

MEETING DATE	Fri, 26 Oct 2018 11:10 am	TYPE	EGM	ISSUE DATE	Wed, 03 Oct 2018
MEETING LOCATION	Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE				
CURRENT INDICES	FTSE 100, FTSE EuroFirst				
SECTOR	Food Products				

COMPANY OVERVIEW

Unilever plc is a multinational consumer goods company that provides fast moving consumer goods. The Company's product areas are Personal Care, Foods, Refreshment and Home Care. The Company's brands include Axe/Lynx, Blue Band, Dove, Becel/Flora, Heartbrand ice creams, Hellmann's, Knorr, Lipton, Lux, Omo, Rexona and Sunsilk. The Company was founded by Antonius Johannes Jurgens, Samuel van den Bergh and William Hulme Lever in January 1930 and is headquartered in London, United Kingdom.

MEETING SPECIFIC INFORMATION

Quorum requirements and voting majority

Resolutions under extraordinary business have special voting majority requirements. The resolution requires three quarters of the votes validly cast in order to be approved.

PROPOSALS

ADVICE

1* Approve the simplification of the Unilever group's dual-parent structure under a single holding company **Oppose**

Shareholder approval is sought for the simplification of the Unilever group's dual-parent structure under a single holding company. Unilever PLC and Unilever N.V. will be unified under the single holding company Unilever N.V. and be incorporated in the Netherlands.

Details of the Simplification: The Company discloses in the Circular that the proposal will be implemented principally by means of (i) a U.K. reorganisation 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 this (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. After the Simplification, the New NV's share capital will follow the principle of 'one share, one vote'. New NV will therefore have a single class of shares (New NV ordinary shares, including New NV ordinary shares represented by New NV ADSs). Accordingly, it is intended to cancel the NV preference shares prior to, or as part of, Simplification and exchange the NV Special Shares (as defined below) for New NV ordinary shares. NV has issued 6% and 7% preference shares in its capital. Unilever holds all 6% and 7% preference shares through a subsidiary of PLC. The NV shareholders have already authorised the NV board at the NV annual general meeting held on 3 May 2018 to repurchase and cancel the NV preference shares. At this time, the Company has repurchased all NV preference shares and will subsequently cancel the NV preference shares prior to, or as part of, the Dutch Merger.

NV has issued ordinary shares with a par value of EUR 428.57 in its capital (the "NV Special Shares"). Unilever holds all of the NV Special Shares through Naamlooze Vennootschap Elma (NV) and United Holdings Ltd. The NV Special Shares will be exchanged for New NV ordinary shares. Previously, NV and PLC have operated as nearly as practicable as a single economic entity via the Equalisation Agreements. This has been 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. It is expected that the Foundation Agreements will be terminated on, or immediately after, Simplification.

Vote Recommendation: The simplification of the Company has been explained in full. There is a sufficient balance of independence on the Board, which provides some assurance that the proposal is being undertaken with appropriate independent judgement and oversight. However, there are concerns regarding the Company's de-listing from the FTSE 100 upon simplification, and these concerns have been voiced by some significant shareholders. The Company's exclusion from the FTSE 100 may compel some shareholders to sell their shares at a price and time that is not of their choosing, effectively resulting in a forced selling decision. This may lead to potential losses which some PLC shareholders may incur when they sell their shares. The Company has taken an important step to simplify the governance structure but it hasn't set out to shareholders what alternative steps could have been proposed that would meet its corporate objectives without the disenfranchisement of a section of shareholders. In this regard the number or percent of shareholders is irrelevant. The affected holders are likely to be some of the longest held shares - and the Board has been short-sighted to presume that they have no voice. Ultimately, it could be viewed that the PLC shareholders are being asked to consent to a takeover without a premium being paid. In light of these concerns, an oppose vote is recommended.

*** = Special resolution**

COMPANY ENGAGEMENT

Engagement before the drafting of the report:

The Company has engaged with PIRC before the drafting of this report. The agenda of the conference call included costs and benefits from the Simplification.

The Company argued that the Simplification proposed at the meeting will create a stronger and simpler Unilever; the simplification would allow the Company to better manage its portfolio and business, and allow it to engage in de-mergers and acquisitions, more easily, especially by using equity, as well as the enhancement of "strategic optionality" for the benefit of shareholders. Simplification will allow the Company to be in a better and more flexible strategic position.

The Company has stated to have engaged with over 200 of its shareholders, prior to the meeting.

Following up on PIRC's questions, the company responded with the following statements:

- the Board undertook a strategic review, after the attempt by Kraft to acquire the Company. The decision to simplify was not brought about by the attempted takeover, but this was around the genesis of when the new structure was being considered. As a matter of fact, the New NV will cancel preference shares and their multiple voting rights, which is normally use as a takeover defence in the Netherlands.

- UK investors will receive a dividend substitution payment, which will not be subject to the tax. Distribution made of capital is free of withholding tax for UK shareholders. Should the Dutch Withholding Tax on dividends not be abolished in 2020, Unilever can continue to pay dividends out of capital, also for the future. PLC and NV shares will be traded at 1:1 ratio.

- The Company is confident that the majority of its PLC shareholders are not feeling concerned with regard to being forced to sell. UK shareholders will be met once a year. In this respect, the Company believes that most investors will not have rigid mandates; i.e. should be allowed to maintain shares in the New NV, as part of their non-UK holdings.

A draft copy of the report for this meeting was provided to the Company for comments. The Company responded. In its response, the Company stated that there was no solution available that did not result in Unilever being removed from a major index. The Company contested the statement that a section of shareholders would be disenfranchised. However, PIRC maintained that the Company may not have adequately considered what the implications of delisting from the FTSE 100 would have for all shareholders, especially significant shareholders who would be forced to sell.

BOARD AND COMMITTEE COMPOSITION (post-Meeting)

DIRECTOR	GENDER	INDEPENDENT BY			BOARD	AC	RC	NC	SC	TENURE
		PIRC	COMPANY							
Marijn Dekkers	M	Yes	Yes		Ch	-	M	C	-	2
Paul Polman	M	No	No		CEO	-	-	-	-	9
Graeme Pitkethly	M	No	No		Exec	-	-	-	-	2
Youngme Moon	F	Yes	Yes		SID	-	-	-	M	2
Nils Andersen	M	Yes	Yes		NED	M	-	-	-	3
Laura Cha	F	Yes	Yes		NED	-	-	M	-	5
Vittorio Colao	M	Yes	Yes		NED	-	C	-	-	3
Judith Hartmann	F	Yes	Yes		NED	M	-	-	-	3
Mary Ma	F	Yes	Yes		NED	-	M	-	-	5
Strive Masiyiwa	M	Yes	Yes		NED	-	-	-	C	2
John Rishton	M	Yes	Yes		NED	C	-	-	-	5
Feike Sijbesma	M	Yes	Yes		NED	-	-	M	M	3
Andrea Jung	F	Yes	Yes		NED	-	M	-	-	<1
Number of Meetings					-	-	-	-	-	
Number of NED only Meetings					-					

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, SC = Sustainability Committee, C = Chairperson of Committee, M = Member of Committee.

BOARD OF DIRECTORS (post-Meeting)

MARIJN DEKKERS				CHAIRMAN
AGE	60	TENURE	2 Years	COMMITTEES R,N*
OTHER POSITION	General Electric [NED]; Georgetown University [Mem]; Novalis LifeSciences LLC (Founder and Chairman); Quanterix Corporation [Dir]; ex-Bayer AG [CEO]; ex-Thermo Electron Corporation [CEO]			
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y
COMMENT	Independent upon appointment.			
PAUL POLMAN				CHIEF EXECUTIVE
AGE	61	TENURE	9 Years	COMMITTEES None
OTHER POSITION	The Dow Chemical Company [NED]; UN Global Compact [Mem]; World Business Council for Sustainable Development [Ch]; ex-Alcon Inc. [Dir]; ex-Nestlé S.A. [Exec]; ex-Procter & Gamble Co. [Group Pres, Co-CFO]			
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N
SEVERANCE	12 months rolling			

GRAEME PITKETHLY		EXECUTIVE DIRECTOR			
AGE	51	TENURE	2 Years	COMMITTEES	None
OTHER POSITION	Financial Stability Board Task Force on Climate Related Financial Disclosure [VCh]; ex-Unilever Indonesia [CFO]; ex-Unilever UK and Ireland [EVP and General Manager]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
SEVERANCE	12 months rolling				
COMMENT	Chief Financial Officer.				
YOUNGME MOON		SENIOR INDEPENDENT DIRECTOR			
AGE	53	TENURE	2 Years	COMMITTEES	C
OTHER POSITION	Rakuten [NED]; Sweetgreen Inc [Mem]; ex-Avid Technology [NED]; ex-Board of Governors for the American Red Cross [Mem]; ex-Harvard Business School [Senior Associate Dean for Strategy and Innovation]; ex-Massachusetts Institute for Technology [Prof]; ex-The Honest Company [NED]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	She was appointed Vice Chair and Senior Independent Director in May 2018.				
NILS ANDERSEN		NON-EXECUTIVE DIRECTOR			
AGE	59	TENURE	3 Years	COMMITTEES	A
OTHER POSITION	BP PLC [NED]; Dansk Supermarket Group [Ch]; Faerch Plast [Ch]; Unifeeder S/A (Ch); ex-A.P. Moller – Maersk A/S [Gp CEO]; ex-Carlsberg A/S [CEO]; ex-Carlsberg Breweries A/S [CEO]; ex-European Round Table of Industrialists [VCh]; ex-Hannen Brauerei [NED]; ex-Hero Group [NED]; ex-Inditex [NED]; ex-Tuborg International [NED]; ex-Union Cervecera [NED]; ex-de Danske Sukkerfabrikker [NED]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
LAURA CHA		NON-EXECUTIVE DIRECTOR			
AGE	68	TENURE	5 Years	COMMITTEES	N
OTHER POSITION	China Telecom Corporation Limited [NED]; Foundation Asset Management AB [International Adv]; HSBC Holdings plc [NED]; The Hongkong and Shanghai Banking Corporation [DCh]; ex-China Securities Regulatory Commission [VCh]; ex-Hong Kong Securities and Futures Commission [Mem]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
VITTORIO COLAO		NON-EXECUTIVE DIRECTOR			
AGE	56	TENURE	3 Years	COMMITTEES	R*
OTHER POSITION	Bocconi University [Advisor]; European Round Table of Industrialists [VCh]; Vodafone Group plc [CEO]; ex-Finmeccanica Group [NED]; ex-McKinsey & Co [Partner]; ex-MediaGroup [CEO]; ex-RAS Insurance [NED]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
JUDITH HARTMANN		NON-EXECUTIVE DIRECTOR			
AGE	48	TENURE	3 Years	COMMITTEES	A
OTHER POSITION	Engie [CFO]; Suez [NED]; ex-Bertelsmann SE & Co. KGaA [CFO]; ex-GE Healthcare Clinical Systems [CFO]; ex-General Electric [CFO]; ex-Gruner + Jahr GmbH & Co KG [NED]; ex-Penguin Random House [NED]; ex-RTL Group [NED]; ex-The Walt Disney Company				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	

MARY MA		NON-EXECUTIVE DIRECTOR			
AGE	65	TENURE	5 Years	COMMITTEES	R
OTHER POSITION	Boyu Capital [Ch]; Lenovo Group Limited [NED]; MXZ Investment Limited [Dir]; Securities and Futures Commission in Hong Kong [NED]; ex-Standard Chartered Bank [NED]; ex-Stelux Holdings International Limited [NED]; ex-TPG Capital [Partner]; ex-TPG China [Co-Ch]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
STRIVE MASIYIWA		NON-EXECUTIVE DIRECTOR			
AGE	57	TENURE	2 Years	COMMITTEES	C*
OTHER POSITION	AGRA [Ch]; Econet Group [ExCh]; Econet Wireless Zimbabwe Ltd [NED]; Rockefeller Foundation [Trustee]; ex-Econet Wireless [Fnd]; ex-Grow Africa [co-Ch]; ex-Micronutrient Initiative [Ch]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
JOHN RISHTON		NON-EXECUTIVE DIRECTOR			
AGE	60	TENURE	5 Years	COMMITTEES	A*
OTHER POSITION	Associated British Ports [NED]; Informa PLC [NED]; Serco Group PLC [NED]; ex-Allied Domecq plc [NED]; ex-British Airways plc [CFO]; ex-ICA AB [NED]; ex-Rolls-Royce Holdings plc [CEO]; ex-Royal Ahold N.V. [CEO, Pres, CFO]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
FEIKE SIJBESMA		NON-EXECUTIVE DIRECTOR			
AGE	58	TENURE	3 Years	COMMITTEES	N,C
OTHER POSITION	De Nederlandsche Bank [NED]; Royal DSM N.V. [Ch, CEO]; ex-CEFIC (European Chemical Industry Council) [Mem]; ex-DSM Netherlands [Ch]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	There are concerns over the director's potential aggregate time commitments.				
ANDREA JUNG		NON-EXECUTIVE DIRECTOR			
AGE	59	TENURE	<1 Years	COMMITTEES	R
OTHER POSITION	Apple Inc [NED]; ex-Avon Products Inc [CEO]; ex-Daimler AG [NED]; ex-General Electric [NED]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE EGM

			FTSE 100 MEAN	
	Number	% of Board	Number	% of Board
Executive Director	2	15.38	2.9	26.7
Independent NEDs	10	76.92	5.9	55.0
Connected NEDs	0	0.0	0.9	8.5
Other	1	7.69	1.0	9.4

BOARD COMMITTEES FOLLOWING THE EGM

					FTSE 100 MEAN	
	Number of Members	% Women	% Independent by PIRC	% Independent by Company	Number of Members	% Independent by PIRC
Whole Board	13	38.46	84.62	84.62	10.7	54.7
Audit	3	33.33	100.0	100.0	3.9	92.5
Remuneration	4	50.0	75.0	100.0	4.2	89.0
Nomination	3	33.33	66.67	100.0	5.0	81.5
CSR	3	33.33	100.0	100.0	-	-

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