

FAO Rt. Hon. Greg Clark MP
Secretary of State for Business, Energy and Industrial Strategy

Denial of nominee-based shareowner rights by Unilever plc

Dear Mr Clark,

You will be aware that Unilever Plc are holding a vote on 26th October on their proposal to move their headquarters to The Netherlands. This is likely to result in Unilever dropping out of the FTSE 100, therefore risking a considerable loss in shareholder value.

There are two voting tests under their constitution: a 50% threshold for the number of shareowners taking part in the vote, and a 75% threshold by quantum of shares voted. Personal shareowners therefore have a significant opportunity to influence the outcome.

As you will know, most personal shareholdings are now held in nominee form: not only for administrative convenience but also as a requirement for ISAs and other tax-incentivised accounts.

We therefore campaigned hard for nominee shareowner enfranchisement in 2006 and succeeded in achieving the inclusion of Part 9 within the Companies Act 2006, which obliges listed companies to recognise individual shareowners whose nominee service supports that enfranchisement.

We already have a significant number of shareowners who have exercised this right within Share Nominees Ltd. (our nominee company) in respect of the Unilever plc vote, and this number is expected to rise substantially over the next three weeks.

However, we are astonished to find the guidance below being given on the Unilever website, proposing that if such shareowners wish to be counted they will have to certificate part of their shareholding. Quite apart from the sheer impracticality of such an approach, it cannot be done from an ISA or other tax-incentivised account.

This is of course an industry-wide issue affecting millions of personal investors throughout the United Kingdom who use nominee-based retail investment services such as The Share Centre.

The Unilever plc guidance seeks to deny members who hold their shares through nominees their entitlement to exercise a shareholder right under Section 152 of the Act. In this case, that right is to participate in the vote by being counted as 'present', which is in this case part of the vote process.

The Share Centre has operated Part 9 of the Act for the past ten years, and it works smoothly and effectively. If additional verification were required by Unilever plc we would be happy for this process to be externally audited.

We have discussed this issue with the London Stock Exchange and at PIMFA, and will raise it with other interested parties such as ISS, IVIS, Glass Lewis and PIRC.

However, time is of the essence if we are to avoid the interest of nominee shareowners of Unilever being frustrated by the company, and we would be grateful if you would take urgent action to ensure that their rights are not compromised in this way.

With best wishes,



Gavin Oldham OBE

Extract from Unilever website

<https://www.unilever.com/investor-relations/simplification/egm/>

Unilever PLC - Voting arrangements for the UK Scheme

PLC Shareholders will be aware from the Scheme Circular that they are requested to vote in respect of the UK Scheme at the PLC Court Meeting and PLC Shareholders can do so either in person or by proxy.

The UK Scheme is required to be approved by a majority in number of those PLC Shareholders who are present and who vote (either in person or by proxy) at the PLC Court Meeting (the "Majority in Number Test"). In addition, for the UK Scheme to be approved, those PLC Shareholders who vote to approve it (either in person or by proxy) must also represent not less than 75% of the total number of PLC Shares voted.

For the UK Scheme, PLC Shareholders who hold all their shares through a broker or other nominee arrangement will not be directly counted towards the Majority in Number Test. Accordingly, if you are a PLC Shareholder who holds PLC Shares through a broker or other nominee arrangement and you wish to be counted towards the Majority in Number Test, you should contact your broker or nominee immediately. Your broker or nominee will be able to advise you whether part or all of your shareholding could be converted into certificated form to enable you to do so. Employee Shareholders holding through Computershare and who wish to be counted towards the Majority in Number Test can contact Computershare immediately and request conversion of part or all of their shareholding into certificated form. Employees may do this through their normal Computershare account using the option to transfer shares to certificated form and if required may contact Computershare on the number below for further information on how to do this.

It is sufficient to convert any numbers of shares (even a small number) into certificated form for the purposes of counting in the vote towards the Majority in Number Test.

Following conversion into certificated form, PLC shareholders will then be able to vote online using the same link above, through the Blue and Yellow PLC Forms of Proxy subsequently sent to them by Computershare or through attendance on 26th October 2018.