



Unilever

MAKING SUSTAINABLE LIVING COMMONPLACE

**CHAIRMAN'S LETTER
AND NOTICE OF MEETING**
EXTRAORDINARY GENERAL MEETING
ROTTERDAM 25 OCTOBER 2018

LETTER TO SHAREHOLDERS

To our shareholders and holders of depositary receipts

11 September 2018



Marijn Dekkers,
Chairman of the Board of Directors

Dear Madam, Sir,

I am pleased to enclose the notice of Unilever N.V.'s ('NV') extraordinary general meeting (the 'NV Extraordinary General Meeting'). The NV Extraordinary General Meeting will be held on Thursday 25 October 2018 at NV's head office, Weena 455 in Rotterdam and will start at 11.30 a.m.

On 15 March 2018, the boards of NV and Unilever PLC ('PLC') announced the intention to simplify the Unilever Group's dual-parent structure under a new single holding company ('Simplification'), Unilever International Holdings N.V., to be renamed Unilever N.V. ('New NV').

I am writing to shareholders of NV and holders of depositary receipts of shares in NV ('NV Depositary Receipts' and holders thereof 'DR Holders') to explain the background to and reasons for Simplification and to explain why the boards of NV and PLC (the 'Boards') consider Simplification to be in the best interests of Unilever and its shareholders as a whole, including NV and NV shareholders. The Boards unanimously recommend that NV shareholders vote in favour of Simplification at the NV Extraordinary General Meeting, as the NV directors intend to do in relation to their own NV shares and NV Depositary Receipts.

We advise all our shareholders and DR Holders to carefully read this notice of meeting and other related documents for further information.

Background to Simplification

The Unilever Group has been owned through two separately listed companies, NV and PLC, since its formation in 1930. During this time, NV and PLC, together with their group companies, have operated as nearly as practicable as a single economic entity. This is achieved by special provisions in the articles of association of NV and PLC, together with a series of agreements between NV and PLC (the Equalisation Agreement, the Deed of Mutual Covenants and the Agreement for Mutual Guarantees of Borrowing), known as the Foundation Agreements.

Each NV ordinary share and NV Depositary Receipt represents the same underlying economic interest in the Unilever Group as each PLC ordinary share. As a result, parity between the economic rights of the respective shareholders of NV and PLC has been maintained. However, NV and PLC remain separate legal entities with different shareholder constituencies and separate stock exchange listings. Shareholders cannot convert or exchange the shares of one for the shares of the other.

NV and PLC have the same directors, adopt the same accounting principles and pay dividends to their respective shareholders on an equalised basis. NV and PLC and their group companies constitute a single reporting entity for the purposes of presenting consolidated accounts.

Reasons for Simplification

Following a comprehensive strategic review of the Unilever business, the Boards concluded that Simplification will provide greater flexibility for strategic portfolio change, strengthen Unilever's corporate governance and help drive the long-term performance of Unilever.

The Boards believe that a single holding company will bring greater simplicity and more flexibility to make strategic changes to the Unilever Group's portfolio in the future, should Unilever choose to do so, including through equity-settled acquisitions or demergers. Although Unilever does not currently plan any major portfolio change, the Boards believe it is appropriate to create a corporate structure that provides Unilever with the strategic flexibility and optionality to do so.

The Boards conducted an extensive review of potential single holding company structures and the means of achieving Simplification of the existing dual-parent structure. The Boards considered many factors, including in particular tax, regulatory and legal matters and the fact that Unilever has operated effectively for many years with parent companies incorporated in both the Netherlands and the United Kingdom to deliver long-term growth for all its shareholders. In making their assessment, the Boards also took into account the proportion of the Unilever Group's combined ordinary share capital

represented by NV ordinary shares (including NV ordinary shares in New York Registry Form ('NV NYRSs')), which is some 22% larger than that represented by PLC ordinary shares. NV ordinary shares and NV Depositary Receipts having also traded with greater liquidity than PLC ordinary shares in recent years. Having weighed all these various factors, the Boards concluded that Simplification through the establishment of a new Dutch holding company would meet Unilever's objectives of creating greater strategic flexibility, providing an opportunity to strengthen corporate governance and would help drive long-term performance.

Accordingly, Simplification will introduce a single holding company, New NV, with one class of shares and a global pool of liquidity. New NV will be incorporated and tax-resident in the Netherlands.

A listing of New NV ordinary shares on the regulated market of Euronext Amsterdam N.V., together with a premium listing of New NV ordinary shares on the official list of the UK Listing Authority and admission to trading on the London Stock Exchange's main market for listed securities and a listing of American depositary shares of New NV ('New NV ADSs') on the New York Stock Exchange, will be sought.

One New NV ordinary share will be allotted for each existing NV ordinary share. After Simplification, you will have the same number of shares in New NV that you currently hold in NV. Similarly, holders of NV NYRSs will either receive New NV ordinary shares or New NV ADSs in a one-for-one exchange ratio. Following Simplification, NV shareholders (including holders of NV NYRSs), DR Holders, PLC shareholders and holders of American depositary shares of PLC will share the same dividend and capital distribution interests in New NV, and in the same relative proportions in the combined Unilever Group, as before.

Simplification will also further strengthen Unilever's corporate governance, creating, for the first time, a 'one share, one vote' principle for all shareholders. Prior to, or as part of, Simplification, the NV preference shares will be cancelled, and it is intended to terminate the NV depositary receipt structure. After Simplification, Unilever will also continue to apply both the Dutch and UK corporate governance codes.

NV Extraordinary General Meeting and DR Holders Meeting

We ask the NV Extraordinary General Meeting for approval of the proposed Simplification. Immediately prior to the NV

Extraordinary General Meeting, a meeting of DR Holders (the 'DR Holders Meeting') will take place. In that meeting, the DR Holders will be asked to approve the proposed termination of the depositary receipt structure of NV.

Enclosed with this letter you will find the notice, agenda and explanatory notes for the NV Extraordinary General Meeting. If you would like to cast your votes electronically at the NV Extraordinary General Meeting you will have to do so in any event no later than 5.30 p.m. (Amsterdam time) on 18 October 2018. Please refer to the information on page 5 of the notice of the NV Extraordinary General Meeting.

The notice, agenda and explanatory notes for the DR Holders Meeting have been made available by the Foundation Unilever N.V. Trust Office (*Stichting Administratiekantoor Unilever N.V.*) that administers the NV Depositary Receipts at www.administratiekantoor-unilever.nl and are also available at www.unilever.com/simplification. If you would like to cast your votes electronically at the DR Holders Meeting you will have to do so in any event no later than 5.30 p.m. (Amsterdam time) on 18 October 2018. Please refer to the information on page 1 of the notice of the DR Holders Meeting.

All your votes are important to us and I would urge you to cast your vote.

The NV Extraordinary General Meeting is an important opportunity for all NV shareholders and DR Holders to express their views by asking questions on Simplification and related resolutions. If you would like to be assured of the fullest possible response to a question asked in the NV Extraordinary General Meeting, it would be helpful if you could give me prior notice of your question. Of course, you are also invited to write to me at any time should you wish. Alternatively, you may find the answer to your question on our website at www.unilever.com/simplification.

I look forward to seeing as many of you as possible on 25 October 2018.

Yours sincerely,



Marijn Dekkers
Chairman

UNILEVER N.V. NOTICE OF EXTRAORDINARY GENERAL MEETING 2018

The extraordinary general meeting ('EGM')* of Unilever N.V. ('NV') is to be held on Thursday 25 October 2018 at 11.30 a.m. (Amsterdam time) (or as soon thereafter as the meeting of holders of depositary receipts of shares in NV has concluded) at the NV head office, Weena 455 in Rotterdam, the Netherlands.

AGENDA

1. To approve Simplification.

All documents for the EGM, including the Shareholder Circular, the Dutch Merger Proposal and the Explanation to the Dutch Merger Proposal, are available at www.unilever.com/simplification.

Copies of such documents may be obtained free of charge from NV and through ABNAMRO Bank N.V., telephone number +31 20 344 2000, email corporate.broking@nl.abnamro.com.

* The EGM will also serve as a meeting of holders of ordinary shares.

EXPLANATORY NOTES TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING 2018

AGENDA ITEM 1

TO APPROVE SIMPLIFICATION.

Simplification

The boards of directors of Unilever N.V. ('NV') and Unilever PLC ('PLC') are proposing to their respective general meetings to simplify the Unilever group's dual-parent structure under a single holding company ('Simplification'), Unilever International Holdings N.V., to be renamed Unilever N.V. ('New NV').

This proposal will be implemented principally by means of (i) a U.K. reorganisational procedure referred to as a "scheme of arrangement" as a result of which PLC will become a wholly owned subsidiary of New NV and New NV will issue shares in its capital to the shareholders of PLC (the 'U.K. Scheme'), and (ii) a triangular legal merger under the laws of the Netherlands (the 'Dutch Merger') as a result of which (a) Unilever International Holding B.V., a wholly owned subsidiary of New NV ('New Sub'), will acquire all the assets and liabilities and legal relationships of NV under universal succession of title and NV will cease to exist, and (b) New NV, the sole shareholder of New Sub, will allot shares in its capital to the shareholders of NV.

Dutch Merger

The terms and conditions of the Dutch Merger are laid down in the merger proposal prepared by the boards of NV, New Sub and New NV (together the 'Boards'), dated 11 September 2018 (the 'Dutch Merger Proposal'). In addition, the Boards have prepared explanatory notes to the Dutch Merger Proposal.

For the background, strategic rationale, effects and further details of Simplification and the Dutch Merger, reference is made to the Shareholder Circular published at www.unilever.com/simplification, which forms part of these explanatory notes. The board of NV advises all its shareholders to read this and the related documents for further information.

Equalisation Agreement

Since 1930 when the Unilever Group was formed, NV and PLC have operated as nearly as practicable as a single economic entity. This is achieved by special provisions in the Articles of Association of NV and the Articles of Association of PLC, together with a series of agreements between NV and PLC (the *Equalisation Agreement*, the *Deed of Mutual Covenants* and the *Agreement for Mutual Guarantees of Borrowing*), known as the Foundation Agreements. As Simplification will result in the Unilever group being simplified under a single holding company, the Foundation Agreements will no longer be necessary.

Termination of the Equalisation Agreement will result in automatic termination of the Deed of Mutual Covenants. Unilever will terminate the Agreement for Mutual Guarantees of Borrowing immediately after termination of the Equalisation Agreement.

Proposals

Based on Dutch law and the Articles of Association of NV, the implementation of the Dutch Merger in accordance with the Dutch Merger Proposal and the termination of the Equalisation Agreement requires a resolution of the general meeting of NV ('general meeting') and the approval of the meeting of holders of NV ordinary shares.

The board of NV proposes to the general meeting to resolve to approve Simplification, which proposal includes to resolve to:

- (a) enter into the Dutch Merger; and
- (b) terminate the Equalisation Agreement at such time as may be determined by the boards of NV and PLC, ('to approve Simplification').

As the extraordinary general meeting will also serve as a meeting of holders of ordinary shares, a vote cast in respect of the proposal to approve Simplification will, if such vote is made in respect of an ordinary share, be deemed an identical vote in the meeting of holders of NV ordinary shares to approve the general meeting's resolution to approve Simplification.

Please note that (i) the Boards will give effect to the Dutch Merger only after the U.K. Scheme has become effective and the other Dutch Merger conditions, as referred to in the Dutch Merger Proposal, have been satisfied or waived, as the case may be and (ii) the boards of PLC and NV will only terminate the Equalisation Agreement if Simplification is implemented.

INFORMATION ABOUT ATTENDING THE EXTRAORDINARY GENERAL MEETING 2018

The extraordinary general meeting ('EGM') of Unilever N.V. is to be held on 25 October 2018 at 11.30 a.m. (Amsterdam time) (or as soon thereafter as the meeting of holders of depositary receipts of shares in NV has concluded) in the Unilever N.V. head office, Weena 455 in Rotterdam, the Netherlands.

The EGM will also serve as a meeting of holders of ordinary shares.

RECORD DATE

ADMISSION TO THE EGM AND VOTING RIGHTS

The Board of Directors has determined that holders of shares or depositary receipts thereof on 27 September 2018, after closing of the books (the 'Record Date') and who are registered as such in one of the (sub)registers designated by the Board of Directors, have the right to attend the EGM and exercise their voting rights in accordance with the number of shares or depositary receipts thereof held at the Record Date. The designated (sub)registers are the administration records of the intermediaries in the meaning of the Securities Giro Act (*Wet Giraal Effectenverkeer*) and the shareholders' register of NV.

HOLDERS OF SHARES OR DEPOSITARY RECEIPTS THEREOF HELD VIA THE GIRO SYSTEM

ATTENDANCE INSTRUCTIONS

Holders of shares or depositary receipts thereof who wish to attend the EGM either in person or by proxy (see under 'Proxies'), can apply to ABN AMRO Bank N.V. ('ABN AMRO'), through their bank or broker or via www.abnamro.com/evoting, until 5.30 p.m. (Amsterdam time) on 18 October 2018. ABN AMRO will send an admission ticket for the EGM by post or by email to the notified holders of shares or depositary receipts thereof.

VOTING INSTRUCTIONS

Holders of shares or depositary receipts thereof who are unable to attend the EGM in person and wish to participate in the voting process can submit their voting instructions electronically via www.abnamro.com/evoting. By doing so voting instructions are given to Mr M.J. Meijer c.s. Notarissen, in Amsterdam, to cast their vote at the EGM. Voting instructions can be given until 5.30 p.m. (Amsterdam time) on 18 October 2018.

PROXIES

Holders of shares or depositary receipts thereof who wish to have themselves represented at the EGM by a proxy holder appointed by them must register with ABN AMRO in accordance with the instructions above and deposit a written proxy, which proxy must have been received by ABN AMRO (Corporate Broking, P.O. Box 283 (HQ7212), 1000 EA Amsterdam, the Netherlands or via e-mail: corporate.broking@nl.abnamro.com) ultimately 5.30 p.m. (Amsterdam time) on 18 October 2018. For this purpose, they can use the proxy printed on the admission ticket or the proxy available on www.unilever.com/simplification.

UNILEVER TRUST OFFICE

Holders of depositary receipts who attend the EGM either in person or by proxy will automatically receive from the Foundation Unilever N.V. Trust Office a proxy in accordance with the conditions of administration of these depositary receipts.

HOLDERS OF REGISTERED SHARES REGISTERED IN THE SHAREHOLDERS' REGISTER

Holders of registered shares will be approached by SGG Financial Services B.V. ('SGG') individually. A written notification to attend the EGM, a completely filled-in voting instruction form or a written proxy must be received by SGG by 18 October 2018 at 5.30 p.m. (Amsterdam time) at the latest.

IDENTIFICATION

We kindly request you to bring a valid proof of identity to the EGM.

ROUTE DESCRIPTION

The Unilever N.V. head office is located at Weena 455 in the heart of Rotterdam city centre and is best reached by train. Rotterdam Central Station is just a few minutes' walk from the Unilever N.V. head office. If you choose to come by car, you are advised to use Q-Park Weena (Karel Doormanstraat 10). Route descriptions to both the Unilever head office and Q-Park Weena are available on our website, www.unilever.com/simplification and are available upon request by sending an email to shareholder.services@unilever.com.

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FOR FURTHER INFORMATION ABOUT
UNILEVER PLEASE VISIT OUR WEBSITE:

WWW.UNILEVER.COM