's sales, expressed as a percentage).

| **Total Nestlé Group** | **2022** | **2021** |
|---|---|---|
| Sales (CHF in millions) | 94,424 | 87,088 |
| Evolution of sales (as a percentage comparison to the prior year's sales) | +8.4% | +3.3% |

The reconciliation between Organic Growth (including Real Internal Growth and Pricing) to the total Evolution of sales is as follows:

| **Total Nestlé Group** | **2022 vs 2021** | **2021 vs 2020** |
|---|---|---|
| | (%) | (%) |
| Real Internal Growth | +0.1 | +5.5 |
| Pricing | +8.2 | +2.0 |
| **Organic Growth** | **+8.3** | **+7.5** |
| Effect of exchange rates | -0.9 | -1.3 |
| Effect of acquisitions, divestitures and other changes in Nestlé Group scope of activity | +1.1 | -2.9 |
| **Evolution of sales** | **+8.4** | **+3.3** |

"**Underlying Trading operating profit margin**" is when Underlying Trading operating profit is calculated as a percentage of sales. Underlying Trading operating profit is Trading operating profit before the impact of Other trading expenses and Other trading income (mainly restructuring costs, impairment of property, plant and equipment, and litigation and onerous contracts). See note 4, page 96 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2022 incorporated in, and forming part of, this Prospectus for more details of Other trading expenses and Other trading income.

The exclusion of these items allows tracking and better understanding and prediction of the results due to the day-to-day trading activities under the control of the operational management in the business units. It excludes the impacts of decisions (such as factory closures, disposal of a piece of real estate, or restructuring plans) made in conjunction with Zone or Globally Managed Business management, or litigations and disputes

or events which distort the underlying performance due to their frequency or the unpredictability of the outcome.

The reconciliation of Underlying Trading operating profit to Trading operating profit is as follows:

| **Total Nestlé Group**<br>(CHF in millions, except for Underlying Trading operating profit margin) | **2022** | **2021** |
|---|---|---|
| **Trading operating profit** | **13,195** | **12,159** |
| Add: | | |
| Other trading income | (107) | (171) |
| Other trading expenses | 3,015 | 3,131 |
| **Underlying Trading operating profit** | **16,103** | **15,119** |
| **Sales** | **94,424** | **87,088** |
| **Underlying Trading operating profit margin** | **17.1%** | **17.4%** |

"**Trading operating profit margin**" is when Trading operating profit is calculated as a percentage of Sales. Trading operating profit is a sub-total in the Nestlé Group's consolidated income statement, appearing above Operating profit. It excludes Other operating income and Other operating expenses. The items excluded from Trading operating profit represent the results of transactions and decisions taken at Nestlé Group level that are largely out of control of management of the operating segments (such as acquisitions, disposals or strategic alliances), or the impacts of events which are irregular in nature and difficult to predict (such as wars or natural disasters).

"**Profit margins in constant currency**" such as "Underlying Trading operating profit margin in constant currency" and "Trading operating profit margin in constant currency" are calculated as the ratio between profits and Sales, adjusted to eliminate the impact of changes in exchange rates.

When comparing the year-on-year change in profit margins, it is useful to eliminate the impact of changes in exchange rates in order to isolate the results generated by business operations from the effect of translation of these results into Swiss francs. This is done by converting both Sales and profits of the current year at the exchange rate of the prior year. The resulting profit margins can therefore be compared with the reported profit margins of the prior year to understand fundamental business trends.

The reconciliation of profit margins in constant currency is as follows:

| **Total Nestlé Group**<br>(CHF in millions, except for Underlying Trading operating profit margin and Trading operating profit margin) | **2022** | **2021** |
|---|---|---|
| **Sales** | **94,424** | **87,088** |
| Retranslation at prior year rates | 192 | 859 |
| **Sales in constant currency** | **94,616** | **87,947** |
| **Underlying Trading operating profit** | **16,103** | **15,119** |
| Retranslation at prior year rates | (2) | 154 |
| **Underlying Trading operating profit in constant currency** | **16,101** | **15,273** |
| **Underlying Trading operating profit margin (as reported)** | **17.1%** | **17.4%** |

| **Total Nestlé Group**<br>(CHF in millions, except for Underlying Trading operating profit margin and Trading operating profit margin) | **2022** | **2021** |
|---|---|---|
| Reported evolution (in basis points) | -30 bps | -30 bps |
| **Underlying Trading operating profit margin in constant currency** | **17.0%** | **17.4%** |
| Evolution in basis points compared to prior year as reported Underlying Trading operating profit margin | -40 bps | -30 bps |
| **Trading operating profit** | **13,195** | **12,159** |
| Retranslation at prior year rates | 84 | 143 |
| **Trading operating profit in constant currency** | **13,279** | **12,302** |
| **Trading operating profit margin (as reported)** | **14.0%** | **14.0%** |
| Reported evolution (in basis points) | +0 bps | -290 bps |
| **Trading operating profit margin in constant currency** | **14.0%** | **14.0%** |
| Evolution in basis points compared to prior year as reported Trading operating profit margin | +0 bps | -290 bps |

"**Underlying earnings per share**" is calculated by adjusting Net profit attributable to shareholders of the parent to remove the effects of Other trading income and Other trading expenses, Other operating income and Other operating expenses, and related tax effects. An adjustment is also made to eliminate Other trading income and Other trading expenses and Other operating income and Other operating expenses included in the Income from associates and joint ventures. Underlying earnings per share reflects the underlying earnings from trading operations for each share of the Guarantor.

"**Underlying earnings per share in constant currency**" is used when comparing the year-on-year change in Underlying earnings per share to eliminate the impact of changes in exchange rates in order to isolate the results generated by business operations from the effect of translation of these results into Swiss francs. This is done by converting the Underlying earnings per share of the current year at the exchange rate of the prior year. The resulting figure can therefore be compared with the Underlying earnings per share of the prior year to understand fundamental business trends.

The reconciliation of Net profit and Underlying earnings per share to Underlying earnings per share in constant currency is as follows:

| **Total Nestlé Group**<br>(CHF in millions, except for data per share or number of shares and Evolution) | **2022** | **2021** |
|---|---|---|
| **Net profit attributable to shareholders of the parent** | **9,270** | **16,905** |
| Add: | | |
| Restructuring costs | 273 | 311 |
| Impairment of property, plant and equipment, goodwill and intangible assets | 2,726 | 2,614 |
| Net result of disposal of businesses | 79 | (235) |
| Other adjustments in net other income/(expenses) | 699 | 750 |

| **Total Nestlé Group**<br>(CHF in millions, except for data per share or number of shares and Evolution) | **2022** | **2021** |
|---|---|---|
| Adjustment for income from associates and joint ventures | 391 | (7,270) |
| Tax effect on above items and adjustment of one-off tax items | (418) | (684) |
| Adjustment in non-controlling interests | (32) | (57) |
| **Underlying net profit** | **12,988** | **12,334** |
| Retranslation at prior year rates | 117 | 87 |
| **Underlying net profit in constant currency** | **13,105** | **12,421** |
| Weighted average number of shares outstanding (in millions of shares) | 2,707 | 2,788 |
| **Underlying earnings per share (as reported)** | **4.80** | **4.42** |
| **Underlying earnings per share in constant currency** | **4.84** | **4.46** |
| Evolution in % compared to prior year as reported Underlying earnings per share (unrounded) | +9.4% | +5.8% |

"**Net financial debt**" represents the net level of financial debt contracted by the Nestlé Group with external parties (for example, bonds, commercial paper) after considering cash and investments readily convertible into cash. As per the table below, it is composed of the current and non-current financial debt, derivatives hedging financial debt and liquid assets less cash and cash equivalent and short-term investments.

The composition of the Net financial debt is as follows:

| **Total Nestlé Group**<br>(CHF in millions) | **2022** | **2021** |
|---|---|---|
| Current financial debt | (10,892) | (10,092) |
| Non-current financial debt | (43,420) | (36,482) |
| Derivatives [(a)] | (534) | (338) |
| Cash and cash equivalents | 5,511 | 6,988 |
| Short-term investments | 1,176 | 7,007 |
| **Net financial debt** | **(48,159)** | **(32,917)** |

[(a)] Related to Net debt and included in Derivative assets and Derivative liabilities balances of the Consolidated balance sheet.

See note 16.5, page 147 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2022 incorporated in, and forming part of, this Prospectus for more details on the composition of the Net financial debt and a reconciliation of the year-on-year Net financial debt evolution. See note 12.2e, page 139 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2022 incorporated in, and forming part of, this Prospectus for more details on the monitoring of the Net financial debt.

"**Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation**" ("**Adjusted EBITDA**") is used as a measure of the ability of the Nestlé Group to generate enough cash from earnings to repay its net financial debt. It is computed as follows:

| **Total Nestlé Group**<br>(CHF in millions) | **2022** | **2021** |
|---|---|---|
| **Trading operating profit** | **13,195** | **12,159** |
| Add: | | |
| Net other trading income/(expenses) | 2,908 | 2,960 |
| Depreciation and amortisation | 3,541 | 3,440 |
| **Adjusted EBITDA** | **19,644** | **18,559** |

When Net financial debt is divided by Adjusted EBITDA, this yields a ratio which is used to monitor the Nestlé Group's financing capacity.

"**Free cash flow**" represents the cash generating capability of the Nestlé Group to pay dividends, repay providers of capital, or carry out acquisitions, if any. As per the table below, it equals Operating cash flow less capital expenditure, expenditure on intangible assets and other investing activities.

Reconciliation of Operating cash flow to Free cash flow for the year is as follows:

| **Total Nestlé Group**<br>(CHF in millions) | **2022** | **2021** |
|---|---|---|
| Operating cash flow | 11,907 | 13,864 |
| Capital expenditure | (5,095) | (4,880) |
| Expenditure on intangible assets | (266) | (461) |
| Other investing activities | 24 | 192 |
| **Free cash flow** | **6,570** | **8,715** |

"**Working capital**" is the sum of trade net working capital, composed of Inventories, Trade receivables and Trade payables, and other components such as some Other receivables and Other payables, some prepayments and some accruals. The Nestlé Group monitors average Working capital to evaluate how efficient it is at managing its operating cash conversion cycle. The average of Working capital for the last five quarters is divided by sales for the 12 months immediately preceding the reporting date to determine the average Working capital as a percentage of sales.

The average Working capital as a percentage of sales is determined as follows:

| **Total Nestlé Group**<br>(CHF in millions) | **5-quarters average 2022** | **5-quarters average 2021** |
|---|---|---|
| Trade receivables | 8,958 | 8,457 |
| Inventories | 14,276 | 11,420 |
| Trade payables | (15,822) | (14,347) |
| **Average Trade Working capital** | **7,412** | **5,530** |
| Other receivables | 2,467 | 2,691 |

| **Total Nestlé Group**<br>(CHF in millions) | **5-quarters average 2022** | **5-quarters average 2021** |
|---|---|---|
| Other payables | (4,022) | (3,961) |
| Other elements of Working capital [(a)] | (4,041) | (4,196) |
| **Average of other elements of Working capital** | **(5,596)** | **(5,466)** |
| **Average of Working capital** | **1,816** | **64** |
| **Sales** | **94,424** | **87,088** |
| **Average Working capital as a % of Sales** | **1.9%** | **0.1%** |

[(a)] Mainly composed of prepayments (assets) and accruals (liabilities).

**"Return on invested capital ("ROIC")"** is a measure of performance which integrates both measures of profitability and measures of capital efficiency. The numerator is Trading operating profit before litigation and miscellaneous trading income/(expenses), net of tax. This figure is divided by average Invested capital during the year. Invested capital is a measure of the operational assets used to generate the results of the business, excluding financing, tax and cash-management activities. Further details of the definition of Invested capital can be found in note 3, page 87 of the consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2022 incorporated in, and forming part of, this Prospectus.

"**Return on invested capital before Goodwill ("GW") and Intangible Assets ("IA")**" is used to eliminate the distortions caused by the different treatments of goodwill in the past and internally and externally generated intangible assets. This removes from the analysis the impact of varying acquisition activities over time. This measure is calculated by removing the average goodwill and intangible assets value from the average invested capital (see above).

The calculation of Return on invested capital is shown below:

| **Total Nestlé Group**<br>(CHF in millions) | **2022** | | **2021** | |
|---|---|---|---|---|
| | **Before GW & IA** | **After GW & IA** | **Before GW & IA** | **After GW & IA** |
| **Trading operating profit** | **13,195** | **13,195** | **12,159** | **12,159** |
| Add: | | | | |
| Net other trading income/(expenses) | 2,908 | 2,908 | 2,960 | 2,960 |
| **Underlying Trading operating profit** | **16,103** | **16,103** | **15,119** | **15,119** |
| Less: | | | | |
| Impairment of property, plant and equipment | (403) | (403) | (344) | (344) |
| Restructuring costs | (273) | (273) | (311) | (311) |
| Impairment of intangible assets (excluding goodwill and non-commercialised intangible assets) | | (1,687) | | (1,749) |

| **Total Nestlé Group**<br>(CHF in millions) | **2022** | | **2021** | |
|---|---|---|---|---|
| Impairment of goodwill and non-commercialised intangible assets ..... | | (636) | | (521) |
| **Trading operating profit before litigation and miscellaneous trading income/ (expenses)** ..... | **15,427** | **13,104** | **14,464** | **12,194** |
| Tax rate (a) ..... | (3,224) | (2,739) | (2,994) | (2,524) |
| **Trading operating profit before litigation and miscellaneous trading income/ (expenses), net of tax**..... | **12,203** | **10,365** | **11,470** | **9,670** |
| Average Invested capital (note 3.2) ..... | 31,000 | 31,000 | 27,484 | 27,484 |
| Average goodwill and intangible assets (note 3.2) ..... | | 53,844 | | 51,966 |
| Average Invested capital, goodwill and intangible assets..... | | 84,844 | | 79,450 |
| **ROIC** ..... | **39.4%** | **12.2%** | **41.7%** | **12.2%** |

(a) Based on the Nestlé Group Underlying Tax Rate (UTR) of 20.9% (2021: 20.7%).

## FORM OF THE NOTES

*General*

Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this "Form of the Notes". Notes in bearer form (other than (i) Notes issued by NHI that have an initial maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), a minimum denomination of U.S.$500,000 (or the equivalent value in any other currency, determined at the spot rate on the issue date) and, as specified in the applicable Final Terms, are issued in compliance with the requirements of United States Treasury Regulations Section 1.6049-5(b)(10) or (ii) Notes issued by NFI that have a maturity of one year or less) constituting a separate identifiable tranche (within the meaning of Regulation S under the Securities Act) will initially be represented by a Temporary Global Note which will:

(a) if the global Notes are intended to be issued in new global note ("NGN") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"); and

(b) if the global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream and/or a nominee for any other relevant clearing system (as applicable).

Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) may not be issued in bearer form by NHI.

Notes (including Registered Notes, as defined and described below) may be issued in a form that permits them to be held in a manner which will allow Eurosystem eligibility. The applicable Final Terms will indicate whether or not Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication in the applicable Final Terms that the Notes are to be so held means that the Notes are to be deposited with the Common Safekeeper (and in the case of Registered Notes, registered in the name of a nominee of the Common Safekeeper) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. Any indication in the applicable Final Terms that the Notes are not to be so held means that should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting such criteria, the Notes may then be deposited with the Common Safekeeper (and in the case of Registered Notes, registered in the name of a nominee of the Common Safekeeper) and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

If the global Note is a NGN, the nominal amount of the Notes represented by such global Notes will be the aggregate from time to time entered in the records of both Euroclear and Clearstream. The records of Euroclear and Clearstream (which expression in such global Note means the records that each of Euroclear and Clearstream holds for its customers which reflect the amount of each such customer's interest in the Notes) will be conclusive evidence of the nominal amount of Notes represented by such global Note and, for such purposes, a statement issued by Euroclear and/or Clearstream, stating that the nominal amount of Notes represented by such global Note at any time will be conclusive evidence of the records of Euroclear and/or Clearstream at that time, as the case may be.

Interests in the Temporary Global Note will be exchangeable as described therein either for:

(i) interests in a Permanent Global Note (without interest coupons or talons); or

(ii) security printed definitive Notes,

(as indicated in the applicable Final Terms) in each case upon receipt by the Issuer or the Agent from Euroclear or Clearstream or any other relevant clearing system of the requisite certifications as described under "Certifications" below on or after the date (the "Exchange Date") which is a date no earlier than the first day which is 40 days after:

(a) completion of the distribution of the relevant Tranche of Notes; and

(b) the settlement date with respect to such Tranche of Notes,

provided, however, that the Issuer may, in its sole discretion, extend the Exchange Date for such reasonable period of time as the Issuer may deem necessary in order to ensure that the issuance of such identifiable Tranche of Notes is exempt from registration under the Securities Act by virtue of Regulation S thereunder.

Each Permanent Global Note will, if specified in the applicable Final Terms, be exchangeable in whole, but not in part, for definitive Notes with, where applicable, interest coupons and talons attached: (i) at the request of the relevant Issuer; (ii) upon the Noteholders instructing Euroclear or Clearstream or any other agreed clearing system in which such Permanent Global Note is being held to give at least 60 days' written notice to the Agent, subject to the payment of costs in connection with the printing and distribution of the definitive Notes, if specified in the applicable Final Terms; and/or (iii) (free of charge) upon the occurrence of an Exchange Event (as defined below).

For these purposes "Exchange Event" means that (i) an Event of Default (as defined in Condition 9 under the "Terms and Conditions of the Notes") has occurred and is continuing; (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, or any other agreed clearing system in which such Permanent Global Note is being held, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, as a result, Euroclear and Clearstream or such other agreed clearing system in which such Permanent Global Note is being held are no longer willing or able to discharge properly their responsibilities with respect to such Notes and the Agent and the relevant Issuer are unable to locate a qualified successor; or (iii) as a result of a change in law after the relevant Issue Date, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 under the "Terms and Conditions of the Notes" if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream and/or any other agreed clearing system in which such Permanent Global Note is being held (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice to the Agent.

Swiss Notes will be represented exclusively by a Permanent Global Note which will be deposited with the relevant intermediary on or prior to the original issue date as described in Condition 1 under the "Terms and Conditions of the Notes". The permanent Global Note will be exchangeable for definitive Notes only as described in Condition 1 under the "Terms and Conditions of the Notes".

*Interest, Principal and Other Payments Prior to Exchange Date*

In the case of a Temporary Global Note that provides for payment of any interest, principal or other amounts prior to the Exchange Date, a member organisation appearing in the records of Euroclear or

Clearstream as entitled to a portion of the principal amount of such Temporary Global Note (a "Member Organisation") must provide an Owner Tax Certification (as defined below) to Euroclear or Clearstream, and Euroclear or Clearstream must provide to the Issuer and the Agent a certification substantially in the form attached as Annex A to the Temporary Global Note (a "Depositary Tax Certification"), in each case, prior to the payment of interest or, if applicable, principal. A Depositary Tax Certification may be provided in electronic form only if it satisfies the requirements in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii), as it may be amended or any successor regulation regarding certification requirements for foreign targeted bearer notes. Until an Owner Tax Certification is provided by the Member Organisation to Euroclear or Clearstream, and the Issuer or the Agent receives from Euroclear or Clearstream a Depositary Tax Certification, such Member Organisation will not be entitled to receive any interest or, if applicable, principal with respect to its interest in the Temporary Global Note or to exchange its interest therein for a portion of the Permanent Global Note or for definitive Notes. Prior to the exchange of the Member Organisation's interest in the Temporary Global Note for a portion of the Permanent Global Note or for definitive Notes, a Member Organisation must also provide the Owner Securities Certification (as defined below), and Euroclear or Clearstream must provide to the Issuer or the Agent a certification in the form set out in such Temporary Global Note (a "Depositary Securities Certification").

*Exchange Date Prior to Interest, Principal and Other Payments*

In the case of a Temporary Global Note that does not provide for payment of any interest, principal or other amounts prior to the Exchange Date, the Member Organisation must provide to Euroclear or Clearstream an Owner Tax Certification and an Owner Securities Certification (which may be combined in one certification form), and Euroclear or Clearstream must provide to the Issuer or the Agent a Depositary Tax Certification and a Depositary Securities Certification (which may be combined in one certification form). Until the requisite certifications are provided by the Member Organisation to Euroclear or Clearstream, and the Issuer or the Agent receives from Euroclear or Clearstream the requisite certifications to the Issuer, such Member Organisation shall not be entitled to receive any interest or, if applicable, principal with respect to its interest in the Temporary Global Note or to exchange its interest in the Temporary Global Note for a portion of the Permanent Global Note or for definitive Notes.

*Certifications – Bearer Notes*

As described above, no interest or, if applicable, principal will be paid on any Temporary Global Note and no exchange of a Temporary Global Note for a portion of the Permanent Global Note or for definitive Notes may occur until the beneficial owner, as the person entitled to receive such interest or, if applicable, principal or a portion of the Permanent Global Note or definitive Notes, furnishes written certification (the "Owner Tax Certification"), substantially in the form attached as Annex B to the Temporary Global Note to the effect that such person (i) is not a United States person (as defined under the United States Internal Revenue Code of 1986, as amended (the "Code") and the United States Treasury Regulations thereunder), (ii) is a foreign branch of a United States financial institution purchasing for its own account or for resale, or is a United States person who acquired the Note through such financial institution and who holds the Note through such financial institution on the date of the certificate, provided in either case that such financial institution provides a certificate to the Issuer or the distributor selling the Note to it stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Code and the United States Treasury Regulations thereunder, or (iii) is a financial institution holding for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7), as it may be amended or any successor regulation regarding certification requirements for foreign targeted bearer notes). A financial institution described in clause (iii) of the preceding sentence (whether or not also described in clause (i) or (ii)) must certify that it has not acquired the Note for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions. An Owner Tax Certification may be provided in electronic form only if it satisfies the

requirements in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii), as it may be amended or any successor regulation regarding certification requirements for foreign targeted bearer notes.

Notwithstanding the foregoing, an Owner Tax Certification or a Depositary Tax Certification is not required with respect to (i) Notes issued by NFI that have a maturity of one year or less, (ii) Notes issued by NHI or (iii) Registered Notes as defined and described below.

As described above, prior to the exchange of the Member Organisation's interest in the Temporary Global Note for a portion of the Permanent Global Note or for definitive Notes, the Member Organisation must provide a written certification that the beneficial owner is not a U.S. person or that the beneficial owner acquired its interest in a transaction that did not require registration under the Securities Act (an "Owner Securities Certification"). For purposes of the Owner Securities Certification, "U.S. person" shall have the meaning set forth in Section 902(k) of Regulation S.

Payments of principal and interest (if any) on a Permanent Global Note will be made to or to the order of the holder thereof (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) outside the United States and its possessions without any requirement for certification. A Permanent Global Note will be exchangeable in whole or (provided Euroclear and Clearstream will regard all the Notes of the relevant Series as fungible) in part for definitive Notes with, where applicable, interest coupons and talons attached upon not less than 60 days' written notice (or, in the case of Notes with a maturity of less than 60 days, within a reasonable period of time) to the Agent from Euroclear and/or Clearstream (which shall be provided at the request of any beneficial owner of an interest in the Permanent Global Note) or, in the case of a Permanent Global Note held otherwise than on behalf of Euroclear and/or Clearstream, from the holder thereof (upon the request of any beneficial owner if such person is different from the holder). Permanent Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At present, neither Euroclear nor Clearstream regard Notes in global form as fungible with Notes in definitive form. As long as this is the case, it is understood that any holder of a beneficial interest in the Permanent Global Note can cause the exchange of all interests in the Permanent Global Note for definitive Notes.

In the event that a global Note held on behalf of Euroclear and/or Clearstream (or any part thereof) has become due and repayable in accordance with the Conditions or that the Maturity Date has occurred and payment in full of the amount due has not been made to the bearer in accordance with the terms thereof and the Conditions, then the global Note will become void. At the same time accountholders with Euroclear and/or Clearstream having such Notes (other than definitive Notes) credited to their accounts will become entitled to proceed directly against the Issuer, on the basis of statements of account provided by Euroclear and/or Clearstream, under the terms of Clause 28 of the Agency Agreement (as defined under "Terms and Conditions of the Notes" below).

*Security Codes*

Pursuant to the Agency Agreement, the Agent (as so defined) shall, where Notes are held by or on behalf of Euroclear, Clearstream and/or any other relevant clearing system, arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned security code numbers by Euroclear, Clearstream and/or such other relevant clearing system which are different from the security code numbers assigned to Notes of any other Tranche of the same Series until the Exchange Date with respect to the Notes of such Tranche as certified by the Agent to the relevant Dealer.

*Legends*

The following legend will appear on all Notes with a maturity of more than one year if issued by NFI, other than Registered Notes (as defined and described below) and on all interest coupons and talons relating to such Notes attached thereto:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections of the U.S. Internal Revenue Code of 1986 referred to above provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

For United States federal income tax purposes each Temporary Global Note, each Permanent Global Note and each definitive Note issued by NHI in bearer form which has an original maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), a minimum denomination of U.S.$500,000 (or the equivalent value in any other currency, determined at the spot rate on the issue date) and, as specified in the applicable Final Terms, is intended to comply with United States Treasury Regulations Section 1.6049-5(b)(10) (or, if the obligation is evidenced by a book entry, appears in the book or record in which the book entry is made) will carry the following legend:

"By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in section 6049(b)(4) of the Internal Revenue Code and regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder)."

*Registered Notes*

Notes may be issued in registered form by NHI ("Registered Notes"), subject to applicable laws and regulations. Except as described in the following paragraph, each Tranche of Registered Notes will be represented on issue by a registered global Note (each a "Registered Global Note") which will be (a) if the applicable Final Terms specify the Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure ("NSS")), deposited on the relevant Issue Date with the Common Safekeeper; or (b) if the applicable Final Terms specify the Registered Notes are not intended to be held in a manner which would allow Eurosystem eligibility, deposited on the relevant Issue Date with a nominee or a depositary or common depositary for the agreed clearing system(s). Such Registered Global Note will not be exchangeable for Registered Notes in definitive form except on an Exchange Event (as that term is defined in the Registered Global Note). With respect to each Tranche of Registered Notes, NHI has appointed, under the Note Agency Agreement (as defined under "Terms and Conditions of the Notes"), a registrar and a transfer agent and paying agent and may appoint other or additional transfer agents or paying agents, either generally or in respect of a particular Series of Registered Notes.

*Final Terms*

The applicable Final Terms will specify whether the Notes will be represented by:

(i) a Temporary Global Note in bearer form without interest coupons or talons which will be deposited with a common depositary or, as the case may be, a common safekeeper for Euroclear and Clearstream on or about the Issue Date or a date as specified in the applicable Final Terms; and that the Temporary Global Note is exchangeable for a Permanent Global Note in bearer form on and after the Exchange Date and (except for Notes (i) with an initial maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), a minimum denomination of U.S.$500,000 (or its equivalent value in any other currency, determined at the spot rate on the Issue Date) and specified in the applicable Final Terms as intended to comply with United States Treasury Regulations Section 1.6049-5(b)(10) and (ii) as specified in the applicable Final Terms, that have been issued in reliance on the TEFRA C Rules) upon certification of non-U.S. beneficial ownership; or

(ii) a Temporary Global Note in bearer form without interest coupons or talons which will be deposited with a common depositary or, as the case may be, a common safekeeper for Euroclear and Clearstream on or about the Issue Date or a date as specified in the applicable Final Terms; and that the Temporary Global Note is exchangeable for security printed definitive Notes on and after the Exchange Date and (except for Notes (i) with an initial maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), a minimum denomination of U.S.$500,000 (or its equivalent value in any other currency, determined at the spot rate on the Issue Date) and specified in the applicable Final Terms as intended to comply with United States Treasury Regulations Section 1.6049-5(b)(10) and (ii) as specified in the applicable Final Terms, that have been issued in reliance on the TEFRA C Rules) upon certification of non-U.S. beneficial ownership;

(iii) a Permanent Global Note in bearer form without interest coupons or talons which will be deposited with a common depositary or, as the case may be, a common safekeeper for Euroclear and Clearstream on or about the Issue Date or a date as specified in the applicable Final Terms; and that the Permanent Global Note is exchangeable (free of charge) in whole, but not in part, for security printed definitive Notes either (a) at the request of the Issuer; and/or (b) upon the occurrence of an Exchange Event (as defined in the Permanent Global Note); and/or (c) upon not less than 60 days' written notice being given to the Agent by the relevant Clearing Systems or any other agreed clearing system acting on the instructions of any holder of an interest in the Permanent Global Note; or

(iv) in the case of NHI only, a Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream or a common safekeeper for Euroclear and Clearstream exchangeable (free of charge) for security printed definitive Notes only upon an Exchange Event (as defined in the Registered Global Note).

The exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream (acting on the instructions of any holder) or at any time at the request of the relevant Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in any other currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in any other currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes to be issued by an Issuer which will be incorporated by reference into each global Note and which will be endorsed upon or attached to each definitive Note (if any). The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note.*

This Note is one of a Series (as defined below) of Notes issued subject to, and with the benefit of (except in the case of Registered Notes (as defined below)) an amended and restated Agency Agreement dated 30 May 2022, as further amended and/or supplemented and/or restated from time to time, (the "Agency Agreement") made between, *inter alia*, the Issuer, Nestlé S.A. as guarantor (the "Guarantor"), Citibank, N.A., London Branch as issuing and principal paying agent and, if so specified in the applicable Final Terms, as calculation agent (the "Agent", which expression shall include any successor agent or any other calculation agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents).

Notes in registered form issued by Nestlé Holdings, Inc. ("Registered Notes") are issued subject to, and with the benefit of, an amended and restated Note Agency Agreement dated 30 May 2022 (the "Note Agency Agreement") and made between Nestlé Holdings, Inc. as Issuer, the Guarantor, Citibank Europe plc as registrar (the "Registrar", which expression shall include any successor registrar) and Citibank, N.A., London Branch as a transfer agent and paying agent (the "Transfer Agent", which expression shall include any additional or successor transfer agent or paying agent appointed for Registered Notes).

References in these Terms and Conditions to the "Issuer" shall be references to the party specified as such in the applicable Final Terms (as defined below). References herein to the "Notes" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination (as defined below) in the Specified Currency (as defined below) of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a temporary global Note, a permanent global Note or a global Registered Note and (iii) any global Note.

Interest bearing definitive Notes in bearer form (unless otherwise indicated in the applicable Final Terms) have interest coupons ("Coupons") and, if indicated in the applicable Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference herein to "Noteholders" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream"), be construed as provided below. Any reference herein to "Couponholders" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The Final Terms applicable to this Note are attached hereto or endorsed hereon and supplement these Terms and Conditions. References herein to the "applicable Final Terms" are to the Final Terms attached hereto or endorsed hereon.

As used herein, "Series" means each original issue of Notes together with any further issues expressed to form a single series with the original issue and the terms of which (save for the Issue Date, and/or the amount, and/or the date of the first payment of interest thereon, and/or the date from which interest starts to accrue and/or the Issue Price, as applicable (as indicated in the applicable Final Terms)) are identical (including

Maturity Date, Interest Basis, Redemption/Payment Basis and Interest Payment Dates (if any) and whether or not the Notes are admitted to trading). As used herein, "Tranche" means all Notes of the same Series with the same Issue Date and Interest Commencement Date (if applicable).

Copies of the Agency Agreement (i) are available at the specified offices of the Agent and each of the other Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Agent or any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Agent or the relevant Paying Agent, as the case may be). Copies of the Note Agency Agreement (if the Notes are Registered Notes) (i) are available for inspection by holders of Registered Notes at the specified offices of the Registrar and the Transfer Agent or (ii) may be provided by email to a holder of Registered Notes following their prior written request to the Registrar or the Transfer Agent and provision of proof of holding and identity (in a form satisfactory to the Registrar or the Transfer Agent, as the case may be). If the Notes are offered to the public in a Member State of the European Economic Area or admitted to trading on the regulated market operated by the Luxembourg Stock Exchange, the Final Terms applicable to the Notes are available for viewing on the Nestlé Group investor relations website at *www.nestle.com/investors* and are expected to be published on the website of the Luxembourg Stock Exchange. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are binding on them. The holders of Registered Notes are deemed to have notice of the Note Agency Agreement, which is binding on them.

Words and expressions defined in the Agency Agreement or (if the Note is a Registered Note) in the Note Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement, (if the Note is a Registered Note) the Note Agency Agreement or the applicable Final Terms, the applicable Final Terms will prevail.

A global Note may be exchanged in whole or, in certain circumstances, in part for definitive Notes upon request by any holder of an interest therein in accordance with these Terms and Conditions, the provisions of the relevant global Note and as specified in the applicable Final Terms.

## 1 Form, Denomination, Title and Transfer

The Notes may be issued in bearer form ("Bearer Notes") or registered form, as set out in the applicable Final Terms and, in the case of definitive Bearer Notes, serially numbered, in the currency (the "Specified Currency") and in the denominations (the "Specified Denomination(s)") as specified in the applicable Final Terms; provided that, Bearer Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) may not be issued by Nestlé Holdings, Inc.

Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Each Note may be a Note bearing interest on a fixed rate basis ("Fixed Rate Note"), a Note bearing interest on a floating rate basis ("Floating Rate Note"), a Note issued on a non-interest bearing basis ("Zero Coupon Note") or any combination of the foregoing, depending upon the interest basis specified in the applicable Final Terms.

Bearer Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery. The holder of each Coupon, whether or not such Coupon is attached to the Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. Subject as set out below, the Issuer, the Guarantor and any Paying Agent may deem and treat the bearer of any Bearer Note or Coupon as the absolute owner

thereof (whether or not overdue and notwithstanding any notice to the contrary, including any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Bearer Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, any Paying Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Bearer Note or registered holder of the global Registered Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly).

Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, as the case may be.

Title to Registered Notes passes on due endorsement in the relevant register which Nestlé Holdings, Inc. shall procure to be kept by the Registrar.

Subject as set out above, except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Registered Note shall be deemed to be and may be treated as the absolute owner of such Registered Note for all purposes, whether or not such Registered Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person shall be liable for so treating such registered holder (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly).

Provisions relating to the transfer of Registered Notes are set out in the Registered Note and the Note Agency Agreement.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, except in relation to Bearer Notes in new global note ("NGN") form or Registered Notes intended to be held in a manner which would allow Eurosystem eligibility (being the new safekeeping structure ("NSS") and hereinafter referred to as "held under the NSS"), be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent.

Swiss Notes will be represented exclusively by a Permanent Global Note which will be deposited with the relevant intermediary on or prior to the original issue date.

No physical delivery of the Notes shall be made unless and until Notes in definitive form shall have been printed. The Permanent Global Note will be exchangeable for definitive Notes in whole but not in part, only if the Swiss agent should, after consultation with the Issuer, deem the printing of definitive Notes to be necessary or useful or, if the presentation of definitive Notes (with any relevant Coupons attached) is required by Swiss or other applicable laws and regulations in connection with the enforcement rights of holders of Notes. Should the Swiss agent so determine, it shall provide for the printing of definitive Notes without cost to the holders of the Notes. If printed, definitive Notes will be issued and delivered exclusively in registered form for United States federal tax purposes whereby, *inter alia*, title will pass exclusively upon due endorsement in a register (the "Swiss Register") to be established and maintained by a registrar (the "Swiss Registrar") appointed by the Issuer and acting on its behalf after consultation with the Swiss agent. Any issue and delivery of definitive

Notes will be duly notified to the holders of the Notes in accordance with Condition 14. In no circumstances will definitive Notes be issued and delivered in bearer form. If issued and delivered, definitive Notes will be issued to each holder of the relevant Notes in respect of its registered holding of such Notes. If definitive Notes are issued and delivered, the Swiss Global Note will immediately be cancelled by the Swiss agent and the relevant holders registered in the Swiss Register against cancellation of the relevant Notes in such holders securities account. Definitive Notes shall not be deposited with the Intermediary and, therefore shall not constitute Intermediated Securities.

As a matter of Swiss law a holder of an interest in the Permanent Global Note retains a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of the Notes represented by the Permanent Global Note in which such person has an interest, provided that for so long as the Permanent Global Note remains deposited with an Intermediary, the co-ownership interest shall be suspended and the Notes may only be transferred by the entry of the transferred Notes in a securities account of the transferee.

## 2 Status of the Notes and Guarantee

(a) The Notes and any relative Coupons are direct, unconditional, unsecured (subject to the provisions of Condition 3) and unsubordinated obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding (other than obligations mandatorily preferred by law).

(b) The payment of the principal and interest in respect of each Note has been irrevocably guaranteed by the Guarantor pursuant to the Guarantee dated the Issue Date (the "Guarantee") which has been deposited for the benefit of the Noteholders and Couponholders with the Agent. Each Guarantee will be in the form (subject to completion) scheduled to the Agency Agreement.

## 3 Negative Pledge

So long as any of the Notes remain outstanding:

(a) the Issuer will procure that, provided that security upon its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for governmental approvals, no Relevant Indebtedness (as defined below) now or hereafter existing of the Issuer and no guarantee or indemnity by the Issuer of any Relevant Indebtedness of any Subsidiary (as defined below) of the Issuer will be secured by any mortgage, charge, lien, pledge or other security interest upon, or with respect to, the whole or any part of the present or future revenues or assets of the Issuer unless in any such case the Issuer shall, simultaneously with, or prior to, the creation of such security interest, take any and all action necessary to procure that all amounts payable under the Notes are secured by such security interest equally and rateably or such other security interest is provided for such amounts as is not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders; and

(b) the Guarantor will procure that, provided that security upon its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for governmental approvals, no Relevant Indebtedness now or hereafter existing of the Guarantor and no guarantee or indemnity by the Guarantor of any Relevant Indebtedness of the Issuer or any Subsidiary of the Issuer will be secured by any mortgage, charge, lien, pledge or other security interest upon, or with respect to, the whole or any part of the present or future revenues or assets of the Guarantor unless in any such case the Guarantor shall, simultaneously with, or prior to, the creation of such security interest, take any and all action necessary to procure that all amounts payable under the Guarantee are secured by such security interest equally and rateably or

such other security interest is provided for such amounts as is not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders, provided that in the event of a merger, amalgamation or consolidation of the Guarantor with another company the provisions of this Condition 3(b) shall not apply with regard to any security in respect of any Relevant Indebtedness over the assets of that other company which security exists at the time of such merger, amalgamation or consolidation (other than any such security created in contemplation thereof) and any such security thereafter created by the resulting or surviving entity in substitution for the aforesaid security over assets the value of which does not materially exceed the current value of the assets subject to such security immediately prior to such merger, amalgamation or consolidation.

For the purposes of this Condition 3, "Relevant Indebtedness" means any indebtedness now or hereafter existing which is in the form of or represented or evidenced by any bonds, notes or other securities which, in any such case, are or are capable of being listed on any recognised stock exchange and "Subsidiary" means any company of which the Issuer shall own more than 50 per cent. of the outstanding voting stock of such company.

## 4 Interest

### *(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms (or the Issue Date, if no Interest Commencement Date is separately specified) to (but excluding) the Maturity Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest so specified. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date. If the Notes are in definitive form, except as provided in the applicable Final Terms, or if the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) applies in the case of Notes represented by a global Note, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount as specified in the applicable Final Terms. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified. Any Fixed Coupon Amount or Broken Amount(s) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

As used in these Terms and Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date or the Issue Date, as the case may be) to (but excluding) the next (or first) Interest Payment Date or Maturity Date.

Unless specified otherwise in the applicable Final Terms, the "Following Business Day Convention" will apply to the payment of all Fixed Rate Notes, meaning that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due. If the "Modified Following Business Day Convention" is specified in the applicable Final Terms for any Fixed Rate Note, it shall mean that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due unless it would thereby fall into the next calendar month in which event the full amount of payment shall be made on the immediately preceding Business Day as if made on the day such payment was due. Unless specified otherwise in the applicable Final Terms, the amount of interest due shall not be changed if payment is made on a day other than an Interest Payment Date or the Maturity Date as a result of the application of a Business Day Convention specified above or other Business Day Convention specified in the applicable Final Terms.

Except in the case of (i) Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms or (ii) Notes represented by a global Note where the applicable Final Terms specify that a Fixed Coupon Amount or a Broken Amount shall apply, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note; or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction (as specified in the applicable Final Terms) and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Terms and Conditions, "Day Count Fraction" means (unless specified otherwise in the applicable Final Terms):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next scheduled Interest Payment Date or the Maturity Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360 and, in the case of an incomplete month, the number of days elapsed; and

"Determination Period" means each period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

***(b) Interest on Floating Rate Notes***

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms (or the Issue Date, if no Interest Commencement Date is separately specified) and at the rate equal to the Rate of Interest payable in arrear on the Maturity Date and on either:

(A) the Specified Interest Payment Date(s) (each, together with the Maturity Date, an "Interest Payment Date") in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with the Maturity Date, an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date or Issue Date, as applicable.

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, "Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the Business Day Convention specified is:

(1) in any case where a Specified Period is specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below in this sub-paragraph (1) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls within the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "Business Day" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each place as is specified in the applicable Final Terms (each an "Additional Business Centre"); and

(B) (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the "TARGET2 System") is open; or (3) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong. Unless otherwise provided in the applicable Final Terms, the principal financial centre of any country for the purpose of these Terms and Conditions shall be as provided in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) as supplemented, amended and updated as of the first Issue Date of the Notes of the relevant Series (the "ISDA Definitions") (except if the Specified Currency is Australian dollars or New Zealand dollars the principal financial centre shall be Sydney and Auckland, respectively).

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) as determined by the Agent (or such other Calculation Agent specified in the applicable Final Terms). For the purposes of this sub-paragraph (iii) "ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any)" for an Interest Period means a rate equal to the Floating Rate that would be determined under an interest rate swap transaction under the terms of an agreement (regardless of any event of default or termination event thereunder) incorporating the ISDA Definitions with the holder of the relevant Note and under which:

(A) the manner in which the Rate of Interest is to be determined is the "Floating Rate Option" as specified in the applicable Final Terms;

(B) the Issuer is the "Floating Rate Payer";

(C) the Agent or other person specified in the applicable Final Terms is the "Calculation Agent";

(D) the Interest Commencement Date is the "Effective Date";

(E) the Aggregate Nominal Amount of Notes is the "Notional Amount";

(F) the relevant Interest Period is the "Designated Maturity" as specified in the applicable Final Terms;

(G) the Interest Payment Dates are the "Floating Rate Payer Payment Dates";

(H) the Margin is the "Spread"; and

(I) the relevant Reset Date is the day specified in the applicable Final Terms.

When this sub-paragraph (iii) applies with respect to each relevant Interest Payment Date:

(A) the amount of interest determined for such Interest Payment Date shall be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though calculated under sub-paragraph (vi) below; and

(B) (i) "Floating Rate", "Floating Rate Option", "Floating Rate Payer", "Effective Date", "Notional Amount", "Floating Rate Payer Payment Dates", "Spread", "Calculation Agent", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions; and (ii) "Euro-zone" means the region comprised of the Member States of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

(iv) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 4(b)(viii) and as provided below, be either:

(A) the rate or offered quotation (if there is only one rate or offered quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates or offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate (as specified in the applicable Final Terms) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) (as specified in the applicable Final Terms) as at 11.00 a.m. (in the Relevant Financial Centre specified in the applicable Final Terms) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms). If, in the case of (B) above, five or more of such rates or offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest rate or offered quotation, one only of such rates or offered quotations) and the lowest (or, if there is more than one such lowest rate or offered quotation, one only of such rates or offered quotations) shall be disregarded by the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) for the purpose of determining the arithmetic mean (rounded as provided above) of such rates or offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such rate or offered quotation appears or, in the case of (B) above, fewer than three of such rates or offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent or Transfer Agent (at the request of the Issuer) (or such other Calculation Agent specified in the applicable Final Terms) shall request the principal London office of each of the Reference Banks to provide (at the request of the Issuer) the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) with its rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Final Terms) for deposits in the Specified Currency for that Interest Period, at approximately the Specified Time, on the Interest Determination Date in question. If two or more of the Reference Banks provide (at the request of the Issuer) the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms)

with such rates or offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of such rates or offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms).

If on any Interest Determination Date one only or none of the Reference Banks provides (at the request of the Issuer) the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) with such rates or offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates or quotations, as communicated to (and at the request of the Issuer) the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time, on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide (at the request of the Issuer) the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) with such rates or offered quotations, the rate or quotation offered for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the rates or offered quotations for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, which, at approximately the Specified Time, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs (at the request of the Issuer) the Agent or Transfer Agent (or such other Calculation Agent specified in the applicable Final Terms) it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be that determined as at the Interest Determination Date for the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

The expression "Reference Rate" means EURIBOR as specified in the applicable Final Terms, the expression "Relevant Screen Page" means such page, whatever its designation, on which the Reference Rate that is for the time being displayed on the Reuters Monitor Money Rates Service or Dow Jones Market Limited or such other service, as specified in the applicable Final Terms, the expression "Reference Banks" means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market selected by the Issuer (or the Calculation Agent specified in the applicable Final Terms, if not the Agent or Transfer Agent) or as specified in the applicable Final Terms and the expression "Specified Time" means 11.00 a.m. (Brussels time).

(v) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction (as specified in the applicable Final Terms) and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Without prejudice to sub-paragraph (viii) below, the determination of the Rate of Interest and calculation of each Interest Amount by the Agent (or the Calculation Agent specified in the applicable Final Terms if the Agent is not the Calculation Agent) shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on all parties. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means in respect of the calculation of an amount of interest for any Interest Period:

(A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(D) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (D_2 - D_1)]}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30;

(E) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (D_2 - D_1)]}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case $D_2$ will be 30;

(F) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (D_2 - D_1)]}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$Y_2$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$M_1$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$M_2$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$D_1$" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"$D_2$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30; and

(G) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

(vii) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period or Specified Period in the applicable Final Terms, the Rate of Interest for such Interest Period or Specified Period shall be calculated by the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity (as defined below) were the period of time for which rates are available next shorter than the length of the relevant Interest Period or Specified Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period or Specified Period, provided however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent (or if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) shall determine such rate at such time and by reference to such sources as the Issuer (in consultation with an independent financial institution or an independent financial adviser with the appropriate expertise appointed by the Issuer) shall determine as appropriate for such purposes. For the purposes of this paragraph, the expression "Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(viii) Benchmark discontinuation

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(viii)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 4(b)(viii)(C)) and any Benchmark Amendments (in accordance with Condition 4(b)(viii)(D)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(b)(viii) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agent, the Paying Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 4(b)(viii).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(viii)(A) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the

relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(b)(viii)(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser, determines that:

(1) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(viii)); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(viii)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(b)(viii) and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement and/or (in the case of Registered Notes) the Note Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(viii)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement and/or (in the case of Registered Notes) the Note Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 4(b)(viii), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 4(b)(viii) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant

Paying Agent (as applicable) in the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 4(b)(viii)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(b)(viii) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Agent, the Calculation Agent and the Paying Agents. In accordance with Condition 14, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Agent, the Calculation Agent and the Paying Agents a certificate signed by two Authorised Signatories of the Issuer:

(1) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(b)(viii); and

(2) certifying that the Benchmark Amendments (if any) have been determined by the Independent Adviser in accordance with the provision of this Condition 4(b)(viii) to be necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Agent shall display such certificate at its offices, for inspection by the Noteholders at all reasonable times during normal business hours.

Each of the Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's, the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(b)(viii)(A), (B), (C) and (D), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(iv) will continue to apply unless and until a Benchmark Event has occurred.

(G) Definitions

As used in this Condition 4(b)(viii):

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor

Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(2) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied)

(3) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(b)(viii)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"Benchmark Amendments" has the meaning given to it in Condition 4(b)(viii)(D).

"Benchmark Event" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(6) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-

paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Agent, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Agent, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(b)(viii)(A).

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally-specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate).

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(ix) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period or Specified Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor, the other Paying Agents, the Registrar and the Transfer Agent (in the case of Registered Notes) and the relevant stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being admitted to trading or listing and will cause notice thereof to be published or given in accordance with Condition 14 as soon as possible after their determination but in no event later than the earlier of the fourth London Business Day thereafter or the first Business Day of each Interest Period or Specified Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid or prior notice in the event of an extension or shortening of the Interest Period or Specified Period in accordance with the provisions hereof. Any such amendment or alternative arrangements will promptly be notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being admitted to trading or listing. For the purposes of this

paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(x) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or other Calculation Agent, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, Calculation Agent (if applicable), any other Paying Agents and all Noteholders and Couponholders and (in the case of Registered Notes) the Registrar and the Transfer Agent and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

***(c) Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note to be redeemed) will cease to bear interest (if any) from the date scheduled for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the rate of interest then applicable or at such other rate as may be specified in the applicable Final Terms until the earlier of (i) the day on which, upon due presentation or surrender of such Note (if required), the relevant payment is made; and (ii) the seventh day after the date on which the Agent or (in the case of Registered Notes) the Registrar or the Transfer Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholders).

## 5 Payments

***(a) Method of Payment***

Subject as provided below:

(i) payments in a Specified Currency other than euro, U.S. dollars or Renminbi, will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) unless specified otherwise in the applicable Final Terms; provided that, if the Specified Currency is Australian dollars, payments will be made outside the Commonwealth of Australia by Australian dollar cheque drawn on, or by transfer to an Australian dollar account maintained by the payee with, a bank outside Australia;

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(iii) payments in U.S. dollars, except as provided by Condition 5(d), shall be made by credit or transfer to a U.S. dollar account outside the United States specified by the payee; and

(iv) payments in Renminbi shall be made by transfer to a Renminbi account maintained by or on behalf of the relevant Noteholder with a bank in Hong Kong.

Without prejudice to the provisions of Condition 7, payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction and (ii) any withholding required pursuant to sections 1471 through to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulations or official interpretations issued with respect thereto or any agreement entered into by any person with the IRS pursuant to such provisions) (the "Code") or any treaty, law, regulation, intergovernmental agreement or official guidance of any other taxing jurisdiction relating to an intergovernmental agreement implementing an alternative to such sections of the Code (collectively, "FATCA").

***(b) Presentation of Notes and Coupons – Bearer Notes***

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the Specified Currency in the manner provided in Condition 5(a) above only against surrender of such definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under Condition 5(a) above made, at the option of the bearer of such Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. No payment in respect of any definitive Note or Coupon will be made upon presentation of such definitive Note or Coupon at any office or agency of the Issuer, the Guarantor or any Paying Agent in the United States, nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued but unpaid in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date or Issue Date (as applicable) shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable against presentation or surrender, as the case may be, of such global Note, if the global Note is not issued in NGN form or held under the NSS, at the specified office of any Paying Agent located outside the United States except as provided below. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, as applicable.

### *(c) Presentation and Surrender of Notes – Registered Notes*

Provisions in relation to payments of principal and interest in respect of Registered Notes will be set out in the relevant global Registered Note or definitive Registered Note and as otherwise set out in these Terms and Conditions. Interest on Registered Notes shall be paid to the person shown on the register on the Record Date, and "Record Date" means, in the case of global Registered Notes, at the close of business on the relevant clearing system business day before the due date for payment thereof or, in the case of Registered Notes in definitive form, at close of business on the fifteenth day before the due date for payment thereof.

### *(d) Global Notes*

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, as the case may be, for the holder's share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer or, as the case may be, the Guarantor in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and/or interest in respect of the Notes denominated in U.S. dollars will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)) if:

(i) the Issuer and the Guarantor have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

### *(e) Payment Day*

Unless specified otherwise in the applicable Final Terms, if the due date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 8) is both:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (A) the relevant place of presentation (if presentation is required); and

  (B) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business

(including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

Notwithstanding anything herein to the contrary, in the case of Notes issued by Nestlé Holdings, Inc., if for any reason any Note with a stated Maturity Date of six months or less from the Issue Date would mature on a day that is not a Payment Day and would thereby be repayable on a date which is six months or more from the Issue Date, it shall be repaid on the last Payment Day that is not later than six months after the Issue Date.

***(f) Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(k)(ii)); and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer or the Guarantor under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 7.

***(g) Payment of U.S. Dollar Equivalent***

Notwithstanding any other provisions in these Terms and Conditions, if by reason of Inconvertibility (as defined below), Non-transferability (as defined below) or Illiquidity (as defined below), the Issuer (or the Guarantor, as the case may be) determines in good faith that it is not able, or it would be impracticable for it, to satisfy payments due under the Notes or Coupons (or the Guarantee, as the case may be) in Renminbi in Hong Kong, the Issuer or the Guarantor shall settle any such payment in U.S. dollars on the due date for payment at the U.S. Dollar Equivalent of any such Renminbi denominated amount and give notice thereof (including details thereof) as soon as practicable to the Noteholders in accordance with Condition 14.

In such event, payments of the U.S. Dollar Equivalent of the relevant amounts due under the Notes or Coupons (or the Guarantee, as the case may be) shall be made in accordance with Condition 5(a).

In this Condition 5(g):

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"Illiquidity" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer (or the Guarantor, as the case may be) cannot obtain sufficient Renminbi in order to satisfy its obligation to make a payment under the Notes or Coupons (or the Guarantee);

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer (or the Guarantor, as the case may be) to convert into Renminbi any amount due in respect of the Notes or Coupons (or the Guarantee) into Renminbi on any payment date in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer (or the Guarantor, as the case may be) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer (or the Guarantor, as the case may be) due to an event beyond its control, to comply with such law, rule or regulation);

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer (or the Guarantor, as the case may be) to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer (or the Guarantor, as the case may be) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer (or the Guarantor, as the case may be) due to an event beyond its control, to comply with such law, rule or regulation);

"Rate Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

"Rate Determination Date" means the day which is two Rate Determination Business Days before the due date of the relevant amount under the Notes;

"Spot Rate" means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S.$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S.$ exchange rate in the PRC domestic foreign exchange market; and

"U.S. Dollar Equivalent" means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Determination Date.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(g), whether by the Agent or other Calculation Agent, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, Calculation Agent (if applicable), any other Paying Agents and all Noteholders and Couponholders and (in the case of Registered Notes) the Registrar and the Transfer Agent and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## 6 Redemption and Purchase

### *(a) At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### *(b) Redemption for Tax Reasons*

(i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

(A) on the occasion of the next payment due under the Notes or the Guarantee, the Issuer or the Guarantor, as the case may be, will be or is expected to become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the jurisdiction in which the Issuer is incorporated or, in the case of payment by the Guarantor, Switzerland or, in either case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment is expected to become effective on or after the Issue Date of the first Tranche of the Notes; and

(B) such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, a certificate signed by an officer of the Issuer stating that the obligation referred to in (A) above cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it and the Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (B) above in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(ii) If the Issuer or the Guarantor would, on the next payment in respect of the Notes, be prevented by the law of the jurisdiction in which the Issuer is incorporated or, in the case of payment by the Guarantor, Switzerland, from making payment of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, and the Issuer shall redeem all, but not some only, of the Notes then outstanding upon giving prior notice to the holders of Notes in accordance with Condition 14, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer or the Guarantor, as the case may be, could make payment without withholding or, if that date is past, as soon as practicable thereafter.

Each Note redeemed pursuant to this Condition 6(b) will be redeemed at its Early Redemption Amount referred to in Condition 6(k) below together (if appropriate) with interest accrued but unpaid to (but excluding) the date of redemption.

***(c) Final Terms***

The Final Terms applicable to the Notes indicates either:

(i) that the Notes cannot be redeemed prior to their Maturity Date (except as otherwise provided in Condition 6(b) above and in Condition 9); or

(ii) that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes prior to such Maturity Date in accordance with the provisions of Conditions 6(d), 6(e), 6(f), 6(g) and/or 6(i) on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

***(d) Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms (which may be the Early Redemption Amount (as described in Condition 6(k) below)) together, if appropriate, with interest accrued but unpaid to (but excluding) the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not greater than the Maximum Redemption Amount, both as indicated in the applicable Final Terms.

***(e) Redemption at the Option of the Issuer (Issuer Maturity Par Call)***

If the Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

***(f) Redemption at the Option of the Issuer (Issuer Make-Whole Call)***

If the Issuer Make-Whole Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date (that is, if the Issuer Maturity Par Call is specified to be applicable in the applicable Final Terms, more than 90 days prior to the Maturity Date) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together (if appropriate) with interest accrued but unpaid to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not greater than the Maximum Redemption Amount, both as indicated in the applicable Final Terms.

If the Special Redemption Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount with respect to the Notes shall be equal to the higher of:

(i) 100 per cent. of the principal amount of the Notes being redeemed; or

(ii) the price (as reported to the Issuer and the Calculation Agent by the Financial Adviser and expressed as a percentage) that provides for a Gross Redemption Yield on such Notes on the Reference Date equal (after adjusting for any difference in compounding frequency) to the Gross Redemption Yield provided by the Reference Bonds based on the Reference Bond Rate at the Specified Time on the Reference Date plus the Redemption Margin (if any).

Where:

"Financial Adviser" means a financial adviser selected by the Calculation Agent after consultation with the Issuer.

"Gross Redemption Yield" means a yield expressed as a percentage and calculated by the Financial Adviser in accordance with generally accepted market practice.

"Redemption Margin" shall be as set out in the applicable Final Terms.

"Reference Bonds" means, as at the Reference Date, the then current on-the-run government securities that would be utilised in pricing new issues of corporate debt securities denominated in the same currency as the Notes, as determined by the Financial Adviser.

"Reference Bond Rate" means the actual or, where there is more than one Reference Bond, interpolated rate per annum calculated by the Financial Adviser in accordance with generally accepted market practice by reference to the arithmetic mean of the middle market prices provided by three Reference Dealers for the Reference Bond(s) having an actual or interpolated maturity equal to the remaining term of the Notes (if the Notes were to remain outstanding to the Maturity Date).

"Reference Date" means the fifth London Business Day prior to the Optional Redemption Date.

"Reference Dealer" means a bank selected by the Issuer or its affiliates in consultation with the Financial Adviser which is (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues.

"Specified Time" shall be as set out in the applicable Final Terms.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(f), by the Financial Adviser, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, Calculation Agent (if applicable), any other Paying Agents and all Noteholders and Couponholders and (in the case of Registered Notes) the Registrar and the Transfer Agent and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Financial Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to the provisions of this Condition 6(f).

***(g) Redemption at the Option of the Issuer (Issuer Clean-up Call)***

If the Issuer Clean-up Call is specified as being applicable in the applicable Final Terms, the Issuer may, if at any time after the Issue Date 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased by the Issuer or any of its subsidiaries (other than subsidiaries organised in or under the laws of the United States) and cancelled, having given not less than 30 nor more than 60 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at the Optional Redemption Amount(s) specified in the applicable Final Terms (which may be the Early Redemption Amount (as described in Condition 6(k) below)) together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

***(h) Partial Redemption***

In the event of redemption of some only of the Notes under Condition 6(d) or Condition 6(f), the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published or notified in accordance with Condition 14 not less than 30 days prior to the date fixed for redemption, or such other period as is specified in the applicable Final Terms. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 6(h) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 10 days prior to the Selection Date.

***(i) Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount (which may be the Early Redemption Amount (as described in Condition 6(k) below)) specified in the applicable Final Terms together, if appropriate, with interest accrued but unpaid to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the Note the holder of the Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, deliver, at the specified office of any Paying Agent (other than the Transfer Agent), in the case of Bearer Notes, or the Registrar or the Transfer Agent, in the case of Registered Notes, at any time during normal business hours of such Paying Agent or the Registrar or the Transfer Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, or the Registrar or the Transfer Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(i) accompanied by the Note or evidence satisfactory to the Paying Agent concerned that such Note will, following delivery of the Put Notice, be held to its order or under its control.

If the Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to the Agent in the case of Bearer Notes, or the Registrar or the Transfer Agent, in the case of Registered Notes, of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on his instruction by Euroclear or Clearstream or any common depositary or, as the case may be, the common safekeeper for them to the Agent, or the Registrar or the Transfer Agent (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream from time to time.

***(j) Redemption on change of ownership of the Issuer***

If Nestlé S.A. shall cease to own, directly or indirectly, at least 51 per cent. of the outstanding voting stock or share capital, as the case may be, issued by the Issuer, the Issuer shall give notice to such effect by publication in accordance with Condition 14 within 10 days of the occurrence of such circumstance. Such notice shall state that any Noteholder may cause his Note to be redeemed in whole by duly completing the Redemption Notice on such Note and delivering such Note (together with all unmatured Coupons appertaining thereto or indemnity satisfactory to the Issuer therefor) to the principal office of the Agent or the Paying Agent (other than

the Transfer Agent), in the case of Bearer Notes, or the Registrar or the Transfer Agent, in the case of Registered Notes, during the next 30 days commencing from the date of such publication. Each such Note will be redeemed on the fifth Business Day after the end of such 30-day period at its Early Redemption Amount, together (if applicable) with accrued but unpaid interest to the date fixed for redemption.

The delivery of a Note with a duly completed Redemption Notice thereon shall constitute an irrevocable election on the part of the holder thereof to cause such Note to be redeemed on the date fixed for redemption.

***(k) Early Redemption Amounts***

For the purpose of Conditions 6(b), 6(d), 6(g), 6(i) and 6(j) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of Notes (other than Zero Coupon Notes) at the amount specified in the applicable Final Terms or, if no such amount is so specified in the Final Terms, at their nominal amount; or

(ii) in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

Early Redemption Amount = RP x (1 + AY)y

where:

"RP" means the Reference Price; and

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 365).

***(l) Purchases***

The Issuer or any of its subsidiaries (other than subsidiaries organised in or under the laws of the United States) may at any time purchase Notes (provided that, in the case of definitive Bearer Notes and Coupons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

***(m) Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(l) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold. If any Note is purchased and cancelled without all unmatured Coupons appertaining thereto, the Issuer shall make payment in respect of any such missing Coupon

in accordance with Condition 5 as if the relevant Note had remained outstanding for the period to which such Coupon relates.

***(n) Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 6 (a), (b), (d), (i) or (j) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(k)(ii) above as though the references therein to the date fixed for the redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 14.

## 7 Taxation

***(a) Where the Issuer is Nestlé Holdings, Inc.***

The Issuer or the Guarantor (if the Guarantor is obliged to make payments under the Guarantee) will, subject to the exceptions and limitations set forth below and to the extent permitted by law, pay as additional interest on a Note such additional amounts as are necessary in order that the net payment by the Issuer, the Guarantor or any Paying Agent of the principal of and interest on a Note or Coupon to a holder who is a Non-U.S. Holder (as such term is defined below), after deduction for any present or future tax, assessment or governmental charge of the United States, or a political subdivision or authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount provided for in such Note or Coupon to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply to:

(i) any tax, assessment or governmental charge that would not have been so imposed but for the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or holder of power over, such holder, if such holder is an estate, trust, partnership or corporation) and the United States, including, without limitation, such holder (or fiduciary, settlor, beneficiary, member, shareholder or holder of a power) being considered as:

(A) being or having been present or engaged in a trade or business in the United States or having or having had a permanent establishment therein;

(B) having a current or former relationship with the United States, including a relationship as a citizen or resident or being treated as a resident thereof;

(C) being or having been a controlled foreign corporation or a passive foreign investment company each as defined for United States federal income tax purposes, a corporation that has accumulated earnings to avoid United States federal income tax or a private foundation or other tax-exempt organisation; or

(D) an actual or a constructive "10-percent shareholder" of the Issuer as defined in Section 871(h)(3) of the Code;

(ii) any holder who is a fiduciary or partnership or other than the sole beneficial owner of the Note or Coupon, but only to the extent that a beneficiary or settlor with respect to such fiduciary or member of such partnership or a beneficial owner of the Note or Coupon would not have been entitled to the

payment of an additional amount had such beneficiary, settlor, member or beneficial owner been the holder of such Note or Coupon;

(iii) any tax, assessment or governmental charge that would not have been imposed or withheld but for the failure of the holder, if required, to comply with certification, identification or information reporting or any other requirements under United States income tax laws and regulations, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity or connection with the United States of the holder or a beneficial owner of such Note or Coupon, if such compliance is required by United States income tax laws and regulations, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment or governmental charge, including in the case of Notes that have a maturity of more than 183 days, failure of the Noteholder or Couponholder or of the beneficial owner of such Note or Coupon, to provide a valid U.S. Internal Revenue Service ("IRS") Form W-8BEN (or successor or substitute therefor) or other documentation as permitted by official IRS guidance;

(iv) any tax, assessment or governmental charge that would not have been so imposed or withheld but for the presentation by the holder of such Note or Coupon for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(v) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property tax or any similar tax, assessment or governmental charge;

(vi) any tax, assessment or governmental charge that is payable otherwise than by withholding by the Issuer, the Guarantor or a Paying Agent from the payment of the principal of or interest on such Note or Coupon;

(vii) any tax required to be withheld or deducted from a payment pursuant to FATCA; or

(viii) any combination of items (i), (ii), (iii), (iv), (v), (vi) or (vii).

As used in this Condition and, if applicable, Condition 6, "United States" means the United States of America, the Commonwealth of Puerto Rico and each possession of the United States of America and place subject to its jurisdiction. A "Non-U.S. Holder" is a person other than a U.S. Person. For this purpose, a "U.S. Person" is a person that is, for United States federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation, partnership or other business entity organised in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to United States federal income taxation regardless of its source.

***(b) Where the Issuer is Nestlé Finance International Ltd.***

All payments of principal and interest in respect of the Notes by the Issuer or the Guarantor (if the Guarantor is obliged to make payments under the Guarantee) will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Luxembourg or any province, territory or other political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event that the Issuer, the Guarantor or any agent of the Issuer or the Guarantor is required by law to make such withholding or deduction, the Issuer or the Guarantor will pay to the extent permitted by law such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(i) where the withholding or deduction in question is required by virtue of the Noteholder or Couponholder having some connection with Luxembourg other than the mere holding of such Note or Coupon;

(ii) where presentation of the Note or Coupon is required, presented for payment more than 30 days after the Relevant Date (as defined in Condition 7(c)) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day (assuming that day to have been a Payment Day (as defined in Condition 5));

(iii) where presentation of the Note or Coupon is required, presented for payment at the specified office of a Paying Agent in Luxembourg or in Switzerland;

(iv) where the Noteholder or Couponholder of which would not be liable for such taxes or duties in respect of such Note or Coupon by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority;

(v) where such withholding or deduction is imposed on a payment to or for the immediate benefit of an individual beneficial owner who is a Luxembourg resident and is required to be made pursuant to the Luxembourg law of 23 December 2005 on the taxation of savings, as amended;

(vi) where any tax is required to be withheld or deducted from a payment pursuant to FATCA; or

(vii) where there is any combination of items (i), (ii), (iii), (iv), (v) or (vi).

***(c) In relation to issues by Nestlé Finance International Ltd. or issues by Nestlé Holdings, Inc.***

All payments in respect of the Notes by the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by or on behalf of Switzerland, or any political subdivision of, or any authority in, or of, Switzerland having power to tax, unless the withholding or deduction of the Taxes is required by law. In the event that the Guarantor or any agent of the Guarantor is required by law to make such withholding or deduction, the Issuer or the Guarantor will pay to the extent permitted by law such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amount shall be payable in relation to any payment in respect of any Note or Coupon:

(i) where the withholding or deduction in question is required by virtue of the Noteholder or Couponholder having some connection with Switzerland other than the mere holding or ownership of such Note or Coupon;

(ii) where presentation of the Note or Coupon is required, presented for payment more than 30 days after the Relevant Date (as defined in Condition 7(c)) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on such thirtieth day (assuming that day to have been a Payment Day (as defined in Condition 5));

(iii) where the Noteholder or Couponholder of which would be able to avoid such withholding or deduction by making a declaration of non-residence or similar claim for exemption but fails to do so;

(iv) where any tax is required to be withheld or deducted from a payment in respect of a Note pursuant to laws enacted by Switzerland changing the Swiss federal withholding tax system from an issuer-based system to a paying agent-based system pursuant to which a person in Switzerland other than the Issuer or Guarantor is required to withhold or deduct tax on any interest;

(v) where the Noteholder or Couponholder of which would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union;

(vi) where any tax is required to be withheld or deducted from a payment pursuant to FATCA; or

(vii) where there is any combination of items (i), (ii), (iii), (iv), (v) or (vi).

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## 8 Prescription

Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7(c)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

Any moneys paid by the Issuer to the Agent, or (in the case of Registered Notes) the Registrar or the Transfer Agent, for the payment of principal and/or interest in respect of the Notes and remaining unclaimed for a period of ten years (in the case of principal) and five years (in the case of interest) shall forthwith be repaid to the Issuer. All liability of the Issuer, the Agent, the Registrar or the Transfer Agent with respect thereto shall cease when the Notes and Coupons become void.

## 9 Events of Default

If any of the following shall occur and be continuing:

(i) in the case of any Issuer:

(A) default in the payment of (1) principal on the Notes or (2) any interest or any other amount on the Notes for 30 days after such interest or other amount on the Notes becomes due; or

(B) default by the Issuer in the due performance or observance of any obligation, condition or other provision (other than an obligation to make payment of principal or interest in respect of the Notes) contained in these terms and conditions applicable to the Notes or any obligation, condition or other provision for the benefit of Noteholders contained in the Agency Agreement or the Note Agency Agreement applicable to the Notes if such default shall not have been cured within 60 days after written notice thereof having been given to the Issuer and the Agent, or (in the case of Registered Notes) the Registrar and the Transfer Agent by the holders of 25 per cent. or more in principal amount of the Notes then outstanding; or

(ii) where the Issuer is Nestlé Holdings, Inc.:

(A) the entry of a decree or order for relief by a court having jurisdiction in the premises (1) in respect of the Issuer or a Principal Subsidiary of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or (2) appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Issuer or a Principal Subsidiary of the Issuer or for any substantial part of the property of the Issuer or a

Principal Subsidiary of the Issuer, or (3) ordering the winding up or liquidation of the affairs of the Issuer or a Principal Subsidiary of the Issuer and, in each case, the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(B) the Issuer or a Principal Subsidiary of the Issuer commencing a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consenting to the entry of an order for relief in an involuntary case under any such law or consenting to the appointment of or the taking of possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Issuer or a Principal Subsidiary of the Issuer, or the making by the Issuer or a Principal Subsidiary of the Issuer of a general assignment for the benefit of creditors, or the failure by the Issuer or a Principal Subsidiary of the Issuer generally to pay its debts as they become due, or the taking by the Issuer or a Principal Subsidiary of any corporate action in furtherance of any of the foregoing; or

(iii) where the Issuer is Nestlé Finance International Ltd. or the Issuer is Nestlé Holdings, Inc.:

(A) the Issuer is wound up, dissolved or otherwise ceases to carry on its business, except in connection with a merger or other reorganisation pursuant to which the surviving company expressly assumes all the obligations of the Issuer with respect to the Notes, which obligations are irrevocably guaranteed by the Guarantor on terms substantially the same as those of the Guarantee; or

(B) default by the Guarantor in the due performance or observance of any obligation, condition or other provision under or in relation to the Guarantee of the Notes if such default shall not have been cured within 60 days after written notice thereof having been given to the Guarantor and the Agent, or (in the case of Registered Notes) the Registrar and the Transfer Agent by the holders of 25 per cent. or more in principal amount of the Notes then outstanding; or

(C) the Guarantor applies for or is subject to an amicable settlement with its creditors (*accord amiable*), or admits in writing that it is insolvent, or seeks or resolves to seek its judicial reorganisation (*concordat*), or the transfer of the whole of its business (*cession totale de l'entreprise*) or any such proceedings are instituted against it and remain undismissed for a period of 60 days or are uncontested, or it otherwise institutes or resolves to institute other proceedings for bankruptcy (*faillite*), judicial reorganisation, winding up, dissolution, liquidation, restructuring (*assainissement*), stay of bankruptcy proceedings (*ajournement de la faillite*) or any similar proceedings (or any such proceedings are instituted against it and remain undismissed for a period of 60 days or are uncontested), or makes conveyance or assignment for the benefit of, or enters into a composition with substantially all its creditors generally; or

(D) the Guarantor is wound up, dissolved or otherwise ceases to carry on its business, except in connection with a merger or other reorganisation pursuant to which the surviving company expressly assumes all the obligations of the Guarantor under the Guarantee; or

(E) the Guarantee ceases to be the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, or the Guarantor contests or denies the validity of the Guarantee,

(iv) where the Issuer is Nestlé Finance International Ltd.:

(A) a situation of illiquidity (*cessation de paiements*) and absence of access to credit (*credit ébranlé*) within the meaning of Article 437 of the Luxembourg Commercial Code;

(B) an insolvency proceeding (*faillite*) within the meaning of Articles 437 ff. of the Luxembourg Commercial Code or any other insolvency proceedings pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast);

(C) a controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation of 24 May 1935 on controlled management;

(D) a voluntary arrangement with creditors (*concordat préventif de faillite*) within the meaning of the law of 14 April 1886 on arrangements to prevent insolvency, as amended;

(E) a suspension of payments (*sursis de paiement*) within the meaning of Articles 593 ff. of the Luxembourg Commercial Code;

(F) voluntary or compulsory winding-up pursuant to the law of 10 August 1915 on commercial companies, as amended; or

(G) any such proceedings instituted against it and remain undismissed for a period of 60 days or are uncontested, or it otherwise institutes or resolves to institute other proceedings for bankruptcy, judicial reorganisation, winding up, dissolution or liquidation or any similar proceedings (or any such proceedings are instituted against it and remain undismissed for a period of 60 days or are uncontested) or makes a conveyance or assignment for the benefit of, or enters into a composition with, substantially all of its creditors generally,

then:

(a) in the case of any of the events under sections (i)(A) and (B), (ii)(A) and (B), (iii)(A) and (iv)(A) to (G), the holder of any Note issued by the Issuer; or

(b) in the case of any of the events under sections (iii)(B) to (E), the holder of any Note issued by Nestlé Finance International Ltd. or Nestlé Holdings, Inc., as the case may be,

may, by written notice to the Agent, or (in the case of Registered Notes) the Registrar and the Transfer Agent, declare such Note to become due and payable at its Early Redemption Amount, together with accrued but unpaid interest (if any) thereon, as of the date on which such notice is received by the Agent or (in the case of the Registered Notes) the Registrar and the Transfer Agent, and such Note shall accordingly become so due and payable on such date unless prior to such date all such defaults in respect of the relevant Note shall have been cured.

Where applicable, the term "Principal Subsidiary" shall mean any Subsidiary of the Issuer representing 10 per cent. or more of the consolidated gross assets of the Issuer as shown on the most recently prepared audited consolidated financial statements of the Issuer and its consolidated subsidiaries as of the end of the most recent fiscal year of the Issuer. Solely for the purposes of determining whether a Subsidiary shall represent 10 per cent., or more of the consolidated gross assets, such Subsidiary shall be deemed to own the consolidated gross assets of its Subsidiaries.

## 10 Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, or (in the case of Registered Notes) at the specified offices of the Registrar or the Transfer Agent, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 11 Agent and Paying Agents, Registrar and Transfer Agent

The names of the initial Agent and the other initial Paying Agents, the initial Registrar and the initial Transfer Agent and their initial specified offices are set out below. If any additional Paying Agents or Transfer Agents are appointed in connection with any Series, the names of such Paying Agents or Transfer Agents will be specified in the applicable Final Terms.

The Issuer and the Guarantor are entitled to vary or terminate the appointment of any Paying Agent or (in the case of Registered Notes) the Registrar or the Transfer Agent and/or appoint additional or other Paying Agents or Transfer Agents and/or approve any change in the specified office through which any Paying Agent, Registrar or Transfer Agent acts, provided that:

(i) so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be a Paying Agent (which may be the Agent and, in respect of Registered Notes, the Transfer Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(ii) there will at all times be a Paying Agent (which may be the Agent) with a specified office in a jurisdiction within Europe other than the jurisdiction in which the Guarantor is incorporated;

(iii) there will at all times be an Agent; and

(iv) in respect of Registered Notes, there will at all times be a Registrar.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In addition, in relation to Registered Notes issued or to be issued by it, Nestlé Holdings, Inc. is entitled to vary or terminate the appointment of any registrar, transfer agent or paying agent and/or appoint additional transfer agents, paying agents and/or approve any change in the specified office through which any such registrar, transfer agent or paying agent acts, provided that there will at all times be a registrar and a paying agent capable of making payments in the Specified Currency and (in the case of global Registered Notes) to the clearing system specified in the applicable Final Terms.

## 12 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## 13 Substitution

The Issuer may be replaced and the Guarantor or any subsidiary of the Guarantor may be substituted for the Issuer as principal debtor in respect of the Notes and Coupons, without the consent of the Noteholders or Couponholders. If the Issuer shall determine that the Guarantor or any such subsidiary shall become the principal debtor (in such capacity, the "Substituted Debtor"), the Issuer shall give not less than 30 nor more

than 45 days' notice, in accordance with Condition 14, to the Noteholders of such event and, immediately on the expiry of such notice, the Substituted Debtor shall become the principal debtor in respect of the Notes and the Coupons in place of the Issuer and the Noteholders and the Couponholders shall thereupon cease to have any rights or claims whatsoever against the Issuer. However, no such substitution shall take effect (i) if the Substituted Debtor is not the Guarantor, until the Guarantor shall have entered into an irrevocable guarantee substantially in the form of the Guarantee in respect of the obligations of such Substituted Debtor, (ii) in any case, until the Substituted Debtor shall have provided to the Agent or (in the case of Registered Notes) the Registrar and the Transfer Agent, such documents as may be necessary to make the Notes and the Agency Agreement and (in the case of Registered Notes) the Note Agency Agreement) its legal, valid and binding obligations, (iii) until such Substituted Debtor shall have agreed to indemnify each Noteholder and Couponholder against (a) any tax, duty, fee or governmental charge which is imposed on such holder by the jurisdiction of the country of its residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to such Note or Coupon and which would not have been so imposed had such substitution not been made, (b) any tax, duty, fee or governmental charge imposed on or relating to the act of substitution and (c) any costs or expenses of the act of substitution and (iv) until such Substituted Debtor shall have been approved by the relevant authorities as able to issue the relevant Notes. Upon any such substitution, the Notes and Coupons will be modified in all appropriate respects.

## 14 Notices

All notices regarding the Notes shall be validly given if published in a daily newspaper with general circulation in the European Union and/or if the Notes are listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, a daily newspaper of general circulation in Luxembourg, and/or on the Luxembourg Stock Exchange's website (*www.bourse.lu*) or any other manner considered as equivalent by the Luxembourg Stock Exchange. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any global Note is or are held in its or their entirety on behalf of Euroclear and Clearstream, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear and Clearstream for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and Clearstream, or on such other day as is specified in the applicable Final Terms.

Notices to holders of Registered Notes in definitive form will be deemed to be validly given if sent by mail to them (or, in the case of joint holders of Registered Notes, to the first-named holder in the register kept by the Registrar) at their respective addresses as recorded in the such register, and will be deemed to have been validly given on the fourth business day after the date of such mailing.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, in the case of Bearer Notes, with the Agent or in the case of Registered Notes, with the Registrar. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to, in the case of Bearer Notes, the Agent or, in the case of Registered Notes, to the Registrar,

via Euroclear and/or Clearstream, as the case may be, in such manner as the Agent, the Registrar and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

The holders of Coupons or Talons shall be deemed to have received any notice duly given to Noteholders.

## 15 Meetings of Noteholders, Modification and Waiver

The Agency Agreement and, in the case of Registered Notes, the Note Agency Agreement contain provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of certain modifications of the Notes, the Coupons or certain provisions of the Agency Agreement and the Note Agency Agreement (certain provisions of such agreements may not, under existing law, be materially altered). Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest on the Notes, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one third, in nominal amount of the Notes for the time being outstanding. The majority required for passing an Extraordinary Resolution is 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll. The Agency Agreement and the Note Agency Agreement provide that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or (ii) where Notes are represented by a global Note or are held in definitive form within the relevant clearing system(s), approval of a resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) (in a form satisfactory to the Agent, in the case of the Agency Agreement, and the Registrar, in the case of the Note Agency Agreement) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, shall, in each case, be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. An Extraordinary Resolution passed by the Noteholders at any meeting shall be binding on all the Noteholders, whether or not they are present at the meeting and whether or not they voted on the resolution, and on all Couponholders.

No resolution passed at any meeting of Noteholders shall be binding on the Issuer or the Guarantor without the written consent of the Issuer or, as the case may be, the Guarantor.

The Agent and (in the case of Registered Notes) the Registrar, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

(i) any modification (except as mentioned above) of the Agency Agreement and (in the case of Registered Notes) the Note Agency Agreement, which is not materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Terms and Conditions or any provision of the Notes, the Coupons or the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement, which is to correct a

manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or

(iii) any modification of the Terms and Conditions and/or the Agency Agreement and (in the case of Registered Notes) the Note Agency Agreement to effect any Benchmark Amendments in the circumstances set out in Condition 4(b)(viii).

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

## 16 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the Issue Date, and/or the amount, and/or the date of the first payment of interest thereon, and/or the date from which interest starts to accrue and/or the Issue Price, as applicable) and so that the same shall be assimilated and be consolidated and form a single series with the outstanding Notes and references in these Terms and Conditions to "Notes" shall be construed accordingly, provided that an issue of such further notes that is not issued in a "qualified reopening" for United States federal income tax purposes will be assigned a new unique security code.

## 17 Third Party Rights

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 18 Governing Law and Submission to Jurisdiction

The Agency Agreement, the Note Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Note Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law. Articles 470-1 through 470-19 (inclusive) of the Luxembourg Law of 10 August 1915 concerning Commercial Companies, as amended, shall be expressly excluded.

The Issuer submits for the exclusive benefit of the Noteholders and the Couponholders, to the jurisdiction of the English courts for all purposes in connection with the Agency Agreement, the Note Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Note Agency Agreement, the Notes and the Coupons and in relation thereto the Issuer has appointed Nestlé UK Ltd at its principal office of 1 City Place, Beehive Ring Road, Gatwick RH6 0PA, England as its agent for receipt of process on its behalf and has agreed that in the event of Nestlé UK Ltd ceasing so to act or ceasing to be registered in England it will appoint another person as its agent for service of process. Without prejudice to the foregoing, and to the extent allowed by law, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Note Agency Agreement, the Notes and the Coupons (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Note Agency Agreement, the Notes and the Coupons) may be brought in any other court of competent jurisdiction.

The Guarantee is governed by, and shall be construed in accordance with, Swiss law. The place of jurisdiction for any suit, action or proceeding arising out of or in connection with the Guarantee shall be Vevey, Switzerland.

## PRC CURRENCY CONTROLS

*The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.*

### Remittance of Renminbi into and out of the PRC

Renminbi is not a completely freely convertible currency. The remittance of Renminbi into and out of the PRC is subject to controls imposed under PRC law.

### Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and out of the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, subject to the Measures and its implementation rules, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of cross-border trade between approved pilot enterprises in five designated cities in the PRC being Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. In June 2010 and June 2011, respectively, the PRC Government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades and the Circular on Expanding the Regions of Cross-border Trades Renminbi Settlement (the "Circulars") with regard to the expansion of designated cities and offshore jurisdictions implementing the pilot Renminbi settlement scheme for cross-border trades. Pursuant to the Circulars (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover all provinces and cities in the PRC; and (iii) the restriction on designated offshore districts has been lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items between them; Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in 16 provinces within the designated pilot districts in the PRC.

On 3 February 2012, PBoC and five other PRC Authorities (the "Six Authorities") jointly issued the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (the "2012 Circular"). Under the 2012 Circular, any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports, provided that the relevant provincial government has submitted to the Six Authorities a list of key enterprises subject to supervision and the Six Authorities have verified and signed off on such list. On 12 June 2012, the PBoC issued a notice stating that the Six Authorities had jointly verified and announced a list of 9,502 exporting enterprises subject to supervision and as a result any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports.

On 5 July 2013, the PBoC promulgated the Circular on Simplifying the Procedures for Cross-Border Renminbi Transactions and Improving Related Policies (the "2013 PBoC Notice") with the intent to improve the efficiency of cross border Renminbi settlement and facilitate the use of Renminbi for the settlement of cross border transactions under current accounts or capital accounts. In particular, the 2013 PBoC Notice simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC

banks, based on due diligence review to know their clients (i.e., PRC enterprises), may conduct settlement for such PRC enterprises upon the PRC enterprises presenting the payment instruction, with certain exceptions. PRC banks may also allow PRC enterprises to receive payments under current account items prior to the relevant PRC bank's verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross border remittance).

On 1 November 2014, the PBoC promulgated the Notice on Matters concerning Centralized Cross-Border RMB Fund Operation conducted by Multinational Enterprise Groups (the "2014 PBoC Notice"), which provides that MEGs may carry out cross-border Renminbi fund centralised operations via a group member incorporated in the PRC, which operations include (i) two-way Renminbi cash-pooling arrangement and (ii) centralised receipt and payment of cross-border Renminbi under the current account.

On 5 September 2015, the PBoC promulgated the Notice on Further Facilitating the Two-way Cross-border Renminbi Cash-pooling Business by Multinational Enterprise Groups, which rephrases the requirements on two-way Renminbi cash-pooling arrangement and replaces those set forth under the 2014 PBoC Notice. Among other things, the PBoC effectively increases the cap for net cash flow by increasing the default macro-prudential policy parameter from 0.1 to 0.5 for the time being and stipulates that (i) a qualified MEG is only allowed to have one two-way cross-border Renminbi cash-pooling in the PRC, (ii) the aggregate revenue generated by the domestic participating group members of a MEG shall be no less than RMB 1 billion and that of the foreign participating group members shall be no less than RMB 200 million, (iii) the group parent company of a qualified MEG may be incorporated in or outside of the PRC; and (iv) the fund held in the special RMB deposit account under the name of the domestic group parent company is prohibited from being used for investing in securities, financial derivatives or non-self-use real estates or for purchasing wealth management products or granting entrusted loans.

On 15 May 2017, PBoC promulgated the Administrative Measures for the RMB Cross-border Receipt and Payment Information Management System (the "2017 PBoC Measures") to regulate the operations and use of the RMB cross-border receipt and payment information management system by the banking financial institutions and relevant access agencies. The 2017 PBoC Measures require the banks and relevant access agencies that carry out cross-border RMB business shall connect to the system, and submit RMB cross-border receipts and payments as well as related business information to the system in a timely, accurate and complete manner. The banks shall make use of the system to review the authenticity and consistency of transactions, and may inquire about the transaction information via the system; where relevant business information is found missing in the system, the bank may suspend the receipt and payment of funds.

On 23 October 2019, the SAFE promulgated Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts which became effective on 1 February 2020. SAFE has decided to review and integrate certain foreign exchange accounts and further reduce the types of accounts in order to further intensify the reform of foreign exchange administration, simplifying the relevant business operating procedures, and facilitate true and compliant foreign exchange transactions by banks, enterprises and other market participants, for example, "Current accounts -foreign currency cash account" and "current accounts - foreign exchange account under current accounts of overseas institutions" are included in "current accounts - foreign exchange settlement account".

On 23 October 2019, the SAFE issued Notice by the State Administration of Foreign Exchange of Further Facilitating Cross-border Trade and Investment, based on which, for the revenue obtained by an enterprise from trade in goods, the enterprise may, on its own, decide whether to open a to-be-inspected account for export revenue ("to-be-inspected account"). If an enterprise has not opened a to-be-inspected account, the examined revenue from trade in goods by the bank in accordance with the existing provisions may be directly deposited into the foreign exchange account under current accounts or used for foreign exchange settlement.

As new regulations, the above circulars and notices will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the use of Renminbi for payment of transactions categorised as current account items, then such settlement will need to be made subject to the specific requirements or restrictions set out in such rules. Local authorities may adopt different practices in applying these circulars and impose conditions for the settlement of current account items.

## Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments have been generally subject to the approval of the relevant PRC authorities. However, as set out below, it has been announced that as from 1 June 2015, the capital account regulation in relation to direct investment has been delegated by the governmental authority (i.e. the local branches of the SAFE) to designated foreign exchange banks.

Prior to October 2011, settlements for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. The relevant PRC authorities may, however, have granted approvals for a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to remit interest and principal repayment to its foreign investor outside the PRC in Renminbi. The foreign invested enterprise may, however, have been required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 13 October 2011, the PBoC issued the Administrative Measures on RMB Settlement of Foreign Direct Investment ("PBoC RMB FDI Measures") which set out operating procedures for PRC banks to handle Renminbi settlement relating to Renminbi foreign direct investment ("RMB FDI") and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBoC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI has required approvals on a case-by-case basis from the PBoC. The new rules replace the PBoC approval requirement with less onerous post-event registration and filing requirements. The PBoC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBoC within ten working days after obtaining business licenses for the purpose of Renminbi settlement; a foreign investor is allowed to open a Renminbi expense account to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account of such foreign invested enterprise when it is established, commercial banks can remit a foreign investor's Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents; if a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries to reinvest onshore or increase the registered capital of the PRC subsidiaries, the foreign investor may open a Renminbi reinvestment account to receive such Renminbi proceeds; and the PRC parties selling a stake in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by foreign investors by submitting certain documents as required by the guidelines of PBoC to the commercial banks. The PBoC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise applies to both its Renminbi debt and foreign currency debt owed to its offshore shareholders, offshore affiliates

and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract and the letter of payment order to the commercial bank and make repayments of principal and interest on such debt in Renminbi by submitting certain documents as required by the guidelines of the PBoC to the commercial bank.

On 14 June 2012, the PBoC further promulgated the Notice on Clarifying the Detailed Operating Rules for RMB Settlement of Foreign Direct Investment ("PBoC RMB FDI Notice") to provide more detailed rules relating to cross-border Renminbi direct investments and settlement. This PBoC RMB FDI Notice details the rules for opening and operating the relevant accounts and reiterates the restrictions upon the use of the funds within different Renminbi accounts.

On 10 May 2013, the SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (the "SAFE Provisions"), which became effective on 13 May 2013. The SAFE Provisions removed previous approval requirements for foreign investors and foreign invested enterprises in opening of, and capital injections into, foreign exchange accounts, although registration for foreign exchange (including cross-border Renminbi) administration is still required.

On 5 July 2013, the PBoC promulgated the 2013 PBoC Notice (together with the PBoC RMB FDI Measures and the PBoC RMB FDI Notice, the "PBoC Rules") which, among other things, provide more flexibility for funds transfers between the Renminbi accounts held by offshore participating banks at PRC onshore banks and offshore clearing banks respectively.

On 23 September 2013, the PBoC further issued the Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors, which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC.

On 3 December 2013, MOFCOM promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the "MOFCOM Circular"), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify "Renminbi Foreign Direct Investment" and the amount of capital contribution in the approval. Unlike the previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also expressly prohibits the FDI Renminbi funds from being used for any investment in securities and financial derivatives (except for investment in PRC listed companies by strategic investors) or for entrusted loans in the PRC. On 30 July 2017, MOFCOM promulgated the Interim Measures for Filing Administration of the Establishment and Change of Foreign-invested Enterprises (the "MOFCOM FIE Measures"), which became effective on the same day, to further simplify the legal requirements on foreign direct investment. Pursuant to the MOFCOM FIE Measures, all FDIs, including cross-border Renminbi FDIs, are subject to post-formation filings with MOFCOM instead of prerequisite written approvals from MOFCOM, as long as they do not fall into any restricted industries under the Special Administrative Measures for Access of Foreign Investment (the "Negative List").

On 13 February 2015, the SAFE promulgated Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (the "2015 SAFE Notice"), which became effective on 1 June 2015. Under the 2015 SAFE Notice, the SAFE delegates the authority for approval/registration of foreign currency (including cross-border Renminbi) related matters for direct investment (internal and external) to designated foreign exchange banks.

On 30 March 2015, SAFE promulgated the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (the "2015 SAFE Circular"), which became effective on and from 1 June 2015.

The 2015 SAFE Circular allows foreign-invested enterprises to settle 100 per cent. (tentative) of the foreign currency capital (that has been processed through SAFE's equity interest confirmation proceedings for capital contribution in cash or registered by a bank on SAFE's system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs, though SAFE reserves its authority to reduce the proportion of foreign currency capital that is allowed to be settled in such manner in the future. On the other hand, it is notable that the 2015 SAFE Circular continues to require that capital contributions should be applied within the business scope of a foreign-invested company for purposes that are legitimate and for that foreign-invested company's own operations; with respect to the Renminbi proceeds obtained through the aforementioned settlement procedure, the 2015 SAFE Circular prohibits such proceeds from being applied outside the business scope of the company or for any prohibitive purposes in law, or applied directly or indirectly (i) to securities investments (unless otherwise permitted in law), (ii) to granting entrusted loans or repaying of inter-company lending (including advance payment made by third parties) or bank loans that have been on lent to third parties, or (iii) to purchasing non-self-use real estates (unless it is a real estate company). In addition, the 2015 SAFE Circular allows foreign-invested investment companies, foreign-invested venture capital firms and foreign-invested equity investment companies to make equity investment through Renminbi funds to be settled, or those already settled, from their foreign currency capital by transferring such settled Renminbi funds into accounts of invested enterprises, according to the actual investment scale of the proposed equity investment projects.

On 5 June 2015, the PBoC promulgated an order to revise certain existing PBoC regulations, which is to reflect the reform to a new registered capital system of PRC-incorporated companies under the PRC Company Law effective as of 1 March 2014 (the "PBoC Order"). Among other things, the PBoC confirmed in the PBoC Order that capital verification of a foreign-invested enterprise under article 10 of the PBoC RMB FDI Measures is no longer a mandatory procedure before the establishment, and the requirement under the PBoC RMB FDI Notice that a foreign-invested enterprise is not allowed to borrow offshore RMB funds until its registered capital is paid up in full and as scheduled is also abolished.

On 26 April 2016, SAFE promulgated the Notice on Further Promoting Trade and Investment Facilitation and Improving Authenticity Review (the "2016 SAFE Notice") to streamline the reviewing process of the foreign exchange administration to prevent the risks of cross-border capital flows. First, the 2016 SAFE Notice stretches the lower limit of the composite foreign exchange settlement and sale position of banks. For example, the lower limit of the position for a bank whose foreign exchange settlement and sale business volume in the preceding year reaches or exceeds the equivalent of U.S.$200 billion will be adjusted to negative U.S.$5 billion. Second, the 2016 SAFE Notice makes more delivery methods available for forward foreign exchange settlement, where banks may select the method of gross settlement or balance settlement for delivery upon maturity when handling forward foreign exchange settlement for institutional clients. Furthermore, the policies on the administration over foreign exchange settlement of foreign debts applicable to Chinese-funded and foreign-invested enterprises are unified under the 2016 SAFE Notice; the foreign debts borrowed by Chinese-funded non-financial enterprises may be settled for use pursuant to the prevailing regulations on foreign debt applicable to foreign-invested enterprises. The 2016 SAFE Notice also emphasises standardisation of the administration over the outbound remittance of profits in foreign currency from direct investment, and banks, when handling the remittance of profits exceeding the equivalent of U.S.$50,000 abroad for a domestic institution, are required to examine the profit distribution resolution of the board of directors (or the profit distribution resolution of all investors) that is related to this remittance of profits abroad, the original of its tax record-filing form and the financial statements as proof of the profits involved in this remittance according to the principle of transaction authenticity.

On 9 June 2016, SAFE promulgated another Circular on Reforming and Standardising the Administrative Provisions on Capital Account Foreign Exchange Settlement of Foreign Exchange under Capital Accounts (the "2016 SAFE Circular"), which became effective on the date of issuance. The 2016 SAFE Circular

provided, among others, that the settlement of foreign exchange funds under capital accounts (including the foreign capital, debt financing and overseas listing repatriation of funds, etc.) that are subject to willingness settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation, and where there are restrictive provisions in any current regulations on the settlement of foreign exchange funds under capital accounts of domestic institutions, these provisions shall prevail. The 2016 SAFE Circular also summarises the experience in settlement of capital account items gained from the earlier pilot programmes in a number of free trade zones, and intends to uniform the management rules on voluntary settlement and payment of foreign exchange earnings under capital account nationwide. Among other things, the 2016 SAFE Circular allows (i) domestic enterprises (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) to settle their foreign debts in foreign currencies according to the method of voluntary foreign exchange settlement, and (ii) all the domestic institutions to voluntarily settle 100 per cent. (tentative) of the foreign exchange earnings under capital account (including capital in foreign currencies, foreign debts, funds repatriated from overseas listing, etc.) into Renminbi based on their actual operating needs, although SAFE reserves its authority to reduce the proportion of the foreign currency gains under the capital account that can be settled in such manner in the future. With respect to the Renminbi proceeds obtained through the aforementioned settlement procedure, the 2016 SAFE Circular reiterates that such proceeds are prohibited from being applied outside the business scope of the enterprise or for any purposes prohibited by law, or applied (x) directly or indirectly to securities investment or investment and wealth management products other than principal-protected products issued by banks, (y) directly or indirectly to granting entrusted loans, unless otherwise permitted by business scope, or (z) purchasing or constructing non-self-use real estate (unless it is a real estate company). Finally, the 2016 SAFE Circular expressly indicates that in the event of any discrepancy between the 2016 SAFE Circular and the 2015 SAFE Circular, the 2016 SAFE Circular shall prevail.

On 11 January 2017, PBoC issued the Notice on Full-coverage Macro-prudent Management of Cross-border Financing (the "2017 PBoC Notice"), according to which, the non-financial enterprises and financial institutions (excluding government financing platforms and real estate enterprises) in China may independently carry out cross-border financing in Renminbi and foreign currencies pursuant to applicable provisions, subject to the cross-border financing restraint mechanism under the framework of macro-prudent rules imposed by PBoC. Among other things, the 2017 PBoC Notice provides that the upper limit of the risk-weighted balance of cross-border financing of an enterprise is increased from 100 per cent. to 200 per cent. of the net assets of such enterprise, and the new method to calculate the risk-weighted balance of cross-border financing grants the financial institutions a larger quota for cross-border financing.

On 26 January 2017, SAFE promulgated a Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving Authenticity and Compliance Review (the "2017 SAFE Notice", together with the 2015 SAFE Notice, 2015 SAFE Circular, 2016 SAFE Notice and 2016 SAFE Circular, the "SAFE Rules") to establish a capital flow management system under the macro-prudent management framework. Pursuant to the 2017 SAFE Notice, (i) the scope of settlement of domestic foreign exchange loans is expanded, where the settlement is allowed for domestic foreign exchange loans with a background of export trade in goods, and domestic institutions shall repay such loans with the foreign currency earned from export trade in goods rather than by purchasing foreign exchange; (ii) funds under foreign debts (including those denominated in offshore Renminbi) secured by domestic guarantees (*Nei Bao Wai Dai*) are allowed to be repatriated to China and therefore a debtor may directly or indirectly repatriate such funds to China by way of extending loans or making equity investments in China; (iii) centralised operation and management of the foreign exchange funds of multinational companies is further facilitated, and the percentage of the deposits drawn by a domestic bank via a main account for international foreign exchange funds that may be used in China is adjusted to no more than 100 per cent. (as opposed to 50 per cent., previously) of the average daily deposit balance of the preceding six months; and (iv) foreign exchange settlement is allowed for the domestic foreign exchange accounts of overseas

institutions within pilot free trade zones. The 2017 SAFE Notice also emphasised the importance of the foreign exchange administration over trade in goods, and the management of the outbound remittance of the foreign exchange profits of foreign direct investment in China, as well as the authenticity and compliance review of the outbound direct investment by PRC domestic institutions.

On 5 January 2018, PBoC promulgated the Notice on Further Improving the RMB Cross-Border Business Policies and Promoting the Facilitation of Trading and Investment (the "2018 PBoC Notice") to further support the use of RMB for cross-border settlement. According to the 2018 PBoC Notice, all cross-border transactions that can be settled by foreign exchange under the relevant PRC laws can be settled in RMB. Foreign investors that plan to set up multiple foreign-invested enterprises in the PRC are allowed to open separate special RMB upfront expense deposit accounts for each enterprise. Foreign-Invested enterprises are allowed to open more than one special RMB capital deposit account outside its domicile. Funds in different special RMB capital deposit accounts under the same account name may be transferred among such accounts. The 2018 PBoC Notice also stated that foreign investors' profits, dividends and other investment proceeds that are legitimately obtained in the PRC may be freely remitted outside the PRC via the RMB cross-border settlement system after a diligent review of the relevant supporting documents by the relevant handling banks. PRC domestic enterprises may, based on their actual needs, remit into the PRC the RMB funds raised through offshore issuance of RMB bonds after going through proper formalities under the full coverage macro-prudent management of cross-border financing mechanism of the PBoC. RMB funds raised by a PRC domestic enterprise through offshore issuance of stocks may be remitted back into the PRC based on its actual needs.

On 15 March 2019, SAFE promulgated the Circular on the Centralized Operation of Cross-Border Funds of Multinational Companies (the "2019 SAFE Circular"), which emphasises the purpose of facilitating trade and investment and serving the real economy. Pursuant to the 2019 SAFE Circular, multinational companies may, based on the macro-prudent principle, add the foreign debt quota and/or overseas lending quota, and carry out the overseas borrowing and lending activity following commercial practice within the scale of the aggregate quota. In addition, the foreign debt and overseas loan registration is simplified and a one-time registration mechanism is adopted, which means multinational companies are no longer required, based on currency type and the role (creditor or debtor), to register the relevant debt or loan one by one. Among other things, the 2019 SAFE Circular also provides that a hosting company of MEG need not submit every authenticity proof material to the cooperative bank beforehand when it is handling the payment and use of foreign exchange income under the capital account.

On 15 March 2019, the China National People's Congress promulgated the Foreign Investment Law (the "Foreign Investment Law") which, upon taking effect on 1 January 2020, will replace some of the basic laws and regulations relating to foreign investment in China. The Foreign Investment Law is viewed to promote and protect foreign investment; among all the protective provisions, one specifically provides that the capital contribution made by foreign investors within China, and the profits, capital gains, proceeds out of asset disposal, intellectual property rights' licensing fee, indemnity or compensation legally obtained, or proceeds received upon settlement by foreign investors within China, may be freely remitted inward and outward in RMB yuan or a foreign currency.

As the MOFCOM Circular, the PBoC Rules, the PBoC Order, the 2017 PBoC Notice, the SAFE Rules, the 2017 PBoC Measures, the 2018 PBoC Notice and the Foreign Investment Law are relatively new regulations, they will be subject to interpretation and application by the relevant PRC authorities.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, there is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such

remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules.

If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under RMB Notes.

## USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes.

## FORM OF THE GUARANTEE

In respect of each Tranche of Notes issued by Nestlé Holdings, Inc. and by Nestlé Finance International Ltd., the Guarantor will execute and deliver a Guarantee in substantially the form (subject to completion) set out below. Each Guarantee will be deposited for the benefit of the relevant Noteholders [and Couponholders] with the [Agent][Transfer Agent].

The form of the Guarantee set out below is a joint and several suretyship (*cautionnement solidaire*) pursuant to Article 496 of the Swiss Code of Obligations. Such a guarantee is accessory in nature, which means that its enforceability is dependent upon the legal validity and enforceability of the primary obligation to which it relates. This means that the Guarantor will only have an obligation to pay a Noteholder an amount under the Guarantee if and to the extent such Noteholder has a legally valid and enforceable claim against the relevant Issuer to pay such amount under the relevant Tranche of Notes. A joint and several suretyship pursuant to Article 496 of the Swiss Code of Obligations is also governed by a number of statutory provisions of Swiss law that are designed to protect the surety, among other things, that:

- the terms of the Guarantee will limit the aggregate amount payable by the Guarantor to the Noteholders (including amounts in respect of principal, interest and other amounts due and unpaid under the Notes) to a fixed amount in the Specified Currency of the Notes, the so-called Maximum Guarantee Amount. The Maximum Guarantee Amount under the Guarantee relating to each Tranche of Notes will be equal to the payment of the principal and three years' interest in respect of such Notes. That is (i) the initial aggregate principal amount of the relevant Tranche of Notes, plus (ii) three multiplied by the product of (x) the interest rate per annum applicable to such Notes and (y) the initial aggregate principal amount of such Notes;

- any defences that the relevant Issuer may assert against a Noteholder, whether available to the relevant Issuer under the terms of the Notes or under English law or otherwise, may, as a rule, also be asserted by the Guarantor against such Noteholder with respect to claims under the related Guarantee (even if the relevant Issuer has itself waived or otherwise not exercised any such defence);

- if a Noteholder seeks to enforce the Guarantee against the Guarantor in Switzerland, the Guarantor may petition the competent court to stay the enforcement proceeding against it until such time as insolvency or related proceedings against the relevant Issuer are completed without such Noteholder having been paid in full for amounts owed to it under the Notes, so long as the Guarantor posts sufficient collateral;

- in the event of insolvency proceedings in respect of the relevant Issuer, if a Noteholder fails to file its claims against the relevant Issuer under such Note or to do everything conscionable to safeguard its rights under such Note in such proceedings, such Noteholder will forfeit its claims against the Guarantor under the related Guarantee if and to the extent that the Guarantor suffers damages as a result of such failure; and

- in accordance with Swiss law on suretyships, a Noteholder cannot make any further claim under or in connection with the Guarantee after its termination date, unless legal proceedings are initiated by such Noteholder prior to the end of the four week period following such termination date and pursued by such Noteholder without significant interruption.

THIS GUARANTEE is entered into on [*issue date*] by Nestlé S.A. for the benefit of the Relevant Account Holders [(as defined in the Agency Agreement referred to below)][(as defined in the Note Agency Agreement referred to below)] and the holders for the time being of the Notes (as defined below) [and the

interest coupons appertaining to the Notes (the "Coupons")]. Each Relevant Account Holder[,] [and] each holder of a Note [and each holder of a Coupon] is a "Holder".

WHEREAS

(A) Nestlé Holdings, Inc. and Nestlé Finance International Ltd. as issuers and Nestlé S.A. as guarantor (the "Guarantor") in respect of all notes issued by Nestlé Holdings, Inc. and by Nestlé Finance International Ltd. have entered into an amended and restated Programme Agreement dated 30 May 2023 (the "Programme Agreement", which expression includes the same as it may be supplemented and/or amended and restated from time to time) with the Programme Dealers named therein in respect of a Debt Issuance Programme;

(B) [Nestlé Holdings, Inc./ Nestlé Finance International Ltd.] (the "Issuer") has agreed to issue [*title of* Notes *being issued*] (the "Notes") on [*issue date*]; and

(C) The Issuer has entered into [an amended and restated Agency Agreement dated 30 May 2022 (the "Agency Agreement") relating to the Notes.][the amended and restated Note Agency Agreement dated 30 May 2022 (the "Note Agency Agreement") relating to the Notes.]

The Guarantor as joint and several surety (*caution solidaire*) according to Article 496 of the Swiss Code of Obligations hereby irrevocably guarantees to each Holder the due and punctual payment, in accordance with the Terms and Conditions of the Notes (the "Conditions"), of the principal, interest (if any) and any other amounts due and payable by the Issuer to such Holder under the Notes or under Clause 28 of the [Agency Agreement][Note Agency Agreement], as the case may be, up to a maximum amount of [*insert details/basis of calculation*] (in words: [*insert number in words*]) (the "Maximum Guarantee Amount"), upon the following terms:

(1) In the event of any failure by the Issuer [or any corporation substituted pursuant to Condition 13][*] [(hereinafter called the "Relevant Issuer")][*] punctually to pay any such principal, interest (if any) or other amount as and when the same becomes due in accordance with the Conditions, and, except in the event that the [Relevant][*] Issuer's insolvency is evident, provided that the relevant Holder shall have made a request to the [Relevant][*] Issuer for payment of such amount, the Guarantor as joint and several surety will on demand pay to the relevant Holder any such principal, interest (if any) or other amount.

(2) The Guarantor confirms, with respect to each Note [and Coupon] and Clause 28 of the [Agency Agreement][Note Agency Agreement], that it does not have and will not assert as a defence to any claim under this Guarantee (i) any right to require any proceedings to be brought first against the [Relevant][*] Issuer or any paying agent, or (ii) any right to require filing of claims with any court, or (iii) any suspension or cancellation of the [Relevant][*] Issuer's obligation to make payments under the Notes for the reasons described in Article 501 paragraph 4 of the Swiss Code of Obligations, and covenants that this Guarantee will not be discharged except by complete performance of the obligations contained in each Note [and Coupon] and/or Clause 28 of the [Agency Agreement][Note Agency Agreement] or otherwise in accordance with Clause (6) hereof.

(3) This Guarantee extends, subject to the Maximum Guarantee Amount, to all principal, interest (if any) and other amounts due and payable by the [Relevant][*] Issuer to the Holder under the Notes, and Article 499 paragraph 2 of the Swiss Code of Obligations is not applicable to this Guarantee.

(4) Amounts payable under this Guarantee (including interest (if any), and any other amount due and payable by the [Relevant][*] Issuer) may not exceed the Maximum Guarantee Amount in the aggregate.

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[*] Delete in the case of Notes issued by Nestlé Holdings, Inc.

(5) This Guarantee constitutes a direct, unsecured (subject to the provisions of Condition 3) and unsubordinated obligation of the Guarantor and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations outstanding of the Guarantor (other than obligations mandatorily preferred by law applying to companies generally).

(6) This Guarantee will continue in full force and effect until the earlier of (i) the date on which all sums payable in respect of the Notes shall have been paid in full, and (ii) the date which is 365 days after [*maturity date of the Notes*], at which date it will expire automatically without further notice, except, to the extent applicable, as described in Article 510 paragraph 3 of the Swiss Code of Obligations.

(7) The Guarantor agrees that it shall comply with and be bound by those provisions contained in Condition 2(b), Condition 3(b), Condition [7(a)][*1]/[7(b)][*2] and (c) and Condition 11 insofar as the same relate to the Guarantor.

(8) This Guarantee is governed by, and shall be construed in accordance with, the substantive laws of Switzerland.

(9) The courts of the Canton of Vaud, Switzerland, (venue being the City of Vevey) shall have exclusive jurisdiction to settle any and all disputes arising out of or in connection with this Guarantee.

Dated [*Issue Date*]

NESTLÉ S.A.

By: .....

By: .....

[*1] Delete in the case of Notes issued by Nestlé Finance International Ltd.

[*2] Delete in the case of Notes issued by Nestlé Holdings, Inc.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in any other currency).*

[**MiFID II product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services – subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable. [Any person subsequently offering, selling or recommending the Notes (a "distributor")]/[Any distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.]

[**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market

assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Any person subsequently offering, selling or recommending the Notes (a "distributor")]/[Any distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PRIIPs Regulation / Prospectus Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**UK PRIIPs Regulation / UK Prospectus Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-

N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.][1]

**Final Terms**
**Dated [●]**

**[Nestlé Holdings, Inc.]/**

**[Nestlé Finance International Ltd.**

Registered office: 7, rue Nicolas Bové, L-1253 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B-136737**]**

**[Legal Entity Identifier: [549300EAEU8YV8MQXP30]/[0KLLMNHINTFDRMU6DI05]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**
**Guaranteed by Nestlé S.A.**
**under the Debt Issuance Programme**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 30 May 2023 [as supplemented by the Prospectus Supplement[s] dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus [as so supplemented], including documents incorporated by reference. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. [A summary is annexed to these Final Terms.] The Prospectus [and the Prospectus Supplement[s] [is][are] available for viewing on the Nestlé Group's investor relations website, which can be found at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents* and [is][are] available on the website of the Luxembourg Stock Exchange at *www.luxse.com* [*Please insert the following item in the case of Notes to be admitted to trading and listed on the SIX Swiss Exchange*: and/or on the website of the SIX Swiss Exchange].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in, and extracted from, the Prospectus dated [*original date*] and which are incorporated by reference in the Prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus dated [*current date*] [and the Prospectus Supplement[s] dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, including the Conditions which are extracted from the Prospectus dated [*original date*] and incorporated by reference in the Prospectus dated [*current date*]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [*current date*] [and the Prospectus Supplement[s] dated [ ]]. [A summary is annexed to these Final Terms.] Copies of the Prospectus [and the Prospectus Supplement[s]] [is][are] available for viewing on the Nestlé Group's investor relations website, which can be

[1] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

found at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents* and [is][are] available on the website of the Luxembourg Stock Exchange at *www.luxse.com*. [*Please insert the following item in the case of Notes to be admitted to trading and listed on the SIX Swiss Exchange*: and/or on the website of the SIX Swiss Exchange]]

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

| | | |
|---|---|---|
| 1 | (a) Series Number: | [ ] |
| | (b) Tranche Number: | [ ] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | [Not Applicable]/[The Notes shall be consolidated to form a single Series and be interchangeable for trading purposes with the [ ] on [ ]/[the Issue Date]/[exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below [which is expected to occur on or about [ ]]]] |
| 2 | Specified Currency: | [ ] |
| 3 | Aggregate Nominal Amount: | |
| | (a) Series: | [ ] |
| | (b) Tranche: | [ ] |
| 4 | Issue Price: | [ ] per cent. of the Aggregate Nominal Amount [plus [] days' accrued interest in respect of the period from, and including, [ ] to, but excluding, [ ]] |
| 5 | (a) Specified Denominations: | [ ] [and integral multiples of [ ] in excess thereof up to and including [ ]. Definitive Notes will not be issued in denominations in excess of [ ]] |
| | (b) Calculation Amount: | [ ] |
| 6 | (a) Issue Date: | [ ] |
| | (b) Interest Commencement Date: | [ ]/[Issue Date]/[Not Applicable] |
| 7 | Maturity Date: | [ ]/[Interest Payment Date falling in or nearest to [ ]] |
| 8 | Interest Basis: | [[ ] per cent. Fixed Rate]<br>[[ ] month [EURIBOR] +/- [ ] per cent. Floating Rate]<br>[Fixed/Floating Rate Interest Basis]<br>[Zero Coupon] |
| 9 | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100]/[ ] per cent. of their nominal amount |
| 10 | Change of Interest Basis: | [Not Applicable]/[For the period from (and including) the Interest Commencement Date, up to (but excluding) [ ] paragraph [13/14] applies and for the period from (and including) [ ], [up to (but excluding)] the Maturity Date, paragraph [13/14] applies] |
| 11 | Put/Call Options: | [Investor Put Option]<br>[Issuer Call Option] |

| | | |
|---|---|---|
| | | [Issuer Maturity Par Call Option]<br>[Issuer Make-Whole Call Option]<br>[Issuer Clean-up Call Option]<br>[Not Applicable]<br>[(further particulars specified below in paragraph [16/17/18/19/20])] |
| 12 | Date [Board] approval for issuance of Notes and Guarantee obtained: | [[ ] and [ ], respectively] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 13 | Fixed Rate Note Provisions: | [Applicable]/[Not Applicable] |
| | (a) Rate(s) of Interest: | [ ] per cent. per annum payable in arrear on each Interest Payment Date[. The first Fixed Interest Period shall be the period commencing on, and including, the Interest Commencement Date and ending on, but excluding, [ ] ([short]/[long] first coupon)] |
| | (b) Interest Payment Date(s): | [ ] in each year from and including [ ], up to, and including, the [Maturity Date]/[ ] [adjusted in accordance] with the [Following Business Day Convention]/[Modified Following Business Day Convention]/[ ] [with the Additional Business Centres for the definition of "Business Day" being [ ]] [[adjusted]/[with no adjustment] for period end dates] |
| | (c) Fixed Coupon Amount(s): | [ ] per Calculation Amount (applicable to the Notes in definitive form) and [ ] per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on each Interest Payment Date[, except for the amount of interest payable on the first Interest Payment Date falling on [ ]] |
| | (d) Broken Amount(s): | [[ ] per Calculation Amount (applicable to the Notes in definitive form) and [ ] per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on the Interest Payment Date falling on [ ]]/[Not Applicable] |
| | (e) Day Count Fraction: | [30/360]/[Actual/Actual (ICMA)] |
| | (f) Determination Date(s): | [[ ] in each year]/[Not Applicable] |
| 14 | Floating Rate Note Provisions | [Applicable]/[Not Applicable] |
| | (a) Specified Period(s): | [ ][subject to adjustment in accordance with the Business Day Convention set out in paragraph 14(d) below]/[not subject to any adjustment, as the Business Day Convention in paragraph 14(d) below is specified to be Not Applicable] |
| | (b) Specified Interest Payment Dates: | [ ] |
| | (c) First Interest Payment Date: | [ ] |
| | (d) Business Day Convention: | [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day |

| | | |
|---|---|---|
| | | Convention]/[Preceding Business Day Convention]/[Not Applicable] |
| | (e) Additional Business Centre(s): | [ ] |
| | (f) Manner in which the Rate of Interest and Interest Amount is/are to be determined: | [Screen Rate Determination]/[ISDA Determination] |
| | (g) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent) (the "Calculation Agent"): | [ ] |
| | (h) Screen Rate Determination: | |
| | - Reference Rate: | [ ] month [EURIBOR] |
| | - Relevant Financial Centre: | [Brussels] |
| | - Interest Determination Date(s): | [ ] |
| | - Relevant Screen Page: | [ ] |
| | (i) ISDA Determination: | |
| | - Floating Rate Option: | [ ] |
| | - Designated Maturity: | [ ] |
| | - Reset Date: | [ ] |
| | (j) Linear Interpolation: | [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period or Specified Period shall be calculated using Linear Interpolation] |
| | (k) Margin(s): | [+/-] [ ] per cent. per annum |
| | (l) Minimum Rate of Interest: | [zero]/[ ] per cent. per annum |
| | (m) Maximum Rate of Interest: | [ ] per cent. per annum |
| | (n) Day Count Fraction: | [Actual/Actual (ISDA)]/[Actual/Actual]/<br>[Actual/365 (Fixed)]/<br>[Actual/360]/<br>[30/360] [360/360] [Bond Basis]/<br>[30E/360] [Eurobond Basis]/<br>[30E/360 (ISDA)]/<br>[Actual/365 (Sterling)] |
| 15 | Zero Coupon Note Provisions | [Applicable]/[Not Applicable] |
| | (a) Accrual Yield: | [ ] per cent. per annum |
| | (b) Reference Price: | [ ] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 16 | Issuer Call Option | [Applicable]/[Not Applicable] |
| | (a) Optional Redemption Date(s): | [ ] |
| | (b) Optional Redemption Amount(s) of each Note: | [[ ] per Calculation Amount/Condition 6(k) applies] |
| | (c) If redeemable in part: | |
| | (i) Minimum Redemption Amount: | [[ ] per Calculation Amount/Condition 6(k) applies]/[Not Applicable] |
| | (ii) Maximum Redemption Amount: | [[ ] per Calculation Amount/Condition 6(k) applies]/[Not Applicable] |
| | (d) Notice periods (if other than as set out in the Conditions): | [ ] |
| 17 | Issuer Maturity Par Call Option | [Applicable]/[Not Applicable] |
| | [Notice periods (if other than as set out in the Conditions):] | [Minimum period: [ ] days]<br>[Maximum period: [ ] days] |
| 18 | Issuer Make-Whole Call Option | [Applicable]/[Not Applicable] |
| | (a) Optional Redemption Date(s): | [ ]/[at any time that is more than 90 days prior to the Maturity Date] |
| | (b) Optional Redemption Amount of each Note: | [[ ] per Calculation Amount]/[Special Redemption Amount] |
| | (c) Specified Time for Special Redemption Amount: | [ ]/[Not Applicable] |
| | (d) Redemption Margin: | [[ ] per cent.]/[Not Applicable] |
| | (e) If redeemable in part: | |
| | (i) Minimum Redemption Amount: | [[ ] per Calculation Amount]/[Not Applicable] |
| | (ii) Maximum Redemption Amount: | [[ ] per Calculation Amount]/[Not Applicable] |
| | (f) Calculation Agent (if not the Agent) (the "Calculation Agent"): | [Not Applicable]/[ ] |
| | (g) Notice periods (if other than as set out in the Conditions): | [Minimum period: [ ] days]/[Not Applicable]<br>[Maximum period: [ ] days]/[Not Applicable] |
| 19 | Issuer Clean-up Call Option | [Applicable]/[Not Applicable] |
| | (a) Optional Redemption Amount(s) of each Note: | [[ ] per Calculation Amount/Condition 6(k) applies] |
| | (b) Notice periods (if other than as set out in the Conditions): | [Minimum period: [ ] days]/[Not Applicable]<br>[Maximum period: [ ] days]/[Not Applicable] |

| | | |
|---|---|---|
| 20 | Investor Put Option | [Applicable]/[Not Applicable] |
| | (a) Optional Redemption Date(s): | [ ] |
| | (b) Optional Redemption Amount(s) of each Note: | [[ ] per Calculation Amount/Condition 6(k) applies] |
| 21 | Final Redemption Amount: | [[ ]/[Par] per Calculation Amount] |
| 22 | Early Redemption Amount | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default/or other earlier redemption: | [[ ]/[Par] per Calculation Amount/Condition 6(k) applies] |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| 23 | Form of Notes: | [ ] |
| 24 | [New Global Note]/[New Safekeeping Structure]: | [Yes][No] |
| 25 | Additional Financial Centre(s) or other special provisions relating to Payment Days: | [Not Applicable]/[ ] |
| 26 | Talons for future Coupons to be attached to definitive Notes: | [No]/[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made] |
| 27 | Spot Rate (if different from that set out in Condition 5(g)): | [Not Applicable]/[ ] |
| 28 | Calculation Agent responsible for calculating the Spot Rate for the purposes of Condition 5(g) (if not the Agent): | [Not Applicable]/[ ] |
| 29 | RMB Settlement Centre(s): | [Not Applicable]/[ ] |
| 30 | Relevant Benchmark: | [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation]/[Not Applicable] |

## [REPRESENTATION

*Please delete this entire item in the case of Notes admitted to trading on the Luxembourg Stock Exchange. Please insert this item in the case of Notes to be admitted to trading and listed on the SIX Swiss Exchange:* In case of Notes listed on the SIX Swiss Exchange: In accordance with Article 43 of the Listing Rules of the SIX

Swiss Exchange, the Issuer [and the Guarantor] has [have] appointed [ ], located at [ ], as recognised representative to lodge the listing application with SIX Exchange Regulation AG.]

## [THIRD PARTY INFORMATION

[ ] has been extracted from [ ]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as each of the Issuer and the Guarantor is aware and is able to ascertain from the information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

| | |
|---|---|
| Signed on behalf of the Issuer: | Signed on behalf of the Guarantor: |
| By:..... | By:..... |
| *Duly authorised* | *Duly authorised* |
| By:..... | By:..... |
| *Duly authorised* | *Duly authorised* |

## PART B – OTHER INFORMATION

1 **LISTING**

Listing and Admission to Trading: [Application [has been made][is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange with effect from [ ]] / [Application [has been made][is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on the SIX Swiss Exchange with effect from [ ]] [*Please delete item relating to the SIX Swiss Exchange in the case of Notes admitted to trading on the Luxembourg Stock Exchange. Please insert the relevant item in the case of Notes admitted to trading and listed on the SIX Swiss Exchange*]

2 **RATINGS**

Ratings: [The Notes to be issued [are not]/[have been]/[are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[Moody's Italia S.r.l. ("Moody's"): [ ]

An obligation rated '[ ]' [*Insert definition of [ ] available via weblink below*].

The modifier ['1' indicates that the obligation ranks in the higher end of its generic category / '2' indicates a mid-range ranking / '3' indicates a ranking in the lower end of that generic rating category] [*Delete as applicable*].

(Source: Moody's, *https://www.moodys.com/Pages/amr002002.aspx*)]

[S&P Global Ratings, acting through S&P Global Ratings Europe Limited ("S&P"): [ ]

An obligation rated '[ ]' [*Insert definition of [ ] available via weblink below*].

The [plus (+) / minus (-)] [*Delete as applicable*] sign show relative standing within the rating categories.

(Source: S&P, *https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352*)]

[Other]

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for the fees [of [ ]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. [The [Managers/Dealers] and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.]

| | | |
|---|---|---|
| 4 | **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES** | |
| [(i)] | Reasons for the Offer: | [As set out in "Use of Proceeds" in the Prospectus dated [30] May 2023]/[ ] |
| [(ii)] | Estimated net proceeds: | [ ] [(following deduction of the [ ] commission and concession) (before deduction of estimated total expenses)] |
| [(iii)] | Estimated total expenses: | [ ] [for legal, filing and miscellaneous expenses] |
| 5 | **YIELD (Fixed Rate Notes Only)** | |
| Indication of yield: | | [ ]/[Not Applicable] |
| 6 | **[HISTORIC INTEREST RATES (Floating Rate Notes Only)]** | |
| [Details of historic [EURIBOR/other] rates can be obtained from [Reuters/Other]]/[Not Applicable] | | |
| 7 | **OPERATIONAL INFORMATION** | |
| (i) | ISIN: | [ ]<br>[Until the Notes have been consolidated and form a single series with the Existing Notes, they will be assigned a temporary ISIN Code as follows: [ ]<br>Thereafter, the Notes will assume the same ISIN Code as the Existing Notes as follows: [ ]] |
| (ii) | Common Code: | [ ] |
| (iii) | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., the relevant address and identification number(s): | [Not Applicable]/[ ] |
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes]/[No]/[Not Applicable]<br>[Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the "ICSDs") as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]/[Note that the designation "no" means that should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting such criteria, the Notes may then be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the "ICSDs") as common safekeeper[, and registered in the name of a nominee of |

| | | |
|---|---|---|
| | | one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] |
| 8 | **DISTRIBUTION** | |
| (i) | Method of distribution: | [Syndicated]/[Non-syndicated] |
| (ii) | If syndicated: | |
| | (A) Names and addresses of Managers and underwriting commitments: | [Not Applicable]/[ ] |
| | (B) Date of the Letter for a Syndicated Note Issue: | [ ] |
| | (C) Stabilisation Manager(s) (if any): | [Not Applicable]/[ ] |
| (iii) | If non-syndicated, name and address of Dealer: | [Not Applicable]/[ ] |
| (iv) | Total commission and concession: | [ ] per cent. of the Aggregate Nominal Amount |
| (v) | U.S. Selling Restrictions: | [Reg. S Compliance Category [1]/[2]]; [TEFRA D/TEFRA C/TEFRA Not Applicable/Short term obligations issued in compliance with United States Treasury Regulations Section 1.6049-5(b)(10)] |
| (vi) | Public Offer where there is no exemption from the obligation under the Prospectus Regulation to publish a Prospectus: | [Not Applicable]/[Applicable - see paragraph 9 below.] |
| (vii) | Public Offer Jurisdiction(s): | [*Specify the relevant Member State(s) where the Issuer intends to make the Public Offer, which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] |
| (viii) | Prohibition of Sales to EEA Retail Investors: | [Applicable]/[Not Applicable] |

9 **[TERMS AND CONDITIONS OF THE PUBLIC OFFER**

An offer of the Notes may be made by each of the Managers [and [ ]] and any [other] placers (authorised directly or indirectly by the Issuer or any of the Managers), other than pursuant to Article 1(4) of the Prospectus Regulation, in the Public Offer Jurisdiction(s) during the Offer Period (as defined below).

The above consent is subject to the following conditions: [ ].

| | | |
|---|---|---|
| (i) | Offer Period: | From the date of and following publication of these Final Terms being [ ] 20[ ] to[ ] 20[ ]. |
| (ii) | Offer Price: | [Not Applicable]/[ ] |
| (iii) | Conditions to which the offer is subject: | [Not Applicable]/[ ] |

| | | |
|---|---|---|
| (iv) | Description of the application process: | [Not Applicable]/[ ] |
| (v) | Description of possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: | [Not Applicable]/[ ] |
| (vi) | Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest): | [Not Applicable]/[ ] |
| (vii) | Method and time limits for paying up the Notes and for delivery of the Notes: | [Not Applicable]/[ ] |
| (viii) | Manner in and date on which results of the offer are to be made public: | [Not Applicable]/[ ] |
| (ix) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable]/[ ] |
| (x) | Whether Tranche(s) have been reserved for certain countries: | [Not Applicable]/[ ] |
| (xi) | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable]/[ ] |
| (xii) | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable]/[ ] |
| (xiii) | Name(s) and address(es), to the extent known to the Issuer, of the Placers in the various countries where the offer takes place: | [Not Applicable]/[ ]] |

## SUMMARY

[ ]

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in any other currency).*

[**MiFID II product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services – subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.]

[**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable. [Any person subsequently offering, selling or recommending the Notes (a "distributor")]/[Any distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.]

[**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market

assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Any person subsequently offering, selling or recommending the Notes (a "distributor")]/[Any distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PRIIPs Regulation / Prospectus Regulation / PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**UK PRIIPs Regulation / UK Prospectus Regulation / PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-

N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.][2]

**Final Terms**
**Dated [●]**

**[Nestlé Holdings, Inc.]/**

**[Nestlé Finance International Ltd.**

Registered office: 7, rue Nicolas Bové, L-1253 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B-136737**]**

**[Legal Entity Identifier: [549300EAEU8YV8MQXP30]/[0KLLMNHINTFDRMU6DI05]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**
**Guaranteed by Nestlé S.A.**
**under the Debt Issuance Programme**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 30 May 2023 [as supplemented by the Prospectus Supplement[s] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus [as so supplemented], including documents incorporated by reference. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the Prospectus Supplement[s]] [is][are] available for viewing on the Nestlé Group's investor relations website, which can be found at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents* and [is][are] available on the website of the Luxembourg Stock Exchange at *www.luxse.com* [*Please insert the following item in the case of Notes to be admitted to trading and listed on the SIX Swiss Exchange*: and/or on the website of the SIX Swiss Exchange].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in, and extracted from, the Prospectus dated [*original date*] and which are incorporated by reference in the Prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus dated [*current date*] [and the Prospectus Supplement[s] dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, including the Conditions which are extracted from the Prospectus dated [*original date*] and incorporated by reference in the Prospectus dated [*current date*]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [*current date*] [and the Prospectus Supplement[s] dated [ ]]. Copies of the Prospectus [and the Prospectus Supplement[s]] [is][are] available for viewing on the Nestlé Group's investor relations website, which can be found at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents* and [is][are]

[2] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

available on the website of the Luxembourg Stock Exchange at *www.luxse.com*. [*Please insert the following item in the case of Notes to be admitted to trading and listed on the SIX Swiss Exchange*: and/or on the website of the SIX Swiss Exchange]]

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

| | | |
|---|---|---|
| 1 | (a) Series Number: | [ ] |
| | (b) Tranche Number: | [ ] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | [Not Applicable]/[The Notes shall be consolidated to form a single Series and be interchangeable for trading purposes with the [ ] on [ ]/[the Issue Date] /[ exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below [which is expected to occur on or about [ ]]]] |
| 2 | Specified Currency: | [ ] |
| 3 | Aggregate Nominal Amount: | |
| | (a) Series: | [ ] |
| | (b) Tranche: | [ ] |
| 4 | Issue Price: | [ ] per cent. of the Aggregate Nominal Amount [plus [] days' accrued interest in respect of the period from, and including, [ ] to, but excluding, [ ]] |
| 5 | (a) Specified Denominations: | [ ] [and integral multiples of [ ] in excess thereof up to and including [ ]. Definitive Notes will not be issued in denominations in excess of [ ]] |
| | (b) Calculation Amount: | [ ] |
| 6 | (a) Issue Date: | [ ] |
| | (b) Interest Commencement Date: | [ ]/[Issue Date]/[Not Applicable] |
| 7 | Maturity Date: | [ ]/[Interest Payment Date falling in or nearest to [ ]] |
| 8 | Interest Basis: | [[ ] per cent. Fixed Rate]<br>[[ ] month [EURIBOR] +/- [ ] per cent. Floating Rate]<br>[Fixed/Floating Rate Interest Basis]<br>[Zero Coupon] |
| 9 | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100]/[ ] per cent. of their nominal amount |
| 10 | Change of Interest Basis: | [Not Applicable]/[For the period from (and including) the Interest Commencement Date, up to (but excluding) [ ] paragraph [13/14] applies and for the period from (and including) [ ], [up to (but excluding)] the Maturity Date, paragraph [13/14] applies] |
| 11 | Put/Call Options: | [Investor Put Option] |

| | | |
|---|---|---|
| | | [Issuer Call Option]<br>[Issuer Maturity Par Call Option]<br>[Issuer Make-Whole Call Option]<br>[Issuer Clean-up Call Option]<br>[Not Applicable]<br>[(further particulars specified below in paragraph [16/17/18/19/20])] |
| 12 | Date [Board] approval for issuance of Notes and Guarantee obtained: | [[ ] and [ ], respectively] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 13 | Fixed Rate Note Provisions | [Applicable]/[Not Applicable] |
| | (a) Rate(s) of Interest: | [ ] per cent. per annum payable in arrear on each Interest Payment Date[. The first Fixed Interest Period shall be the period commencing on, and including, the Interest Commencement Date and ending on, but excluding, [ ] ([short]/[long] first coupon)] |
| | (b) Interest Payment Date(s): | [ ] in each year from and including [ ], up to, and including, the [Maturity Date]/[ ] [adjusted in accordance] with the [Following Business Day Convention]/[Modified Following Business Day Convention]/[ ] [with the Additional Business Centres for the definition of "Business Day" being [ ]] [[adjusted]/[with no adjustment] for period end dates] |
| | (c) Fixed Coupon Amount(s): | [ ] per Calculation Amount (applicable to the Notes in definitive form) and [ ] per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on each Interest Payment Date[, except for the amount of interest payable on the first Interest Payment Date falling on [ ]] |
| | (d) Broken Amount(s): | [[ ] per Calculation Amount (applicable to the Notes in definitive form) and [ ] per Aggregate Nominal Amount of the Notes (applicable to the Notes in global form), payable on the Interest Payment Date falling on [ ]]/[Not Applicable] |
| | (e) Day Count Fraction: | [30/360]/[Actual/Actual (ICMA)] |
| | (f) Determination Date(s): | [[ ] in each year]/[Not Applicable] |
| 14 | Floating Rate Note Provisions | [Applicable]/[Not Applicable] |
| | (a) Specified Period(s): | [ ][subject to adjustment in accordance with the Business Day Convention set out in paragraph 14(d) below]/[not subject to any adjustment, as the Business Day Convention in paragraph 14(d) below is specified to be Not Applicable] |
| | (b) Specified Interest Payment Dates: | [ ] |
| | (c) First Interest Payment Date: | [ ] |
| | (d) Business Day Convention: | [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day |

| | | |
|---|---|---|
| | | Convention]/[Preceding Business Day Convention]/[Not Applicable] |
| | (e) Additional Business Centre(s): | [ ] |
| | (f) Manner in which the Rate of Interest and Interest Amount is/are to be determined: | [Screen Rate Determination]/[ISDA Determination] |
| | (g) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent) (the "Calculation Agent"): | [ ] |
| | (h) Screen Rate Determination: | |
| | - Reference Rate: | [ ] month [EURIBOR] |
| | - Relevant Financial Centre: | [Brussels] |
| | - Interest Determination Date(s): | [ ] |
| | - Relevant Screen Page: | [ ] |
| | (i) ISDA Determination: | |
| | - Floating Rate Option: | [ ] |
| | - Designated Maturity: | [ ] |
| | - Reset Date: | [ ] |
| | (j) Linear Interpolation: | [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period or Specified Period shall be calculated using Linear Interpolation] |
| | (k) Margin(s): | [+/-] [ ] per cent. per annum |
| | (l) Minimum Rate of Interest: | [zero]/[ ] per cent. per annum |
| | (m) Maximum Rate of Interest: | [ ] per cent. per annum |
| | (n) Day Count Fraction: | [Actual/Actual (ISDA)]/[Actual/Actual]/<br>[Actual/365 (Fixed)]/<br>[Actual/360]/<br>[30/360] [360/360] [Bond Basis]/<br>[30E/360] [Eurobond Basis]/<br>[30E/360 (ISDA)]/<br>[Actual/365 (Sterling)] |
| 15 | Zero Coupon Note Provisions | [Applicable]/[Not Applicable] |
| | (a) Accrual Yield: | [ ] per cent. per annum |
| | (b) Reference Price: | [ ] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 16 | Issuer Call Option | [Applicable]/[Not Applicable] |
| | (a) Optional Redemption Date(s): | [ ] |
| | (b) Optional Redemption Amount(s) of each Note: | [[ ] per Calculation Amount/Condition 6(k) applies] |
| | (c) If redeemable in part: | |
| | (i) Minimum Redemption Amount: | [[ ] per Calculation Amount/Condition 6(k) applies]/[Not Applicable] |
| | (ii) Maximum Redemption Amount: | [[ ] per Calculation Amount/Condition 6(k) applies]/[Not Applicable] |
| | (d) Notice periods (if other than as set out in the Conditions): | [ ] |
| 17 | Issuer Maturity Par Call Option | [Applicable]/[Not Applicable] |
| | [Notice periods (if other than as set out in the Conditions):] | [Minimum period: [ ] days]<br>[Maximum period: [ ] days] |
| 18 | Issuer Make-Whole Call Option | [Applicable]/[Not Applicable] |
| | (a) Optional Redemption Date(s): | [ ]/[at any time that is more than 90 days prior to the Maturity Date] |
| | (b) Optional Redemption Amount of each Note: | [[ ] per Calculation Amount]/[Special Redemption Amount] |
| | (c) Specified Time for Special Redemption Amount: | [ ]/[Not Applicable] |
| | (d) Redemption Margin: | [[ ] per cent.]/[Not Applicable] |
| | (e) If redeemable in part: | |
| | (i) Minimum Redemption Amount: | [[ ] per Calculation Amount]/[Not Applicable] |
| | (ii) Maximum Redemption Amount: | [[ ] per Calculation Amount]/[Not Applicable] |
| | Calculation Agent (if not the Agent) (the "Calculation Agent"): | [Not Applicable]/[ ] |
| | Notice periods (if other than as set out in the Conditions): | [Minimum period: [ ] days]/[Not Applicable]<br>[Maximum period: [ ] days]/[Not Applicable] |
| 19 | Issuer Clean-up Call Option | [Applicable]/[Not Applicable] |
| | Optional Redemption Amount(s) of each Note: | [[ ] per Calculation Amount/Condition 6(k) applies] |
| | Notice periods (if other than as set out in the Conditions): | [Minimum period: [ ] days]/[Not Applicable]<br>[Maximum period: [ ] days]/[Not Applicable] |
| 20 | Investor Put Option | [Applicable]/[Not Applicable] |
| | Optional Redemption Date(s): | [ ] |

| | | |
|---|---|---|
| | Optional Redemption Amount(s) of each Note: | [[ ] per Calculation Amount/Condition 6(k) applies] |
| 21 | Final Redemption Amount: | [[ ]/[Par] per Calculation Amount] |
| 22 | Early Redemption Amount | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default/or other earlier redemption: | [[ ]/[Par] per Calculation Amount/Condition 6(k) applies] |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| 23 | Form of Notes: | [ ] |
| 24 | [New Global Note]/[New Safekeeping Structure]: | [Yes][No] |
| 25 | Additional Financial Centre(s) or other special provisions relating to Payment Days: | [Not Applicable]/[ ] |
| 26 | Talons for future Coupons to be attached to definitive Notes: | [No]/[Yes. As the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made] |
| 27 | Spot Rate (if different from that set out in Condition 5(g)): | [Not Applicable]/[ ] |
| 28 | Calculation Agent responsible for calculating the Spot Rate for the purposes of Condition 5(g) (if not the Agent): | [Not Applicable]/[ ] |
| 29 | RMB Settlement Centre(s): | [Not Applicable]/[ ] |
| 30 | Relevant Benchmark: | [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation]/[Not Applicable] |

## [REPRESENTATION

*Please delete this entire item in the case of Notes admitted to trading on the Luxembourg Stock Exchange. Please insert this item in the case of Notes to be admitted to trading and listed on the SIX Swiss Exchange:* In case of Notes listed on the SIX Swiss Exchange: In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, the Issuer [and the Guarantor] has [have] appointed [ ], located at [ ], as recognised representative to lodge the listing application with SIX Exchange Regulation AG.]

## [THIRD PARTY INFORMATION

[ ] has been extracted from [ ]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as each of the Issuer and the Guarantor is aware and is able to ascertain

from the information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

| Signed on behalf of the Issuer: | Signed on behalf of the Guarantor: |
|---|---|
| By:..... | By:..... |
| *Duly authorised* | *Duly authorised* |
| By:..... | By:..... |
| *Duly authorised* | *Duly authorised* |

## PART B – OTHER INFORMATION

1 **LISTING**

| | | |
|---|---|---|
| (i) | Listing and Admission to Trading: | [Application [has been made][is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange with effect from [ ]] [Application [has been made][is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on the SIX Swiss Exchange with effect from [ ]] [*Please delete item relating to the SIX Swiss Exchange in the case of Notes admitted to trading on the Luxembourg Stock Exchange. Please insert the relevant item in the case of Notes admitted to trading and listed on the SIX Swiss Exchange*] |
| (ii) | Estimate of total expenses related to admission to trading: | [ ] |

2 **RATINGS**

| | |
|---|---|
| Ratings: | [The Notes to be issued [are not]/[have been]/[are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:<br><br>[Moody's Italia S.r.l. ("Moody's"): [ ]<br><br>An obligation rated '[ ]' [*Insert definition of [ ] available via weblink below*].<br><br>The modifier ['1' indicates that the obligation ranks in the higher end of its generic category / '2' indicates a mid-range ranking / '3' indicates a ranking in the lower end of that generic rating category] [*Delete as applicable*].<br><br>(Source: Moody's, *https://www.moodys.com/Pages/amr002002.aspx*)]<br><br>[S&P Global Ratings, acting through S&P Global Ratings Europe Limited ("S&P"): [ ]<br><br>An obligation rated '[ ]' [*Insert definition of [ ] available via weblink below*].<br><br>The [plus (+) / minus (-)] *[Delete as applicable*] sign show relative standing within the rating categories.<br><br>(Source: S&P, *https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352*)]<br><br>[Other] |

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for the fees [of [ ]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. [The [Managers/Dealers] and their

affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.]

| | | |
|---|---|---|
| 4 | **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS** | |
| Reasons for the offer: | | [ ]<br>[See ["Use of Proceeds"] in [Base] Prospectus/Give details]<br>(See ["Use of Proceeds"] wording in [Base] Prospectus – if reasons for offer different from what is disclosed in the [Base] Prospectus, give details here.) |
| Estimated net proceeds: | | [ ] |
| 5 | **YIELD (Fixed Rate Notes Only)** | |
| Indication of yield: | | [ ]/[Not Applicable] |
| 6 | **OPERATIONAL INFORMATION** | |
| (i) | ISIN: | [ ]<br>[Until the Notes have been consolidated and form a single series with the Existing Notes, they will be assigned a temporary ISIN Code as follows: [ ]<br>Thereafter, the Notes will assume the same ISIN Code as the Existing Notes as follows: [ ]] |
| (ii) | Common Code: | [ ] |
| (iii) | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A., the relevant address and identification number(s): | [Not Applicable]/[ ] |
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (vi) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes]/[No]/[Not Applicable]<br>[Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the "ICSDs") as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]/[Note that the designation "no" means that should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting such criteria, the Notes may then be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the "ICSDs") as |

| | | |
|---|---|---|
| | | common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] |
| 7 | **DISTRIBUTION** | |
| (i) | Method of distribution: | [Syndicated]/[Non-syndicated] |
| (ii) | If syndicated: | |
| | (A) Names of Managers: | [Not Applicable]/[ ] |
| | (B) Stabilisation Manager(s) (if any): | [Not Applicable]/[ ] |
| (iii) | If non-syndicated, name and address of Dealer: | [Not Applicable]/[ ] |
| (iv) | U.S. Selling Restrictions: | Reg. S Compliance Category [1]/[2]]; [TEFRA D/TEFRA C/TEFRA Not Applicable/Short term obligations issued in compliance with United States Treasury Regulations Section 1.6049-5(b)(10)] |
| (v) | Prohibition of Sales to EEA Retail Investors: | [Applicable]/[Not Applicable] |

## NESTLÉ HOLDINGS, INC.

### Independent Auditors

The independent auditors of NHI, as of 23 April 2020, are Ernst & Young LLP, 1775 Tysons Blvd, Tysons, VA 22102, United States.

### Selected Financial Information

The following tables show selected financial information from the consolidated income statements, consolidated cash flow statements and consolidated balance sheets of NHI as at and for the financial years ended 31 December 2022 and 2021, respectively, which has been extracted from the audited consolidated financial statements of NHI and its subsidiaries for the financial year ended 31 December 2022 as published in NHI's 2022 Annual Financial Report which is incorporated by reference in, and forms part of, this Prospectus. Such information should be read and analysed together with the Notes to the consolidated financial statements included in NHI's audited consolidated financial statements for each of the financial years ended 31 December 2022 and 2021. Copies of NHI's Annual Financial Reports for the financial years ended 31 December 2022 and 2021 are available on the website of the Luxembourg Stock Exchange at *www.luxse.com* and can also be obtained at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents*. The consolidated financial statements of NHI do not comply with U.S. generally accepted accounting principles and are not meant for distribution in the U.S. or to be used for investment purposes by U.S. investors.

The audited consolidated financial statements of NHI for each of the financial years ended 31 December 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

***Selected financial information from the Consolidated Income Statements - U.S. dollars in millions (except Trading operating profit and profit/(loss) in percentages of sales)***

| | **Year ended 2022** | **Year ended 2021** |
|---|---|---|
| Sales | 29,848 | 26,945 |
| Trading operating profit | 2,067 | 1,100 |
| Trading operating profit in percentages of sales | 6.9% | 4.1% |
| Profit for the year attributable to shareholders of the parent (Net profit) | 1,127 | 689 |
| Profit for the year attributable to shareholders of the parent (Net profit) in percentages of sales | 3.8% | 2.6% |

***Selected financial information from the Consolidated Statement of Cash Flows - U.S. dollars in millions***

| | **Year ended 2022** | **Year ended 2021** |
|---|---|---|
| Operating cash flow | 1,535 | 2,044 |

***Selected financial information from the Consolidated Balance Sheets - U.S. dollars in millions***

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| Total current assets | 32,573 | 30,461 |
| Total non-current assets | 31,765 | 30,476 |
| Total current liabilities | 12,397 | 13,289 |
| Total non-current liabilities | 28,321 | 25,190 |
| Total equity | 23,620 | 22,458 |
| Equity attributable to shareholders of the parent | 23,620 | 22,458 |

## Information about NHI

*General*

NHI was incorporated in the State of Delaware in 1983 under registration number 833330118. NHI is a corporation and has unlimited duration.

The address of the registered office of NHI is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States. The telephone number of NHI's registered office is +1 (800) 677 3394.

The address of NHI's principal place of business is 30003 Bainbridge Road, Solon, Ohio 44139, United States. The telephone number of NHI's principal place of business is +1 703 682 4600.

NHI is not aware of any recent events that would impact NHI's solvency.

*Principal / Future Principal Investments*

On 21 November 2022, Nestlé USA, Inc., a subsidiary of NHI Group, announced with *L* Catterton that they are forming a partnership that is bringing together Freshly and Kettle Cuisine, a leading manufacturer of fresh artisanal foods for retail and foodservice customers. The combined company will focus on offering a wide assortment of fresh food products to customers across geographies and a variety of channels. *L* Catterton will be the majority owner, with Nestlé USA, Inc. holding a minority stake.

On 5 March 2021, the NHI Group (as defined below) announced that it has acquired the Essentia Waters business, a premium functional water brand headquartered in Bothell, Washington. This transaction is part of the Nestlé Group's continued transformation of its global water business to focus on international premium and mineral water brands and healthy hydration products, such as functional water.

Otherwise, NHI has made no material investments since the date of its last published financial statements and, as at the date of this Prospectus, its management has made no other investments or firm commitments with respect to material investments in the future.

## Business Overview

According to its Certificate of Incorporation, the purpose of NHI is primarily to act as a holding company for its direct and indirect subsidiaries (which include Nestlé USA, Inc., Nestlé Purina PetCare Company, Nestlé Prepared Foods Company, Nestlé HealthCare Nutrition, Inc., Nespresso USA, Inc. and Gerber Products Company) (the "NHI Group").

The NHI Group engages primarily in the manufacture and sale of food products, petcare products and beverage products. These businesses derive revenue across the United States. The subsidiary businesses of NHI are organised by principal product groups as described below.

Nestlé USA, Inc. manufactures and sells a wide range of grocery and food service products, including coffee, non-dairy creamers and other beverages. These products are marketed under several brand names, including "Nestlé®", "Nescafé®", "Nesquik®", "Coffee Mate®", "Chef-Mate®", "DiGiorno®", "Tombstone®", "California Pizza Kitchen® frozen pizza", "Nestlé® Toll House® Baking", "Perrier®", "S. Pellegrino®", "Acqua Panna®", "Essentia" and others.

Nestlé Purina PetCare Company manufactures and sells a diverse range of petcare products including dog and cat foods and litter under several brand names, including "Purina®", "Dog Chow®", "Cat Chow®", "Pro Plan®", "Beneful®", "Friskies®", "Alpo®", "ONE®", "Fancy Feast®", "Beyond®", "Beggin®", "Tidy Cats®", "Merrick®" and others.

Nestlé Prepared Foods Company manufactures and sells prepared foods for the grocery and food service trade, brand name and frozen prepared foods entrées under the "Stouffer's®", "Lean Cuisine®" and "Life Cuisine" brand names. Nestlé Prepared Foods Company also produces the "Hot Pockets®" line of frozen sandwiches.

Nestlé HealthCare Nutrition, Inc. manufactures and sells medical nutritional products and related devices as well as distributes therapeutic products, such as "Zenpep®" gastrointestinal medication and collagen, supplements, food and beverages products under the "Vital Proteins®" brand.

Nespresso USA, Inc. sells high quality portioned coffee that is delivered through a consumer model which includes on-line and exclusive retail boutiques. It also sells coffee machines, and certain of such coffee machines are developed and manufactured with machine partners.

Gerber Products Company manufactures and sells infant and toddler food products under several brand names, including "Gerber®", infant formula and others.

## Organisational Structure

NHI is a wholly owned subsidiary of NIMCO US, Inc., which is a wholly owned indirect subsidiary of Nestlé S.A.

## Administrative, Management and Supervisory Bodies

*Name, Business Addresses, and Functions*

The management of NHI is formed by the officers appointed as such.

As at the date of this Prospectus, the members of the Board of Directors of NHI are:

| *Name* | *Function* | *Principal other activities outside Nestlé Holdings, Inc.* |
|---|---|---|
| Kathleen Carl | Chairwoman of the Board, Chief Executive Officer and President | Vice President, Finance, Nestlé USA, Inc. |
| Rui Barbas | Chief Financial Officer | Chief Financial Officer, Nestlé USA, Inc. |

The business address of Kathleen Carl and Rui Barbas is c/o Nestlé USA. Inc., 30003 Bainbridge Road, Solon, Ohio 44139, United States.

The principal officers of NHI are:

| *Name* | *Function* |
|---|---|
| Kathleen Carl | Chairwoman, Chief Executive Officer and President |
| Rui Barbas | Chief Financial Officer |
| Brian Ingram | Head of Tax and Assistant Treasurer |
| Andrew Glass | Vice President, Deputy General Counsel and Secretary |

The business address of Kathleen Carl, Rui Barbas, Brian Ingram and Andrew Glass is c/o Nestlé USA, Inc., 30003 Bainbridge Road, Solon, Ohio 44139, United States.

*Conflicts of Interests*

As at the date of this Prospectus, the above mentioned members of the Board of Directors and the principal officers of NHI do not have potential conflicts of interests between any duties to NHI and their private interest or other duties.

## Board Practices

*Audit Committee*

NHI does not itself have an audit committee. However, NHI is part of the Nestlé Group which has an audit committee that reviews the annual consolidated financial statements of the Nestlé Group.

*Corporate Governance*

Companies that are required to file periodic reports under the U.S. Securities Exchange Act of 1934 are generally subject to the corporate governance provisions of the U.S. Sarbanes-Oxley Act of 2002. Although NHI is incorporated in the State of Delaware, it is not required to file periodic reports under the U.S. Securities Exchange Act of 1934. Accordingly, the U.S. Sarbanes-Oxley Act of 2002, and in particular its corporate governance provisions, do not apply to NHI. Instead, as NHI is an indirectly wholly owned subsidiary of Nestlé S.A., it adheres to the corporate governance policies set from time to time by the Nestlé Group that are also applicable to NHI.

## Major Shareholders

NHI is a wholly owned subsidiary of NIMCO US, Inc., which is a wholly owned indirect subsidiary of Nestlé S.A.

NHI is not aware of any arrangement the effect of which would result in a change of control of NHI.

## Additional Information

*Share Capital*

The authorised share capital of NHI is U.S.$100,000 and is divided into 1,000 shares of U.S.$100 each of which 1,000 have been issued. The additional paid-in capital is U.S.$5,680,000.

*Memorandum and Articles of Association*

The third certification of the Certificate of Incorporation of NHI provides that the corporation is authorised to conduct any lawful business to promote any lawful purpose and to engage in any lawful act or activity for which corporations may be organised under the General Corporation Law of the State of Delaware.

*Dividend Payments*

NHI has not paid any dividends during the last six years.

## Material Contracts

NHI has not entered into any contracts in areas outside of its ordinary course of business, which could result in any group member being under an obligation or entitlement that is material to NHI's ability to meet its obligations to Noteholders in respect of the Notes.

## NESTLÉ FINANCE INTERNATIONAL LTD.

### Independent Auditors

The independent auditors of NFI, as of 28 April 2020, are Ernst & Young S.A. – Cabinet de révision agréé, 35E avenue John F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg.

### Selected Financial Information

The following tables show selected financial information from the income statements, cash flow statements and balance sheets of NFI as at and for the financial years ended 31 December 2022 and 2021, respectively, which has been extracted from the audited financial statements of NFI for the financial year ended 31 December 2022 as published in NFI's 2022 Annual Financial Report which is incorporated by reference in, and forms part of, this Prospectus. Such information should be read and analysed together with the Notes to the financial statements included in NFI's audited financial statements for each of the financial years ended 31 December 2022 and 2021. Copies of NFI's Annual Financial Reports for the financial years ended 31 December 2022 and 2021 are available on the website of the Luxembourg Stock Exchange at *www.luxse.com* and can also be obtained at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents*.

The audited financial statements of NFI for each of the financial years ended 31 December 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and with the interpretations issued by the International Financial Reporting Interpretations Committee as adopted by the European Union as well as with the laws and regulations in force in the Grand Duchy of Luxembourg.

***Selected financial information from the Income Statements - Euros in thousands***

| | **Year ended 2022** | **Year ended 2021** |
|---|---|---|
| Net interest income | 185,074 | 78,969 |
| Net fee and commission (expense) / income from Nestlé Group companies | (208,916) | (377,978) |
| Operating profit / (loss) | 57,622 | (10,923) |
| Profit / (Loss) for the year attributable to shareholders of the company | 30,495 | (17,925) |

***Selected financial information from the Cash Flow Statements - Euros in thousands***

| | **Year ended 2022** | **Year ended 2021** |
|---|---|---|
| Net cash used in operating activities | (2,322,649) | (4,255,816) |

***Selected financial information from the Balance Sheets - Euros in thousands***

| | **31 December 2022** | **31 December 2021** |
|---|---|---|
| Total current assets | 6,446,887 | 5,818,698 |

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| Total non-current assets | 12,593,101 | 13,192,862 |
| Total current liabilities | 4,435,645 | 6,928,900 |
| Total non-current liabilities | 14,544,963 | 12,053,243 |
| Total equity attributable to shareholders of the company | 59,380 | 29,417 |

## Information about Nestlé Finance International Ltd.

*General*

NFI, formerly a public limited company (*société anonyme*) organised under the laws of France, which was formed on 18 March 1930, changed its domicile, and moved its registered office, from France to Luxembourg (Grand Duchy of Luxembourg) on 29 February 2008. NFI also changed its name from "Nestlé Finance France S.A." to "Nestlé Finance International Ltd." on 29 February 2008. NFI remains the same legal entity as Nestlé Finance France S.A., although it is now a public limited company (*société anonyme*) organised under the laws of Luxembourg. NFI is established for an unlimited duration and is registered with the Luxembourg Register of Commerce and Companies under number B-136737.

The registered office of NFI is located at 7, rue Nicolas Bové, L-1253 Luxembourg, Grand Duchy of Luxembourg.

The telephone number of NFI's registered office is +352 28 29 03 91

NFI is not aware of any recent events that would impact on NFI's solvency.

*Principal Investments/Future Principal Investments*

NFI has made no material investments since the date of its last published financial statements and, as the date of this Prospectus, its management has made no firm commitments on such material investments in the future.

## Business Overview

The principal business activity of NFI is the financing of members of the Nestlé Group including by the sale, exchange, issue, transfer or otherwise, as well as the acquisition by purchase, subscription or in any other manner, of stock, bonds, debentures, notes, debt instruments or other securities or any kind of instrument and contracts thereon or relative thereto. NFI may further assist the members of the Nestlé Group, in particular by granting them loans, facilities or guarantees in any form and for any term whatsoever and provide any of them with advice and assistance in any form whatsoever.

Because of its aforementioned purpose, NFI does not have any markets in which it competes and, therefore, NFI cannot make a statement regarding its competitive position in any markets.

## Organisational Structure

NFI is a wholly owned subsidiary of Nestlé S.A.

## Administrative, Management and Supervisory Bodies

*Name, Business Addresses, and Functions*

NFI is managed by a Board of Directors, consisting of three or more Directors.

As at the date of this Prospectus, the members of the Board of Directors of NFI are:

| *Name* | *Function* | *Principal other activities outside Nestlé Finance International Ltd.* |
|---|---|---|
| Bruno Chazard | Director | Regional Cash Manager, NTC-Europe SA |
| Hermann Beythan | Director | Lawyer, Linklaters LLP |
| Martin Peter Huber | Director | Head of Nestlé Treasury Center Europe |
| Patrick Yot | Director | Pension Fund Manager |
| Raoul Heinen | Director | Lawyer, Linklaters LLP |

The business address of each of the members of the Board of Directors is 7, rue Nicolas Bové, L-1253 Luxembourg, Grand Duchy of Luxembourg.

*Conflicts of Interests*

As at the date of this Prospectus, the above mentioned members of the Board of Directors of NFI do not have potential conflicts of interests between any duties towards NFI and their private interest or other duties.

## Board Practices

*Audit Committee*

NFI does not itself have an audit committee. However, NFI is part of the Nestlé Group, which has an audit committee that reviews the annual consolidated financial statements of the Nestlé Group.

*Corporate Governance*

No specific mandatory corporate governance rules are applicable to NFI under Luxembourg law but, as prescribed by the Luxembourg law applicable to public limited companies (*sociétés anonymes*), NFI has appointed Ernst & Young S.A. – Cabinet de *révision agréé* as statutory auditors and the role of the Board of Directors and of the General Meeting of NFI is defined in NFI's articles of association. Ernst & Young S.A. – Cabinet de *révision agréé* were appointed on 28 April 2020 for the financial year commencing 1 January 2020 onwards.

## Major Shareholders

As mentioned above, NFI is a wholly owned subsidiary of Nestlé S.A.

NFI is not aware of any arrangement the effect of which would result in a change of control.

## Additional Information

*Share Capital*

The issued share capital of NFI is €440,000 divided into 220,000 fully paid up shares with a nominal value of €2 each.

The shares of NFI are not listed on any stock exchange.

*Memorandum and Articles of Association*

Article 3 of NFI's Articles of Association stipulates that the purpose of NFI is the direct and/or indirect financing of Luxembourg companies and/or foreign companies or other entities in which NFI holds a direct or indirect participation or which form part of the same group of companies as NFI including by the sale, exchange, issue, transfer or otherwise, as well as the acquisition by purchase, subscription or in any other manner, of stock, bonds, debentures, notes, debt instruments or other securities or any kind of instrument and contracts thereon or relative thereto.

NFI may further grant any direct and/or indirect financial assistance whatsoever to the companies and/or enterprises in which it holds a direct or indirect participation or which form part of the same group of companies as NFI, in particular by granting loans, facilities or guarantees in any form and for any term whatsoever and provide any of them with advice and assistance in any form whatsoever. NFI may carry out any transactions, whether commercial or financial, which are directly or indirectly connected with its purpose.

NFI may acquire, hold and dispose of participations directly or indirectly, in any form whatsoever, in Luxembourg companies and/or foreign companies or other entities and/or any other form of investment and administer, develop and manage its portfolio holdings.

In general, NFI may carry out any activities which it may deem useful or necessary in the accomplishment and the development of its corporate purpose.

*Dividend Payments*

NFI has not paid any dividends during the last six years.

## Material Contracts

NFI has not entered into any contracts in areas outside of its ordinary course of business, which could result in NFI being under an obligation or entitlement that is material to NFI's ability to meet its obligations to Noteholders in respect of the Notes.

## NESTLÉ S.A.

### Statutory Auditors

The statutory auditors of Nestlé S.A., as of 23 April 2020, are Ernst & Young Ltd., Avenue de la Gare 39a, 1002 Lausanne, Switzerland. Nestlé S.A. prepares the consolidated financial statements of the Nestlé Group, which are audited by Ernst & Young Ltd.

### Selected Financial Information

The following tables show selected financial information from the consolidated income statements, consolidated cash flow statements and consolidated balance sheets of the Nestlé Group as at and for the financial years ended 31 December 2022 and 2021, respectively, which has been extracted from the audited consolidated financial statements of the Nestlé Group for the financial year ended 31 December 2022 which are incorporated by reference in, and form part of, this Prospectus. Such information should be read and analysed together with the Notes to the consolidated financial statements included in the Nestlé Group's audited financial statements for each of the financial years ended 31 December 2022 and 2021. Copies of the Nestlé Group consolidated financial statements for the financial years ended 31 December 2022 and 2021 are available on the website of the Luxembourg Stock Exchange at *www.luxse.com* as well as on *www.nestle.com* and can be obtained at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents*.

The audited consolidated financial statements of the Nestlé Group for each of the financial years ended 31 December 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and with Swiss law.

***Selected financial information from the Consolidated income statement - CHF in millions (except Trading operating profit in percentages of sales and Basic earning per share)***

| | **Year ended 2022** | **Year ended 2021** |
|---|---|---|
| Sales | 94,424 | 87,088 |
| Trading operating profit | 13,195 | 12,159 |
| Trading operating profit in percentages of sales | 14.0% | 14.0% |
| Profit for the year | 9,596 | 17,196 |
| Profit for the year attributable to shareholders of the parent (Net profit) | 9,270 | 16,905 |
| Profit for the year attributable to shareholders of the parent (Net profit) in percentages of sales | 9.8% | 19.4% |
| Basic earnings per share (in CHF) | 3.42 | 6.06 |

***Selected financial information from the Consolidated cash flow statement – CHF in millions***

| | **Year ended 2022** | **Year ended 2021** |
|---|---|---|
| Operating cash flow | 11,907 | 13,864 |

***Selected financial information from the Consolidated balance sheet – CHF in millions***

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| Total current assets | 35,062 | 39,257 |
| Total non-current assets | 100,120 | 99,885 |
| Total current liabilities | 39,976 | 40,020 |
| Total non-current liabilities | 52,414 | 45,395 |
| Total equity | 42,792 | 53,727 |
| Equity attributable to shareholders of the parent | 41,982 | 53,140 |

## Information about Nestlé S.A.

*General*

Nestlé S.A. was founded in 1866 as "Anglo-Swiss Condensed Milk Company". Following the merger in 1905 with "Farine lactée Henri Nestlé" (founded in Vevey in 1867), the company was renamed "Nestlé and Anglo-Swiss Condensed Milk Company" and in 1977 adopted the present name, Nestlé S.A.

Nestlé S.A. is a company with unlimited duration and is organised under the Swiss Code of Obligations. The registered offices of Nestlé S.A. are Avenue Nestlé 55, 1800 Vevey, Canton of Vaud, Switzerland and Zugerstrasse 8, 6330 Cham, Canton of Zug, Switzerland. The telephone number of Nestlé S.A.'s office in Vevey, Switzerland is +41 (0)21 924 21 11. Nestlé S.A. was registered with the Commercial Registry of the Canton of Zug on 9 March 1883 and with the Commercial Registry of the Canton of Vaud on 19 July 1905.

Nestlé S.A. is not aware of any recent events particular to it which are to a material extent relevant to the evaluation of its solvency.

## Business Overview

Nestlé S.A. is the holding company of the Nestlé group of companies (the "Nestlé Group" or the "Group"). The Nestlé Group manufactures and sells food and beverages, as well as products related to the nutrition, health and wellness industries. The Nestlé Group product portfolio has seven product categories, distributed throughout the world: powdered and liquid beverages, nutrition and health science, milk products, ice cream, prepared dishes and cooking aids, petcare, confectionery and water.

Nestlé S.A. is extensively engaged in research and development activities in most sectors of modern nutrition.

The Nestlé Group's objective, through the efforts of its around 275,000 employees, working with partners of the Nestlé Group, is to unlock the power of food to enhance quality of life for everyone, today and for generations to come.

On 17 October 2019, Nestlé S.A. announced a new share buyback program of up to CHF 20 billion under which Nestlé S.A. repurchased 123.1 million of its shares for a total amount of CHF 13.1 billion almost two-thirds of the anticipated CHF 20 billion existing program volume. This share buyback program started on 3 January 2020 and terminated on 30 December 2021. On 3 January 2022, a new share buyback program of up to CHF 20 billion started and is expected to be completed by the end of December 2024. Should any extraordinary dividend payments or sizeable acquisitions take place during this period, the amount of the share buyback will be reduced accordingly.

*Principal Investments/Principal Future Investments*

The Nestlé Group continues to make significant capital and research and development investments on a global basis, satisfying the need for capacity, delivering value added innovations, improving quality and safety within its operations, enhancing capabilities and advancing shared value strategies.

On 5 March 2021, the Nestlé Group announced that it has acquired Essentia Water, a premium functional water brand headquartered in Bothell, Washington. This transaction is part of the Nestlé Group's continued transformation of its global water business to focus on international premium and mineral water brands and healthy hydration products, such as functional water.

On 31 March 2021, the Nestlé Group announced the closing of the sale of Nestlé Waters North America brands to One Rock Capital Partners in partnership with Metropoulos & Co. for U.S.$4.3 billion. The Group's international premium brands including Perrier®, S.Pellegrino® and Acqua Panna® were not a part of the transaction. The distribution of these brands has been taken over by one of the subsidiaries of the NHI Group.

On 1 July 2021, Nestlé Health Science acquired Nuun, a leader in functional hydration. The acquisition complements Nestlé Health Science's existing broad portfolio of active lifestyle nutrition brands with Nuun's range of clean, low-sugar, effervescent tablets and powders.

On 9 August 2021, the Nestlé Group announced the completion of the acquisition for U.S.$5.75 billion (on a cash free, debt free basis) of the core brands of The Bountiful Company (including Nature's Bounty®, Solgar®, Osteo Bi-Flex®, Puritan's Pride®, Ester-C®, and Sundown®), a pure-play leader in the growing global nutrition and supplement category. This expands Nestlé Health Science's health and nutrition portfolio. It establishes Nestlé Health Science as the industry leader in mass retail, specialty retail, e-commerce and direct-to-consumer in the US, while offering opportunities for geographic growth.

On 2 February 2022, the Nestlé Group announced that it had agreed to purchase a majority stake in Orgain, a leader in plant-based nutrition, from founder Dr. Andrew Abraham and Butterfly Equity, who will continue to be minority share owners. The agreement includes the option for Nestlé Health Science to fully acquire Orgain in 2024. Orgain complements Nestlé Health Science's existing portfolio of nutrition products that support healthier lives. The transaction closed on 1 April 2022.

On 21 November 2022, Nestlé USA, Inc., a subsidiary of NHI Group, announced with *L* Catterton that they are forming a partnership that is bringing together Freshly and Kettle Cuisine, a leading manufacturer of fresh artisanal foods for retail and foodservice customers. The combined company will focus on offering a wide assortment of fresh food products to customers across geographies and a variety of channels. *L* Catterton will be the majority owner, with Nestlé USA, Inc. holding a minority stake.

On 29 November 2022, the Nestlé Group announced the decision to explore strategic options for *Palforzia*, the peanut allergy treatment, following slower than expected adoption by patients and healthcare professionals. The review is expected to be completed in the first half of 2023.

On 21 April 2023, Nestlé and private equity firm PAI Partners have agreed to set up a joint venture for Nestlé's frozen pizza business in Europe, creating a dedicated player in a competitive and dynamic category. Nestlé will retain a non-controlling stake with equal voting rights alongside PAI Partners. The transaction is subject to employee consultations and the approval of regulatory authorities and is expected to close in the second half of 2023.

Otherwise, whilst the Nestlé Group continues to make ongoing investments, since the date of its last published financial statements, the Group has made no other material investments and divestments or firm commitments with respect to material investments in the future.

## Organisational Structure

Nestlé S.A. is the ultimate parent company of the Nestlé Group and therefore dependent on the performance of its direct and indirect subsidiaries.

## Administrative, Management and Supervisory Bodies

*Name, Business Addresses, and Functions*

The corporate bodies of Nestlé S.A. are the General Meeting of Shareholders, the Board of Directors and the Statutory Auditors. The Board of Directors delegates to the Chief Executive Officer, with the authorisation to sub-delegate, the power to manage Nestlé S.A.'s and the Nestlé Group's business, subject to law, the Articles of Association and the Board of Directors' Regulations.

The Chief Executive Officer chairs the Executive Board, which comprises all Executive Vice Presidents and Deputy Executive Vice Presidents, and delegates to its members individually the powers necessary for carrying out their responsibilities, within the limits fixed in the Executive Board's Regulations.

The business address of the Directors and the members of the Executive Board is Avenue Nestlé 55, 1800 Vevey, Switzerland.

*The Board of Directors*

In accordance with the Articles of Association, the Board of Directors shall consist of at least seven members.

As at the date of this Prospectus, the members of the Board of Directors of Nestlé S.A. are**:**

| Position | Name | Principal other activities outside Nestlé S.A. |
|---|---|---|
| Chairman of the Board | Paul Bulcke | L'Oréal S.A., FR, Vice Chairman<br>Avenir Suisse, CH, Member of the Board of Trustees<br>J.P. Morgan International Council, USA, Member<br>2030 Water Resources Group (WRG), USA, Co-Chairman |
| Chief Executive Officer | Ulf Mark Schneider | Roche Holding Ltd., CH, Member of the Board<br>European Roundtable of Industrialists (ERT), Belgium, Member<br>Consumer Goods Forum, F, Board Member<br>International Business Council of the World Economic Forum (WEF), CH, Member |
| Vice Chairman<br>Lead Independent Director | Henri de Castries | General Atlantic LLC., USA, Senior Advisor, Chairman of Europe<br>AXA Assurances Vie Mutuelle, FR, Member of the Board<br>AXA Assurances IARD Mutuelle, FR, Member of the Board<br>Stellantis N.V., NL, Lead Independent Director, Member of the Board |

| Position | Name | Principal other activities outside Nestlé S.A. |
|---|---|---|
| Non-Executive Director | Hanne Jimenez de Mora | a-connect (group) AG, Co-founder and former Chairperson<br>Microcaps AG, CH, Chairwoman<br>IMD Business School, Switzerland, Vice-chair and Supervisory Board Member<br>BackPack Foundation, CH, Chairperson |
| Non-Executive Director | Renato Fassbind | Swiss Re AG, CH, Vice Chairman & Lead Independent Director |
| Non-Executive Director | Patrick Aebischer | Logitech International SA, CH, Member of the Board<br>PolyPeptide Group AG, CH, Vice Chairman, Lead Independent Director<br>Novartis Venture Funds, CH, Chairman<br>Vandria SA, CH, Chairman<br>+ND Capital, CH, Senior Partner<br>NistronTech Sàrl, CH, Member of the Board<br>Singapore Biomedical Sciences International, Advisors Council, Member<br>Verbier Festival, CH, Member of the Foundation Board |
| Non-Executive Director | Lindiwe Majele Sibanda | Director and Chairwoman, African Research Universities Alliance Centre of Excellence in Sustainable Food Systems (ARUA-SFS), University of Pretoria, South Africa,<br>Professor and Senior Research Fellow at the Centre for the Advancement of Scholarship (CAS), University of Pretoria, South Africa,<br>Founder and Managing Director, Linds Agricultural Services Pvt Ltd., Harare, Zimbabwe<br>Serving member, Champions UN SDG 12.3, accelerating progress towards halving food loss and waste by 2030<br>Member of the Presidential Advisory Council for agriculture in Zimbabwe<br>Chairwoman of Council for the National University of Science and Technology (NUST)<br>Deputy Chairwoman of the Iam4Byo Fighting COVID-19 Trust responsible for communications, public relations and research coalition<br>Chairperson of the System Board of CGIAR |
| Non-Executive Director | Pablo Isla | General Atlantic LLC, USA, Global Senior Advisor |

| Position | Name | Principal other activities outside Nestlé S.A. |
|---|---|---|
| | | Fante Films S.L., Spain, Chairman |
| Non-Executive Director | Kimberly A. Ross | The Cigna Group, USA, Member of the Board<br>Northrop Grumann, USA, Member of the Board |
| Non-Executive Director | Dick Boer | Shell plc, UK, Member of the Board<br>Just Eat Takeaway.com, (JET), NL, Chairman<br>G-Star RAW CV, NL, Chairman of the Advisory Board<br>SHV Holdings, NL, Member of the Board<br>VNO-NCW, NL, Chairman of the Board<br>Royal Concertgebouw, NL, Chairman of the Advisory Board<br>Rijksmuseum Fonds, NL, Chairman |
| Non-Executive Director | Dinesh Paliwal | Raytheon Company, USA, Board Member, Lead Independent Director<br>KKR & Co. Inc., USA, Partner<br>Marelli, Chairman<br>Miami University, Board of Trustees |
| Non-Executive Director | Luca Maestri | Apple Inc., USA, Senior Vice President and Chief Financial Officer |
| Non-Executive Director | Chris Leong | Schneider Electric SE, F, Chief Marketing Officer and Member of the Executive Committee |
| Non-Executive Director | Rainer Blair | Danaher Corporation, USA, President, CEO<br>Board Member of Analytical Life Science and Diagnostics Association, Alexandria |
| Non-Executive Director | Marie-Gabrielle Ineichen-Fleisch | World Trade Organisation, CH, Member of the Board<br>University of Berne, CH, Chairwoman<br>World Trade Institute (WTI), CH, Chairwoman |

As at the date of this Prospectus, the members of the Executive Board of Directors of Nestlé S.A. are:

| Position | Name | Principal other activities outside Nestlé S.A. |
|---|---|---|
| Chief Executive Officer | Ulf Mark Schneider | Roche Holding Ltd., CH, Member of the Board<br>European Roundtable of Industrialists (ERT), Belgium, Member<br>Consumer Goods Forum, F, Board Member<br>International Business Council of the World Economic Forum (WEF), CH, Member |

| Position | Name | Principal other activities outside Nestlé S.A. |
|---|---|---|
| Executive Vice President: CEO for zone Europe | Marco Settembri | Lactalis Nestlé Produits Frais S.A.S, France, Board Member<br>Cereal Partners Worldwide S.A., Board Member<br>FoodDrinkEurope, President of the Board<br>Association des Industries de Marque (AIM), BE, Board Member |
| Executive Vice President: Operations | Magdi Batato[3] | IHD-the Sustainable Trade Initiative, Chairman<br>Carlsberg A/S, Board Member<br>Swiss Academy of Technical Sciences, Member |
| Executive Vice President: CEO for zone Latin America | Laurent Freixe | Cereal Partners Worldwide S.A., CH, Board Member<br>Froneri Lux Topco Sàrl, LUX, Board Member<br>Consumer Goods Forum Latin America, Regional Board Member<br>International Youth Organization for Ibero-America, International Youth Ambassador<br>Global Apprenticeship Network, Chair<br>World Business Council for Sustainability Development (wbcsd), CH, Member of the Executive Committee |
| Executive Vice President: Strategic Business Units, Marketing and Sales | Bernard Meunier | Cereal Partners Worldwide S.A., CH, Co-Chairman |
| Deputy Executive Vice President: Head of the Nestlé Coffee Brands group | David Rennie | |
| Executive Vice President: Global Head Human Resources & Business Services | Béatrice Guillaume-Grabisch | L'Oréal SA, FR, Board Member and Audit Committee Member<br>GS1, BE, Board Member |
| Executive Vice President: Finance & Control | François-Xavier Roger[4] | |
| Executive Vice President: Chief Technology Officer | Stefan Palzer | European Academy of Food Engineering (EAFE), NL, Board Member<br>Swiss Food & Nutrition Valley Association, CH, Vice President |

[3] Magdi Batato will retire on 31 January 2024 and be succeeded as Executive Vice President: Operations by Stephanie Pullings Hart with effect from 1 January 2024.

[4] On 30 May 2023, the Nestlé Group announced that François-Xavier Roger will step down as Executive Vice President and Chief Financial Officer and will be replaced by Anna Manz as Executive Vice President and Chief Financial Officer as soon as she is released from her present duties. To ensure a smooth transition, François-Xavier Roger will remain in his role until Anna Manz's arrival.

| Position | Name | Principal other activities outside Nestlé S.A. |
|---|---|---|
| | | International Union of Food Science and Technology (IUFOST), Fellow |
| Executive Vice President: General Counsel, Corporate Governance and Compliance | Leanne Geale | Holcim Ltd., CH, Member of the Board<br>CEELI Institute o.p.s., Czech Republic, Member of the Management Board |
| Deputy Executive Vice President: CEO Nestlé Health Science | Grégory Behar | Sonova AG, CH, Board Member<br>Seres Therapeutics Inc., USA, Board Member<br>Amazentis SA, CH, Board Member |
| Deputy Executive Vice President: Head of Group Strategy and Business Development | Sanjay Bahadur | Froneri Lux Topco Sàrl, LUX, Board Member<br>Imperial College Business School, London, UK – Member Advisory Board |
| Executive Vice President: CEO for zone North America | Steven Wood Presley | American Heart Association, CEO Roundtable, Member |
| Executive Vice President: CEO for zone Asia, Oceania and Africa | Remy Ejel | |
| Executive Vice President: CEO for zone Greater China | David Xiqiang Zhang | |
| Deputy Executive Vice President: Chief Communications Officer | Lisa Gibby | |

*Conflicts of Interest*

As at the date of this Prospectus, the above-mentioned members of the Board of Directors and of the Executive Board of Nestlé S.A. do not have potential conflicts of interests between any duties to Nestlé S.A. and their private interests or other duties.

## The Board of Directors and its Committees

*Corporate Governance*

Nestlé S.A. complies with applicable rules of Swiss law relating to corporate governance. Each year Nestlé S.A. compiles a Corporate Governance Report as required by the regulations of the SIX Swiss Exchange.

*Chair's and Corporate Governance Committee*

The Chair's and Corporate Governance Committee consists of the Chair, any Vice Chair, the Lead Independent Director, the CEO (*administrateur délégué*) and any other member elected by the Board. It liaises between the Chair and the full Board of Directors in order to act as a consultant body to the Chair and to expedite whenever necessary the handling of Nestlé S.A.'s business. The Committee regularly reviews the corporate

governance of the Company and prepares recommendations for the Board. Its current members are Paul Bulcke (Chair), Ulf Mark Schneider, Henri de Castries, Renato Fassbind, Pablo Isla and Hanne Jimenez de Mora.

*Audit Committee*

The Audit Committee is chaired by an independent and non-executive member of the Board of Directors and includes a minimum of two other members of the Board, excluding the CEO and any former member of the Executive Board. 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, the Audit Committee has unrestricted access to Nestlé S.A.'s management, books and records. The Audit Committee supports the Board of Directors in its supervision of financial control through a direct link to the external auditors as mentioned above and the corporate internal auditors (Nestlé Group Audit) of Nestlé S.A. The Audit Committee's main duties include (i) to discuss Nestlé's internal accounting procedures, (ii) to make recommendations to the Board of Directors regarding the nomination of external auditors to be appointed by the shareholders, (iii) to discuss the audit procedures, including the proposed scope and the results of the audit, (iv) to keep itself regularly informed on important findings of the audits and of their progress, (v) to oversee the quality of the internal and external auditing, (vi) to present the conclusions on the approval of the financial statements to the Board of Directors, and (vii) to review certain reports regarding internal controls and the Nestlé Group's annual risk assessment. The current members of the Audit Committee are Renato Fassbind (Chair), Henri de Castries, Kimberly A. Ross and Luca Maestri.

The Audit Committee regularly reports to the Board on its findings and proposes appropriate action. The responsibility for approving the annual financial statements remains with the Board of Directors.

*Compensation Committee*

The Compensation Committee consists of a Chair, who is an independent and non-executive member of the Board and a minimum of three other non-executive members of the Board of Directors. All members are independent. It determines the principles for remuneration of the members of the Board and submits them to the Board for approval. It oversees and discusses the remuneration principles for Nestlé S.A. and the Nestlé Group. In addition, it proposes to the Board of Directors the individual remuneration of the Chair of the Board, the CEO and approves the individual remuneration of other 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. The current members of the Compensation Committee are Pablo Isla (Chair), Patrick Aebischer, Dick Boer and Dinesh Paliwal.

*Nomination Committee*

The Nomination Committee consists of a Chair, who is an independent and non-executive member of the Board, the Chair of the Board of Directors and a minimum of two independent and non-executive members of the Board. The Nomination 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 proposals 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 Nestlé S.A. and the Group. If required, the Nomination Committee arranges for further training of Board members. The Nomination 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. It meets as frequently as necessary to fulfil its tasks and prepares the relevant *in*

*camera* sessions of the Board. The current members of the Nomination Committee are Henri de Castries (Chair), Paul Bulcke, Dinesh Paliwal and Marie-Gabrielle Ineichen-Fleisch.

*Sustainability Committee*

The Sustainability Committee consists of a Chair, who is an independent and non-executive member of the Board and a minimum of three other non-executive members of the Board of Directors. All members are independent. It reviews reports and gives advice on measures which ensure the long-term sustainability of Nestlé S.A. in its economic, social and environmental dimension and monitors Nestlé S.A.'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 Nestlé S.A.'s financial performance and how its long-term strategy relates to its ability to create shared value. It meets as frequently as necessary to fulfil its tasks and prepares the relevant *in camera* sessions of the Board.

The current members of the Sustainability Committee are Hanne Jimenez de Mora (Chair), Dick Boer, Lindiwe Majele Sibanda and Chris Leong.

## Major Shareholders

Nestlé S.A. is not aware of any arrangement the effect of which would result in a change of control of Nestlé S.A.

Nestlé S.A. is a publicly traded company and its shares are listed on the SIX Swiss Exchange. Pursuant to Nestlé S.A.'s Articles of Association, no person or entity may be (i) registered (directly or indirectly through nominees) with voting rights for more than 5 per cent. of the Nestlé S.A.'s share capital as recorded in the commercial register or (ii) at general meetings of Nestlé S.A. exercise directly or indirectly voting rights, with respect to own shares or shares represented by proxy, in excess of 5 per cent. of Nestlé S.A.'s share capital as recorded in the commercial register. Any shareholder holding shares in Nestlé S.A. of 3 per cent. or more of Nestlé S.A.'s share capital is required to disclose their shareholding pursuant to the Swiss Financial Market Infrastructure Act.

BlackRock, Inc. has disclosed that it has a shareholding of more than 5 per cent. of Nestlé S.A.'s share capital. Nestlé S.A. is not aware of any other shareholder holding 5 per cent. or more of its share capital or voting rights.

## Additional Information

*Share Capital*

As at the date of this Prospectus, the share capital of Nestlé S.A. was CHF 267,000,000 divided into 2,670,000,000 fully paid up registered shares having a nominal value of CHF 0.10 each. At the Annual General Meeting of Nestlé S.A. on 20 April 2023, the shareholders approved the reduction of the share capital by CHF 8,000,000 from CHF 275,000,000 to CHF 267,000,000 through the cancellation of 80,000,000 shares. At the Annual General Meeting of Nestlé S.A. on 7 April 2022, the shareholders approved the reduction of the share capital by CHF 6,500,000 from CHF 281,500,000 to CHF 275,000,000 through the cancellation of 65,000,000 shares. At the Annual General Meeting of Nestlé S.A. on 15 April 2021, the shareholders approved the reduction of the share capital by CHF 6,600,000 from CHF 288,100,000 to CHF 281,500,000 through the cancellation of 66,000,000 shares. At the Annual General Meeting of Nestlé S.A. on 23 April 2020, the shareholders approved the reduction of the share capital by CHF 9,500,000 from CHF 297,600,000 to CHF 288,100,000 through the cancellation of 95,000,000 shares. The conditional share capital of Nestlé S.A. is CHF 10,000,000. By the exercise of conversion and/or option rights, the share capital of Nestlé S.A. may be increased by a maximum

of CHF 10,000,000, by the issue of up to 100,000,000 registered shares having a nominal value of CHF 0.10 each.

*Articles of Association*

Article 2 of the Articles of Association of Nestlé S.A. states that the purpose of Nestlé S.A. is to participate in industrial, service, commercial and financial enterprises in Switzerland and abroad, in particular in the food, nutrition, health, wellness and related industries. In addition, Nestlé S.A. may itself establish such undertakings or participate in, finance and promote the development of undertakings already in existence, and may enter into any transaction which the business purpose may entail. Nestlé S.A. shall, in pursuing its business purpose, aim for long-term, sustainable value creation.

*Dividend Payments*

Nestlé S.A. paid the following dividends per ordinary share during the last five years: 2022, CHF 2.95; 2021, CHF 2.80; 2020, CHF 2.75; 2019, CHF 2.70; and 2018, CHF 2.45.

## Financing of Activities

The Nestlé Group uses a variety of methods to finance its activities. Most of the Nestlé Group's debt financing is sourced directly from the debt capital markets under its current debt programmes, which include this Debt Issuance Programme (under which NHI and NFI are issuers), the NEU CP French Commercial Paper programme and its Global Commercial Paper Program (under which NFI and Nestlé Capital Corporation, a wholly-owned subsidiary of NHI ("NCC"), are issuers) and the 4(a)(2) US Commercial Paper Program (under which NCC is an issuer). Various syndicated bank facilities are also available to the Nestlé Group, which as at the date of this Prospectus include the 12 month facility – EUR 6.5 billion equivalent (which expires on 11 October 2023, where Nestlé S.A. has the ability to convert the facility into a one year term loan) and the 5 year facility – EUR 4.5 billion equivalent (which expires on 18 October 2027).

## Material Contracts

Nestlé S.A. has not entered into any contracts in areas outside of its ordinary course of business, which could result in any group member being under an obligation or entitlement that is material to Nestlé S.A.'s ability to meet its obligations to Noteholders in respect of the Notes.

## Legal proceedings

Following the announcement from the French Competition Authority (*Autorité de la Concurrence*) dated 12 October 2021, Nestlé S.A. received a Statement of Objections (*Notification de Griefs*). The French Competition Authority alleges that 14 trade associations and 101 companies - among them, certain Nestlé S.A. subsidiaries in France - restricted competition related to, among others, communication on the removal of bisphenol A from metal packaging in France. A reliable estimate of the potential financial impact is currently not possible.

# TAXATION

## General

The discussion of taxation in this section is only an indication of certain tax implications under the laws of those jurisdictions as they may affect investors. It applies only to persons who are beneficial owners of Notes and may not apply to certain classes of person (such as dealers). Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes. The Issuers and the Guarantor make no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors. **Potential investors are strongly advised to consult their own professional advisers as to the tax implications of investing in Notes.**

## United States

The following is a summary based on present law of certain United States federal income tax considerations for a prospective purchaser of Notes issued by NHI. This summary addresses only the tax considerations for an initial beneficial owner of the Notes that acquires Notes on their original issue at their original offering price and that is not a U.S. Person or a disregarded entity owned by a U.S. Person (a "Non-U.S. Holder"). For this purpose, a "U.S. Person" is (i) a citizen or individual resident of the United States, (ii) a corporation, partnership or other entity created or organised in or under the laws of the United States or its political subdivisions, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court. This summary also assumes that the Notes will be treated as debt for United States federal tax purposes and that the Notes will be offered, sold and delivered in compliance with and payments on the Notes will be made in accordance with certain required procedures set forth in the Terms and Conditions of the Notes and other relevant documents. Finally, it does not describe any other U.S. federal tax consequences (such as estate and gift tax consequences) or tax consequences arising out of the tax laws of any state, local or non-U.S. jurisdiction. Except for Notes having a maturity of not more than 183 days at issuance, NHI will only be permitted to issue Notes that are treated as issued in registered form for United States federal tax purposes.

This summary does not address all tax considerations for a beneficial owner of the Notes and does not address the tax consequences to a Non-U.S. Holder in special circumstances, such as foreign governments and their integral parts and controlled entities and foreign central banks. It addresses only purchasers that hold Notes as capital assets. It does not include a discussion of Floating Rate Notes other than Floating Rate Notes whose rate is based on a conventional interest rate or composite of interest rates. The discussion is a general summary. It is not a substitute for tax advice.

### *U.S. Taxation of Notes*

Subject to the discussion below under the headings "FATCA" and "U.S. Information Reporting and Backup Withholding", interest paid to a Non-U.S. Holder will generally not be subject to U.S. withholding tax, provided that in the case of Notes with a maturity of more than 183 days:

(i) interest paid on the Note is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States;

(ii) the Non-U.S. Holder does not actually or constructively own 10 per cent. or more of the combined voting power of all classes of NHI's stock entitled to vote;

(iii) the Non-U.S. Holder is not a controlled foreign corporation as defined in section 957 of the United States Internal Revenue Code of 1986, as amended (the "Code") that is related to NHI through stock ownership;

(iv) the Non-U.S. Holder is not a bank described in section 881(c)(3)(A) of the Code; and

(v) on or before the first payment of interest or principal, the Non-U.S. Holder has provided the applicable withholding agent a valid and properly executed U.S. IRS Form W-8 (or successor or substitute therefor) or other appropriate form of certification of non-U.S. status sufficient to establish a basis for exemption under sections 871(h)(2)(B) and 881(c)(2)(B) of the Code (and any required certification has been provided by any intermediary through which such non-U.S. Holder holds the Notes).

If the Non-U.S. Holder is a partnership or trust for United States federal income tax purposes, interest paid to it may be subject to U.S. withholding tax unless all of its partners or beneficiaries can satisfy the conditions for exemption above.

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest made to such Non-U.S. Holder generally will be subject to a 30 per cent. U.S. federal withholding tax, unless such Non-U.S. Holder provides the applicable withholding agent with a properly executed (1) IRS Form W-8BEN or W-8BEN-E (or suitable successor or substitute form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (2) IRS Form W-8ECI (or suitable successor or substitute form) stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with such Non-U.S. Holder's conduct of a trade or business in the United States.

Interest paid to a Non-U.S. Holder will not be subject to U.S. federal net income tax unless the interest is effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the Non-U.S. Holder within the United States. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, interest paid to such Non-U.S. Holder will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such interest is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States. To claim the benefit of a treaty, a Non-U.S. Holder must properly submit an IRS Form W-8BEN or W-8BEN-E (or suitable successor or substitute form).

A gain realised by a Non-U.S. Holder on the disposition of a Note will not be subject to U.S. tax unless (i) the gain is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the Non-U.S. Holder within the United States, or (ii) the Holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met. A Non-U.S. Holder described in (ii) of the preceding sentence generally will be subject to a flat 30 per cent. U.S. federal income tax on the gain derived from the sale, which may be offset by U.S. source capital losses, even though the Non-U.S. Holder is not considered a resident of the United States.

***FATCA***

Notwithstanding the foregoing, payments of interest (including any original issue discount) on the Notes generally will be subject to U.S. withholding tax at a rate of 30 per cent. under FATCA unless (i) the Non-U.S. Holder provides the Issuer, any paying agent, U.S. intermediary or any other non-U.S. financial institution intermediary through which it holds the Notes or receives payments on or with respect to such Notes with information necessary to determine whether the investor is a U.S. person or a nonfinancial, non-U.S. entity with material direct or indirect U.S. ownership or is a foreign financial institution that itself satisfies clause (ii) and (ii) each non-U.S. financial institution through which such Non-U.S. Holder holds such Notes or receives payments on or with respect to such Notes either (x) has entered into an agreement with the IRS pursuant to

which it agrees, among other responsibilities, to collect and provide to the IRS information about its direct and indirect U.S. accountholders and investors or (y) is subject to and in full compliance with the requirements of any applicable intergovernmental agreement between the jurisdiction of its place of organization or operation and the United States implementing an alternative to FATCA.

***U.S. Information Reporting and Backup Withholding***

Information returns are generally required to be filed with the IRS in connection with interest payments on the Notes to Non-U.S. Holders. Unless a Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a Note. A Non-U.S. Holder may be subject to backup withholding on payments on the Notes or on the proceeds from a sale or other disposition of the Notes unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person or otherwise establishes an exemption from backup withholding. The certification procedures required to claim the exemption from withholding tax on interest, described above, will also avoid backup withholding. Backup withholding is not an additional tax, and may be refunded or credited against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.**

## Luxembourg

***General***

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this Programme. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should consult their professional advisers with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Corporate investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

***Tax residency***

A holder of Notes will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

### *Withholding tax*

*Resident investors*

Under the Luxembourg law of 23 December 2005, as amended (the "Law"), payments of interest or similar income made by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. This withholding tax also applies on accrued or capitalised interest received upon disposal, redemption or repurchase of the Notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management or their private wealth. Responsibility for the withholding of tax in application of the Law is assumed by the Luxembourg paying agent within the meaning of the Law.

*Non-resident investors*

Under Luxembourg tax law currently in effect, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg non-resident holders of Notes. There is also no Luxembourg withholding tax, upon repayment of the principal or, subject to the application of Luxembourg tax law, upon redemption, repurchase or exchange of the Notes.

### *Income tax*

*Resident investors*

Any investor who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on the Notes. Specific exemptions may be available for certain taxpayers benefiting from a particular tax status.

*Resident individual investors*

A Luxembourg resident individual acting in the course of the management of their private wealth, is subject to Luxembourg income tax at the ordinary rates in respect of interest received, redemption premiums or issue discounts under the Notes, except if (i) a final withholding tax has been levied by the Luxembourg paying agent on such payments in accordance with the Law, or (ii) in case of a non-resident paying agent established in a Member State of the European Union or in a Member State of the EEA, if such Luxembourg resident individual investor has opted for the levy of the 20 per cent. tax in full discharge of income tax in accordance with the Law. The option for the 20 per cent. final tax must cover all interest payments made by such paying agents to the beneficial owner during the full fiscal year.

Under Luxembourg domestic tax law, gains realised upon the sale, disposal or redemption of Notes by a Luxembourg resident individual who acts in the course of the management of their private wealth, are not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the acquisition of the Notes. A Luxembourg resident individual, who acts in the course of the management of their private wealth, has further to include the portion of the gain corresponding to accrued but unpaid income in respect of the Notes in their taxable income, except if tax has been levied in accordance with the Law.

Interest derived from as well as gains realised upon a sale or disposal, in any form whatsoever, of the Notes by a Luxembourg resident individual holder acting in the course of the management of a professional or business undertaking to which the Notes are attributable are subject to Luxembourg income taxes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

*Resident corporate investors*

Interest derived from as well as gains realised by a Luxembourg resident corporate entity, which is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income taxes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

*Resident investors benefiting from a special tax regime*

Luxembourg residents who benefit from a special tax regime, such as, for example, (i) undertakings for collective investment governed by the amended law of 17 December 2010, (ii) specialised investment funds governed by the amended law of 13 February 2007, (iii) family wealth management companies governed by the amended law of 11 May 2007, or (iv) reserved alternative investment funds treated as specialised investment funds for Luxembourg tax purposes and governed by the law of 23 July 2016 are exempt from income taxes in Luxembourg and thus income derived from the Notes, as well as gains realised thereon, are not subject to Luxembourg income taxes.

*Non-resident investors*

Non-resident investors, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Notes are attributable, are not subject to Luxembourg income tax on interest received or accrued on the Notes. A gain realised by such non-resident investor, on the sale or disposal, in any form whatsoever, of Notes is further not subject to Luxembourg income tax.

Non-resident corporate investors or non-resident individual investors acting in the course of the management of a professional or business undertaking, and who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, are subject to Luxembourg income tax on interest accrued or received on the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, on the Notes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

***Net wealth tax***

Luxembourg resident investors or non-resident investors who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, are subject to Luxembourg net wealth tax on such Notes, except if the investor is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment governed by the amended law of 17 December 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law of 13 July 2005, or (viii) a reserved alternative investment fund governed by the law of 23 July 2016. However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law of 13 July 2005, and (iv) an opaque reserved alternative investment fund treated as venture capital vehicle for Luxembourg tax purposes and governed by the law of 23 July 2016, remain subject to a minimum net wealth tax.

### *Other taxes*

The issuance, sale and disposal of the Notes will not be subject to a Luxembourg registration or stamp duty other than a fixed €12 registration duty in case of a voluntary registration or in case it is appended to a document that requires mandatory registration.

Under present Luxembourg tax law, where an individual holder of Notes is a resident for inheritance tax purposes of Luxembourg at the time of their death, the Notes are included in their taxable estate for inheritance tax purposes. On the contrary, no estate or inheritance taxes are levied on the transfer of Notes upon death of an individual holder of Notes in cases where the deceased was not a resident of Luxembourg at the time of their death. Gift tax may be due on a gift or donation of the Notes, if the gift is recorded in a Luxembourg deed or otherwise registered in Luxembourg.

### *Luxembourg implementation of FATCA*

Capitalised terms used in this section should have the meaning as set forth in the FATCA Luxembourg Law (as defined above), unless provided otherwise herein.

Under the FATCA Luxembourg Law, NFI should not be treated as a Luxembourg Reporting Financial Institution.

Noteholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting FATCA regime.

Noteholders should consult a tax adviser or otherwise seek professional advice regarding the above requirements.

### *Luxembourg implementation of CRS*

Capitalised terms used in this section should have the meaning as set forth in the Luxembourg law of 18 December 2015 transposing Common Reporting Standard (the "CRS") into domestic law (the "CRS Luxembourg Law"), unless provided otherwise herein.

Under the CRS Luxembourg Law, NFI should not be treated as a Luxembourg Reporting Financial Institution.

Noteholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with the reporting CRS regime.

Noteholders should consult a tax adviser or otherwise seek professional advice regarding the above requirements.

## Switzerland

### *General*

The following information is of a general nature only and is based on the laws in force in Switzerland as of the date of this Prospectus. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should consult their professional advisers with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

### *Swiss Withholding Tax*

Neither payment of interest on, nor repayment of principal of, the Notes, by the Issuer, nor payments under the Guarantee by the Guarantor in respect thereof, will be subject to Swiss withholding tax. The Guarantor

will ensure that, so long as any Notes guaranteed by the Guarantor are outstanding, the amount of proceeds from the issuance of Notes guaranteed by the Guarantor and from all other relevant outstanding debt instruments issued by a non-Swiss member of the Nestlé Group with the benefit of the guarantee provided by a Swiss member of the Nestlé Group that is being applied by any member of the Nestlé Group in Switzerland will not exceed the amount that is permissible under the taxation laws in effect at such time in Switzerland without subjecting interest payments due under the Notes (or any payments under the Guarantee in respect thereof) to Swiss federal withholding tax.

On 3 April 2020, the Swiss Federal Council published draft legislation to reform the Swiss withholding tax system for interest payments on bonds. This draft legislation provided for, among other things, the replacement of the current debtor-based regime applicable to interest payments on bonds with a paying agent-based regime for Swiss withholding tax. Under such proposed paying agent-based regime, subject to certain exceptions, all interest payments on bonds made by paying agents acting out of Switzerland to individuals resident in Switzerland would have been subject to Swiss withholding tax, including any such interest payments made on bonds issued by entities organised in a jurisdiction outside Switzerland (such as interest payments on the Notes). Due to the controversial outcome of the consultation on the draft legislation, the Swiss Federal Council submitted new draft legislation to the Swiss Federal Parliament, which provided for the abolition of Swiss withholding tax on interest payments on bonds. This legislation was accepted by the Swiss Parliament, but was subsequently rejected in a popular referendum on 25 September 2022. In view of the rejection of this legislation, the Swiss Federal Council could again propose a paying agent-based regime, as contemplated by the draft legislation published on 3 April 2020. If such legislation were to result in the deduction or withholding of Swiss withholding tax by a paying agent in Switzerland on any interest payments under a Note (or any payments under the Guarantee in respect thereof), neither the respective Issuer, nor the Guarantor nor a paying agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such withholding tax.

***Swiss Stamp Duty on the Dealing in Securities***

The issue of the Notes (primary market) by the Issuer on the relevant issue date, the issue of the Guarantee by the Guarantor and the redemption of the Notes by the Issuer will not be subject to Swiss stamp duty on the dealing in securities.

Secondary market dealings in Notes with a maturity in excess of 12 months where a Swiss domestic bank or other Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Duty Act) is a party, or acts as an intermediary, to the transaction, may be subject to Swiss stamp duty on dealing in securities at a rate of up to 0.3 per cent. of the purchase price of Notes. Where both the seller and the purchaser of the Notes are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss stamp duty on the dealing in securities will be payable.

***Income Taxation on Principal or Interest***

*Non-Swiss resident Holders*

Payments of interest and repayment of principal by the Issuer or, as the case may be, payments by the Guarantor under the Guarantee in respect thereof, to a holder of a Note who is a non-resident of Switzerland and who, during the current taxation year, has not engaged in trade or business through a permanent establishment within Switzerland to which the Note is attributable will not be subject to any federal, cantonal or communal income tax. For a discussion of the potential new Swiss withholding tax legislation replacing the current issuer-based withholding tax system for a paying-agent based system, see above under "—Swiss Withholding Tax", for a discussion of the automatic exchange of information in tax matters, see below under "—International Automatic Exchange of Information in Tax Matters" and for a discussion of the Swiss

facilitation of the implementation of the Foreign Account Tax Compliance Act, see below under "—Swiss Facilitation of the Implementation of FATCA".

*Notes held as Private Assets by a Swiss resident Holder*

Notes without a "predominant one-time interest payment": Holders of Notes without a predominant one-time interest payment (the yield-to-maturity of a Note predominantly derives from periodic interest payments and not from a one-time interest payment) who are individuals resident in Switzerland holding the Notes as private assets and who receive payments of interest on Notes by the Issuer or, as the case may be, payments by the Guarantor under the Guarantee in respect thereof, are required to include such payments, converted into Swiss francs at the exchange rate prevailing at the time of payment, as the case may be, in their personal income tax return for the relevant tax period and will be taxable on any net taxable income (including the payments of interest on the Notes) for the relevant tax period. A gain (which may include interest accrued) realised on the sale of such a Note is a tax-free private capital gain, and a loss realised on the sale of such a Note is a non-tax deductible private capital loss.

Notes with a "predominant one-time interest payment": Holders of Notes with a predominant one-time interest payment (the yield-to-maturity of a Note predominantly derives from a one time-interest payment such as an original issue discount or a repayment premium and not from periodic interest payments), who are individuals resident in Switzerland holding the Notes as private assets and who receive such payments of interest on the Notes by the Issuer or, as the case may be, the Guarantor under the Guarantee in respect thereof, are required to include such interest payments and, in addition, on the sale or redemption of the Note, any amount equal to the difference between the value of the Note at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss francs at the exchange rate prevailing at the time of payment, redemption or sale, issuance or purchase, respectively (pure differential taxation method) constitutes taxable income for the relevant tax period in the hands of a holder of Notes who is an individual resident in Switzerland and who holds the Notes as private assets. Such a holder of Notes may offset a value decrease on the Notes realised on the sale or redemption of the Notes against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment, and vice versa.

See "—*Notes held as Swiss Assets of a Trade or Business*" below for a summary of the tax treatment of individuals classified as "professional securities dealers".

*Notes held as Assets of a Trade or Business in Switzerland*

Swiss-resident individual taxpayers who hold Notes as part of Swiss business assets and Swiss-resident corporate taxpayers and corporate taxpayers resident abroad holding Notes as part of a Swiss permanent establishment or a fixed place of business within Switzerland, are required to recognise the payments of interest on the Notes and any capital gain or loss realised on the sale or other disposition of the Notes in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealings and leveraged transactions in securities.

***International Automatic Exchange of Information in Tax Matters***

Switzerland has concluded a multilateral agreement with the EU on the international automatic exchange of information ("AEOI") in tax matters, which applies to all EU Member States. Further, Switzerland has concluded the multilateral competent authority agreement on the automatic exchange of financial account information ("MCAA"), and a number of bilateral AEOI agreements with other countries, most of them on the basis of the MCAA. Based on these agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets held in, and income derived thereon and credited to, accounts

or deposits (including Notes held in, and income derived thereon credited to, such accounts or deposits) with a paying agent in Switzerland for the benefit of individuals resident in an EU Member State or in another treaty state. An up-to-date list of the AEOI agreements to which Switzerland is party that are in effect, or have been entered into but are not yet in effect, can be found on the website of the State Secretariat for International Financial Matters SIF.

***Swiss Facilitation of the Implementation of FATCA***

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions (including accounts in which Notes are held) are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland (the "Treaty"). Since it was amended in 2019, the Treaty includes a mechanism for the exchange of information in tax matters upon request between Switzerland and the United States, which is in line with international standards and allows the United States to make group requests under FATCA concerning non-consenting U.S. accounts and non-consenting non-participating non-FFIs for periods from 30 June 2014. Furthermore, on 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the United States regarding a change from the current direct notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. It is not yet known when negotiations will continue or when any new regime would come into force. For further information on FATCA, see the discussion above under "—U.S. Taxation of Notes—FATCA".

**THE FOLLOWING IS A GENERAL SUMMARY OF SOURCE STATE WITHHOLDING TAXES ON INTEREST INCOME UNDER CURRENT LAW AND PRACTICE OF RELEVANT TAX AUTHORITIES IN THE JURISDICTIONS WHERE THE NOTES MAY BE OFFERED (WHERE THE NOTES MAY BE OFFERED AND WHERE THE AGENT IS LOCATED) AND THE UNITED STATES, LUXEMBOURG AND SWITZERLAND (JURISDICTIONS WHERE AN ISSUER OR THE GUARANTOR IS INCORPORATED)). THE FOLLOWING DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS RELATING TO THE NOTES AND PROSPECTIVE NOTEHOLDERS SHOULD ACCORDINGLY SEEK THEIR OWN PROFESSIONAL ADVICE. IN PARTICULAR, NOTEHOLDERS SHOULD BE AWARE THAT THE TAX LEGISLATION OF ANY JURISDICTION WHERE A NOTEHOLDER IS RESIDENT OR OTHERWISE SUBJECT TO TAXATION (AS WELL AS THE JURISDICTIONS DISCUSSED BELOW) MAY HAVE AN IMPACT ON THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES INCLUDING IN RESPECT OF ANY INCOME RECEIVED FROM THE NOTES. THE FOLLOWING ASSUMES THAT THERE WILL BE NO SUBSITUTION OF THE ISSUER AND DOES NOT ADDRESS THE CONSEQUENCES OF ANY SUCH SUBSITUTION (NOTWITHSTANDING THAT SUCH SUBSITUTION MAY BE PERMITTED BY THE TERMS AND CONDITIONS OF THE NOTES).**

## Austria

***Resident investors***

Austrian withholding tax at a flat rate of 27.5 per cent. is triggered if interest on the Notes is paid to individuals having their domicile (*Wohnsitz*) and/or their habitual place of abode (*gewöhnlicher Aufenthalt*) in Austria by a paying agent (*auszahlende Stelle*) in Austria (i.e. an Austrian credit institution or Austrian branch of a non-Austrian credit institution or an Austrian branch of an investment services provider domiciled in a

Member State or an Austrian issuer directly paying out the interest income to the investor). The withholding tax deduction on interest payments will in general result in final income taxation (*Endbesteuerung*) for individuals holding the Notes.

If Notes were not offered publicly (as construed for Austrian tax purposes) the income derived therefrom may be subject to Austrian taxation at the regular Austrian income tax rates for Austrian tax resident individuals (in which case no withholding obligation for an Austrian paying agent or securities depository exists).

Corporate investors having their place of management (*Ort der Geschäftsleitung*) and/or their corporate seat (*Sitz*) in Austria ("Austrian Resident Corporations"), and who receive interest income from the Notes are subject to Austrian corporate income tax pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). In the case of a relevant nexus for Austrian withholding tax purposes, such as interest income that is paid by an Austrian paying agent, interest payments will be subject to Austrian withholding tax at a flat rate of 27.5 per cent. However, the Austrian withholding tax may be levied at a rate of 24 per cent. For income received in 2023 and 23 per cent. for income received as from 2024 (instead of 27.5 per cent.) which may be credited against the corporate income tax and, if exceeding, be refunded. Austrian Resident Corporations deriving business income from the Notes may avoid the application of this Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) pursuant to Section 94(5) Austrian Income Tax Act (*Einkommensteuergesetz,* "EStG") with the Austrian paying agent as well as the tax authority.

Both in case of unlimited and limited (corporate) income tax liability, Austria's right to tax may be restricted by double taxation treaties.

***Non-resident investors***

Interest income derived from the Notes by individuals who neither have a domicile nor their habitual abode in Austria or by corporate investors that neither have their corporate seat nor their place of management in Austria (together, "Non-Austrian Residents") is only taxable in Austria if the respective interest income is attributable to a permanent establishment in Austria. Where Non-Austrian Residents receive interest income from the Notes as part of their business income taxable in Austria (for example, as part of an Austrian permanent establishment), they will be subject to a tax treatment comparable to the one for Austrian resident business investors.

If interest payments have a relevant nexus with Austria for Austrian withholding tax purposes, i.e. they constitute interest income that is paid by an Austrian paying agent, such interest payments to Non-Austrian Residents will be subject to Austrian withholding tax. However, an Austrian paying agent could abstain from levying the 27.5 per cent. (or 24 or 23 per cent. for corporate investors, see above) Austrian withholding tax if Non-Austrian Residents who are corporate investors were to comply with the prerequisites set forth in Section 94(5) EStG. Non-Austrian Residents who are corporate investors may avoid the application of Austrian withholding tax if they evidence their non-resident-status vis-à-vis the paying agent by disclosing, inter alia, their identity and address.

If any Austrian withholding tax is deducted by an Austrian paying agent on interest payments under the Notes to a Non-Austrian Resident that is not subject to tax in Austria, the Non-Austrian Resident can apply for a refund by filing an application with the competent Austrian tax authority (within five calendar years following the year of the imposition of the Austrian withholding tax). Before filing a refund request, an advance notification (*Vorausmeldung*) has to be filed electronically to the competent Austrian tax authority. Such advance notification can be filed after the end of the year in the course of which the tax has been withheld and needs to be enclosed to the refund request with delivery confirmation as well as a residence certificate.

## Germany

### *Resident investors*

Payments of interest made to Noteholders (individuals and corporate entities), who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) on Notes held in custody with or presented for payment to a German custodian (the "Disbursing Agent") will in principal be made subject to a withholding tax. Subject to certain requirements an exemption may apply for certain Noteholders. Disbursing Agents are German resident credit institutions, financial services institutions (including German permanent establishments of foreign institutions) or securities institution. Interest within this meaning also includes the difference between the issue price and the principal or final redemption amount of the Zero Coupon Notes paid on maturity. The applicable withholding tax rate is 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax).

### *Non-resident investors*

Even if Notes are held in custody with a Disbursing Agent, no German withholding tax should generally be withheld from payments of interest made to Noteholders who are not tax resident in Germany unless the Notes are held as business assets in a German permanent establishment or by a German permanent representative of the Noteholder. Payments of interest to Noteholders who are not tax resident in Germany will be made subject to withholding tax, if Notes are presented for payment to a Disbursing Agent.

## The Netherlands

All payments under the Notes may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## United Kingdom

### *United Kingdom Withholding Tax*

The comments in this part are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), in each case as at the latest practicable date before the date of this Prospectus.

Interest on the Notes that is not treated as having a United Kingdom source may be paid without withholding or deduction for or on account of United Kingdom income tax.

In the event that interest on the Notes is treated as having a United Kingdom source, payments of such interest can still be made without withholding or deduction for or on account of United Kingdom income tax in the following circumstances.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "ITA 2007"). In the case of Notes to be traded on the Luxembourg Stock Exchange, which is a "recognised stock exchange" within the meaning of section 1005 of the ITA 2007, this condition will be satisfied if the Notes are included in the Luxembourg Official List and admitted to trading on the Luxembourg Stock Exchange. In the case of Notes to be traded on the SIX Swiss Exchange which is a "recognised stock exchange" within the meaning of section 1005 of the ITA 2007, the condition will be satisfied if the Notes are admitted to trading and maintained on the SIX Swiss Exchange in accordance with the International Reporting Standard or Swiss Reporting Standard or Bonds Standard. Provided, therefore that the Notes carry a right to interest and are and remain so listed on a

"recognised stock exchange" at the time of payment, interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

Interest on the Notes which is treated as having a United Kingdom source may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In all other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue and Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where payments in respect of the Guarantee do not have a United Kingdom source, any payments in respect of the Guarantee may be made without withholding or deduction for or on account of United Kingdom income tax.

In all other cases, the United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

References in the paragraphs above to "interest" mean "interest" as such term is understood for UK tax purposes.

## SUBSCRIPTION AND SALE

Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited , Deutsche Bank Aktiengesellschaft, HSBC Continental Europe, RBC Europe Limited, TD Global Finance unlimited company and UBS AG London Branch (the "Dealers") have in an amended and restated programme agreement dated 30 May 2023 and as amended and/or supplemented and/or restated from time to time (the "Programme Agreement"), agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above.

Set forth below are certain selling restrictions applicable to Notes issued under the Programme. Each Dealer has represented and agreed that it will comply with these restrictions. Each further Dealer appointed under the Programme Agreement will be required to represent and agree to all applicable restrictions.

The following selling restrictions may be modified by the relevant Issuer and the relevant Dealers following a change in the relevant laws or regulations. Any such modification will be set out in the applicable Final Terms issued in respect of the issue to which it is related or in a supplement to this Prospectus.

### United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed and each further Dealer appointed under the Programme Agreement will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of (A) the completion of the distribution of all Notes of the Tranche of which such Notes are a part, and (B) the settlement date of such Tranche of Notes (or such other date as the Issuer may in its sole discretion deem necessary to comply with Regulation S) within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of all Notes of any Tranche, an offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes, other than Registered Notes issued by NHI, are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder, including United States Treasury Regulations Section 1.163-5(c)(2)(i)(C), as it may be amended or any successor regulation regarding certification requirements for foreign targeted bearer notes (the "**TEFRA C Rules**"), or United States Treasury Regulations Section 1.163-5(c)(2)(i)(D), as it may be amended or any successor regulation regarding certification requirements for foreign targeted bearer notes (the "**TEFRA D Rules**"). The applicable Final Terms will identify whether the TEFRA C Rules or TEFRA D Rules apply or whether TEFRA is not applicable, or whether Notes are issued in compliance with United States Treasury Regulations Section 1.6049-5(b)(10) (in which case, the TEFRA D Rules shall apply but without the

requirement of delivery of an Owner Tax Certification or a Depositary Tax Certification prior to exchange or payment).

## Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of the Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any such Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the EEA (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State, except that it may make an offer of such Notes to the public in that Relevant Member State:

(a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant Member State (a "Public Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Regulation or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or such Final Terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## The Netherlands

For selling restrictions in respect of the Netherlands, see "Prohibition of Sales to EEA Retail Investors" above and in addition:

(a) if the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are outside the scope of the approval of this Prospectus, as completed by the Final Terms relating thereto, to the public in the Netherlands in reliance on Article 1(4) of the Prospectus Regulation unless (i) such offer was or is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Regulation or (ii) each such Note has a minimum denomination in excess of EUR 100,000 (or the equivalent thereof in non-Euro currency) and subject to compliance with the relevant requirements under Regulation (EU) No 1286/2014.

(b) Zero Coupon Notes in definitive form issued by any Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., with due observance of the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required in respect of: (i) the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form; (ii) the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; (iii) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession; or (iv) the transfer and acceptance of such Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed within the Netherlands in the course of initial distribution or immediately thereafter.

As used herein, "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their term to maturity or on which no interest is due whatsoever.

## Luxembourg

Notes having a maturity of less than 12 months that may qualify as money market instruments as defined in point (17) of Article 4(1) of Directive 2014/65/EU, may not be offered or sold to the public within the territory of the Grand-Duchy of Luxembourg unless:

(a) an alleviated prospectus has been duly approved by the Commission de Surveillance du Secteur Financier pursuant to Part III, Chapter 1 of the Luxembourg Prospectus Act; or

(b) the offer benefits from an exemption to, or constitutes a transaction not subject to, the requirement to publish an alleviated prospectus under Part III of the Luxembourg Prospectus Act.

## Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or the Notes has been or will be lodged with the Australian Securities and Investments

Commission ("ASIC") or the Australian Securities Exchange. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the applicable Final Terms (or another supplement to this Prospectus) otherwise provides, it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any prospectus or other offering material or advertisement relating to any Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$ 500,000 (or the equivalent in any other currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with either Part 6D.2 or 7.9 of the Australian Corporations Act;

(ii) such action complies with all applicable laws, regulations and directives (including, without limitation, the financial services licensing requirements of Chapter 7 of the Australian Corporations Act);

(iii) the offer or invitation is not made to a person in Australia who is a "retail client" as defined for the purposes of Section 761G or 761GA of the Australian Corporations Act; and

(iv) such action does not require any document to be lodged with ASIC.

## New Zealand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes; and

(b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Notes,

in each case in New Zealand other than:

(i) to persons who are "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand ("FMC Act"), being a person who is:

(A) an "investment business";

(B) "large"; or

(C) a "government agency",

in each case as defined in Schedule 1 to the FMC Act; or

(ii) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (i) above) Notes may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

## People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, excluding Hong Kong, Macau or Taiwan), except as permitted by applicable laws of the PRC.

## Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor

(as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Singapore SFA Product Classification**

In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Issues of Notes with a Specified Denomination of less than €100,000 (or its equivalent) to be admitted to trading on an EEA market and/or offered on an exempt basis in the EEA**

Unless otherwise expressly indicated in the applicable Final Terms and notwithstanding the "Prohibition of Sales to EEA Retail Investors" selling restrictions set out above applicable to Notes, in relation to Notes with a Specified Denomination of less than €100,000 (or its equivalent in any other currency) to be admitted to trading on an EEA regulated market and/or offered in any EEA Member State on an exempt basis as contemplated under Article 1(4) of the Prospectus Regulation:

(a) each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that (i) it has not offered or sold, (ii) neither it nor its affiliates will offer or sell, and (iii) it will use reasonable efforts to ensure that no offer or sale is made whether through financial intermediaries or otherwise of, any such Notes to the public in any EEA

Member State by means of this Prospectus, the applicable Final Terms or any other document, other than to qualified investors (as defined in the Prospectus Regulation);

(b) each Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement will be required to acknowledge, that no action has been taken by the relevant Issuer or any other person that would, or is intended to permit an offer to the public of any such Notes in any country or jurisdiction at any time where any such action for that purpose is required; and

(c) each Dealer has undertaken, and each further Dealer appointed under the Programme Agreement will be required to undertake, that (i) such Dealer and its affiliates will not, and (ii) such Dealer will, in the case of financial intermediaries, use reasonable efforts to ensure that any such financial intermediaries will not, offer or sell any such Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of any such Notes by such Dealer or its affiliates or by such financial intermediaries will be made on these terms, and provided that no such offer or sale of Notes by such Dealer or its affiliates or by any such financial intermediaries, shall require the relevant Issuer, such Dealer or such financial intermediaries to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

## Public Offers in certain EEA Jurisdictions

Notwithstanding the "Prohibition of Sales to EEA Retail Investors" selling restrictions set out above applicable to Notes, where the applicable Final Terms expressly indicate that a Public Offer of Notes in certain jurisdictions identified in such Final Terms (such jurisdictions, the "Public Offer Jurisdictions" and each a "Public Offer Jurisdiction") is intended or permitted, the relevant Issuer agrees that the Dealers identified as Managers in such Final Terms involved in the offer and such other persons and/or classes of persons as the relevant Issuer may nominate and/or describe in the applicable Final Terms will, on the terms and conditions of the Public Offer contained in such Final Terms, be able to use such Final Terms and this Prospectus for a Public Offer of the Notes in such Public Offer Jurisdictions during the Offer Period specified in such applicable Final Terms.

Upon the execution by the relevant Dealers so identified in the applicable Final Terms, and by the relevant Issuer of the agreement to issue and purchase the Notes (the "Agreement"), each such Dealer is authorised to, and accordingly may, during the Offer Period specified in such Final Terms, make a Public Offer using this Prospectus (as may be supplemented) and the applicable Final Terms in any of the Public Offer Jurisdictions and otherwise in accordance with the terms and conditions of the Agreement, this Prospectus (as so supplemented) and the applicable Final Terms.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that (a) it has not offered or sold and (b) neither it nor its affiliates will offer or sell in the EEA, any Notes other than by (i) a Public Offer in any of the Public Offer Jurisdictions during the Offer Period pursuant to, and in accordance with, this Prospectus (as may be supplemented) and the applicable Final Terms (without modification or supplement); or (ii) an offer to qualified investors (as defined in the Prospectus Regulation) or otherwise in compliance with Article 1(4) of the Prospectus Regulation and that during the Offer Period, each such Dealer will use reasonable efforts to ensure that any Placer (as defined in the applicable Final Terms) purchasing from such Dealer any of the Notes is aware of the foregoing provisions of this "Public Offers in certain EEA Jurisdictions" selling restriction.

Each Dealer has also represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that the following provisions contained in the applicable

Final Terms under the heading "Terms and Conditions of the Public Offer" (including where repeated in the Summary annexed to the applicable Final Terms), in the second sentence of the section entitled "Offer Price", in the second sentence of the section entitled "Conditions to which the offer is subject", in the section entitled "Description of the application process", in the section entitled "Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest)", in the second sentence of the section entitled "Method and time limits for paying up the Notes and for delivery of the Notes" and in the section entitled "Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made" relating to it and its offer and sale process are true and accurate in all respects and that it has not made any Placers as such known to the relevant Issuer other than any Placers who are identified as such in the applicable Final Terms.

Save as described above and in the applicable Final Terms, no action will be taken by the relevant Issuer or any other person that would, or is intended to, permit a Public Offer in the Public Offer Jurisdictions at any time other than during the Offer Period pursuant to, and in accordance with, this Prospectus as may be supplemented and the applicable Final Terms or in any other country or jurisdiction at any time where any such action for that purpose is required.

Each Dealer has undertaken, and each further Dealer appointed under the Programme Agreement will be required to undertake, that (a) such Dealer and its affiliates will not, and (b) such Dealer will, in the case of financial intermediaries, use reasonable efforts to ensure that any such financial intermediaries will not, offer or sell any such Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of any such Notes by such Dealer or its affiliates or by such financial intermediaries will be made on these terms, and provided that no such offer or sale of Notes by such Dealer or its affiliates or by any such financial intermediaries, shall require the relevant Issuer, such Dealer or such financial intermediaries to publish a prospectus pursuant to Article 3 of the Prospectus Regulation (or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation) or to take any other action in any jurisdiction other than as described above (unless otherwise agreed with the relevant Issuer).

For the purposes of this provision, the expression "Public Offer" in relation to any Notes in any relevant Public Offer Jurisdiction means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## Prohibition of Sales to Belgian Consumers

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "Belgian Consumer") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme Agreement will be required to represent and agree, that it (i) will only offer or sell, directly or indirectly, Notes in, into or from Switzerland in compliance with all applicable laws and regulations in force in Switzerland and

(ii) will to the extent necessary, obtain any consent, approval or permission required, if any, for the offer or sale by it of Notes under the laws and regulations in force in Switzerland.

Only the relevant Final Terms for the offering of Notes in, into or from Switzerland together with the Prospectus duly filed, deemed approved and published according to the Swiss Financial Services Act (including any supplement thereto at the relevant time), if required, and any information required to ensure compliance with the applicable laws and regulations in force in Switzerland may be used in the context of a public offer in, into or from Switzerland. Each Dealer has therefore represented and agreed that the relevant Final Terms, the Prospectus (including any supplement thereto at the relevant time) and any further information shall be furnished to any potential purchaser in Switzerland upon request in such manner and at such times as shall be required by, and is in compliance with all applicable laws and regulations in Switzerland.

## General

No action has been taken or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material relating to any Notes, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed and each further Dealer appointed under the Programme Agreement will be required to agree that it will, to the best of its knowledge, having made all reasonable enquiries, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells, or delivers Notes or has in its possession or distributes this Prospectus or any other offering material relating to any Notes or any Final Terms, in all cases at its own expense.

No Dealer is authorised to make any representation or use any information in connection with the issue, offering and sale of the Notes other than as contained in this Prospectus.

None of the Issuers, the Guarantor or any Dealer, represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer, the Guarantor and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

# GENERAL INFORMATION

## Authorisation

The establishment and subsequent updates of the Programme and the issue of Notes under the Programme have been duly authorised by resolutions of the Board of Directors of NHI dated 1 March 1994, 30 June 2000, 25 June 2001, 10 June 2002, 1 June 2004, 5 July 2005, 1 August 2006, 5 July 2007, 19 August 2008, 6 July 2009, 6 May 2010, 28 April 2011, 24 April 2012, 20 May 2013, 25 April 2014, 20 May 2015, 18 May 2016, 9 May 2017, 16 May 2018, 8 May 2019, 26 May 2020, 21 May 2021, 27 May 2022 and 19 May 2023. The establishment and subsequent updates of the Programme were duly authorised by resolutions dated 9 June 2005, 31 March 2006 and 13 April 2007 of the Board of Directors (*Conseil d'administration*) of Nestlé Finance France S.A. Notes to be issued by Nestlé Finance France S.A. under the Programme were authorised by the Chairman of the Board of Directors and Chief Executive Officer (*Président du Conseil d'administration* and *Directeur Général*) of Nestlé Finance France S.A. Nestlé Finance France S.A. changed its name to NFI on 29 February 2008. The update of the Programme and the issue of Notes under the Programme have been duly authorised by resolutions of the Board of Directors of NFI dated 25 August 2008, 8 July 2009, 10 May 2010, 10 May 2011, 5 April 2012, 21 May 2013, 19 May 2014, 20 May 2015, 18 May 2016, 15 May 2017, 16 May 2018, 22 May 2019, 27 May 2020, 27 May 2021, 24 May 2022 and 23 May 2023.

## Listing and Admission to Trading

It is expected that each Tranche of Notes which is to be admitted to the Luxembourg Official List and to trading on the Luxembourg Stock Exchange's Regulated Market will be admitted separately as and when issued, subject only to the issue of a global Note initially representing the Notes of that Tranche.

## Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents (other than the financial statements and reports referred to in paragraphs (ii), (iii), (iv) and (v) below, which are available on the website of the Luxembourg Stock Exchange at *www.luxse.com*) will, when published, be available for inspection at *https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents* (save in respect of the documents referred to in paragraphs (ii) to (v) and (vii) to (ix) which will be available for a period of 10 years following the date of this Prospectus):

(i) the constitutional documents (in English) of the Issuers and the Guarantor;

(ii) the consolidated financial statements of the Nestlé Group for each of the financial years ended 31 December 2022 and 31 December 2021 (including each of the audit reports issued in respect thereof);

(iii) the Guarantor's Annual Review of the Nestlé Group for each of the financial years ended 31 December 2022 and 31 December 2021;

(iv) the Annual Financial Report for each of the financial years ended 31 December 2022 and 31 December 2021 of NHI and its subsidiaries (including the audit report issued in respect thereof);

(v) the Annual Financial Reports for each of the financial years ended 31 December 2022 and 31 December 2021 of NFI (including each of the audit reports issued in respect thereof);

(vi) the Agency Agreement (which contains the form of the Guarantee), the most recently agreed schedule of forms (which contains the forms of the Temporary Global Note, Permanent Global Note, the definitive Notes, the Coupons and the Talons) and the Note Agency Agreement (which contains the forms of the Registered Notes);

(vii) this Prospectus;

(viii) the "Terms and Conditions of the Notes" section from each of the Prospectuses published by the Issuers and dated 30 May 2022, 28 May 2021, 29 May 2020, 6 June 2019, 19 May 2017, 23 May 2016, 29 May 2015, 21 May 2014, 23 May 2013 and 10 May 2012; and

(ix) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms to this Prospectus and any other documents incorporated herein or therein by reference.

## Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and International Securities Identification Number, if applicable, for each Tranche to be held through Euroclear and Clearstream, as the case may be, and allocated by Euroclear and Clearstream, as the case may be, will be contained in the relevant Final Terms. If the Notes are to be cleared through an additional or alternative clearing system or by a custodian the appropriate information will be contained in the applicable Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

## Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

## Significant or Material Change and Trend Information

There has been no significant change in the financial performance or financial position of any of the Issuers or the Guarantor and (in each case) its consolidated subsidiaries (if any) (considered as a whole) since the date of its most recently published financial statements (in each case dated 31 December 2022) and there has been no material adverse change in the prospects of any of the Issuers or the Guarantor since the date of its most recently published audited financial statements (being 31 December 2022).

Following the outbreak of the war in Ukraine in late February 2022, several countries imposed sanctions on Russia, Belarus and certain regions in Ukraine. These new circumstances strongly limited the freedom of Nestlé Russia Region businesses to operate. The Group has assessed and confirmed that the changes in the legal and operating environment of Russia and Ukraine have not impacted the ability to exercise control over the Group entities in these countries. The implications for the Group and the global economy of the war in Ukraine as well as potential escalations are highly uncertain, and remain difficult to predict or quantify.

## Litigation

Save as disclosed in "*NESTLÉ S.A. – Legal Proceedings*" on page 173, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers and the Guarantor are aware), in the twelve months prior to the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or the profitability of any of the Issuers, the Guarantor or the Nestlé Group.

## Independent Auditors

Ernst & Young LLP audited the consolidated financial statements of NHI, without qualification, in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America, for each of the financial years ended 31 December 2022 and 2021. Ernst & Young LLP are members of The American Institute of Certified Public Accountants.

Ernst & Young S.A. – *Cabinet de révision agréé* audited the financial statements of NFI, without qualification, in accordance with International Standards on Auditing as adopted for Luxembourg by the CSSF, in accordance with Regulation (EU) No 537/2014 and with the law of 23 July 2016 on the audit profession for each of the financial years ended 31 December 2022 and 2021. Ernst & Young S.A. – Cabinet de révision agréé is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, with its registered office at 35E avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B-47.771 (*réviseur d'entreprises agréé*). Ernst & Young S.A. – Cabinet de révision agréé are members of the Institute of Registered Auditors ("*Institut des Réviseurs d'Entreprises*") which is the Luxembourg member of the International Federation of Accountants and are registered in the public register of approved audit firms held by the CSSF as competent authority for public oversight of approved statutory auditors and audit firms.

Ernst & Young Ltd. audited the consolidated financial statements of the Nestlé Group, without qualification, in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards and for each of the years ended 31 December 2022 and 2021. Ernst & Young Ltd. is registered under the number 500646 with the Swiss Federal Audit Oversight Authority to carry out audit work in Switzerland.

## Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

## Certain of the Dealers transacting with the Issuers or their affiliates

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the relevant Issuer and its affiliates in the ordinary course of business, including (but not limited to) entering into hedging strategies on behalf of the relevant Issuer and its affiliates, or as principal, in connection with Notes issued under the Programme.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the relevant Issuer or the relevant Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the relevant Issuer routinely hedge their credit exposure to the relevant Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in

respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## Third party information

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuers are aware and are able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

## Websites

In this Prospectus, references to websites or uniform resource locaters ("URLs") are inactive textual references. The contents of any such website or URL (other than the contents of the URL's contained in the section titled "Documents Incorporated by Reference" which is incorporated by reference herein) shall not form part of, or be deemed to be incorporated by reference into, this Prospectus and have not been scrutinised or approved by the CSSF.

## Dealers transacting with the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuers, the Guarantor and their affiliates in the ordinary course of business.

## PRINCIPAL OFFICES

### THE ISSUERS

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R.C.S. Luxembourg B-136737

### THE GUARANTOR

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Switzerland

### AGENT, PRINCIPAL PAYING AGENT AND TRANSFER AGENT

**Citibank, N.A., London Branch**
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England

### REGISTRAR

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Ireland

## LEGAL ADVISERS

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*as to U.S. law*

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*as to Luxembourg law*

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Grand Duchy of Luxembourg

*as to English law*

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*To the Guarantor as to Swiss law*

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*To the Dealers as to English law*

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United Kingdom

**Deutsche Bank Aktiengesellschaft**
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**HSBC Continental Europe**
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**RBC Europe Limited**
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**UBS AG London Branch**
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**INDEPENDENT AUDITORS**

*To Nestlé Holdings, Inc.*

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*To Nestlé Finance International Ltd.*

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*To Nestlé S.A. from and including 23 April 2020*

**Ernst & Young Ltd.**
Avenue de la Gare 39a
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Switzerland