

Unilever PLC
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Mr. Paul Koster
CEO
European Investors - VEB
Amaliastraat 7
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4th December 2020

Dear Mr Koster,

Thank you very much for your letter of 1 December 2020 and also for sharing with us your public stance on criticising the bill and its retroactive application.

Your letter also made some statements and asked some questions about the disclosures in the Unification Prospectus and the subsequent announcements, and I'm pleased to have the opportunity to highlight to you how clear we have been in our public disclosure as the Unification process and surrounding circumstances unfolded. Providing clear and fair disclosure is very important to us, to our shareholders and to our stakeholders and, in the context of the Unification process, was particularly important given the need for the UK Court's final approval.

As you will be aware, the bill has not been enacted and significant changes have been made to the bill since the version published on 10 July 2020 on which the Prospectus disclosure was based. In particular, amendments to the 10 July version were published on 18 September 2020 and further amendments were published on 9 October 2020.

In addition, based on our understanding of the current Parliamentary schedule, there exists no more certainty today than on 10 August 2020 (the date of the Prospectus) as to whether the Bill may be enacted, if at all, or in what form.

We also made the following closing statements in the section of the Prospectus referred to in your letter:

"...The Boards intend to proceed with their proposals provided that Unification, in the Boards' view, remains in the best interests of Unilever, its shareholders and other stakeholders as a whole.

As the situation develops, the Boards will continue to assess all options and will update shareholders as appropriate..."

Since then the Boards have updated shareholders on a number of occasions, making it clear that their intention was to proceed provided that Unification remained, in the Boards' view, in the best interests of Unilever, its shareholders and other stakeholders as a whole. Below are some of the specific statements made:

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- On 21 September 2020, and during the NV EGM, I specifically stated that *"...the Board remains absolutely committed to unifying the Group's legal structure as proposed, for all the reasons given. We do remain confident in our plans as we believe they are in the best interests of the company, its shareholders and other stakeholders as a whole..."*
- On 9 October 2020, in our public announcement, we stated: *"...As previously disclosed, the Boards intend to proceed with their proposals provided that, in the Boards' view, unification remains in the best interests of Unilever, its shareholders and other stakeholders as a whole. The Boards will update shareholders as appropriate..."*
- On 22 October 2020, in our Q3 Trading Statement, we stated: *"...It is not clear when, or indeed if at all, the bill will be enacted, or in what form. As previously stated, the Boards intend to proceed with their proposals provided that Unification, in the Boards' view, remains in the best interests of Unilever, its shareholders and other stakeholders as a whole. The Boards will continue to update shareholders as appropriate..."*
- On 27 October 2020, in our public announcement confirming that the Boards intended to proceed with Unification, we stated: *"...The Boards consider that Unification is in the best interests of Unilever, its shareholders and other stakeholders taken as a whole and will bring significant benefits by:*

*increasing Unilever's strategic flexibility for portfolio evolution; and
removing complexity and further strengthening Unilever's corporate governance.*

The Boards are of the view that unification under Unilever PLC is the best practical option to achieve these objectives and will better position Unilever for future success..."

You asked the basis for the Boards' decision to proceed. These were explained in the announcement of 27 October 2020: *"...In deciding whether to proceed, the Boards have considered many factors, including the GroenLinks initiative bill, tabled on 9 October 2020, and the related legal advice. It is unclear when, or indeed if at all, the bill will be enacted, or in what form. The Boards have received legal advice that an exit tax assessment issued to either Unilever NV or Unilever PLC based on the current bill should be annulled on the grounds that it infringes the Dutch UK Tax Treaty, other Dutch tax treaties with states in which shareholders reside, primary and secondary EU law and the First Protocol to the European Convention on Human Rights..."*



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Finally, Unification is the culmination of many years of work. There is absolutely no merit in any speculation that we would now be based anywhere other than the UK. Unilever remains fully committed to the Netherlands. There will be no change to the operations, locations, activities or staffing levels as a result of Unification.

I hope this is helpful, but in any event we welcome engagement with VEB and all our stakeholders and, if you would like a meeting we would be very happy to arrange one through our Investor Relations department.

Kind regards.

Yours sincerely,

Alan Jope
CEO, Unilever