

**SCHEDULE 5
PLC DIRECTORS' REPORT**

**THIS REPORT COMPRISES THE DIRECTORS' REPORT FOR THE PURPOSES OF
REGULATION 8 OF THE COMPANIES (CROSS-BORDER MERGERS) REGULATIONS 2007 OF
THE UNITED KINGDOM**

PROPOSED CROSS-BORDER MERGER OF

UNILEVER PLC

AND

UNILEVER N.V.

Directors' Report

By the Unilever PLC Board

1 Introduction

- 1.1** On 11 June 2020, Unilever announced plans to unify the Unilever Group's legal structure under a single parent company, PLC, creating a simpler company with greater strategic flexibility, that is better positioned for future success. Unification follows the significant measures which were taken in 2018 to simplify the share capital structure and is a natural next step for the Unilever Group, removing complexity and further strengthening the Unilever Group's corporate governance.
- 1.2** PLC and NV are separate, publicly-held parent holding companies. They jointly own the Unilever Group and together hold, directly or indirectly, all of the subsidiaries of the Unilever Group, through which the Unilever Group's business and financing activities are carried out.
- 1.3** Subject to the terms and conditions set out in the Common Draft Terms of Merger and pursuant to the Cross-Border Merger which will be effected under the UK Cross-Border Mergers Regulations and Title 7, Book 2 of the Dutch Civil Code NV shall merge with, and be absorbed into, PLC. At the CBM Effective Date:
- (a) all the assets and liabilities of NV will be transferred by universal succession of title to PLC;
 - (b) NV will be dissolved without going into liquidation and cease to exist; and
 - (c) PLC will allot and issue, subject to withdrawal rights: (i) New PLC Shares to NV Shareholders and those Registered NV NYRS Holders who have not elected to receive New PLC Shares represented by New PLC ADSs; and (ii) New PLC Shares (represented by New PLC ADSs) to Indirect NV NYRS Holders and those Registered NV NYRS Holders who have elected to receive New PLC Shares represented by New PLC ADSs, in accordance with the CBM Exchange Ratio.
- 1.4** This report comprises the PLC Directors' report in respect of the Cross-Border Merger, prepared in accordance with regulation 8 of the UK Cross-Border Mergers Regulations.
- 1.5** Further information on the Cross-Border Merger will be made available by PLC and NV on the Unilever website at www.unilever.com/unification. Shareholders and other interested parties are encouraged to read the other materials made available.

2 Legal and economic grounds for the Cross-Border Merger

- 2.1** The Unilever Group has been owned through two separately listed companies, PLC and NV, since its formation in 1930. During this time, PLC and NV, together with their group companies, have operated as nearly as practicable as a single economic entity. This is achieved by special provisions in the PLC articles of association and the NV articles of association, together with a series of agreements between PLC and NV, known as the Foundation Agreements.
- 2.2** Each PLC Share (including each PLC Share represented by a PLC ADS) represents the same underlying economic interest in the Unilever Group as each NV Ordinary Share and each NV NYRS. As a result, parity between the economic rights of the respective shareholders of PLC and NV has been maintained. However, PLC and NV remain separate legal entities with different shareholder constituencies and separate stock exchange listings. Shareholders cannot convert or exchange the shares of one company for the shares of the other.
- 2.3** PLC and NV have the same directors, adopt the same accounting principles and pay dividends to their respective shareholders on an equalised basis. PLC and NV and their group companies constitute a single reporting entity for the purposes of presenting consolidated accounts.
- 2.4** After a comprehensive review over the last 18 months, the Boards continue to believe that moving from the current dual-headed legal structure to a single parent company will bring significant benefits by:
- Increasing Unilever's strategic flexibility for portfolio evolution, including through equity-based acquisitions or demergers. Such flexibility is even more important as Unilever anticipates the increasingly dynamic business environment that the COVID-19 pandemic will create.
 - Removing complexity and further strengthening Unilever's corporate governance. Upon completion, there would be one market capitalisation, one class of shares and one global pool of liquidity, whilst maintaining the Unilever Group's listings on the Amsterdam, London and New York stock exchanges.

- 2.5 Unilever remains committed to its strategy of long-term growth across all three Divisions and last year began a full evaluation of its current categories and brands, with a view to accelerating the pace of portfolio change. This review has underlined how a simpler legal structure would give Unilever greater strategic flexibility to grow shareholder value, providing a catalyst for accelerated portfolio evolution and greater organisational autonomy.
- 2.6 The ongoing strategic review of Unilever’s Tea business has further demonstrated that the dual-headed legal structure can create disadvantages for the Unilever Group. For example, a demerger of the Tea business is one potential outcome of the review and, as was previously the case with the disposal of the Unilever Group’s Spreads, this would be significantly more challenging under the current legal structure than under a single parent structure.
- 2.7 It is also clear that the COVID-19 pandemic will create a business environment in which having as much flexibility and responsiveness as possible will be critically important.
- 2.8 The Boards have conducted an extensive review of potential single-parent company structures and the best means to achieve the unification of the existing dual-headed legal structure. The Boards considered many factors including in particular tax, regulatory and legal matters and the fact that the Unilever Group 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.
- 2.9 Having considered all of these factors, the Boards consider unification under PLC as the best practical option to achieve Unilever’s objectives of creating a simpler company, with greater strategic flexibility, that is better positioned for future success in light of a business environment in which having as much flexibility and responsiveness as possible will be critically important.
- 2.10 The Cross-Border Merger will be carried out as a cross-border merger by absorption under the UK Cross-Border Mergers Regulations and Title 7, Book 2 of the Dutch Civil Code, as a result of which on the CBM Effective Date: (i) PLC will acquire all the assets and liabilities of NV by universal succession of title; (ii) NV will be dissolved without going into liquidation and cease to exist; and (iii) PLC will allot and issue one PLC Share in exchange for every one NV Ordinary Share.
- 2.11 For the purposes of the UK Cross-Border Mergers Regulations, PLC shall be the “transferee company” and NV shall be the “transferor company”.

3 Conditions

- 3.1 The Cross-Border Merger is subject to the satisfaction or joint waiver by PLC and NV of the following conditions:
 - 3.1.1 the resolution to approve Unification having been adopted by the requisite majority at the NV EGM;
 - 3.1.2 the approval of the resolution to adopt the Amended NV Articles at the NV EGM;
 - 3.1.3 the approval of the resolution to effect the Cross-Border Merger by the meeting of holders of NV Shares and NV NYRSs and the meeting of holders of NV Special Shares required pursuant to Dutch law;
 - 3.1.4 the approval of the Cross-Border Merger by the requisite majority of PLC Shareholders at the PLC Court Meeting and the passing of the PLC Special Resolution by the requisite majority of PLC Shareholders at the PLC General Meeting;
 - 3.1.5 a Dutch notary selected by NV and PLC issuing the pre-merger compliance certificate and delivering it to NV and PLC, such certificate being the pre-merger scrutiny certificate pursuant to the Dutch Civil Code;
 - 3.1.6 the UK High Court certifying that PLC has completed the pre-merger requirements under the UK Cross-Border Mergers Regulations;
 - 3.1.7 the UK High Court approving the completion of the Cross-Border Merger;
 - 3.1.8 the UK Prospectus having been approved by the FCA as having been drawn up in accordance with the relevant provisions of the Prospectus Regulation and duly passported to the Netherlands in respect of the admission to trading and listing of the PLC Shares (including the New PLC Shares) on Euronext in Amsterdam;

- 3.1.9 the FCA having acknowledged (and such acknowledgement not having been withdrawn) that the application for admission of the New PLC Shares to listing on the premium segment of the UK Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject) will become effective;
 - 3.1.10 the LSE having acknowledged (and such acknowledgement not having been withdrawn) that the New PLC Shares will be admitted to trading on the LSE's Main Market;
 - 3.1.11 Euronext Amsterdam having approved (and such approval having not been withdrawn) the Euronext Admission;
 - 3.1.12 the New PLC Shares having been accepted for book-entry transfers by Euroclear Nederland on or prior to the Euronext Admission;
 - 3.1.13 the Form F-6 having become effective under the Securities Act and, immediately prior to the CBM Effective Date, not being the subject of any stop order or proceeding seeking a stop order;
 - 3.1.14 the New PLC ADSs having been authorised for listing and trading on the NYSE, upon official notice of allotment;
 - 3.1.15 each of the Clearances having been received (and not revoked) on terms satisfactory to NV and PLC; and
 - 3.1.16 no law or order prohibiting, or pending lawsuit seeking to prohibit, the Cross-Border Merger having been issued or filed by any competent US, European Union, Netherlands, or UK governmental authority.
- 3.2 Unification is also conditional on there being no other fact, matter or circumstances which NV and PLC may, or may be reasonably likely to, prevent, delay, hinder or otherwise adversely affect Unification under PLC or the willingness of NV and PLC to pursue Unification as contemplated including where, in the Boards' view, proceeding with Unification would not be in the best interests of Unilever, its shareholders and other stakeholders as a whole.

4 The effects of the Cross-Border Merger on PLC Shareholders

- 4.1 On completion of the Cross-Border Merger, PLC will continue to be incorporated in the UK and will remain UK tax resident, will continue to be admitted to the premium segment of the UK Official List, and will continue to apply the UK Corporate Governance Code and comply with the rules and regulations of the SEC applicable to foreign private issuers. The PLC Shares (comprising, as at the CBM Effective Date, the PLC Shares in issue immediately before completion of the Cross-Border Merger and the New PLC Shares) will be traded on the LSE's Main Market and quoted in Pounds Sterling. PLC will apply for an additional admission to trading and listing of the PLC Shares on Euronext in Amsterdam, allowing former NV Shareholders to trade and receive dividend payments on their New PLC Shares in Euros.
- 4.2 In setting the level of distributions to PLC Shareholders, there will be no change to the Unilever Group's policy of seeking to pay an attractive, growing and sustainable dividend. Following implementation of Unification, PLC intends to continue to announce and make distributions on the same quarterly basis as it currently does.
- 4.3 The Cross-Border Merger will not impact the economic interests of any NV Shareholder, NV NYRS Holder, PLC Shareholder or PLC ADS Holder. In particular, dividend and capital distribution rights will be unaffected. Excluding any shares held in treasury and subject to any rights exercised under the Withdrawal Mechanism, the total number of shares outstanding will be unchanged, and all per share ratios will be unaffected.
- 4.4 The Cross-Border Merger will not change the board governance of the Unilever Group. The Unilever Group will continue to operate its business in substantially the same manner as it is currently being conducted.

5 The effects of the Cross-Border Merger on PLC creditors

- 5.1 Pursuant to special provisions in the articles of association of PLC and NV and the Foundation Agreements, PLC and NV, together with their group companies, operate as nearly as practicable as a single economic entity. These special provisions and agreements enable Unilever to achieve unity of management, operations, shareholders' rights and purpose.

- 5.2** The Equalisation Agreement regulates the mutual rights of the shareholders of NV and PLC and requires PLC and NV to adopt the same financial periods and accounting policies. It also provides that the dividends paid on every NV Share at the relevant rate of exchange shall be equal in value to the dividend paid on every PLC Share. Furthermore, the Equalisation Agreement provides for the distribution of assets to shareholders if one of PLC or NV goes into liquidation whether compulsory or voluntary.
- 5.3** The Deed of Mutual Covenants facilitates unity of operations and provides, amongst other things, for the allocation of assets within the Unilever Group.
- 5.4** The Agreement for Mutual Guarantees of Borrowing provides that each of NV and PLC, will, if asked by the other, guarantee the borrowings of the other. The two companies can also agree jointly to guarantee the borrowings of their subsidiaries. These arrangements are used for certain significant public borrowings and enable lenders to rely on the combined financial strength of the Unilever Group.
- 5.5** As a result of these arrangements, PLC and NV form a single reporting entity for the purposes of preparing consolidated financial statements. Each PLC Share (including each PLC Share represented by a PLC ADS) represents the same underlying economic interest in the Unilever Group as each NV Ordinary Share and each NV NYRS. As a result, parity between the economic rights of the respective shareholders of PLC and NV has been maintained.
- 5.6** As part of the preparations for Unification, the Unilever Group will implement an internal reorganisation of certain assets and liabilities prior to the CBM Effective Date. This reorganisation will include: (i) a Dutch statutory demerger of NV's listed bonds and related intra-group receivables; (ii) a Dutch statutory demerger of all intellectual property and trademarks and certain related assets and liabilities held by NV as described below (the "**Dutch IP Demerger**"); (iii) a contribution of certain or all of NV's directly held subsidiaries and other assets and liabilities; and (iv) a Dutch statutory demerger of certain pensions liabilities, all of which will result in such assets, liabilities and subsidiaries being held by wholly-owned subsidiaries of NV incorporated in the Netherlands. Following the implementation of Unification, all of the shares in these subsidiaries will be directly or indirectly owned by PLC.
- 5.7** Unification will require new intra-group arrangements to be put in place in respect of intellectual property among Unilever Group companies in respect of the intellectual property rights jointly owned by PLC and NV as these are currently provided for in the Foundation Agreements, which will come to an end upon implementation of Unification (as NV will cease to exist). As part of the preparations for Unification, intellectual property rights held by PLC will be transferred to a wholly-owned subsidiary of PLC incorporated in the UK and NV will implement the Dutch IP Demerger under which intellectual property rights held by NV will be demerged to a wholly-owned subsidiary of NV, which will be incorporated in the Netherlands upon the demerger. New intra-group licensing and related arrangements will then be put in place.
- 5.8** On completion of the Cross-Border Merger all assets and liabilities of NV, including financial indebtedness of NV and guarantees given by NV in respect of financial indebtedness, will be assumed by PLC with effect from implementation of Unification and the Foundation Agreements will come to an end. Therefore, all debt which benefits from a guarantee from PLC and NV, or other group companies, will continue to benefit from an equivalent covenant.
- 5.9** A number of statutory parent company guarantee arrangements provided by NV to its relevant Dutch subsidiaries will terminate upon or pursuant to the implementation of Unification. Therefore, PLC will enter into arrangements in place of these statutory parent company guarantee arrangements on or before the CBM Effective Date.
- 5.10** As at the date of this report, PLC is not unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and the PLC Board believes that, upon the Cross-Border Merger becoming effective, PLC will not be unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and that the interests of creditors of PLC as a whole on the CBM Effective Date will not be altered as a result of the Cross-Border Merger.
- 5.11** PLC does not have any debenture holders.

6 The effects of the Cross-Border Merger on PLC employees

- 6.1** The Cross-Border Merger is not expected to have any direct consequences on employment for PLC. The terms and conditions of employment of employees of subsidiaries of NV and PLC will also not be affected by the Cross-Border Merger.
- 6.2** There will be no changes to the operations, locations, activities or staffing levels in either the United Kingdom or the Netherlands as a result of the Cross-Border Merger. There will also be no changes to the manufacture and supply of Unilever products in the Netherlands or the United Kingdom as a result of the Cross-Border Merger.
- 6.3** There will be no significant changes to Unilever's footprint in the United Kingdom as a result of the Cross-Border Merger, in either jobs or investment. The headquarters of our Beauty & Personal Care and Home Care Divisions will continue to be based in London and the headquarters of our Foods & Refreshment Division will continue to be based in Rotterdam. Unilever's employment of around 6,000 people in the UK and 2,500 people in the Netherlands will be unaffected by the Cross-Border Merger.

7 The effects of the Cross-Border Merger from a social perspective

The consequences of the Cross-Border Merger from a social perspective are described in paragraph 21 (*Likely effects of the Cross-Border Merger on PLC and NV employees*) of the Common Draft Terms of Merger.

8 Determination of the CBM Exchange Ratio

- 8.1** Pursuant to the Equalisation Agreement, one PLC Share confers an equivalent economic interest to one NV Share. In the Cross-Border Merger, based on the CBM Exchange Ratio (1:1), former NV Shareholders and NV NYRS Holders will receive one New PLC Share or New PLC ADS (as relevant) for each of their NV Ordinary Shares or NV NYRSs. The CBM Exchange Ratio reflects the 1:1 equalisation ratio set out in the Equalisation Agreement, and ensures that NV Shareholders and NV NYRS Holders will receive New PLC Shares or New PLC Shares (represented by New PLC ADSs) that represent an equivalent economic interest in the Unilever Group as was represented by their NV Shares and NV NYRSs.
- 8.2** Therefore, the PLC Board considers the CBM Exchange Ratio (1:1) fair to all shareholders of PLC and NV.
- 8.3** The CBM Exchange Ratio results in an NV Share having the same economic interest as a PLC Share, and, subject to any rights exercised under the withdrawal mechanism described in paragraph 18 (*Withdrawal mechanism under Dutch Law*) of the Common Draft Terms of Merger, the aggregate number of NV Shares and NV NYRSs as at the Latest Practicable Date, on a fully diluted basis, representing approximately 55.56% of the Unilever Group. Further information on the valuation of NV and PLC is included in paragraph 12 (*Goodwill and distributable reserves; valuation of assets*) of the Common Draft Terms of Merger.
- 8.4** No other methods than the abovementioned method to determine the CBM Exchange Ratio have been used. Therefore, the relative weight of other possible methods is not addressed in the explanatory notes to the Common Draft Terms of Merger.
- 8.5** There have been no particular difficulties in preparing the valuation of the assets and liabilities which will be transferred to PLC or with the determination of the CBM Exchange Ratio.

9 Material interests of the PLC Directors and the effect of the Cross-Border Merger on those interests

9.1 As at the Latest Practicable Date, the PLC Directors held the following interests in PLC Shares and NV Shares*:

<u>PLC Director</u>	<u>Number of PLC Shares and PLC ADSs</u>	<u>% of issued PLC share capital</u>	<u>Number of NV Shares and NV NYRSs</u>	<u>% of issued NV share capital</u>
Nils Andersen	—	—	21,014	0.0014%
Alan Jope	49,297	0.0042%	202,739	0.0139%
Graeme Pitkethly	150,765	0.0129%	39,753	0.0027%
Laura Cha	858	0.0001%	2,660	0.0002%
Vittorio Colao	—	—	5,600	0.0004%
Judith Hartmann	—	—	2,500	0.0002%
Andrea Jung	—	—	4,576	0.0003%
Susan Kilsby	1,250	0.0001%	—	—
Strive Masiyiwa	1,130	0.0001%	—	—
Youngme Moon	—	—	3,500	0.0002%
John Rishton	2,000	0.0002%	3,340	0.0002%
Feike Sijbesma	—	—	10,000	0.0007%

* Interests in shares that the PLC Directors have an unconditional interest in, including shares held under UK ShareBuy.

9.2 In addition, as at the Latest Practicable Date, the PLC Directors held the following interests in PLC Shares and NV Shares, in each case under the terms of the Unilever Employee Share Plans*.

<u>PLC Director</u>	<u>Share type</u>	<u>Unilever Employee Share Plan</u>	<u>Number of shares subject to award**</u>	<u>Grant date</u>	<u>Vesting date</u>
Alan Jope	NV NYRS	Unilever Share Plan “MCIP” award	9,468	17 May 2017	16 February 2021
	NV NYRS	Unilever Share Plan “MCIP” award	15,545	23 April 2018	16 February 2022
	NV	Unilever Share Plan “MCIP” award	17,360	23 April 2019	9 February 2023
	NV	Unilever Share Plan “MCIP” award	39,937	24 April 2020	15 February 2024
Graeme Pitkethly	NV	Unilever Share Plan “GSIP” award	13,844	16 February 2018	17 February 2021
	PLC	Unilever Share Plan “GSIP” award	13,853	16 February 2018	17 February 2021
	NV	Unilever Share Plan “MCIP” award	5,964	17 May 2017	16 February 2021
	NV	Unilever Share Plan “MCIP” award	13,340	3 May 2018	16 February 2022
	PLC	Unilever Share Plan “MCIP” award	5,978	17 May 2017	16 February 2021
	PLC	Unilever Share Plan “MCIP” award	13,333	3 May 2018	16 February 2022
	PLC	Unilever Share Plan “MCIP” award	19,962	23 April 2019	9 February 2023
	PLC	Unilever Share Plan “MCIP” award	23,990	24 April 2020	15 February 2024

* Conditional share awards of the PLC Directors which could lapse if conditions are not fulfilled, excluding shares held under UK ShareBuy.

** Inclusive of accrued dividend equivalents, rounded down to the nearest whole share.

9.3 It is expected that upon Unification, all existing awards under the Unilever Employee Share Plans over NV Ordinary Shares and NV NYRSs (including those held by the PLC Directors) will be automatically exchanged for awards over PLC Shares or PLC ADSs, as applicable, where possible and subject to local

legal requirements, using the CBM Exchange Ratio. The exchanged awards over PLC Shares and PLC ADSs will be on equivalent terms as to rights of vesting and other substantive terms and conditions as the existing awards over NV Ordinary Shares and NV NYRSs.

- 9.4** Unification will have no impact on existing awards under the Unilever Employee Share Plans over PLC Shares and PLC ADSs.
- 9.5** The effects of the Cross-Border Merger on the interests of the PLC Directors (whether as directors or as shareholders or otherwise) do not differ from its effects on the like interests of any other person. No benefit or other special advantages have been or will be paid, made or granted to any PLC Director as a consequence of the Cross-Border Merger.

10 Availability of this report

A copy of this report will be available for PLC Shareholders and employees of PLC for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at PLC's head office at Unilever House, 100 Victoria Embankment, London EC4Y 0DY, United Kingdom, and at PLC's registered office at Port Sunlight, Wirral, Merseyside CH62 4ZD, United Kingdom until the date of the PLC Court Meeting and PLC General Meeting. A copy of this report will also be sent to the employees of PLC.

Shareholders and employees of PLC may also request a written copy of this report free of charge by calling +44 (0)8081 290257.

Schedule: Definitions

“**Amended NV Articles**” means the amended articles of association of NV proposed for adoption by the general meeting of NV Shareholders, holders of NV Special Shares and NV NYRS Holders at the NV EGM;

“**Agreement for Mutual Guarantees of Borrowing**” means an agreement dated 9 June 1983 between PLC and NV;

“**Authority**” means any Tax Authority or Regulatory Authority or any other relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any relevant jurisdiction (in each case) whose consent, or with whom a submission, filing or notification, is necessary in order to satisfy the conditions to Unification;

“**Boards**” means the PLC Board and the NV Board;

“**CBM Effective Date**” means the date (and, where relevant, time) on which the Cross-Border Merger becomes effective as fixed by the order of the UK High Court approving the Cross-Border Merger;

“**CBM Exchange Ratio**” means the exchange ratio set out in the Common Draft Terms of Merger;

“**Clearances**” means all consents, clearances, confirmations, permissions and waivers that are required to be obtained, all filings that are required to be made and all waiting periods that may need to have expired, from or under the laws, regulations or practices applied by any Authority in connection with the implementation of Unification;

“**Common Draft Terms of Merger**” means the common draft terms of merger adopted by the Boards;

“**Cross-Border Merger**” means the cross-border merger between PLC and NV being a “merger by absorption” for the purposes of the UK Cross-Border Mergers Regulations and the Dutch Civil Code on the terms set out in the Common Draft Terms of Merger;

“**Deed of Mutual Covenants**” means an agreement dated 28 June 1946 between PLC and NV, as amended pursuant to a supplemental agreement dated 15 May 2006;

“**Directors**” means the directors of PLC and NV;

“**DTC**” means the Depositary Trust Company, a New York limited purpose trust company having its principal place of business in the State of New York;

“**Equalisation Agreement**” means an agreement dated 28 June 1946 between PLC and NV, as amended pursuant to supplemental agreements dated 20 July 1981, 21 December 1981, 15 May 2006 and 20 May 2009 respectively;

“**Euronext Amsterdam**” means Euronext Amsterdam N.V.;

“**Euronext in Amsterdam**” means the regulated market operated by Euronext Amsterdam;

“**FCA**” means the UK Financial Conduct Authority or its successor from time to time;

“**Form F-6**” means the registration statement on Form F-6 registering the New PLC ADSs issuable upon deposit of New PLC Shares with Deutsche Bank Trust Company Americas in its capacity as depositary, together with any amendments, supplements and exhibits thereto;

“**Foundation Agreements**” means the Equalisation Agreement, the Deed of Mutual Covenants and the Agreement for Mutual Guarantees of Borrowing;

“**Indirect NV NYRS Holders**” means NV NYRS Holders who hold their NV NYRSs in book-entry form through a bank, broker or other DTC participant;

“**Latest Practicable Date**” means 4 August 2020, being the latest practicable date prior to the date of this document;

“**LSE**” means London Stock Exchange plc, incorporated and registered in England and Wales;

“**LSE’s Main Market**” means the LSE’s main market for listed securities;

“**New PLC ADSs**” means the PLC ADSs proposed to be issued, credited as fully paid, pursuant to the Cross-Border Merger;

“**New PLC Shares**” means the PLC Shares proposed to be issued, credited as fully paid, pursuant to the Cross-Border Merger;

“**Notice of PLC General Meeting**” means the notice of the PLC General Meeting set out in Schedule 2 to the document of which this report forms a part;

“**NV**” means Unilever N.V., a public limited liability company incorporated under the laws of the Netherlands;

“**NV Bearer Subshares**” means subshares of NV Ordinary Shares, each amounting to 3/112th part of one NV Ordinary Share, in bearer form;

“**NV Board**” means the board of directors of NV;

“**NV EGM**” means the extraordinary general meeting of NV Shareholders, NV NYRS Holders and holders of NV Special Shares to be held on 21 September 2020 in order to, among other things, approve Unification, including the Cross-Border Merger, including any adjournment thereof;

“**NV Exit Shares**” means NV Shares and NV NYRSs for which NV Shareholders and NV NYRS Holders have exercised their rights under the Withdrawal Mechanism;

“**NV NYRS Agent**” means Deutsche Bank Trust Company Americas in its capacity as US registrar, transfer agent, paying agent and shareholder services agent for the NV NYRSs;

“**NV NYRS Holders**” means the holders of NV NYRSs;

“**NV NYRSs**” means ordinary shares, each with a par value of €0.16, in the capital of NV, held in New York registry form;

“**NV Ordinary B Shares**” means ordinary B shares, each with a par value of €0.16, in the capital of NV, that will be included in NV’s authorised share capital pursuant to the Amended NV Articles;

“**NV Ordinary Shares**” means ordinary shares, each with a par value of €0.16, in the capital of NV, excluding NV NYRSs;

“**NV Registered Subshares**” means subshares of NV Ordinary Shares, each amounting to 3/112th part of one NV Ordinary Share, in registered form;

“**NV Shareholders**” means the holders of NV Shares (excluding shares held in treasury);

“**NV Shares**” means NV Ordinary Shares and NV Subshares, together;

“**NV Special Shares**” means ordinary shares, each with a par value of €428.57 in the capital of NV numbered 1 up to and including 2,400;

“**NV Subshares**” means NV Bearer Subshares and NV Registered Subshares;

“**NYSE**” means the New York Stock Exchange;

“**PLC**” means Unilever PLC, a public limited company incorporated and registered in England and Wales with registration number 00041424 and its registered office address at Port Sunlight, Wirral, Merseyside, CH62 4ZD;

“**PLC ADS Holders**” means a holder of PLC ADSs;

“**PLC ADSs**” means American depositary shares of PLC each representing one PLC Share;

“**PLC Board**” means the board of directors of PLC;

“**PLC Court Meeting**” means the meeting of PLC Shareholders to be held at 2.30 p.m. on 12 October 2020, notice of which is set out in Schedule 1 to the document of which this report forms a part, convened pursuant to an order of the UK High Court for the purposes of considering and, if thought fit, approving the Cross-Border Merger, including any adjournment thereof;

“**PLC Directors**” means the directors of PLC;

“**PLC General Meeting**” means the general meeting of PLC Shareholders to be held at 2.45 p.m. on 12 October 2020 (or as soon thereafter as the PLC Court Meeting has concluded or been adjourned), notice of which is set out in Schedule 2 to the document of which this report forms a part, for the purposes of considering and, if thought fit, passing the PLC Special Resolution, including any adjournment thereof;

“**PLC Shareholders**” means the holders of PLC Shares;

“**PLC Shares**” means the ordinary shares of 3¹/₉ pence each in the capital of PLC;

“**PLC Special Resolution**” means the special resolution, as set out in the Notice of PLC General Meeting in Schedule 2 to the document of which this report forms a part, to be proposed at the PLC General Meeting;

“**Prospectus Regulation**” means Regulation (EU) 2017/1129 of the European Parliament and of the Council and any relevant delegated regulations;

“**Registered Book-Entry NV NYRS Holders**” means NV NYRS Holders who hold their NV NYRSs in registered book-entry form on the books of the NV NYRS Agent;

“**Registered Certificated NV NYRS Holders**” means NV NYRS Holders who hold their NV NYRSs in physical certificated form;

“**Registered NV NYRS Holders**” means Registered Book-Entry NV NYRS Holders and Registered Certificated NV NYRS Holders;

“**Regulatory Authority**” means any central bank, ministry, court or competition, antitrust, national, supranational or supervisory body or other government, governmental, environmental, trade or regulatory agency or body, in each case in any jurisdiction (including the several States of the United States);

“**SEC**” means the US Securities and Exchange Commission;

“**Shareholders**” means PLC Shareholders, NV Shareholders, PLC ADS Holders and NV NYRS Holders, together;

“**Tax Authority**” means any taxing or other authority competent to impose any liability in respect of taxation or responsible for the assessment, administration or collection of taxation or enforcement of any law in relation to taxation;

“**UK**” or “**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“**UK Cross-Border Mergers Regulations**” means the Companies (Cross-Border Mergers) Regulations 2007 (SI 2007/2974), as amended;

“**UK High Court**” means the High Court of Justice in England and Wales;

“**UK Official List**” means the official list of the FCA;

“**Unification**” means the Cross-Border Merger and the related implementation steps pursuant to which PLC will become the single parent company of the Unilever Group;

“**Unilever Employee Share Plans**” means the global employee share plan (known as “SHARES”), the North America Omnibus Equity Compensation Plan, the Unilever Share Plan and the Share Incentive Plan (known as “UK ShareBuy”);

“**Unilever Group**” or “**Unilever**” means, prior to the implementation of Unification, PLC, NV and the companies they control, and following the implementation of Unification, PLC and the companies it will control;

“**United States**” or “**US**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**Withdrawal Mechanism**” means the mechanism in accordance with section 2:333h, subsection 1 of the Dutch Civil Code pursuant to which any NV Shareholder or NV NYRS Holder who voted against Unification and completed a withdrawal application form may elect not to become a PLC Shareholder or PLC ADS Holder; and

“**Withdrawing Shareholder**” means NV Shareholders and NV NYRS Holders: (i) who vote against the Cross-Border Merger at the NV EGM; and (ii) who also file a request for cash compensation through completing a withdrawal application form.