

NCM Stewardship Code Policy Statement – as at 30/11/2010

Nestlé Capital Management Limited (“NCM”) is an investment management company which is wholly owned by Nestlé SA. It manages assets for pension funds and other entities within the Nestlé Group. It is a UK firm which is regulated by the Financial Services Authority.

Its investment management activities are performed in accordance with the Statement of Investment Principles of its investor pension funds and/or the Investment Management Agreements between NCM and its clients.

NCM's main aim is to act in the long-term investment interests of our clients in accordance with the portfolio management mandates given to us by them. In the pursuit of this objective, our investment managers monitor and engage with the companies in which we invest on behalf of our clients. As part of this process, stewardship issues such as corporate governance and social responsibility are taken into account. Proxy voting is performed on behalf of our clients using the ISS Proxy Exchange voting platform.

This statement reflects the current processes and policies which exist within NCM. In the light of the Stewardship Code we have reviewed, and will continue to review, the implementation of each of the principles and have discussed, and will continue to discuss with our clients, the manner and extent to which they would like us to amend our activities to further support the Code.

1. Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

NCM does not have a publicly available website. Therefore NCM have requested that the Financial Reporting Council (“FRC”) publish this Policy Statement on the appropriate page on the FRC website.

2. Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

NCM has an established Conflicts of Interest Policy which addresses the identification, management and disclosure of conflicts, including any which may arise relating to stewardship. The Policy is made available to all clients and is also contained within the firm's Compliance Manual. Where NCM considers there to be a potential material conflict of interest on a particular voting resolution, it will consult with its client at the earliest opportunity.

Monitoring and Engagement:

3. Institutional investors should monitor their investee companies.

As part of the investment management process of NCM, portfolio managers have meetings with management of investee companies to discuss a variety of matters including performance, future developments and strategy, and governance issues. In addition, managers make use of industry research which may include information from third party brokers, company accounts, statements and published analysis.

4. Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

If issues are identified which could potentially be damaging to the shareholder value, senior NCM management will consider the appropriate course of action to take on a case by case basis. This might involve further discussions with investee company management, supporting a move towards collaborative action where initiated, or in more extreme cases, may result in disposal of stock holdings, if this is deemed to be in the best interest of the client.

5. Institutional investors should be willing to act collectively with other investors where appropriate.

NCM is willing to act collectively with other investors in support of an issue, where it feels that co-ordinated action would be beneficial to its clients' interests.

Voting:

6. Institutional investors should have a clear policy on voting and disclosure of voting activity.

Where NCM has been given proxy voting authority by clients, it implements voting decisions electronically using the ISS Proxy Exchange voting platform. The primary consideration in making voting decisions is that they should support the best economic interests of the client. NCM will give weight to the recommendations of the company's management in making such decisions but will not support that position if it is not deemed to be in the client's best interests.

NCM provides, on a regular basis, reporting to clients on how it has exercised votes on their behalf. It does not currently have the facility to disclose voting decisions in the public domain. Should any of our clients request public disclosure of voting activity, we will undertake to facilitate this at the earliest opportunity.

Reporting:

7. Institutional investors should report periodically on their stewardship and voting activities.

NCM reports to the Nestlé UK Pension Fund Investment Committee on voting activity on its behalf during each quarter. In addition, stewardship and voting information is available to all NCM clients whenever requested.