



Hershey Trust Company

December 15, 2017

Today, I received one of the highest honors of my career in being elected Chairman of the Boards of Milton Hershey School and the Hershey Trust Company, and President of the Hershey Trust Company. I can remember well the first day that my brother, Dan, and I arrived at Milton Hershey School. I was seven-years-old, scared, lost, and separated from family. Now, decades later, I have the great responsibility and tremendous opportunity, along with my fellow Board members, to guide the Trust and the School that helped save my life.

This, as you can imagine, is very personal to me. After spending ten years at Milton Hershey School, I graduated, academically, morally, and socially well-prepared for life – both at college and beyond. Milton Hershey School has always been a guiding star for me. As many of you know, I served on the Board of Directors of the Milton Hershey School Alumni Association for seven years ending with my two years as President from 2007-09. In 2011, I was elected as a member of the Boards of the Hershey Trust Company and Milton Hershey School.

As Chairman, I will lead by what Milton Hershey School taught me: discipline, commitment, hard work, friendship, team building, collegiality and a strong sense of right and wrong. It is no coincidence that these attributes are legacies of Milton and Catherine Hershey. Their wisdom and generosity created the Deed of Trust in 1909 that provides a sustainable financial future for the School so that students facing extreme economic hardship can realize their academic and personal potential.

Over the past two years, I have been Chairman of the Nominating and Governance Committee of the Boards. Working diligently under the leadership of the retiring Chairman, Velma Redmond, retiring member James Mead, and the rest of the Boards' membership, we have successfully made changes in how we conduct our oversight role and enhanced our best practices in governance. We now have 10-year term limits and instituted an age limit of 75. We also have lowered director fees and, beginning this year, directors serving on the Boards of both the Hershey Trust Company and The Hershey Company, will only receive fees from The Hershey Company. Additionally, we continue to enhance all of our governance policies to make sure they meet the highest industry standards and best practices expected of organizations like ours.

I can assure you that the Boards' members are all working together as a fully aligned team. We are a group of like-minded people, with different backgrounds and expertise, coming together to fulfill the mission and legacy of Milton and Catherine Hershey. That mission remains focused on using the

available resources of the Trust to successfully fund the operations of Milton Hershey School in perpetuity while also considering innovative and educationally imaginative strategies to continue to serve more children who can benefit from the philanthropy of Mr. and Mrs. Hershey.

I am pleased to announce that the new Vice Chairman of the Boards is Jan Bergen. She is the President and CEO of Lancaster General Health/Penn Medicine and joined us as a member of the Boards at the beginning of 2017.

I also am pleased to welcome two new members. Maria Trinh Kraus was the 1989 valedictorian of Milton Hershey School and has more than 20 years of experience in finance. She is a Certified Public Accountant and qualifies as a Financial Expert, as defined by the U.S. Securities and Exchange Commission. She is currently Executive Vice President of Corporate Development and Strategy for Bioclinica, Inc.

Michela English is the former President and CEO of Fight For Children, a highly visible Washington, D.C.-based nonprofit that improves education opportunities for low-income children. She is currently serving as the Chairwoman of Educational Testing Service, Chairwoman of DC Prep – a Public Charter School – and is on the Boards of the DC Public Education Fund and Fight For Children.

I often think about the incredible value of saving just one child's life from the cycle of poverty, and watching that child grow up to have a productive and full life. Compound that single child's success by the School's more than ten thousand alumni, and the multiplied effect is incalculably large. Milton Hershey School will continue to work in "perpetuity" just as Milton and Catherine Hershey envisioned more than a century ago.

The challenge for all of us involved in the process of nurturing and educating children is to be courageous in thought and unafraid to think beyond the successes that we've already achieved. We now have the opportunity and challenge of working together to find ways to best utilize the resources of the Hershey Trust Company's assets, including The Hershey Company and Hershey Entertainment & Resorts, to further advance the School's mission of improving the lives of children in need to grow up and become successful men and women. This opportunity will come from developing creative and impactful solutions to eliminate educational obstacles that stand in the way of communities in poverty consistent with the intent of the Deed of Trust.

We are expanding our current School enrollment to 2,300 students to provide more opportunities for students, and the Boards are continuing to review strategic, innovative, imaginative and creative ways for Milton Hershey School to reach even more children.

At this point, we don't have all the answers, but I can assure you that we will continue to keep the Milton Hershey School community informed of our progress in updates like this in the future.

Sincerely, and on behalf of all of my fellow Board members,

Bob Heist
Chairman