

Unilever PLC  
To the CEO and the Chair  
Unilever House  
100 Victoria Embankment  
London EC4Y 0DY  
United Kingdom

**BY REGULAR MAIL AND BY E-MAIL** \_\_\_\_\_

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The Hague, December 1, 2020

Ref: PK/2020 007

Re: Unilever PLC Unification – private member’s bill re exit tax charge

Dear Mr. Jope, Dear Mr. Andersen,

European Investors-VEB, the European Investors’ Association (in Dutch: Vereniging van Effectenbezitters)/ (hereafter collectively referred to as **European Investors-VEB**) reaches out to Unilever PLC (**Unilever**) following the Unilever press release of November 30, 2020 (**press release**). In this press release Unilever announced the completion of the unification of its Group legal structure under a single parent company, Unilever PLC (**Unification**).

We refer to the proposed private member’s bill (**Bill**), introduced by a member of the Dutch House of Representatives for GroenLinks that, if applicable to the Unification, may result in an exit tax charge of some €11 billion. Furthermore, we refer to the Unilever prospectus of August 10, 2020 (**Prospectus**) and the shareholder circular of August 24, 2020 (**Circular**).

First, European Investors-VEB has stated publicly and towards the submitter of the Bill its objections against the Bill and the Bill’s retroactive application. European Investors-VEB shares Unilever’s criticism on the Bill and calls upon Unilever to fight the negative consequences of the Bill for its shareholders using all legal means.

In the Prospectus, it is noted:

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**European Investors - VEB**

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*“14 Proposed exit tax*

*[...] Nevertheless, if the bill were enacted in its present form and applied to Unification, the Boards believe that proceeding with Unification, if it resulted in an exit tax charge of some €11 billion, would not be in the best interests of Unilever, its shareholders and other stakeholders as a whole.”*

As a consequence, Unilever’s shareholders were led to believe that Unification would not proceed or be completed if adoption of the Bill was still likely and the resulting exit tax would be borne by Unilever or its shareholders, when they agreed on the proposed cross-border merger at the general meeting.

The Bill has not been withdrawn or adjusted in a way that reduces the consequences for shareholders, as a result of which the shareholders still face a significant negative impact. Nevertheless, this weekend Unilever announced the completion of the Unification. In light of the foregoing information in the Prospectus this seems premature and counterintuitive, as it might not be in the best interests of Unilever, its shareholders and other stakeholders as a whole.

We feel that the disclosure and explanation towards investors has been insufficient. Please let us know your motives to complete the Unification, at a stage when adoption of the Bill is still likely. Why did the boards consider it in the best interests of Unilever, its shareholders and other stakeholders to complete the Unification at this point in time, against the background of the statement in the prospectus mentioned above?

Also, how did the boards consider the impact of a foreseeable Brexit and the changes in legislation in respect to the Unification? Did the boards elaborate on the possibility and complications of reversing the decision? This seems particularly difficult as a result of Brexit and the changing legal rules on cross-border corporate restructuring. Moreover, do the boards consider a future cross-border transfer of Unilever’s real seat to the Netherlands, if the Bill would be retroactively applicable on the Unification?

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  
CEO

European Investors-VEB

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