



Unilever N.V.
Attn: Board of Directors
PO Box 760
3000 DK ROTTERDAM

BY REGULAR MAIL AND BY E-MAIL

Copy to: (by e-mail info@administratiekantoor-unilever.nl)

Foundation Unilever N.V. Trust Office
Attn: the Board
Blaak 31
3011 GA ROTTERDAM

Date: 6 December 2018
Reference: 2018 049 PK/dt
Subject: Unilever N.V. depositary receipts structure

Dear Madam, Sir

The Dutch Investors' Association (in Dutch: Vereniging van Effectenbezitters)/European Investors (hereafter collectively referred to as '**VEB/European Investors**') reaches out to Unilever N.V. ('**Unilever**') following the Unilever press release of October 5, 2018 ('**press release**'). In this press release Unilever announced that its proposal to simplify the dual-headed legal structure ('**Simplification**') was withdrawn.

As intended by this Simplification Unilever stated that its corporate governance would be strengthened by 'creating for the first time a 'one share one vote' principle for all shareholders'.

As you are aware, VEB/European Investors supported the Simplification and welcomed the transition to a single holding company with one class of shares, and consequently a termination of the NV depositary receipt structure. Due to this structure the Foundation Unilever N.V. Trust Office ('**Trust Office**') has been a significant voting power in General Meetings ('**AGM**') without holding any economic interest in the company, thereby clearly violating the one share one vote principle. Over the years VEB/European Investors has objected to this undemocratic way of decision-making during Unilever AGMs and meetings of holders of depositary receipts.



Unilever - as well as the Board of the Trust Office in both its annual reports and meetings of holders of depositary receipts - has consistently communicated to investors two reasons for maintaining the depositary receipts structure. The first related to the disproportional voting rights attached to the financing preference shares. The second reason was the relatively low attendance of holders of ordinary shares during AGMs of the NV.

Both these arguments have clearly lost their validity. The buyback (and cancellation) of the financing preference shares has recently been concluded. This implies that such shares will no longer be represented and voted on (with disproportionate voting rights) during AGMs. With respect to the second argument, VEB/European Investors notes that the attendance of holders of ordinary shares has gradually increased over the past ten years. It even reached a record high in the 2018 AGM with over 63 percent of the NV ordinary shares and depositary receipts being present or represented.¹

With the Simplification proposal now being withdrawn the VEB/European Investors entreats Unilever to terminate the NV depositary receipt structure and close the Trust Office as soon as possible, regardless of the Simplification. Only after Unilever has implemented this measure it will adhere to the 'one share one vote' principle and corporate governance will genuinely be strengthened.

We look forward to receiving your reaction within fifteen business days from the date of this letter. We are available for any further engagement if so desired.

Yours faithfully

P.M. Koster
Director

Dutch Investors' Association (VEB)/European Investors

¹ During the 2018 AGM 63.05 percent of the Unilever N.V. share capital was represented. By way of illustration, the attendance rate during the 2010 AGM was 31.4 percent. By 2013 this had already increased to 42.6 percent, whereas in 2016 the attendance rate was 51.03 percent.