

Nestlé Annual General Meeting: Strong support from shareholders for Board proposals - Amendment of the Articles of Association following the Minder Initiative



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BY NESTLÉ

2,708 shareholders attended the Nestlé S.A. Annual General Meeting today in Lausanne. They represented 47.26 percent of the capital and 66.31 percent of the shares entitled to vote. The annual report and the accounts were approved and the shareholders agreed to the release of the Board of Directors and the Management. The Nestlé Compensation Report was accepted in a separate advisory vote, in line with the Swiss Code of Best Practice for Corporate Governance. The shareholders further approved the proposed dividend of CHF 2.15 per share. Lastly, the shareholders approved the amendment of the Articles of Association, revised in line with new legal requirements for listed Swiss companies.

All proposals of the Board of Directors were approved with strong majorities.

In line with new legal requirements for listed Swiss companies, the shareholders elected each member of the Board of Directors individually, for a term of office until the end of the next Annual General Meeting. Jean-Pierre Meyers was not standing for re-election. The Board thanked him for his highly appreciated services provided to Nestlé over the past 23 years.

Furthermore, the shareholders elected Peter Brabeck-Letmathe as Chairman of the Board of Directors and elected each member of the Compensation Committee individually.

In his address to the meeting, Nestlé Chairman Peter Brabeck-Letmathe highlighted the consequences of the “Minder Initiative” on

the governance of Swiss companies. These include the increased influence of shareholders, in particular in relation to compensation, and the greater accountability of the Chairman and the members of the Compensation Committee, who are now elected directly by shareholders. Other consequences, however, were unintended, such as the transfer of power from Boards of Directors with a strong Swiss presence to more international shareholders and proxy advisers.

In our case, almost two-thirds of our shares with voting rights are held by persons who are domiciled outside Switzerland. Therefore, for most of the Swiss multinationals, the new legislation will mean a not insignificant transfer of power abroad

Turning to the prospects for the Swiss economy over the medium term following other recent political decisions in Switzerland, notably the adoption of the initiative on immigration by the Swiss population, Mr Brabeck-Letmathe said that

in the past, the economic and governance model of Switzerland ensured levels of prosperity and stability that were envied throughout the world. (...) Naturally, we respect the decision of the Swiss population. Personally, I do not believe that the result of the ballot on 9 February was a vote against the bilateral agreements with the European Union or against the opening up of Switzerland, but rather a wake-up call that this openness was being abused, which had not been sufficiently recognised and tackled by politicians.

Nestlé's employees in Switzerland come from more than 90 countries and almost 80% of its production in the country is exported. Barrier-free access to the European market and the ability to recruit without restriction are vital for its industrial activities in this country.

Mr Brabeck-Letmathe presented 2013 as an important year in terms of strategic development for the company. Building on Nestlé's historical competences in nutrition, health and wellness, the company will expand its activities to include the specialised area of medical skin care. A new entity, Nestlé Skin Health, will be created, integrating the company Galderma. This will form, with Nestlé Health Science, a new growth platform for the Group.

After reviewing the Group's 2013 results, Nestlé CEO Paul Bulcke again underlined the company's ambition to be the recognised leader

in nutrition, health and wellness:

The actions we took last year reflect Nestlé's focus on both our shorter term performance – seeking to grow faster than the market – and the longer term – making the right decisions to ensure sustainable and profitable growth into the future. Our company has the right mindset and structures. We have the right action plans in place. And above all, Nestlé has the right people. Together we pursue a common goal: to continue to make Nestlé the world's leading Nutrition, Health and Wellness company.

For the year to come, the Board and its different Committees will be composed as follows:

Peter Brabeck-Letmathe, Paul Bulcke, Andreas Koopmann, Rolf Hänggi, Beat Hess, Daniel Borel, Steven G. Hoch, Naïna Lal Kidwai, Titia de Lange, Jean-Pierre Roth, Ann M. Veneman, Henri de Castries, Eva Cheng

Chairman's and Corporate Governance Committee

Peter Brabeck-Letmathe, Paul Bulcke, Andreas Koopmann, Rolf Hänggi, Beat Hess

Beat Hess, Daniel Borel, Andreas Koopmann, Jean-Pierre Roth

Andreas Koopmann, Peter Brabeck-Letmathe, Steven G. Hoch, Ann M. Veneman

Rolf Hänggi, Naïna Lal Kidwai, Henri de Castries, Eva Cheng

The Chairman's and the CEO's addresses to the AGM can be found in Events.

For more information about Nestlé in Society, see our new Creating Shared Value report.

Media: Robin Tickle Tel.: +41 21 924 22 00

Investors: Roddy Child-Villiers Tel.: +41 21 924 36 22

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