Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
NESTLE HOURLY RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 006

1c Effective date of plan 05/14/1955

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
NESTLE USA, INC.

30500 BAINBRIDGE RD
SOLON, OH 44139-2205

2b Employer Identification Number (EIN)
95-1572209

2c Plan Sponsor's telephone number
440-349-5757

2d Business code (see instructions)
311900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2016	SHARON M. STRASSHOFER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2016	RUSSELL NISWANDER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a	Plan administrator's name and address [X] Same as Plan Sponsor	**3b**	Administrator's EIN
		3c	Administrator's telephone number
4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	13925
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	4895
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	4714
b	Retired or separated participants receiving benefits	**6b**	4858
c	Other retired or separated participants entitled to future benefits	**6c**	1874
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	11446
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	823
f	Total. Add lines **6d** and **6e**.	**6f**	12269
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	183
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1B 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[X]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]		**H** (Financial Information)
(2)	[ ]		**I** (Financial Information – Small Plan)
(3)	[ ]	0	**A** (Insurance Information)
(4)	[X]		**C** (Service Provider Information)
(5)	[X]		**D** (DFE/Participating Plan Information)
(6)	[ ]		**G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
NESTLE HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	678810805
b Actuarial value	**2b**	678810805

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	5684	209785963	209785963
b For terminated vested participants	3351	61218178	61218178
c For active participants	5023	153721333	162313887
d Total	14058	424725474	433318028

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.27%
6 Target normal cost	**6**	11133112

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary — Date: 09/30/2016

JEREMY L. SEVCIK — Type or print name of actuary

14-06465 — Most recent enrollment number

WILLIS TOWERS WATSON — Firm name

949-224-6536 — Telephone number (including area code)

2010 MAIN STREET, SUITE 1050
IRVINE, CA 92614-7206

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	103685473	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	103685473	0
10	Interest on line 9 using prior year's actual return of 11.49%	11913461	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		7666995
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.48%		496821
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		8163816
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	115598934	0

Part III Funding Percentages

14	Funding target attainment percentage	14	129.97 %
15	Adjusted funding target attainment percentage	15	156.65 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	151.12 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/29/2016	4544000	0			
			Totals ► 18(b)	4544000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4256000

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	11133112
b Excess assets, if applicable, but not greater than line 31a	**31b**	11133112

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	4256000
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	4256000
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
NESTLE HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: MARK BYRNE

b EIN: 53-0181291

c Position: ENROLLED ACTUARY

d Address: 300 S. GRAND AVENUE, SUITE 2000
LOS ANGELES, CA 90071

e Telephone: 213-337-5890

Explanation: DUE TO INTERNAL CLIENT REASSIGNMENT, THE SIGNING ACTUARY, MARK BYRNE, HAS BEEN CHANGED TO JEREMY SEVCIK, BUT THE ACTUARIAL FIRM REMAINS WILLIS TOWERS WATSON.

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
NESTLE HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: NESTLE IN THE USA PENSION TRUST

b Name of sponsor of entity listed in (a): NESTLE USA, INC.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
36-7324184-101	M	587531265

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
NESTLE HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	8199000	4544000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	670646987	587531265
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	678845987	592075265
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	678845987	592075265

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4544000	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4544000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-12123274
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-7579274
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	79191448	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		79191448
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		79191448
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-86770722
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG LLP **(2)** EIN: 13-5565207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X		

		Yes	No	N/A	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e	Was this plan covered by a fidelity bond?	4e	X			20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X		
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m				
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n				
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
NESTLE HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 36-3046063

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 1604

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☒ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 19.0% Investment-Grade Debt: 46.0% High-Yield Debt: 3.0% Real Estate: 0.0% Other: 32.0%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

NESTLÉ HOURLY RETIREMENT PLAN

Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

NESTLÉ HOURLY RETIREMENT PLAN

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All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because all investments are held in a master trust or because there is no other information to report.

KPMG LLP
One Cleveland Center
Suite 2600
1375 East Ninth Street
Cleveland, OH 44114-1796

Independent Auditors' Report

The Plan Administrator
Nestlé Hourly Retirement Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Nestlé Hourly Retirement Plan (the Plan), which comprise the statements of net assets available for benefits and statements of accumulated plan benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits and statement of changes in accumulated plan benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in notes 5, 7, and 8, which was certified by The Northern Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

Report on Form and Content in Compliance with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

/s/ KPMG LLP

Cleveland, Ohio
October 4, 2016

NESTLÉ HOURLY RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2015 and 2014

	2015	2014
Investments, at fair value (notes 5, 7 and 8):		
Plan interest in Nestlé in the USA Pension Trust	$ 587,531,265	670,646,987
Net assets available for benefits	$ 587,531,265	670,646,987

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2015

Investment loss:	
Plan interest in Nestlé in the USA Pension Trust investment loss	$ (10,048,562)
Total investment loss	(10,048,562)
Contributions:	
Employer contributions	8,199,000
Total contributions	8,199,000
Deductions:	
Benefits paid to participants	79,191,448
Investment and administrative expenses	2,074,712
Total deductions	81,266,160
Net decrease	(83,115,722)
Net assets available for benefits:	
Beginning of year	670,646,987
End of year	$ 587,531,265

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Statements of Accumulated Plan Benefits

December 31, 2015 and 2014

	2015	2014
Actuarial present value of accumulated plan benefits (note 2(c)):		
Vested benefits:		
Participants currently receiving payments	$ 215,637,646	207,952,623
Other participants	220,137,208	242,447,311
	435,774,854	450,399,934
Nonvested benefits	7,465,159	7,647,316
Total actuarial present value of accumulated plan benefits	$ 443,240,013	458,047,250

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Statement of Changes in Accumulated Plan Benefits

Year ended December 31, 2015

Actuarial present value of accumulated plan benefits at beginning of year	$	458,047,250
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial gains		14,567,508
Change in plan provisions (note 1(b))		807,218
Interest due to decrease in the discount rate		28,498,983
Benefits paid		(79,191,448)
Assumption changes (note 2(c))		20,510,502
Actuarial present value of accumulated plan benefits, end of year	$	443,240,013

See accompanying notes to financial statements.

(1) Description of the Plan

The following brief description of the Nestlé Hourly Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined benefit pension plan covering certain hourly employees of Nestlé USA, Inc. and certain affiliated companies (Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Pension Benefits

Participating employees at each Company location covered under the Plan receive benefits under a separate schedule of benefits (Schedule) that sets out specific eligibility provisions and benefit amounts for each location. The Plan provides defined benefits to retired participants based on their years of service. In general, the pension benefits are set to begin at age 65 in the form of a life annuity. Other forms of payment and early commencement are available based on provisions specific to the various collective bargaining agreements and locations covered under the Plan. For the majority of participants, benefits become fully vested after they have completed three years of vesting service. Periodically, for eligible participants at certain Company locations, changes to the Plan's provisions are negotiated to increase the base rates used to calculate pension benefits (including benefit level increases to take effect in future periods). The base rates within the Schedule for certain locations were updated in both 2015 and 2014.

Effective April 1, 2015, the Plan was amended to universally offer commencement of benefits and a lump sum option at any age once employment ends. During 2015, the Plan Sponsor underwent a campaign to notify vested participants who have ended employment of their ability to receive an immediate lump sum of their benefit.

(c) Death and Disability Benefits

If an active participant dies after completing the applicable vesting requirements, a death benefit may be paid to the participant's qualified surviving spouse. Based on the applicable Schedule, the amount of the benefits paid to the surviving spouse is computed with reference to the applicable early retirement factors of the Plan for participants who meet the applicable early retirement provisions, or with reference to the applicable vested deferred retirement factors for participants who meet the applicable deferred vested retirement provisions. In general, disability benefits are also available and vary by covered location.

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

(b) Investment Valuation

Plan assets are held in the Nestlé in the USA Pension Trust (Pension Trust), which was established by the Company for the pooled investment of assets for various qualified pension plans sponsored by the Company. The Pension Trust is maintained by The Northern Trust Company, as trustee.

The Pension Trust investments are stated at fair value, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*.

Purchases and sales of securities are recorded on a trade-date basis. Interest and other income are recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Pension Trust's gains and losses on investments bought and sold as well as held during the year.

(c) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provision to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

The accumulated plan benefits for active employees are based on their years of credited service multiplied by benefit factors defined in the Plan document. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee credited service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuary, Willis Towers Watson, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements due to death, disability, termination, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2015 and 2014 were as follows:

Life expectancy of participants	RP–2014 with Modified MP-2014 projection
Retirement age	Varying by age
ASC 960 discount rate and expected return on Plan assets	6.40% and 6.80%, respectively

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(d) Administrative Expenses

The Plan allows for administrative expenses such as trustee fees, investment management fees, actuarial valuation fees, accounting fees, and recordkeeping fees to be paid from Plan assets.

(e) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

(f) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

(g) Risks and Uncertainties

The Pension Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(h) Derivative Financial Instruments

The Plan accounts for derivatives and hedging activities in accordance with ASC 815, *Derivatives and Hedging*, which requires that all derivative instruments not qualifying for hedge accounting be recorded on the statements of net assets available for benefits at their respective fair values.

The Company uses derivatives for the benefit of the plans in the Pension Trust as a tool to reduce risk and as an investment strategy. The Pension Trust will enter into the following types of derivative instruments: interest rate swaps, credit default swaps (CDS), equity swaps, commodity swaps, financial futures, commodities futures, foreign exchange forward contracts and options, and swaptions and options. The derivative instruments outstanding as of period-end and the amounts of realized and unrealized gains and losses, as well as other income on derivative instruments during the period (as disclosed in the derivatives tables in note 7), serve as indicators of the volume of derivative activity for the Pension Trust. Derivative strategies involve risk and like other investments, can lose money. The impact on Pension Trust performance can be positive or negative, and will vary depending on market movements.

The Company manages the Pension Trust's interest rate risk using interest rate swaps and/or US Treasury futures (interest rate hedge). The objective of the interest rate hedge is to manage the effective duration of the Pension Trust's assets to better match its defined benefit obligations, thereby protecting the funded ratio of the Pension Trust as interest rates fluctuate. Interest rate swaps and futures used in this manner adjust interest rate and yield curve exposures and substitute for physical securities.

The Company also uses derivatives as a substitute for physical securities in order to gain exposure to certain asset classes. Using derivatives instead of physical securities may be a more efficient means to gain exposure to an index or a market sector due to its characteristics of increased liquidity and reduced transaction costs. Using derivatives may also reduce the need to sell assets when there is a difficult trading environment. Swaps and futures are used to create credit, equity, and commodities exposure. Commodities exposure may only be obtained through the use of either futures or swaps derivative instruments, which is industry standard.

The Company uses a mix of equity, fixed income, and commodity futures to securitize a large cash position. Use of these derivatives enables the cash of the Pension Trust to earn a return as if it were invested in the various asset classes as defined by the strategic asset allocation. It allows the Pension Trust to retain liquidity and flexibility, while still earning equity, fixed income, or commodity returns.

The Company has used derivatives to execute portable alpha strategies; these strategies were terminated in 2014. Portable alpha strategies involve the use of futures or swaps to provide market exposure in equities, fixed income, and commodities, combined with investment in market neutral total return strategies. Use of derivatives in this manner enabled the Pension Trust to use market neutral strategies to earn an active return, while still complying with the strategic asset allocation.

The Company manages credit risk through use of CDS. These derivatives are used to manage credit exposure without buying or selling securities outright. Written CDS increase credit exposure (selling protection), obligating the portfolio to buy bonds from counterparties in the event of a default. Purchased CDS decrease exposure (buying protection) providing the right to "put" (sell) bonds to the counterparty in the event of a default.

The Company manages the foreign currency risk inherent in international equity portfolios through the use of foreign exchange forwards, which are foreign exchange transactions that have settlement periods longer than three days. The Company also uses foreign exchange forwards and currency options as an investment strategy.

Counterparty risk for swaps and forwards, that are not centrally cleared through a central exchange, is mitigated through the use of International Swaps and Derivatives Association (ISDA) standardized agreements that require gains and losses owed to and from the counterparty to be agreed daily, and gains or losses to be collateralized with cash. For futures, the gain (loss) is calculated and funds are transferred to and from the Pension Trust on a daily basis, based on the prior day's market valuation. The types of counterparties are large banks and brokers, and the investment managers each have netting arrangements within their accounts to reduce the exposure to any single counterparty.

Holding derivatives has a significant impact on cash flow. Daily mark to markets and accumulated gains and losses can be large, depending on the volatility of the markets. The Company has maintained liquidity necessary to settle any losses, regardless of the severity of the market change. In addition, the Pension Trust has the ability to borrow from the Company through an interest-free loan, if needed, to cover cash flow needs.

(i) Foreign Currency

The Pension Trust's investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Pension Trust does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net appreciation and depreciation from investments.

(j) Recently Issued Accounting Standards

In May 2015, the FASB issued ASU 2015-07, an amendment to existing guidance under ASC 820, *Fair Value Measurements*, which removes the requirement to categorize investments for which the Net Asset Value (NAV) practical expedient is used to measure fair value within the hierarchy table. Instead, reporting entities will be required to disclose the fair value of the excluded investments so that users can reconcile between amounts reported in the fair value hierarchy table and the statements of net assets available for benefits. In addition, this ASU eliminates the requirement to provide certain disclosures for investments for which the plan has elected to measure the fair value using the NAV practical expedient. The Plan is currently evaluating this accounting standard issued but not yet effective, and does not expect a material impact to the financial statements as a result of adoption. The accounting standard is effective for the Plan year beginning January 1, 2017.

(3) Funding Policy

The funding policy of the Plan is to make contributions for each plan year in the amount not less than the minimum required contribution under the law and not more than the maximum tax-deductible contribution. Nestlé may vary its contribution level, if appropriate to its tax and cash position and the Plan's funded status. Contributions made for the Plan year ended December 31, 2015, were $8,199,000 and met the Company's policy.

(4) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations. The assets allocated to each participant would be distributed through either (a) continuance of the trust fund that is attributable to the Plan or establishment of a new trust fund, and/or (b) purchase of annuity contracts. In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees, which is adjusted periodically.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

(5) Trustee Certifications

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has obtained a certification from The Northern Trust Company, the trustee of the Plan, as of December 31, 2015 and 2014, and for the year ended December 31, 2015, that all of the information provided by them is complete and accurate. Information included in the accompanying financial statements and notes thereto, as to investments and investment income (loss), is presented in reliance upon those certifications, with the exception of the Pension Trust's investments in real estate funds, hedge funds, and venture capital and partnership funds and the leveling of investments. These investments are held by the investment fund managers, who report the net asset values of the Pension Trust's interests to the Company and trustee on a periodic basis. Information included in the accompanying financial statements related to these funds is based upon these net asset values as of December 31, 2015 and 2014.

(6) Parties in Interest

During 2015 and 2014, Nestlé in the USA Pension Trust had parties in interest that included Plan Sponsor, trustee, investment advisory, legal, actuarial, and administrative service providers. The fees paid by the Pension Trust to these parties-in-interest were $13,815,616 in 2015. The Plan's share of these expenses was $2,074,712 for the Plan year ended 2015. In addition, the Pension Trust also invests in the common stock of The Northern Trust Company. The fair value of this investment was $1,340,325 and $1,354,600 in 2015 and 2014, respectively. Furthermore, the Pension Trust invested in a Northern Trust corporate bond with a fair value of $219,965 in 2014. This bond was no longer held as of December 31, 2015.

(7) Interest in Nestlé in the USA Pension Trust

The assets of the Plan are invested in the Pension Trust, in which the assets of the Plan are combined with the assets of other affiliated Company plans for investment purposes.

Pursuant to the trustee's method of allocating the investment holdings between the plans, contributions into the Pension Trust are treated as additions in the Pension Trust, withdrawals are treated as deductions in the Pension Trust, and investment income (loss) is allocated proportionately. Accordingly, the value of the Plan's investment in the Pension Trust is equal to the Plan's interest in each applicable investment increased or decreased by the Plan's allocated share in income, gains, and losses attributable to each applicable investment, which share is generally based upon the Plan's respective share of the Pension Trust's combined net assets available for benefits each month before investment income (loss) and net appreciation (depreciation) in the fair value of investments. Those investment expenses of the Pension Trust, which can be specifically identified as being applicable to the Plan, are charged to the Plan. The remaining investment expenses are allocated to the Plan based on the Plan's respective share of the Pension Trust's combined net assets available for benefits on a monthly basis.

The Plan's equitable share of the Pension Trust's net assets was approximately 14.8% at December 31, 2015 and 2014, respectively. The following is financial information with respect to the Pension Trust:

	2015	2014
Investments, at fair value:		
Unencumbered investments:		
The Northern Trust Company Core Qualified Collateral Section**	$ 98,549,773	102,944,830
Equities	435,213,090	456,495,241
Fixed income	1,820,496,749	1,775,529,108
Real estate	328,757,998	279,311,208
Venture capital and partnerships	305,898,264	327,093,635
Other investments	11,765,804	18,908,245
Hedge funds	636,722,355	685,061,571
Cash and cash equivalents*	479,340,829	874,447,599
Total unencumbered investments	4,116,744,862	4,519,791,437
Securities pledged to creditors**:		
Equities	50,240,535	41,229,117
Fixed income	48,309,238	61,715,713
Total securities pledged to creditors	98,549,773	102,944,830
Total assets	4,215,294,635	4,622,736,267
Payable under securities loan agreements**	(98,549,773)	(102,944,830)
Liabilities	(153,835,737)	(99,296,130)
Net Pension Trust assets	$ 3,962,909,125	4,420,495,307

(Continued)

		2015	2014
Net Pension Trust assets attributable to the Plan	$	587,531,265	670,646,987

* Includes pending trade sales and purchases as of year-end.

** The Pension Trust participated in a securities lending arrangement through the trustee in 2015 and 2014. The Pension Trust obtained cash and noncash collateral from the borrowers of the Plan's securities as a result of this arrangement. The collateral received from borrowers was invested in The Northern Trust Company Core Qualified Collateral Section. The noncash collateral received consisted primarily of fixed income securities and domestic equity securities.

		2015	2014
Cash Collateral	$	87,585,372	102,735,815
Non Cash Collateral		13,717,226	2,923,581
Total	$	101,302,598	105,659,396

During the year ended December 31, 2015, investment loss for the Pension Trust consisted of the following:

Net depreciation in fair value of investments	$	(183,003,150)
Interest		78,684,200
Dividends		5,651,015
Other income		29,589,233
	$	(69,078,702)
Pension Trust investment loss attributable to the Plan	$	(10,048,562)

(Continued)

As discussed in note 2(h), the Pension Trust uses derivative financial instruments as part of its investment strategy. Refer to note 8 for a description of valuation methodologies. Gains and losses on derivative financial instruments are realized in investment income (loss) on a daily basis. As of December 31, 2015 and 2014, the Pension Trust held the following derivatives:

	2015		2014	
	Asset derivatives fair value	**Liability derivatives fair value**	**Asset derivatives fair value**	**Liability derivatives fair value**
Derivatives not accounted for as hedging instruments under ASC 815:				
Interest rate	$ 18,304,352	(19,159,225)	9,162,390	(8,200,147)
Foreign exchange	9,898,206	(7,722,595)	18,723,753	(15,684,081)
Credit	2,334,325	(2,565,380)	5,280,893	(1,140,697)
Equity	1,610	(534,306)	14,208	(527,383)
Commodity	1,866,574	(677,684)	182,116	(4,459,414)
	$ 32,405,067	(30,659,190)	33,363,360	(30,011,722)

The fair values of the derivatives are located within Unencumbered Investments held by the Pension Trust in other investments in assets and liabilities, cash and cash equivalents, fixed income, and equities. There is no concentration of derivatives in any of the categories. Swap valuations are also represented in the Pension Trust Receivables and Liabilities.

For the year ended December 31, 2015, the Pension Trust recognized in investment loss and other income the following:

	2015	
	Amount of loss	**Amount of other income (expense)**
Derivatives not accounted for as hedging instruments under ASC 815:		
Interest rate	$ (2,435,254)	18,481,805
Foreign exchange	(37,317)	—
Credit	(3,713,130)	2,715,520
Equity	(884,695)	(14,087)
Commodity	(47,188,798)	(9,807,551)
	$ (54,259,194)	11,375,687

The loss related to the derivatives is located in the net depreciation in fair value of investments and the other income for the Pension Trust. There is no concentration of derivatives in any of the categories.

(Continued)

Offsetting of Assets and Liabilities – Pension Trust at December 31, 2015:

Asset description	Gross recognized assets	Gross amounts offset	Net amounts presented	Amounts not offset: Financial instruments	Amounts not offset: Net collateral received	Net exposure
OTC Commodities	$ 348,583	—	348,583	40,432	—	308,151
OTC Equities	1,610	—	1,610	1,580	—	30
OTC Foreign exchange	9,393,035	—	9,393,035	7,051,714	14,617	2,326,704
OTC Interest rate/credit	2,501,668	—	2,501,668	1,909,022	206,668	385,978
Total derivatives subject to a Master Netting Agreement (MNA)	12,244,896	—	12,244,896	9,002,748	221,285	3,020,863
Exchange cleared interest rate/credit	16,594,841	—	16,594,841	—	—	16,594,841
Exchange traded commodities	1,517,991	—	1,517,991	—	—	1,517,991
Exchange traded foreign exchange	505,171	—	505,171	—	—	505,171
Exchange traded interest rate / credit	1,542,168	—	1,542,168	—	—	1,542,168
Total derivatives not subject to a MNA	20,160,171	—	20,160,171	—	—	20,160,171
Total derivatives	$ 32,405,067	—	32,405,067	9,002,748	221,285	23,181,034
Repurchase agreements	$ 1,900,031	—	1,900,031	—	1,900,031	—
Securities lending (pledged)	98,549,773	—	98,549,773	—	98,549,773	—

Liability description	Gross recognized liabilities	Gross amounts offset	Net amounts presented	Amounts not offset: Financial instruments	Amounts not offset: Net collateral pledged	Net exposure
OTC Commodities	$ 41,553	—	41,553	40,432	—	1,121
OTC Equities	1,580	—	1,580	1,580	—	—
OTC Foreign Exchange	7,648,189	—	7,648,189	7,051,714	—	596,475
OTTC Interest rate / credit	3,897,933	—	3,897,933	1,909,022	1,577,113	411,798
Total derivatives subject to a MNA	11,589,255	—	11,589,255	9,002,748	1,577,113	1,009,394
Exchange cleared interest rate/credit	17,538,109	—	17,538,109	—	—	17,538,109
Exchange traded commodities	636,131	—	636,131	—	—	636,131
Exchange traded equities	532,726	—	532,726	—	—	532,726
Exchange traded foreign exchange	74,406	—	74,406	—	—	74,406
Exchange traded interest rate /credit	288,563	—	288,563	—	—	288,563
Total derivatives not subject to a MNA	19,069,935	—	19,069,935	—	—	19,069,935
Total derivatives	$ 30,659,190	—	30,659,190	9,002,748	1,577,113	20,079,329
Repurchase agreements	$ —	—	—	—	—	—
Securities lending	—	—	—	—	—	—

(Continued)

Offsetting of Assets and Liabilities – Pension Trust at December 31, 2014:

Asset description	Gross recognized assets	Gross amounts offset	Net amounts presented	Amounts not offset: Financial instruments	Amounts not offset: Net collateral received	Net exposure
OTC Commodities	$ 45,023	—	45,023	18,977	—	26,046
OTC Equities	593	—	593	593	—	—
OTC Foreign exchange	18,462,663	—	18,462,663	13,989,696	176,808	4,296,159
OTC Interest rate/credit	6,697,386	—	6,697,386	2,330,264	1,296,606	3,070,516
Total derivatives subject to a Master Netting Agreement (MNA)	25,205,665	—	25,205,665	16,339,530	1,473,414	7,392,721
Exchange cleared interest rate/credit	6,664,772	—	6,664,772	—	—	6,664,772
Exchange traded commodities	137,093	—	137,093	—	—	137,093
Exchange traded equities	13,615	—	13,615	—	—	13,615
Exchange traded foreign exchange	261,090	—	261,090	—	—	261,090
Exchange traded interest rate / credit	1,081,125	—	1,081,125	—	—	1,081,125
Total derivatives not subject to a MNA	8,157,695	—	8,157,695	—	—	8,157,695
Total derivatives	$ 33,363,360	—	33,363,360	16,339,530	1,473,414	15,550,416
Repurchase agreements	$ 8,200,029	—	8,200,029	—	8,200,029	—
Securities lending (pledged)	102,944,830	—	102,944,830	—	105,659,396	(2,714,566)

Liability description	Gross recognized liabilities	Gross amounts offset	Net amounts presented	Amounts not offset: Financial instruments	Amounts not offset: Net collateral pledged	Net exposure
OTC Commodities	$ 1,699,140	—	1,699,140	18,977	—	1,680,163
OTC Equities	3,979	—	3,979	593	—	3,386
OTC Foreign Exchange	15,645,586	—	15,645,586	13,989,696	—	1,655,890
OTTC Interest rate / credit	3,601,174	—	3,601,174	2,330,264	1,002,649	268,261
Total derivatives subject to a MNA	20,949,879	—	20,949,879	16,339,530	1,002,649	3,607,700
Exchange cleared interest rate/credit	5,252,178	—	5,252,178	—	—	5,252,178
Exchange traded commodities	2,760,273	—	2,760,273	—	—	2,760,273
Exchange traded equities	523,404	—	523,404	—	—	523,404
Exchange traded foreign exchange	38,495	—	38,495	—	—	38,495
Exchange traded interest rate /credit	487,493	—	487,493	—	—	487,493
Total derivatives not subject to a MNA	9,061,843	—	9,061,843	—	—	9,061,843
Total derivatives	$ 30,011,722	—	30,011,722	16,339,530	1,002,649	12,669,543
Repurchase agreements	$ —	—	—	—	—	—
Securities lending	—	—	—	—	—	—

(Continued)

(8) Fair Value Measurements

The Plan has adopted the guidance in ASC 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant judgment. The three levels are defined as follows:

- Level 1: Assets or liabilities that are valued based on unadjusted quoted prices in active markets that are accessible at measurement date.
- Level 2: Assets or liabilities that are valued based on observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, or financial instruments for which all significant inputs are observable; either directly or indirectly.
- Level 3: Assets or liabilities that are valued based on unobservable inputs, including the reporting entity's own analysis of the underlying economic data that market participants would factor into the pricing of the asset or liability. Additionally, hedge funds, private equity, and real estate assets that are closed end funds are considered Level 3, as well as any open end funds with lock-up periods greater than one month, redemption restrictions greater than one month on the total fund level, redemption restrictions greater than one month on the underlying fund level, exit queues greater than one month, and notice periods greater than one month.

Assets and liabilities of the Pension Trust measured at fair value on a recurring basis are categorized as follows:

	December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Nestlé in the USA Pension Trust assets:				
Northern Trust Core Qualified Collateral Section	$ 98,549,773 (i)	—	—	98,549,773
Equities:				
Preferred stock	11,010,214	512,438 (b)	—	11,522,652
Common stock	251,487,332	—	—	251,487,332
Commingled funds	121,436,411	101,005,620 (e)	—	222,442,031
Equity options and swaps	—	1,610 (g)	—	1,610
Total equities	383,933,957 (a)	101,519,668	—	485,453,625
Fixed income:				
Mutual funds	1,677,003	—	—	1,677,003
Collateralized obligations	—	3,436,635 (c)	10,698,488 (h)	14,135,123
Corporate bonds	—	1,058,641,799 (b)	787,579 (h)	1,059,429,378

(Continued)

	December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Government and municipal	$ —	659,428,981 (f)	5,659,301 (h)	665,088,282
Bank loans	—	28,663,344 (b)	—	28,663,344
Alternative Investments	—	—	78,872,818 (j)	78,872,818
Exchange traded funds	—	301,362 (g)	—	301,362
Futures	1,533,328	—	—	1,533,328
Options and swaps	8,841	19,096,508 (g)	—	19,105,349
Total fixed income	3,219,172 (a)	1,769,568,629	96,018,186	1,868,805,987
Hedge funds	—	—	636,722,355 (j)	636,722,355
Real estate	—	—	328,757,998 (j)	328,757,998
Venture capital and partnerships	—	—	305,898,264 (j)	305,898,264
Other assets:				
Foreign exchange forwards and options	8,530,771	862,264	—	9,393,035
Foreign exchange futures	505,171	—	—	505,171
Commodity forwards, options and swaps	7,236	348,583	—	355,819
Commodity futures	1,510,755	—	—	1,510,755
Other Misc. Assets	1,024	—	—	1,024
Total other assets	10,554,957 (a)	1,210,847 (g)	—	11,765,804
Cash and cash equivalents:				
Cash (held at broker)	78,869,142 (a)	—	—	78,869,142
Cash	10,439,066 (a)	—	—	10,439,066
Repurchase Agreements	1,900,031 (a)	—	—	1,900,031
Short term	388,132,590 (d)	—	—	388,132,590
Total cash and cash equivalents	479,340,829	—	—	479,340,829
Total assets	975,598,688	1,872,299,144	1,367,396,803	4,215,294,635
Liabilities:				
Payables	(121,265,337)	—	—	(121,265,337)
Collateral held	(1,911,210)	—	—	(1,911,210)
Total current liabilities	(123,176,547) (a)	—	—	(123,176,547)
Equity futures	(532,726)	—	—	(532,726)
Equity options and swaps	—	(1,580)	—	(1,580)
Fixed income futures	(288,331)	—	—	(288,331)
Fixed income options and swaps	(232)	(21,436,042)	—	(21,436,274)
Foreign exchange forwards and options	(7,386,893)	(261,296)	—	(7,648,189)
Foreign exchange futures	(74,406)	—	—	(74,406)

(Continued)

	December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Commodity forwards, options and swaps	$ (7,327)	(41,553)	—	(48,880)
Commodity futures	(628,804)	—	—	(628,804)
Total other investments	(8,918,719) (a)	(21,740,471) (g)	—	(30,659,190)
Payables under Securities lending agreement	(98,549,773) (i)	—	—	(98,549,773)
Total liabilities	(230,645,039)	(21,740,471)	—	(252,385,510)
Net pension trust assets	$ 744,953,649	1,850,558,673	1,367,396,803	3,962,909,125

	December 31, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Nestlé in the USA Pension Trust assets:				
Northern Trust Core Qualified Collateral Section	$ 102,944,830 (i)	—	—	102,944,830
Equities:				
Preferred stock	12,500,214	2,434,415 (b)	—	14,934,629
Common stock	167,913,275	—	—	167,913,275
Commingled funds	120,633,735	107,181,720 (e)	—	227,815,455
Equity exchange traded funds	87,046,791	—	—	87,046,791
Equity futures	9,340	—	—	9,340
Equity options and swaps	4,275	593 (g)	—	4,868
Total equities	388,107,630 (a)	109,616,728	—	497,724,358
Fixed income:				
Mutual funds	1,661,809	—	—	1,661,809
Collateralized obligations	—	12,329,566 (c)	6,512,414 (h)	18,841,980
Corporate bonds	—	1,064,119,471 (b)	6,374,076 (h)	1,070,493,547
Government and municipal	—	616,055,925 (f)	22,596,604 (h)	638,652,529
Bank loans	—	17,971,976 (b)	—	17,971,976
Alternative Investments	—	—	74,673,348 (j)	74,673,348
Exchange traded funds	—	506,349 (g)	—	506,349
Futures	890,875	—	—	890,875
Options and swaps	190,250	13,362,158 (g)	—	13,552,408
Total fixed income	2,742,934 (a)	1,724,345,445	110,156,442	1,837,244,821
Hedge funds	—	—	685,061,571 (j)	685,061,571
Real estate	—	—	279,311,208 (j)	279,311,208
Venture capital and partnerships	—	—	327,093,635 (j)	327,093,635

(Continued)

	December 31, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Other assets:				
Foreign exchange forwards and options	$ 9,756,057	8,706,606	—	18,462,663
Foreign exchange futures	261,090	—	—	261,090
Commodity forwards, options and swaps	1,575	45,023	—	46,598
Commodity futures	135,518	—	—	135,518
Other Misc. Assets	2,376	—	—	2,376
Total other assets	10,156,616 (a)	8,751,629 (g)	—	18,908,245
Cash and cash equivalents:				
Cash (held at broker)	92,441,027 (a)	—	—	92,441,027
Cash	10,565,876 (a)	—	—	10,565,876
Repurchase Agreements	8,200,029 (a)	—	—	8,200,029
Short term	763,240,667 (d)	—	—	763,240,667
Total cash and cash equivalents	874,447,599	—	—	874,447,599
Total assets	1,378,399,609	1,842,713,802	1,401,622,856	4,622,736,267
Liabilities:				
Payables	(35,567,407)	—	—	(35,567,407)
Collateral held	(33,717,002)	—	—	(33,717,002)
Total current liabilities	(69,284,409) (a)	—	—	(69,284,409)
Equity futures	(523,404)	—	—	(523,404)
Equity options and swaps	—	(3,979)	—	(3,979)
Fixed income futures	(417,943)	—	—	(417,943)
Fixed income options and swaps	(69,550)	(8,853,225)	(127)	(8,922,902)
Foreign exchange forwards and options	(9,449,795)	(6,195,790)	—	(15,645,585)
Foreign exchange futures	(38,495)	—	—	(38,495)
Commodity forwards, options and swaps	(6,946)	(1,699,140)	—	(1,706,086)
Commodity futures	(2,753,327)	—	—	(2,753,327)
Total other investments	(13,259,460) (a)	(16,752,134) (g)	(127)	(30,011,721)
Payables under Securities lending agreement	(102,944,830) (i)	—	—	(102,944,830)
Total liabilities	(185,488,699)	(16,752,134)	(127)	(202,240,960)
Net pension trust assets	$ 1,192,910,910	1,825,961,668	1,401,622,729	4,420,495,307

(Continued)

Due to the Company's policy to diversify the holdings of the Pension Trust portfolio, there is no significant concentration of investments within any particular class of investments included above. The valuation methodologies utilized by the Plan and Pension Trust for the above investments as of December 31, 2015 and 2014, are as follows:

(a) Based on quoted market prices in active markets.

(b) Based on investment manager or industry pricing services over investments. Certain fixed income pricing is on a bid-evaluation basis. Institutional bid evaluations are estimated prices. Pricing vendors use models, which are generally proprietary, to arrive at the estimated prices. These prices represent the price a dealer would pay for a security. Model inputs vary depending on the type of security, but typically include trade data, institutional bids, comparable trades, dealer quotes, and news media. Market data is provided by multiple independent sources, including primary and secondary dealers, portfolio managers, and research analysts.

(c) Collateralized mortgage valuations are based on trade and quote activity of bonds with similar features including issuer, vintage, prepayment speeds, and purpose of the underlying loan (first or second lien).

(d) Cash equivalents include short term fixed income instruments whose valuations are determined based upon maturity date, issue date, and credit ratings.

(e) Commingled funds are valued based on the net asset value as a practical expedient to estimate the fair value of the fund as determined by the investment manager. The net asset value is the market value of all of the securities owned by a fund, minus its total liabilities divided by the number of shares issued. The liquidity of these investments is determined by the redemption period for each fund, which differs among funds. Redemptions may vary from daily to monthly with required notification of 30 days or less. There were no unfunded commitments at December 31, 2015 or 2014.

(f) Government and municipal bonds are priced by obtaining feeds from various live data sources including market makers and interdealer brokers.

(g) Currency forwards use quoted foreign exchange rates in an active market or exchange. Over-the-counter options are valued using bid, ask/offer quotes that are binding and corroborated. Swaps are valued using the discounted cash flow method. The two legs (fixed and floating) are priced independently as the present value of their expected cash flows.

(h) Certain fixed income securities (primarily certain collateralized obligations) are valued based upon evaluated prices using unobservable inputs (i.e., extrapolated data, proprietary models, and indicative quotes).

(i) Fair value is based on the net asset value of the Core Collateral Fund as determined daily, by the trustee, using market prices of underlying investments and evaluations supplied by industry pricing vendors.

(Continued)

(j) Investments in alternative fixed income investments, real estate funds, hedge funds, and private equity funds are based on the net asset values reported to the Company and trustee by the fund managers or the general partners of the fund. These net asset values are based on the fair value of the underlying portfolio investments held by the investment fund.

These fair values are determined by a variety of methods: real estate investments are valued at appraised values plus undistributed rental and interest income; hedge funds are valued by the investment manager using quoted market prices of underlying investments and evaluations supplied by industry pricing vendors; and private equity investments are valued using income and market based analysis.

A summary of the nature and risks of the major classes of Level 3 investments and unfunded commitments that are valued using a net asset value (NAV) for the year ended December 31, 2015 and 2014, is as follows:

	2015		2014			
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	$ 636,722,355	—	685,061,571	—	Monthly Quarterly	70-90 days
Fixed Income	78,872,818	14,145,427	74,673,348	1,642,269	Not Redeemable	N/A
Real Estate Funds – Open End	157,912,562	24,016,590	71,810,289	—	Quarterly	45-90 days
Real Estate Funds – Closed End	170,845,436	29,463,842	207,500,919	50,537,030	Not Redeemable	N/A
Private Equity and Infrastructure	305,898,264	92,034,760	327,093,635	105,969,535	Not Redeemable	N/A
	$ 1,350,251,435	159,660,619	1,366,139,762	158,148,834		

The Company's Level 3 investments are in venture capital, infrastructure, real estate, hedge funds, and fixed income partnerships. These investments are primarily limited partnership investments and are fair valued almost entirely using an audited net asset value (NAV). The fair values of Level 3 investments are estimated using techniques that may rely heavily on the investment managers' assumptions and qualitative observations. The Company uses the fair valuations from the investment managers and reviews and validates their valuation methods and processes throughout the year. The Company did not make any adjustments to any valuations. The Company's Director of Retirement Investments is responsible for ensuring accurate fair valuations of the Level 3 investments. The Director of Retirement Investments reports to the Chief Financial Officer of the Company. The Company establishes and follows valuation policies and procedures. The Company employs specialized investment consultants who perform due diligence on the valuation policies and procedures of the general partners before making the investments and periodically thereafter. Using their own procedures and systems, they evaluate the reasonableness of the partnerships' NAVs on a monthly and quarterly basis using industry comparisons, operating performance metrics and they conduct frequent reviews with the general partners. The Company periodically evaluates the fair valuation policies and procedures of these specialized investment consultants and requests and reviews the valuation policies of the investment managers and general partners annually. In addition to the funds and partnerships, certain collateralized mortgage obligations are reported in the Level 3 investments as they were valued using nonbinding broker quotes. The Company retains discretion to sell any of these investments at an amount other than the net asset value, should there be an investment case to sell these investments in the secondary market.

A summary of changes in the fair value of Level 3 assets and liabilities for the years ended December 31, 2015 and 2014, is as follows:

	December 31, 2014	Gross purchases and issuances	Gross sales and settlements	Unrealized gains (losses)	Realized gains (losses)	December 31, 2015
Fixed income	$ 110,163,435	19,416,261	(31,355,859)	(8,891,306)	6,685,655	96,018,186
Hedge funds	684,925,317	4,500,000	(48,261,726)	(13,975,430)	9,534,194	636,722,355
Real estate	290,090,791	99,712,678	(60,203,999)	(7,667,191)	6,825,719	328,757,998
Venture capital and partnerships	316,443,313	43,093,007	(84,166,959)	(12,261,862)	42,790,765	305,898,264
Other assets	(127)	127	—	—	—	—
	$ 1,401,622,729	166,722,073	(223,988,543)	(42,795,789)	65,836,333	1,367,396,803

	December 31, 2013	Gross purchases and issuances	Gross sales and settlements	Unrealized gains (losses)	Realized gains (losses)	December 31, 2014
Fixed income	$ 88,136,016	46,174,829	(32,439,631)	8,122,487	169,734	110,163,435
Hedge funds	807,610,112	132,000,000	(289,657,297)	(49,420,584)	84,393,086	684,925,317
Real estate	297,010,104	49,199,980	(65,688,759)	(5,528,326)	15,097,792	290,090,791
Venture capital and partnerships	303,995,505	53,110,333	(70,903,404)	200,399	30,040,480	316,443,313
Other assets	270	—	(397)	—	—	(127)
	$ 1,496,752,007	280,485,142	(458,689,488)	(46,626,024)	129,701,092	1,401,622,729

The significance of transfers between levels is evaluated based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. Plan management re-evaluated the Plan's investments as to whether they have a readily determinable fair value. Based on the re-evaluation, the leveling disclosure has been revised to reflect the Northern Trust Core Qualified Collateral Section fund, a commingled fund, and a short term cash fund as level 1 investments. There were no other significant transfers between levels in 2015 and 2014.

(9) Tax Status

The Internal Revenue Service (IRS) has most recently determined and informed the Plan by a letter dated February 15, 2011, that the Plan and related trust as of January 1, 2009 (as well as amendments identified in the letter) are designed in accordance with applicable Sections of the Internal Revenue Code (IRC). In accordance with IRS procedures, in January 2015, the Company adopted an amended and restated Plan document effective January 1, 2015. The Company submitted a determination letter ruling request with the IRS in January 2015 for its amended and restated Plan document. The IRS has not yet issued a ruling on this request through the date of this report. Additionally, the Plan has been further amended since requesting the determination letter. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. generally accepted accounting principles require the Plan Administrator to evaluate tax positions taken by the Plan. The financial statement effects are recognized when the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2012.

(10) Reconciliation of Financial Statements to Form 5500

Contributions of $4,544,000 and $8,199,000 were made by the Company during 2016 and 2015, respectively. Since the contributions were made prior to September 15, the contributions have been designated for the 2015 and 2014 plan years, respectively, for tax purposes on Form 5500. However, the Plan recognized $8,199,000 in the 2015 financial statements, as this was the amount required to meet the minimum funding requirements and/or the Company's funding policy.

The following is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2015 and 2014, to Form 5500:

	2015	2014
Net assets available for benefits per the financial statements	$ 587,531,265	670,646,987
Add contributions received for current plan year	4,544,000	8,199,000
Net assets available for benefits per Form 5500	$ 592,075,265	678,845,987

The following is a reconciliation of the Plan's employer contributions per the financial statements for the year ended December 31, 2015, to Form 5500:

Employer contributions per the financial statements	$ 8,199,000
Add contributions received for current plan year in 2015	4,544,000
Less contributions received for prior plan year in 2014	(8,199,000)
Employer contributions per Form 5500	$ 4,544,000

(11) Subsequent Events

The Plan has evaluated subsequent events through October 4, 2016, the date these financial statements were available for issuance. There were no subsequent events to report.

2015 Schedule SB, line 26 - Schedule of Active Participant Data
Name of Sponsor / Plan: Nestlé USA, Inc. – Nestlé Hourly Retirement Plan
EIN / PIN: 95-1572209 / 006

		Years of Credited Service									
Attained Age		Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
Under 25	Number	55	92								
25-29	Number	75	213	62							
30-34	Number	71	191	127	37						
35-39	Number	59	161	129	56	36					
40-44	Number	46	156	123	60	86	24				
45-49	Number	56	151	148	65	109	105	53			
50-54	Number	37	142	132	102	113	132	126	81	4	
55-59	Number	28	126	129	86	105	158	121	106	68	2
60-64	Number	11	34	84	50	50	117	63	38	59	33
65-69	Number		9	10	8	12	31	15	7	8	11
70 and up	Number	1	2	3	5	3	2	3		2	8

Average Age = 47.62 Average Service = 12.35

Statement of Actuarial Assumptions and Methods

1. Assumptions and methods for contribution purposes

Actuarial Assumptions and Methods — Contributions

Economic Assumptions

Interest rate basis:

► Applicable month		January 2015
► Yield curve basis		Segment rates
► HATFA interest corridors applied for funding and benefit restrictions		Yes
► ASC 960 discount rate		6.80%
Interest rates:	For Minimum	For Maximum
► First segment rate	4.72%	1.22%
► Second segment rate	6.11%	4.11%
► Third segment rate	6.81%	5.20%
Annual rates of increase:		
► Compensation		Varies by age, average 3.50% Sample rates: Age 25 Rate: 5.50% Age 40 Rate: 3.50% Age 55 Rate: 3.00%
► Social Security wage base		3.00%
► Lump sum rates		4.72%/6.11%/6.81%
► Lump sum rate for ASC 960		5.00%

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Mortality (ASC 960)

- Healthy

Effective December 31, 2014, separate rates for non-annuitants (based on RP-2014 "Employees" table, adjusted to remove post-2007 improvement projections. Mortality Improvement Scale: MP-2014 scale, modified to use a 10-year convergence period to a long-term improvement rate of 1.0% by 2017) and annuitants (based on RP-2014 "Healthy Annuitants" table, adjusted to remove post-2007 improvement projections. Mortality Improvement Scale: MP-2014 scale, modified to use a 10-year convergence period to a long-term improvement rate of 1.0% by 2017)

- Disabled

Same as healthy mortality.

- Lump sum conversion

IRC 417(e) table

Mortality (Funding Valuation)

- Healthy

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2030 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2022 using Scale AA).

- Disabled

Single table rates (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2022 using Scale AA).

- Lump sum conversion

IRC 417(e) table

Termination

Rates varying by age, service and plan

Representative Termination Rates

- Nestlé Pension Plan (Excludes FPCB)

Percentage leaving during the year											
Participant Group	**NUSA Traditional Salaried**	**NPPC Traditional Salaried**	**NUSA Traditional Hourly**	**NPPC Traditional Hourly**		**NUSA PEP Salaried**		**NPPC PEP Salaried**		**NUSA PEP Hourly**	
Years of Service	All	All	All	<2	>5	<2	>5	<2	>5	<2	>5
Attained Age											
25	19.9%	17.8%	23.4%	46.3%	21.8%	47.8%	19.8%	48.3%	19.0%	58.3%	20.7%
40	7.3%	5.7%	7.0%	20.3%	7.4%	20.3%	9.3%	20.3%	6.4%	25.3%	8.7%
50	4.9%	3.8%	4.3%	14.3%	4.1%	16.3%	7.3%	15.3%	4.3%	20.3%	6.3%

- Nestlé Pension Plan (FPCB)

Percentage leaving during the year	
Attained Age	
25	12.0%
40	6.0%
50	3.0%

- Nestlé Hourly Retirement

Percentage leaving during the year

Sub Plan	HRET		CHPP	CPP	Gerber Hourly Plans	
Years of Service Attained Age	<3	>3			Males	Females
25	31.0%	9.4%	24.5%	21.7%	7.1%	11.2%
40	10.7%	4.3%	10.4%	10.1%	1.8%	3.5%
50	5.5%	2.3%	7.6%	7.7%	0.4%	1.1%

- Infant Nutrition

Percentage leaving during the year

	Years of Service							
	<1		1-2		2-3		>3	
Attained Age	Males	Females	Males	Females	Males	Females	Males	Females
25	35.6%	38.3%	23.7%	25.5%	17.8%	19.1%	11.9%	12.8%
40	14.0%	16.1%	9.3%	10.8%	7.0%	8.1%	4.7%	5.4%
51	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- Nestlé Pension Plan (Gerber Life)

Percentage leaving during the year

Attained Age	
25	11.6%
40	5.5%
51	0.0%

Disability

Rates varying by age, sex, and plan.

- Nestlé Pension Plan (Excludes FPCB)

Representative Disability Rates

Percentage becoming disabled during the year				
Participant Group	NUSA Hourly		All other	
Age	Males	Females	Males	Females
30	0.15%	0.60%	0.06%	0.09%
40	0.43%	0.69%	0.07%	0.11%
50	0.95%	1.25%	0.18%	0.27%

- Nestlé Hourly Retirement (HRET)

Percentage becoming disabled during the year		
Age	Males	Females
30	0.09%	0.12%
40	0.22%	0.43%
50	0.64%	0.67%

- Nestlé Hourly Retirement (Gerber Hourly Plans)

Percentage becoming disabled during the year		
Age	Males	Females
25	0.3%	0.4%
40	0.3%	0.5%
50	0.6%	0.9%

- Nestlé Pension Plan (Gerber Life)

Percentage becoming disabled during the year		
Age	Males	Females
25	0.1%	0.1%
40	0.2%	0.3%
50	0.5%	0.6%

- All other plans

None Assumed.

Retirement

Rates varying by age and plan

Representative Retirement Rates

- Nestlé Pension Plan (Excludes FPCB)

Percentage leaving during the year							
Participant Group	**NUSA Traditional Salaried**	**NPPC Traditional Salaried**	**NUSA Traditional Hourly**	**NPPC Traditional Hourly**	**NUSA PEP Salaried**	**NPPC PEP Salaried**	**NUSA PEP Hourly**
Attained Age							
55	7.5%	5.0%	7.5%	7.5%	7.5%	7.5%	7.5%
60	16.5%	11.5%	16.5%	16.5%	16.5%	11.5%	11.5%
62	27.5%	22.5%	32.5%	30.0%	27.5%	27.5%	25.0%
65	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
70	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- Nestlé Pension Plan (FPCB)

Percentage leaving during the year	
Attained Age	
55	7.0%
60	7.0%
62	28.0%
65	100.0%
70	100.0%

- Nestlé Hourly Retirement

Percentage leaving during the year				
Sub Plan	**HRET**	**CHPP**	**CPP**	**Gerber Hourly Plans**
Attained Age				
55	1.0%	5.0%	5.0%	0.0%
60	2.0%	5.0%	5.0%	5.0%
62	18.0%	25.0%	25.0%	30.0%
65	50.0%	50.0%	50.0%	100.0%
70	100.0%	100.0%	100.0%	100.0%

- Infant Nutrition and Nestlé Pension Plan (Gerber Life)

Percentage leaving during the year	
Attained Age	
55	1.5%
62	21.2%
65	100.0%

Benefit commencement date:

Nestlé Pension Plan (excludes Gerber Life) and Nestlé Hourly Retirement (excludes Gerber Hourly Plans)

- Preretirement death benefit — The later of the death of the active participant or the date the participant would have attained age 65
- Termination benefit — Immediate for lump sums; age 60 (NPP) or age 65 (NHRP) for annuities.
- Disability benefit — Age 65
- Retirement benefit — Upon termination of employment

Nestlé Hourly Retirement (Gerber Hourly Plans)

- Preretirement death benefit — Upon death, vesting and eligibility for dependent spouse and estate. Upon participant's early retirement date for surviving spouse
- Termination benefit — Immediate for lump sums; age 65 for annuities
- Disability benefit — Upon disability and eligibility for benefit
- Retirement benefit — Upon termination of employment and eligibility for benefit

Infant Nutrition and Nestle Pension Plan (Gerber Life)

- Preretirement death benefit — Upon death and eligibility for benefit
- Deferred vested benefit — Upon termination of employment and eligibility for benefit
- Disability benefit — Upon disability and eligibility for benefit
- Retirement benefit — Upon termination of employment and eligibility for benefit

Form of payment

Nestlé Pension Plan (Excludes FPCB and Gerber Life)

Married Participants

	Termination Benefit				Retirement Benefit			
Participant Group	Life	Cert & Life	J&S	Lump Sum	Life	Cert & Life	J&S	Lump Sum
NUSA FAP	10%	0%	20%	70%	10%	0%	10%	80%
NUSA PEP	10%	0%	20%	70%	10%	0%	10%	80%
NPPC FAP	5%	5%	15%	75%	5%	5%	15%	75%
NPPC CAP	5%	5%	15%	75%	5%	5%	15%	75%
NPPC PEP	0%	0%	0%	100%	0%	0%	10%	90%

Single Participants

	Termination Benefit				Retirement Benefit			
Participant Group	Life	Cert & Life	J&S	Lump Sum	Life	Cert & Life	J&S	Lump Sum
NUSA FAP	30%	0%	0%	70%	20%	0%	0%	80%
NUSA PEP	30%	0%	0%	70%	20%	0%	0%	80%
NPPC FAP	15%	10%	0%	75%	15%	10%	0%	75%
NPPC CAP	15%	10%	0%	75%	15%	10%	0%	75%
NPPC PEP	0%	0%	0%	100%	0%	10%	0%	90%

Nestlé Hourly Retirement (Excludes Reedsburg and Libby)

Married Participants
25% J&S, 75% lump sum

Single Participants
25% single life annuity, 75% lump sum

	Nestlé Pension Plan (FPCB) Married Participants 50% single life annuity, 50% J&S Single Participants 100% single life annuity **Nestlé Hourly Retirement (Reedsburg and Libby)** Life annuity **Infant Nutrition and Nestlé Pension Plan (Gerber Life)** Lump sum
Percent Married	75% for Gerber Life participants in Nestlé Pension Plan, 80% all other plans
Spouse age	Wife three years younger than husband.
Covered pay	Average of prior three years' pensionable earnings, increased with one year's salary increase assumption.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.
Administrative expenses	For contribution purposes, 0.25% of beginning-of-year fair market value of assets for the Nestlé Pension Plan and Nestlé Hourly Retirement Plan, and 0.75% for the Nestlé Infant Nutrition Pension Plan. For ASC 960, none assumed.
At-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit.

Methods

Valuation date	First day of plan year
Funding target and PVAB	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during the year
Actuarial value of assets	Market value of assets, including contributions receivable
Funding policy	Nestlé USA's general funding policy is to make contributions for each plan year in an amount not less than the minimum required contribution under ERISA and to target 100% funded status on a Pension Protection Act (PPA) basis. This will not exceed the maximum tax-deductible contribution. Nestlé may vary its contribution level, if appropriate to its tax and cash position and the funded status.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Nestlé and is not aware of any significant benefits required to be valued that were not. Small benefits with present values up to $5,000 may be paid in a single lump sum payment. Such lump sums are not explicitly valued as such; rather, such participants' benefits are valued using the benefit choice assumptions described above.
Change in assumptions and methods since prior valuation	For ASC 960, the mortality table was updated to reflect the RP-2014 and MP-2014 mortality studies released by the Society of Actuaries in October 2014 with modifications adopted by Nestle. For the funding valuation, the required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements. Form of payment assumptions were updated to reflect the lump sum option available to NPPC PFAP and PCAP active and deferred vested participants, NUSA Traditional active and deferred vested participants under the age of 55, Nestlé Hourly Retirement Plan active and deferred vested participants, and Gerber Traditional Salaried participants in the Nestlé Infant Nutrition Pension Plan. The plans were amended in 2014 and the lump sum option is available effective April 1, 2015. The ASC 960 discount rate was changed from 7.80% to 6.80% to reflect Nestlé's long-term expected rate of return on plan assets. The ASC 960 lump sum rate was changed from 6.00% to 5.00%.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
NESTLE HOURLY RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 006

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NESTLE USA, INC.

D Employer Identification Number (EIN)
95-1572209

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	678,810,805
b Actuarial value	**2b**	678,810,805

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	5,684	209,785,963	209,785,963
b For terminated vested participants	3,351	61,218,178	61,218,178
c For active participants	5,023	153,721,333	162,313,887
d Total	14,058	424,725,474	433,318,028

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.27%
6 Target normal cost	**6**	11,133,112

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Jeremy L. Sevcik
Signature of actuary

9/30/2016
Date

Jeremy L. Sevcik
Type or print name of actuary

1406465
Most recent enrollment number

Willis Towers Watson
Firm name

949-224-6536
Telephone number (including area code)

2010 Main Street, Suite 1050
Irvine CA 92614-7206
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	103,685,473	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	103,685,473	0
10	Interest on line 9 using prior year's actual return of 11.49%	11,913,461	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		7,666,995
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.48%		496,821
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		8,163,816
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	115,598,934	0

Part III Funding Percentages

14	Funding target attainment percentage	14	129.97%
15	Adjusted funding target attainment percentage	15	156.65%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	151.12%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/29/2016	4,544,000				
			Totals ▶ 18(b)	4,544,000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4,256,000

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	4.72%	6.11%	6.81%	☐ N/A, full yield curve used

b Applicable month (enter code)	21b	
22 Weighted average retirement age	22	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	31a	11,133,112
b Excess assets, if applicable, but not greater than line 31a	31b	11,133,112

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	4,256,000
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	4,256,000
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

Nestlé USA Inc. – Nestlé Hourly Retirement Plan

EIN: 95-1572209

Plan Number: 006

Attachments to 2015 Schedule SB (Form 5500)

- Schedule SB - Statement by Enrolled Actuary
- Line 22 — Description of Weighted Average Retirement Age
- Line 24 — Change in Actuarial Assumptions
- Line 26 — Schedule of Active Participant Data
- Part V — Statement of Actuarial Assumptions and Methods
- Part V — Summary of Plan Provisions

Schedule SB - Statement by Enrolled Actuary

Plan Sponsor	Nestlé USA, Inc.
EIN/PN	95-1572209/006
Plan Name	Nestlé Hourly Retirement Plan
Valuation Date	January 1, 2015
Enrolled Actuary	Jeremy Sevcik
Enrollment Number	14-06465

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Aggregate Calculation of Weighted Average Retirement Age for NHRP

Description of Weighted Average Retirement Age

Retirement rates vary by participant groups. The weighted average age across all participant groups, based on plan demographics as of the valuation date, is 63.

Group	Count of Actives	Weight	Average Age	Weight*Age
HRET	1,919	38%	64	24.32
CHPP	1,063	21%	62	13.02
CPP	840	17%	62	10.54
Fort Smith / Fremont	1,201	24%	62	14.88
	5,023	100%		**63**

Participant group: Nestlé Hourly Retirement Plan (HRET)

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
54	0.00%	100.00%	100.00%	0.00%	0.00
55	1.00%	99.00%	99.00%	1.00%	0.55
56	2.00%	98.00%	97.02%	1.98%	1.11
57	2.00%	98.00%	95.08%	1.94%	1.11
58	2.00%	98.00%	93.18%	1.90%	1.10
59	2.00%	98.00%	91.31%	1.86%	1.10
60	2.00%	98.00%	89.49%	1.83%	1.10
61	2.00%	98.00%	87.70%	1.79%	1.09
62	18.00%	82.00%	71.91%	15.79%	9.79
63	18.00%	82.00%	58.97%	12.94%	8.15
64	8.00%	92.00%	54.25%	4.72%	3.02
65	50.00%	50.00%	27.13%	27.13%	17.63
66	50.00%	50.00%	13.56%	13.56%	8.95
67	50.00%	50.00%	6.78%	6.78%	4.54
68	50.00%	50.00%	3.39%	3.39%	2.31
69	50.00%	50.00%	1.70%	1.70%	1.17
70	100.00%	0.00%	0.00%	1.70%	1.19
				100.00%	
			Average Retirement Age:		64

Participant group: Nestlé USA Hourly Pension Plan (CHPP)

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
54	0.00%	100.00%	100.00%	0.00%	0.00
55	5.00%	95.00%	95.00%	5.00%	2.75
56	5.00%	95.00%	90.25%	4.75%	2.66
57	5.00%	95.00%	85.74%	4.51%	2.57
58	5.00%	95.00%	81.45%	4.29%	2.49
59	5.00%	95.00%	77.38%	4.07%	2.40
60	5.00%	95.00%	73.51%	3.87%	2.32
61	12.00%	88.00%	64.69%	8.82%	5.38
62	25.00%	75.00%	48.52%	16.17%	10.03
63	13.00%	87.00%	42.21%	6.31%	3.97
64	15.00%	85.00%	35.88%	6.33%	4.05
65	50.00%	50.00%	17.94%	17.94%	11.66
66	50.00%	50.00%	8.97%	8.97%	5.92
67	50.00%	50.00%	4.48%	4.48%	3.00
68	50.00%	50.00%	2.24%	2.24%	1.52
69	50.00%	50.00%	1.12%	1.12%	0.77
70	100.00%	0.00%	0.00%	1.12%	0.78
				100.00%	
			Average Retirement Age:		62

Participant group: Nestlé USA Pension Plan (CPP)

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
54	0.00%	100.00%	100.00%	0.00%	0.00
55	5.00%	95.00%	95.00%	5.00%	2.75
56	5.00%	95.00%	90.25%	4.75%	2.66
57	5.00%	95.00%	85.74%	4.51%	2.57
58	5.00%	95.00%	81.45%	4.29%	2.49
59	5.00%	95.00%	77.38%	4.07%	2.40
60	5.00%	95.00%	73.51%	3.87%	2.32
61	12.00%	88.00%	64.69%	8.82%	5.38
62	25.00%	75.00%	48.52%	16.17%	10.03
63	13.00%	87.00%	42.21%	6.31%	3.97
64	15.00%	85.00%	35.88%	6.33%	4.05
65	50.00%	50.00%	17.94%	17.94%	11.66
66	50.00%	50.00%	8.97%	8.97%	5.92
67	50.00%	50.00%	4.48%	4.48%	3.00
68	50.00%	50.00%	2.24%	2.24%	1.52
69	50.00%	50.00%	1.12%	1.12%	0.77
70	100.00%	0.00%	0.00%	1.12%	0.78
				100.00%	
			Average Retirement Age:		62

Participant group: Gerber-Fort Smith and Gerber-Fremont

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
54	0.00%	100.00%	100.00%	0.00%	0.00
55	0.00%	100.00%	100.00%	0.00%	0.00
56	0.00%	100.00%	100.00%	0.00%	0.00
57	10.00%	90.00%	90.00%	10.00%	5.70
58	5.00%	95.00%	85.50%	4.50%	2.61
59	5.00%	95.00%	81.23%	4.28%	2.52
60	5.00%	95.00%	77.16%	4.06%	2.44
61	5.00%	95.00%	73.31%	3.86%	2.35
62	30.00%	70.00%	51.31%	21.99%	13.63
63	10.00%	90.00%	46.18%	5.13%	3.23
64	10.00%	90.00%	41.56%	4.62%	2.96
65	100.00%	0.00%	0.00%	41.56%	27.02
66	100.00%	0.00%	0.00%	0.00%	0.00
67	100.00%	0.00%	0.00%	0.00%	0.00
68	100.00%	0.00%	0.00%	0.00%	0.00
69	100.00%	0.00%	0.00%	0.00%	0.00
70	100.00%	0.00%	0.00%	0.00%	0.00
				100.00%	
			Average Retirement Age:		62

2015 Schedule H Part IV, Line 4l- Has the plan failed to provide any benefit when due under the plan?
Name of Sponsor/Plan: Nestlé USA, Inc. – Nestlé Hourly Retirement Plan
EIN: 95-1572209 PN: 006

In responding to this item we have disregarded benefits related to participants whom the plan administrator has attempted without success to locate, and therefore are “missing” or “lost” participants, including without limitation those whose benefits have been forfeited under the plan provisions related to missing participants, or who have otherwise failed to make a claim for benefits as provided under the plan.

Nestlé Hourly Retirement Plan

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees: Hourly employees of Nestlé Food Company at covered locations

Participation date:

Location	*Age*	*Service*	*Entry Date*
Allentown	0	0	January 1
Beich	21	0	Immediate
Burlington	21	0	Immediate
Crete	0	0	January 1
Decatur	21	1	Immediate
Franklin Park	20	0	Immediate; 1 year of service for Local 552; 3 months of service for Local 339
Freehold	21	0	January 1 or July 1

Type of plan: Dollar per month

Definitions

Vesting service: One year for each 1,000-hour year of employment after age 18. From date of hire for Crete and Allentown. Pro-rata for more than 500 hours for Freehold

Credited service: One year for each 1,000-hour year of employment. From date of hire for Crete, Allentown, and Franklin Park

Pensionable earnings: Calendar year W-2 compensation, excluding expense reimbursements, and including 401(k) and 125 deferrals

Accumulated benefit:

Decatur*: 50% of FAE – 75% of Social Security benefit, prorated for less than 30 years of service at NRD, times the ratio of actual credited service to service at NRD

Location	*Monthly Benefit** X Credited Service*	*Minimum Annual Benefit*	*Effective Date*	*Maximum Service*
Allentown	$47 for service from 3/1/2015 + $43 for service from 1/1/2012 + $40 for service from 3/15/2009 to 12/31/2011 + $36 for service from 1/1/2009 to 3/14/2009 + $35 for service from 3/15/2004 to 1/1/2009 + $29 for service from 1/1/2002 to 3/15/2004 + $28 for service from 12/1/1994 to 12/31/2001 + $4 for service before 12/1/1994	None	03/01/2015	None
Beich	$40	$120	02/28/2016	30 years, if hired after March 10, 1991
Burlington	$46	$130	02/15/2015	35 years
Crete	$39.75 for service after 12/1/94 + $5.50 for service before 12/1/94	None	02/05/2018	None
Decatur*	$27	None	07/01/1997	None
Franklin Park	$39	None	11/13/2016	None
Freehold	$56	$100	08/01/2015	30 years, if hired after August 1,1989

* If a person in the Decatur location becomes a participant after 7/1/1997, he receives the dollar-per month formula. If he became a participant before 7/1/1997, he receives the better of the dollar-per-month or the pay-related formula.

** Reflects ultimate benefit levels used for the IAS 19 valuation. See Appendix A for more detail.

Eligibility for Benefits

Normal retirement	Most locations	Retirement on or after both attaining age 65 and completing three years of vesting service
	Allentown	Retirement on or after both attaining age 62 and completing three years of vesting service
Early retirement	Most locations	Retirement before NRD and on or after both attaining age 55 and completing ten years of vesting service
	Allentown	Retirement before NRD and on or after both attaining age 50 and completing ten years of vesting service
	Crete	Retirement before NRD and on or after both attaining age 50 and completing ten years of vesting service
	Decatur	Retirement before NRD and on or after both attaining age 55 and completing three years of vesting service
Vested termination		Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Most locations	Permanent and total disability after completing ten years of vesting service
	Franklin Park	Permanent and total disability on or after both attaining age 50 and completing fifteen years of service
Preretirement death benefit	Most locations	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service
	Allentown	Early retirement date
	Freehold	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after both attaining age 55 and completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)		Accrued benefit payable immediately.
Early retirement	Most locations	Accrued benefit reduced 6% for each year of the first five years prior to age 65, and 4% for each additional year
	Allentown	Accrued benefit reduced 5% for each year prior to NRD
	Crete	Accrued benefit reduced 6% for each of the first five years, and 5% for each of the next five years and 4% for each additional year
	Decatur	Accrued benefit reduced 6.667% for each of the first five years prior to age 65, and 3.333% for each additional year
Vested termination		Accrued benefit payable at NRD, or reduced as for early retirement, or actuarially reduced to age 40
Disablement	Most locations	Accrued benefit payable immediately, with additional accrual to age 65 for Crete
	Franklin Park	Accrued benefit payable immediately
Preretirement death	Most locations	Reduced immediate pension payable for the life of the spouse
	Allentown	Reduced pension payable for life of spouse
	Freehold	If married, reduced 100% joint and survivor early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable at 40.
	Crete (pre-65)	Greater of reduced pension payable for life of spouse and 45% of accrued benefit unreduced
	Crete (post-65)	100% joint and survivor benefit

Other Plan Provisions

Form of payment:	
Normal form	Life annuity for single employees; 100% joint and survivor for married employees
Option form	Lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
Allentown Stoughton Weirton (closed)	• 8.00% • UP-1984 (20% female, 80% male)	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity, 15 year Certain and Life Annuity (Allentown) 4) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity (Weirton) 5) Lump Sum
Beechnut	• 8.50% • 1971 GAM	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Lump Sum
Bloomington Burlington Cains (closed)* Freehold (If not 60/10) Fulton (closed) Granite City (closed)* New Milford (closed)* Ripon (closed)* Sunbury (closed)*	• 6.00% • 1979 Buck (80% male set back 1 year, 20% female set back 2 years)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Any option with 5 year Certain and Life Annuity (if 55/10, Fulton & Granite City) 4) Lump Sum

* Not programmed in dbConnect Pension Calculator.

Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Carnation #1	• 8.00% • 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Crete b) Married participants c) Unmarried participants	• 8.00% • UP-1984 (20% female, 80% male) of table of factors if better	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity, 15 year Certain and Life Annuity 4) 20% Joint & Spousal Annuity (only if married, no reduction) 5) Lump Sum
Decatur (closed)	• 8.00% • TSA-IV projected to 1965 with Scale C	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum
Drumstick (married participants only) (closed)*	• Table of factors	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 3 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Lump Sum

Franklin Park	• 10.50% • UP-1984 (20% female, 80% male)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum

* Not programmed in dbConnect Pension Calculator.

Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Freehold Participants who are at least 60/10	• 6.00% • 1979 Buck (80% male set back 1 year, 20% female set back 2 years)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Salinas (closed)*	• 6.00% • 1979 Buck (80% male set back 1 year, 20% female set back 2 years); Table for pop-up	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 50% & 100% Joint Survivor Annuity with pop-up 4) Lump Sum
Stouffer Hourly	• 8.00% • 1971 TPF&C Forecast set back 3 years	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum

Future Plan Changes

Ultimate benefit levels were recognized in determining pension cost. Ultimate benefit levels negotiated on or before December 31, 2014 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2015, and effective during 2014 were recognized in determining contribution requirements.

Changes in Benefits Valued Since Prior Year

The ultimate benefit level for Allentown increased from $43.00 to $47.00.

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Nestlé Hourly Retirement Plan (Formerly Nestlé USA Hourly Pension Plan)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Hourly Retirement Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Nonunion hourly employees
Participation date	Completion of one year of service
Type of plan	Dollar per month

Definitions

Vesting service	One year for each 1,000-hour year of employment
Credited service	One year for each 2,000-hour year of employment; partial credit for partial years
Accumulated benefit:	Benefit level x credited service. See Appendix A for locations and benefit levels.
	For Distribution and Transportation, a benefit level of $36 applies to service accrued on or after January 1, 2014.

Eligibility for Benefits

Normal retirement	Retirement on or after attaining age 65
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing three years of vesting service
Postponed retirement	Retirement after both attaining age 65
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability after completing five years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately
Early retirement	Accrued benefit reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year
Postponed retirement	Accrued benefit payable immediately

Vested termination	Accrued benefit payable unreduced at age 65, reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Disablement	Accrued benefit payable immediately
Preretirement death	If married, reduced 100% early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable at age 55

Other Plan Provisions

Normal form of payment	Life annuity for single participants; 100% joint and survivor for married participants; Lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
All Locations	• 8.00% • 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum

Future Plan Changes

Ultimate benefit levels were recognized in determining pension cost. Ultimate benefit levels negotiated on or before December 31, 2014 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2015, and effective during 2015 were recognized in determining contribution requirements.

Changes in Benefits Valued Since Prior Year

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Nestlé Hourly Retirement Plan (Formerly Nestlé USA Pension Plan)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Hourly Retirement Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Union employees of the covered locations
Participation date	Date of hire
Type of plan	Dollar per month

Definitions

Vesting service	One year for each 1,000-hour calendar year of employment
Credited service	One year for each 1,600-hour calendar year of employment at Morton, St. Joseph (Packers), and Fort Dodge; 1,800 hours at the other locations
Accumulated benefit:	Benefit level x credited service. See Appendix A for locations and benefit levels.

Eligibility for Benefits

Normal retirement	Retirement after attaining age 65
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing three years of vesting service
Postponed retirement	Retirement after attaining age 65
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability after completing five years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately
Early retirement	Accrued benefit reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year
Postponed retirement	Accrued benefit payable immediately

Vested termination	Accrued benefit payable unreduced at 65, reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year
Disablement	Accrued benefit payable immediately
Preretirement death	If married, reduced 100% early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable at age 55

Other Plan Provisions

Normal form of payment	Life annuity for single participants; 100% joint and survivor for married participants; Lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
All Locations	• 8.00% • 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump sum

Future Plan Changes

Ultimate benefit levels were recognized in determining pension cost. Ultimate benefit levels negotiated on or before December 31, 2014 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2015, and effective during 2015 were recognized in determining contribution requirements.

Changes in Benefits Valued Since Prior Year

The ultimate benefit level for Fort Dodge increased from $40.00 to $44.50 and for Gateway increased from $33.00 to $37.00.

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Nestlé Hourly Retirement Plan (Formerly Sacramento Can Pension Plan)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Hourly Retirement Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Union employees at Sacramento Can manufacturing plant; there are currently no active employees covered
Type of plan	Dollar per month

Definitions

Credited service	From date of hire
Accumulated benefit:	Benefit level, varying by job class, times credited service

Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing three years of vesting service
Early retirement	Retirement before NRD and on or after both attaining age 60 and completing ten years of vesting service
Postponed retirement	Retirement after attaining age 65
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately
Early retirement	Accrued benefit reduced 6.0% for each prior to age 62
Postponed retirement	Accrued benefit payable immediately
Vested termination	Accrued benefit payable unreduced at age 65, or reduced for each year prior to age 62, if attained age 60 and 10 years of service
Preretirement death	If married, reduced 100% joint and survivor early retirement benefit if attained age 60 or 100% accrued benefit for all others reduced to be payable at 60.

Other Plan Provisions

Normal form of payment	Life annuity
Pension Increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Forms of Payment

Participant Group	Actuarial Equivalence		Optional Forms
Sacramento Can	Conversion factors varying by age of the retiree and the spouse		a) Single Life Annuity
	Sample 1: Retiree and Spouse both at age 60		b) 50% & 100% Joint and Survivor Annuity
	50% J&S Annuity	0.8500	c) Lump sum
	100% J&S Annuity	0.7391	
	Sample 2: Retiree and spouse both at age 65		
	50% J&S Annuity	0.8340	
	100% J&S Annuity	0.7153	

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or in determining minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Nestlé Hourly Retirement Plan (Formerly Gerber Fort Smith Hourly Pension Plan)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Hourly Retirement Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Hourly paid employees on Ft. Smith, Arkansas hourly factory payroll
Participation date	Age 20 ½ and six months of service or upon attainment of age 40, if earlier.
Type of plan	Dollar per month plan

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours.
Credited service	One full year for each year with at least 1,000 hours of service.
Accumulated benefit:	Monthly benefit is the largest of (a) and (b) below: (a) The sum of (1) and (2) below: (1) The accrued benefits as of December 31, 1989, based on participation service, final average compensation, and the primary Social Security benefit as of December 31, 1989. (2) For participation service after January , 1989 (maximum 40 years less pre-1989 credited service up to 33 1/3 years), the monthly benefit accrual in a given year is the applicable Dollar Accrual based on total years of participation. (b) For all participation service up to 40 years, the monthly benefit accrual in a given year is the applicable Dollar Accrual Factor.

The applicable Dollar Accrual Factor under (a) and (b) depends on the years of participation as shown below:

	Dollar Accrual Factor Applicable to Years of Participation		
	Level One	Level Two	Level Three
Accrual Period	First 10 Years	Years 11-20	Years Beyond 20
Before 2004	$23.50	$27.50	$30.50
2004	$25.50	$29.50	$32.50
2005	$27.50	$31.50	$34.50
2006	$29.50	$33.50	$36.50
2010	$31.50	$35.50	$38.50
2013 and After	$35.50	$39.50	$42.50

Eligibility for Benefits

Normal retirement	Retirement on or after both attaining age 65 and completing five years of vesting service
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing five years of vesting service
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing five years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately
Early retirement	Monthly pension benefit determined as of early retirement date, reduced ½ of 1% for each month by which the early retirement date precedes 62. Unreduced for employees retiring after attaining age 60 with 40 years of uninterrupted service
Postponed retirement	Accrued benefit payable immediately
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefit determined as of disability retirement date reduced by certain other benefits by or at the expense of the company
Preretirement death	50% of the projected accrued benefit as of participant's normal retirement date is payable immediately to the dependent spouse until the death or remarriage of the dependent spouse. If not eligible for a dependent spouse benefit, a 50% surviving spouse benefit (100% if eligible for early retirement) is payable on the participant's early retirement age date. If neither a dependent nor surviving spouse benefit is payable, the lump sum balance as of the time of death is payable.

Other Plan Provisions

Forms of payment	
Normal form	Life annuity
Optional forms	100%, 75%, and 50% contingent annuitant; level income; lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Form Conversion Factors

Form of Payment	Conversion Factors	Sample Rates
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 70% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
75% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 85% factor shall be increased by 0.85% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.85% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.75%
50% Contingent Annuitant	90% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 90% factor shall be increased by 0.7% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.7% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 90.00% Participant Age 65 and Spouse Age 60: 86.50%

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Nestlé Hourly Retirement Plan (Formerly Gerber Fremont Hourly Pension Plan)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Hourly Retirement Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered Employees	Hourly paid employees on Fremont, Michigan hourly factory payroll.
Participation Date	Age 20 ½ and six months of service or upon attainment of age 40, if earlier.
Type of plan:	Dollar per month plan

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours.
Credited service	One full year for each year with at least 1,000 hours of service
Pensionable earnings	Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.
Accumulated benefit:	Monthly benefit is the largest of (a) and (b) below: (a) The sum of (1), (2), (3) and (4) below: (1) The accrued benefits as of December 31, 1988, based on participation service, final average compensation, and the primary Social Security benefit as of December 31, 1988. (2) For participation service after December 31, 1988 and before April 5, 2003 (maximum 40 years less pre-1989 credit service up to 33 1/3 years), the monthly benefit accrual in a given year is the applicable Dollar Accrual based on total years of participation. (3) $50 for each year of participation service after April 4, 2003 and before April 1, 2012. (4) $56 for each year of participation service after April 1, 2012. (b) The sum of (1), (2) and (3) below: (1) For all participant service credited prior to April 5, 2003, up to 40 years, the monthly benefit accrual in a given year is the applicable Dollar Accrual Factor. (2) $50 for each year of participation service after April 4, 2003 and before April 1, 2012. (3) $56 for each year of participation service after April 1, 2012.

The applicable Dollar Accrual Factor under (a) and (b) depends on termination date and years of participation as shown below:

	Dollar Accrual Factor Applicable to Years of Participation		
Termination of Employment	Level One	Level Two	Level Three
On or After	First 10 Years	Years 11-20	Years Beyond 20
1/1/89	$21.00	$25.00	$28.00
4/1/91	$21.50	$25.50	$28.50
4/1/92	$22.00	$26.00	$29.00
4/1/93	$22.50	$26.50	$30.00
5/1/94	$23.00	$27.00	$30.50
5/1/95	$23.50	$27.50	$31.00
5/1/96	$24.00	$28.00	$31.50
4/1/97	$25.00	$29.00	$32.50
4/1/98	$25.50	$29.50	$33.00
4/1/99	$26.00	$30.00	$33.50

Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing five years of vesting service
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing five years of vesting service
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing five years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately
Early retirement	Monthly pension benefit determined as of early retirement date, reduced ½ of 1% for each month by which the early retirement date precedes age 62. Unreduced for employee retiring after attaining age 60 with 30 years of uninterrupted service
Postponed retirement	Accrued benefit payable immediately
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefit determined as of disability retirement date reduced by certain other benefits by or at the expense of the company
Preretirement death	50% of the projected accrued benefit as of participant's normal retirement date is payable immediately to the dependent spouse until the death or remarriage of the dependent spouse. If not eligible for a dependent spouse benefit, a 50% surviving spouse benefit (100% if eligible for early retirement) is payable on the participant's early retirement age date. If neither a dependent nor surviving spouse benefit is payable, the lump sum balance as of the time of death is payable.

Other Plan Provisions

Forms of payment

Normal form	Life annuity
Optional forms	100%, 75%, and 50% contingent annuitant; level income option; lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Form Conversion Factors

Form of Payment	Conversion Factors	Sample Rates
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 70% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
75% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 85% factor shall be increased by 0.85% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.85% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.75%
50% Contingent Annuitant	90% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 90% factor shall be increased by 0.7% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.7% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 90.00% Participant Age 65 and Spouse Age 60: 86.50%

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Nestlé Hourly Retirement Plan (Formerly Gerber Reedsburg Hourly Pension Plan)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Hourly Retirement Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Hourly paid employees on Reedsburg hourly payroll and Asheville, North Carolina hourly factory payroll.
Participation date	Age 21 and one-year of service or upon attainment of age 40, if earlier. Closed to new entrants effective December 31, 2006.
Type of plan	Frozen dollar per month

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours. Automatic vesting was granted December 31, 2008.
Credited service	One full year for each year with at least 1,000 hours of service.
Pensionable earnings	Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.
Accumulated benefit:	Monthly Benefit is the largest of (a) and (b) below: (a) The sum of (1) and (2) below: (1) The applicable benefit rate multiplied by years of participation completed after January 1, 1969 up to a maximum of 30 years. (2) $21.50 multiplied by years of participation completed after February 28, 2003. (b) $1.50 multiplied by years of participation completed prior to January 1, 1969, but not exceeding 30 years less the number of years of service after that date. For Hankscraft Motors only, the benefit rate in (a) above is $19.00 For Baby care participants only, the benefit rate in (a) above is $19.50

Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing five years of vesting service
Early retirement	Retirement before NRD and on or after both attaining age 60 and completing five years of vesting service
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service
Disability	Permanent and total disability on or after attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing five years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately
Early retirement	Monthly pension benefit determined as of early retirement date, reduced ½ of 1% for each month by which the early retirement date precedes age 65.
Postponed retirement	Accrued benefit payable immediately
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefits determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company
Preretirement death	Payable on the participant's early retirement age date to the surviving spouse as if the participant had elected a 50% survivorship annuity option. If neither a dependent nor surviving spouse benefit is payable, the lump sum balance as of the time of death is payable.

Other Plan Provisions

Forms of payment	
Normal form	Life annuity
Optional forms	100%, 75%, and 50% contingent annuitant; level income; lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Form Conversion Factors

Form of Payment	Conversion Factors	Sample Rates
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	75% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 75% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 75.00% Participant Age 65 and Spouse Age 60: 70.00%
75% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
50% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 85% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.00%

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

The lump sum amendment was first reflected in the IAS accounting valuation in 2014; it is first reflected for the funding valuation for the 2015 plan year and for the ASC 960 plan accounting valuation as of December 31, 2014.

Appendix A: Benefit Levels for Valuations

Ultimate benefit levels were recognized in determining pension cost. Ultimate benefit levels negotiated on or before December 31, 2014 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2015 and effective during 2015 were recognized in determining contribution requirements.

	IAS 19		ASC 960		PPA	
	Benefit Level	Effective Date	Benefit Level	Effective Date	Benefit Level	Effective Date
Nestlé Hourly Retirement Plan						
• Allentown*	47.00	3/1/2015	43.00	1/1/2012	43.00	1/1/2012
• Bloomington - Beich	40.00	2/28/2016	40.00	2/28/2016	39.00	3/1/2015
• Burlington	46.00	2/15/2015	46.00	2/15/2015	46.00	2/15/2015
• Crete*	39.75	2/5/2018	39.75	2/5/2018	38.25	2/2/2015
• Decatur	27.00	7/1/1997	27.00	7/1/1997	27.00	7/1/1997
• Franklin Park	39.00	11/13/2016	39.00	11/13/2016	38.00	11/15/2015
• Freehold	56.00	8/1/2015	56.00	8/1/2015	56.00	8/1/2015
NHRP - former Nestlé USA Hourly Pension Plan						
• Distribution*	36.00	1/1/2014	36.00	1/1/2014	36.00	1/1/2014
• Transportation*	36.00	1/1/2014	36.00	1/1/2014	36.00	1/1/2014
• Morton (nonunion)	30.00	1/1/2008	30.00	1/1/2008	30.00	1/1/2008
• Danville	30.00	1/1/2012	30.00	1/1/2012	30.00	1/1/2012
NHRP - former Nestlé USA Pension Plan						
• Eau Claire	36.00	6/2/2013	36.00	6/2/2013	36.00	6/2/2013
• Fort Dodge	44.50	3/26/2017	40.00	3/30/2014	40.00	3/30/2014
• Gateway	37.00	11/1/2015	33.00	11/4/2012	33.00	11/4/2012
• Morton (Union)	41.00	4/1/2016	41.00	4/1/2016	40.00	4/1/2015
• St. Joseph (Packers)	14.00	12/12/2016	14.00	12/12/2016	13.50	12/14/2015
• St. Joseph (Lower Lakes)	30.50	6/1/2003	30.50	6/1/2003	30.50	6/1/2003

* See Plan Provision for detail.

2015 Schedule SB, line 24 – Change in Actuarial Assumptions
Name of Sponsor / Plan: Nestlé USA, Inc. – Nestlé Hourly Retirement Plan
EIN: 95-1572209 PN: 006

Change in assumptions since prior valuation: Form of payment assumptions were updated to reflect the lump sum option available to Nestlé Hourly Retirement Plan active and deferred vested participants. The plans were amended in 2014 and the lump sum option is available effective April 1, 2015.

Current Form of Payment (Plan Year 2015)

Nestlé Hourly Retirement (Excludes Reedsburg and Libby)
Married Participants
25% J&S, 75% lump sum

Single Participants
25% single life annuity, 75% lump sum

Nestlé Hourly Retirement (Reedsburg and Libby)
Life annuity

Previous Form of Payment (Plan Year 2014)

Nestlé Hourly Retirement (Excludes Gerber Hourly Plans)
Married Participants
50% single life annuity, 50% J&S,

Single Participants
100% single life annuity

Nestlé Hourly Retirement (Gerber Hourly Plans)
Life annuity