

INFORMATION DISCLOSURE TO THE SHAREHOLDERS IN RELATION TO AFFILIATED PARTY
TRANSACTION AND MATERIAL TRANSACTION OF PT UNILEVER INDONESIA TBK

THIS INFORMATION DISCLOSURE TO THE SHAREHOLDERS IS PROVIDED IN COMPLIANCE WITH: (A) REGULATION OF CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY BOARD (*BADAN PENGAWAS PASAR MODAL DAN LEMBAGA KEUANGAN*, "BAPEPAM-LK") NO. IX.E.1 ON AFFILIATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST IN CERTAIN TRANSACTIONS AS ATTACHED TO DECISIONS OF THE CHAIRMAN OF BAPEPAM-LK NO. KEP-412/BL/2009 DATED 25 NOVEMBER 2009 ("REGULATION IX.E.1") (B) REGULATION OF BAPEPAM-LK NO. IX.E.2 ON MATERIAL TRANSACTIONS AND CHANGES TO THE MAIN BUSINESS ACTIVITIES AS ATTACHED TO DECISIONS OF THE CHAIRMAN OF BAPEPAM-LK NO. KEP-614/BL/2011 DATED 28 NOVEMBER 2011 ("REGULATION IX.E.2") AND (C) REGULATION OF FINANCIAL SERVICES AUTHORITY (*OTORITAS JASA KEUANGAN* ("OJK")) NO.31/POJK.04/2015 ON DISCLOSURE OF INFORMATION OR MATERIAL FACTS BY ISSUER OR PUBLIC COMPANIES ("OJK RULE NO. 31/2015").



PT UNILEVER INDONESIA Tbk
("COMPANY")
Based in Tangerang Regency

Business fields:

Engaged in industrial business, wholesale trade (distributor) and import trade for certain products, which include, among other things, basic organic chemical products (detergents, water purifiers, etc.), cosmetic products, hair care products, skincare products and body hygiene products (i.e., shampoo, perfume, soap, deodorant, toothpaste and toothbrush) and other related products with or without medicinal properties, as well as various kinds of food and beverage products. The Company is also engaged in marketing research services, management consulting services and real estate leasing.

Headquarters:

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This Disclosure of Information to the Shareholders is made in compliance with the Company's obligation to announce information to the public on the transaction that is conducted by the Company with its Affiliate (as referred to in Law No. 8 of 1995 concerning Capital Market ("**Capital Market Law**")), namely Unilever Europe Business Center B.V., a Company established and regulated under the laws of the Netherlands ("**UEBC**"). On 26 September 2019 the Company and UEBC executed the Unilever Enterprise Technology Solution Service Agreement ("**ETS Agreement**") ("**Transaction**"). The Transaction is:

1. an Affiliated Transaction as referred to in number 1 (d) of Regulation IX.E.1 that **does not** contain a Conflict of Interest as referred to in Regulation IX.E.1;
2. a Material Transaction as referred to in number 2 (a) of Regulation IX.E.2, with transaction value of 20% to 50% of the Company's equity, where based on the Company's interim financial statements ended on 30 June 2019, which has been reviewed by the Public Accounting Firm Siddharta Widjaja & Partners, the Company's equity is amounting to Rp5,075,213,000,000 (five trillion seventy five billion two hundred and thirteen million rupiah); and
3. a Transaction that contains Information or Material Facts as referred to in OJK Rule No. 31/2015.

Thus, to carry out the Transaction, the Company **is not required** to obtain the approval of a General Meeting of Shareholders ("**GMS**"), but must make Disclosure of Information to the public regarding the Transaction and submit supporting documents to the OJK no later than 2 (two) working days after the signing of the ETS Agreement, in accordance with the provisions of Regulation IX.E.1, Regulation IX.E.2 and OJK Rule No. 31/2015.

If you have difficulty understanding this Disclosure of Information or are in doubt about making a decision, you should consult an investment advisor or other professional advisor.

This Disclosure of Information is published on 28 September 2019

FOREWORD

This Disclosure of Information to the Shareholders is made to comply with the provisions of Regulation IX.E.1, Regulation IX.E.2 and OJK Rule No. 31/2015.

I. BRIEF DESCRIPTION OF THE COMPANY

A. Brief History of the Company

The Company was founded on 5 December 1933 under the name Lever's Zeepfabrieken N.V. based on Deed No. 23 drawn up before Mr. AH. van Ophuijsen, Notary in Batavia, which was approved by Gouverneur Generaal van Nederlandsch-Indie with letter No. 14 dated 16 December 1933, registered at Raad van Justitie in Batavia No. 302 on 22 December 1933 and announced in Javasche Courant on 9 January 1934 Supplement No. 3.

The Company's name was changed to "PT. Unilever Indonesia" based on Deed No. 171 dated 22 July 1980 drawn up before Mrs. Kartini Muljadi, S.H., Notary in Jakarta. On 16 November 1981, the Company obtained permission from the Chairman of the Capital Market Supervisory Agency (Bapepam) No.SI-009/PM/E/1981 to offer 15% (fifteen percent) of its shares on the Indonesian Stock Exchange. The Company's changed its name to "PT. Unilever Indonesia Tbk" based on Deed No. 92 dated 30 June 1997 drawn up before Mr. Mudofir Hadi, S.H., Notary in Jakarta. This deed was approved by the Minister of Justice of the Republic of Indonesia through Decree No. C2-1.049HT.01.04 TH.98 dated 23 February 1998 and announced in State Gazette of the Republic of Indonesia No. 39 dated 15 May 1998, Supplement No. 2620.

The Company's articles of association have been amended several times, among others based on Deed No. 16 dated 18 June 2008 made before the Notary Haji Syarif Siangan Tanudjaja, S.H., regarding

changes to the Company's articles of association in accordance with Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies. This deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia with Decree No. AHU-51473.AH.01.02. Year 2008 dated 15 August 2008 and has been announced in State Gazette of the Republic of Indonesia No. 75 of 16 September 2008, Supplement No. 18026. The Company's articles of association were last amended based on Deed No. 14 dated 31 May 2019 drawn up before Notary Dewi Sukardi, S.H., M.Kn. and have obtained approval from the Minister of Law and Human Rights through Decree No. AHU-0033271.AH.01.02. dated 27 June 2019 (Company's articles of association, including all of its amendments hereinafter referred to as "**Articles of Association**").

B. Shareholding

The Company's capital structure, as of the date of this Disclosure of Information to the Shareholders, is as follows:

| | | |
|--------------------|---|---|
| Authorized capital | : | Rp76,300,000,000 (seventy six billion three hundred million Rupiah) divided into 7,630,000,000 (seven billion six hundred thirty million) shares, each share having a nominal value of Rp10 (ten Rupiah). |
| Issued capital | : | Rp76,300,000,000 (seventy six billion three hundred million Rupiah) divided into 7,630,000,000 (seven billion six hundred thirty million) shares. |
| Paid-up capital | : | Rp76,300,000,000 (seventy six billion three hundred million Rupiah). |

The Company's shareholders composition, based on the Shareholders Register issued by the Company's Shares Registrar (*Biro Administrasi Efek* (BAE)), PT Sharestar Indonesia, as of 31 August 2019, is as follows:

| Shareholders | Number of Shares | Stock Value (Rp) | % |
|---------------------------------|----------------------|-----------------------|------------|
| Unilever Indonesia Holding B.V. | 6,484,877,500 | 64,848,775,000 | 85 |
| The Community | 1,145,122.500 | 11,451.225,000 | 15 |
| Total | 7,630,000,000 | 76,300,000,000 | 100 |

C. Management and Supervision of the Company

The composition of the Board of Directors and Board of Commissioners of the Company is as follows:

Board of Directors

| | |
|--------------------|--------------------------------|
| President Director | : Hemant Bakshi |
| Director | : Vikram Kumaraswamy |
| Director | : Enny Hartati |
| Director | : Willy Saelan |
| Director | : Veronika Winanti Wahyu Utami |
| Director | : Hernie Raharja |
| Director | : Ira Novianti |
| Director | : Amparo Cheung Aswin |
| Director | : Jochanan Senf |
| Director | : Sri Widowati |
| Director | : Sancoyo Antarikso |

Board of Commissioners

| | |
|--------------------------|----------------------------------|
| President Commissioner | : Maurits Daniel Rudolf Lalisang |
| Independent Commissioner | : Erry Firmansyah |
| Independent Commissioner | : Alexander Rusli |
| Independent Commissioner | : Mahendra Siregar |
| Independent Commissioner | : Hikmahanto Juwana |
| Independent Commissioner | : Debora Herawati Sadrach |

D. Business Activities

Based on the Company's Articles of Association, the purposes and objectives, and business activities of the Company are to engage in industrial business, wholesale trade (distributor) and import trade for certain products, which include, among other things, basic organic chemical products (detergents, water purifiers, etc.), cosmetic products, hair care products, skincare products and body hygiene products (i.e., shampoo, perfume, soap, deodorant, toothpaste and toothbrush) and other related products with or without medicinal properties, as well as various kinds of food and beverage products. The Company is also engaged in marketing research services, management consulting services and real estate leasing.

II. DESCRIPTION OF THE TRANSACTION

A. Transaction Object (ETS Agreement)

The ETS Agreement is an agreement for the provision of Enterprise Technology Solutions ("**ETS**") services that are integrated globally provided to the Company by: (i) UEBC directly, or (ii) other companies from the Unilever Group (as defined in the ETS Agreement) or third-party service providers as aggregated through UEBC. Under the ETS Agreement, ETS Services include, among other things ("**ETS Services**"): (i) business and finance services; (ii) employee/human resources services; (iii) workplace/employee workplace services (iv) information and analytics services; (v) information technology (IT) services; (vi) supply services; (vii) project management services; (viii) new programmes/innovations services; and (ix) additional services.

ETS Services are needed to support, directly or indirectly, the Company's operation process and/or daily business activities.

Based on the ETS Agreement, if necessary and approved by the Company, the Company can also provide relevant ETS Services to other Unilever Group companies through UEBC. The Company may charge fees to the user of the services by invoicing through UEBC for providing the ETS Service.

B. Transaction Value

The value of the ETS Agreement is determined from the prospective payment made by the Company to UEBC calculated from the actual expenses incurred by UEBC in providing the ETS Services (actual ETS Costs) with an additional 5% mark-up (with the exception of the costs of services purchased from third parties ("**Bought-in Costs**"), which will be charged at cost only) service fee for each type of ETS Service. From the effective date of the ETS Agreement until 30 September 2020, the total amount of invoices will not exceed 0.5% of the Company's total annual domestic net sale, and thereafter it will not be more than 1% of the Company's total annual domestic net sale.

The total value of the Transaction amounts to 20% to 50% of the Company's equity based on the Company's interim financial statements ended on 30 June 2019, which has been reviewed the Public Accounting Firm Siddharta Widjaja & Partners.

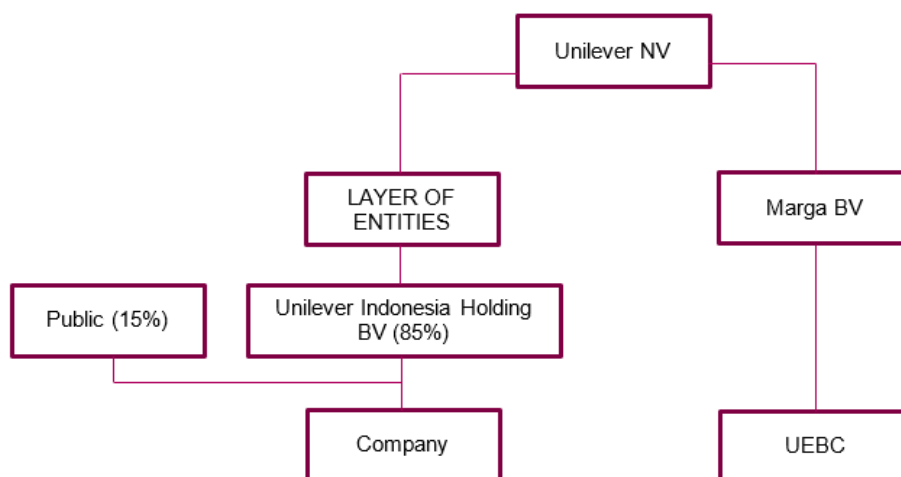
C. Party Conducting the Transaction with the Company and the Nature of Their Relationship

The Company conducted the Transaction with its Affiliated party (as defined in the Capital Market Law), which is UEBC. UEBC has its address at Weena 455, 3013AL Rotterdam, with a mailing address at Postbus 760, 3000 DK Rotterdam and telephone number +31102052900.

The Board of Directors composition is as follows:

1. Nicholas Michael Dalton
2. Johanna Wilhelmina Faber
3. Sarah Katherine Woodhouse

UEBC is an Affiliated Company based on the Capital Market Law, where UEBC and the Company are controlled directly and indirectly by the same party, which is Unilever N.V., a Company established and regulated under the laws of the Netherlands ("**Unilever N.V.**"), which can be illustrated in the following diagram:



D. Important provisions of the ETS Agreement

| Provisions | Description |
|-------------------|--|
| Transaction Type | Provision of Services |
| Date of Agreement | 26 September 2019 |
| Effective Date | 1 October 2019 |
| The Parties | <ol style="list-style-type: none"> 1. Company 2. UEBC |
| The scope | <p>Provision of ETS Services from UEBC (both provided by both UEBC itself, and Unilever Group companies or other third parties through UEBC) to the Company.</p> <p>ETS Services include, among others: (i) business and finance services; (ii) employee/human resources services; (iii) workplace/employee workplace services (iv) information and analytics services; (v) information technology</p> |

| Provisions | Description |
|--------------------|--|
| | <p>(IT) services; (vi) supply services; (vii) project management services; (viii) new programmes/innovations services; and (ix) additional services.</p> <p>If needed and approved by the Company, the Company can also provide relevant ETS Services to other Unilever Group companies through UEBC.</p> |
| Fees and Payment | <p><u>Fees and Charges from UEBC to the Company:</u></p> <p>The Company must pay the actual expenses incurred by UEBC in providing the ETS Services (actual ETS Costs) with an additional 5% mark-up (with the exception of the Bought-in Costs, which will be charged at cost only) service fee for each type of ETS Service. From the effective date of the ETS Agreement until 30 September 2020, the total amount of invoices will not exceed 0.5% of the Company's total annual domestic net sale, and thereafter it will not be more than 1% of the Company's total annual domestic net sale.</p> <p>Invoices will be sent quarterly, and the Company is required to make a payment on the 20th day of the first month after the billing month, or as otherwise agreed between the parties.</p> <p><u>Fees and Claims from the Company to UEBC</u></p> <p>UEBC must pay for the Company's actual expenditure for providing ETS Services (actual ETS Costs), with an additional 5% mark-up (with the exception of the Bought-in Costs, which will be charged at cost only) service fee for each type of ETS Service.</p> <p>Invoices will be sent quarterly, and UEBC is required to make a payment on the 20th day of the first month after the billing month, or as otherwise agreed between the parties.</p> |
| Time Period | <p>The ETS Agreement is effective from 1 October 2019 for up to 5 years.</p> <p>The ETS Agreement may be terminated earlier by a Party with not less than three (3) months' written notice to the other Party of that party's intention to terminate the ETS Agreement at the end of the then current financial year.</p> <p>The ETS Agreement will automatically be extended for subsequent periods of three (3) years, unless and until either party gives to the other not less than three (3) months' notice in writing of that party's intention to terminate the ETS Agreement at the end of the then current financial year.</p> |
| Dispute resolution | Exclusive jurisdiction of courts in the Netherlands |
| Applicable law | The laws of the Netherlands |

III. TRANSACTION CONSIDERATIONS AND REASONS

The Company's strategy is to build a Purpose-Led, Future-Fit business. It has been successful in establishing strong brands across several consumer products categories in Indonesia and this has been driven by continued strengthening of capabilities over the years. A key capability that needs to be built for the future and which will be essential to continued success relates to digital/information technology.

The Company intends to digitize its operations end-to-end in the coming years, whether these relate to Front-end Sales or Information & Analytics to support business decisions dynamically or to enable more efficient and intelligent Supply Chain operations. The objective behind digitization is to boost growth, drive process excellence, reduce risks and improve cost efficiencies.

In order to enable this, the Company has entered into a comprehensive ETS Agreement with UEBC, a Unilever Group, entity which will centrally provide or procure the relevant services in order to maximise synergies and efficiencies.

Similar with the other members of the Unilever Group, the Company benefits from global synergies as part of the Unilever Group, in relation to the provision of Central Services which are covered as part of the existing Central Services Agreement ("**CSA**") with Unilever N.V. However, the scope of services that are intended to be procured in order to meet the Company's digitization objectives cannot be met within the existing CSA framework which caps total charges at 3% of Company domestic net sales covering all Central Services.

Further, Unilever N.V has also made structural reorganization within the Unilever Group, whereby the provision of ETS will be provided by and through UEBC. Going forward, the provision of the services that are equivalent to the ETS Services will hence refer fully to the ETS Agreement.

ETS services and the digitization objectives it meets play a very important role for the continuance of the Company both as a separate entity and as part of the Unilever Group. The ETS Agreement covers several services, namely: Business and Finance Services, Human Resources Services, Workplace Services, Information and Analytics, Information Technology Services, Supply Services, Project Management, and Additional Services. UEBC provides crucial services that enable the Company to manage its business activities effectively and efficiently. The fact that it is globally integrated allows significant scale efficiencies and cost synergies thereby supporting the Company in improving performance.

It is clear that synergy in technology among members of the Unilever Group is needed, as it will be more difficult (and less profitable) for the Company if it uses ETS Services that are separate from those used by the group or obtain similar ETS services from unaffiliated parties outside the Unilever Group. Through the implementation of the Transaction, the Company can meet its strategic objective of digitization whilst delivering process excellence and efficiencies in accordance with the corporate governance standard of the Unilever Group.

The Company believes that investing in the ETS is a concrete step to generate more value for all the stakeholders whether shareholders, customers, vendors, creditors or employees. Besides, by separating the ETS Services, the Company can adopt more appropriate methods in terms of charging of the costs for such services. This helps business management and drives efficiencies.

In relation to the CSA provisions, even though there will be no amendment to the CSA, the Company has formally agreed with Unilever N.V. that there will be no duplication between the different agreements for the provision and charging of the ETS Services (*no double charging*).

Under the provisions of the ETS Agreement the Company will annually obtain a qualitative and quantitative benefit analysis performed by internationally reputable independent party. UEBC is also required to submit a certificate from an independent auditor confirming the accuracy and correctness of the charging of the ETS costs to the Company as per the provisions of the ETS Agreement. Therefore, the Company envisages that its investment in ETS would not cause a business disruption, and instead, will boost growth, drive process excellence, reduce risks and improve cost efficiencies.

IV. SUMMARY OF REPORTS AND INDEPENDENT ASSESSMENT OPINIONS

To ensure the fairness of the value of the Transaction, the Company has requested an independent appraiser registered with OJK, namely the Public Appraisal Service Office (KJPP) Ruky, Safrudin & Rekan ("**KJPP RSR**") as official KJPP with Business License No. 2.11.0059 based on Minister of Finance Decree No. 1131/KM.1/2011 dated 14 October 2011, which is registered as a capital market supporting professional in the OJK with

Registration Certificate (*Surat Tanda Terdaftar* (STTD)) No. 23/PM.2/2018 (Business Appraiser) as an independent appraiser to provide an opinion on the fairness of the Transaction.

KJPP RSR states that it has no affiliation directly or indirectly with the Company as defined in the Capital Market Law.

The following is a summary and opinion from KJPP RSR on Transaction based on Report No. 00060/2.0095-00/BS/05/0269/1/VIII/2019 dated 26 Agustus 2019 ("**Fairness Opinion Report**").

A. Parties to the Transaction

The parties involved in the Transaction are the Company and UEBC.

B. Object of Fairness Opinion Analysis

The object of the fairness opinion analysis is the Transaction between the Company and UEBC in relation to ETS Services.

C. Purpose of Fairness Opinion

The purpose of the Fairness Opinion Report is to provide an opinion on the fairness of the Transaction in order to comply with the provisions of the Capital Market Law and OJK regulations, not for taxation or other form of transactions.

D. Main Assumptions and Limiting Conditions Used in Fairness Analysis

Main Assumptions

The Fairness Opinion Report is a non-disclaimer opinion. KJPP RSR has conducted a review of the documents used in the analysis process, and data and information obtained from both the Company's management and from other reliable sources.

The Fairness Opinion Report is prepared using financial projections ("**Financial Projections**") prepared by the Company's management that has been reviewed by KJPP RSR to gain assurance of the reasonableness of the Financial Projections. In the opinion of KJPP RSR, the Financial Projections that were reviewed are reasonable; however KJPP RSR is not responsible for its achievement.

KJPP RSR is responsible for the opinion of this Fairness Opinion Report.

Limiting Conditions

The Fairness Opinion Report is prepared based on the principle of information and data integrity. In preparing the Fairness Opinion Report, KJPP RSR relies on data and information sources provided by the Company's management, which based on a reasonable nature and true, complete, reliable, and not misleading.

This Fairness Opinion Report is also not intended as a recommendation to approve or disapprove the Transaction or to take certain actions in the Transaction.

KJPP RSR emphasizes that the results of the analysis and review of KJPP RSR are specifically limited to the financial aspects of the transaction. KJPP RSR did not conduct research on the validity of the Transaction in terms of the law and the implications of the taxation aspects of the Transaction, because it is outside the scope of the KJPP RSR assignment.

In accordance with Regulation No.VIII.C.3., Attachment to Bapepam-LK Decree No.KEP-196/BL/2012 concerning Guidelines for Appraisal and Presentation of Business Appraisal Reports on the Capital Market, the Fairness Opinion Report on Transaction is only valid for six (6) months from the Appraisal Report Date.

E. Transaction Fairness Assessment Methodology

In assessing the fairness of the Transaction, KJPP RSR uses the following analysis methodology:

1. The Transaction Analysis: identification of parties involved in the Transaction, analysis of term and condition of the agreement on the Transaction, and an analysis of the benefit and risk of the Transaction.
2. Qualitative Analysis: analysis of background of the Transaction, brief explanation of the Company and business activities, industry analysis, operational analysis and business prospect, advantages and disadvantages of the Transaction.
3. Quantitative Analysis: historical analysis, analysis of financial projections, analysis of proforma financial statements and incremental analysis.
4. The Fairness Analysis of the Transaction price.

F. Conclusions and Opinions on the Fairness of the Transaction

By considering fairness analysis of the Transaction which include analysis of the Transaction Plan, qualitative and quantitative analysis and fairness analysis, then in terms of economic and financial, KJPP RSR are in the opinion that the Transaction is **fair**.

V. INDEPENDENT PARTIES APPOINTED IN THE TRANSACTION

The independent parties that have a role in the Transaction and have been appointed by the Company are as follows:

Independent appraiser: KJPP Ruky, Safrudin & Rekan

Independent Legal Consultants: HHP Law Firm

VI. STATEMENT OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

1. The Board of Directors and Board of Commissioners of the Company state that the Transaction is an Affiliated Transaction and **does not** contain a Conflict of Interest as referred to in Regulation IX.E.1.
2. The Board of Directors and Board of Commissioners of the Company state that the Transaction is a Material Transaction that **does not** require the approval of a GMS for its implementation as referred to in the Regulation. IX.E.2.
3. The Board of Directors and the Board of Commissioners of the Company are responsible for the accuracy of all information contained in this Disclosure of Information, and after careful examination of available information relating to the Transaction, hereby declare that to the best of the knowledge and confidence of the Board of Directors and Board of Commissioners of the Company, there is no other important and material information relating to the Transaction that is not disclosed in this Disclosure of Information, that could cause this Disclosure of Information to be untrue and/or misleading.

VII. ADDITIONAL INFORMATION

Should the Shareholders need further information, they may contact the Company at:

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15345 Indonesia
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Facsimile: (021) 80827002
www.unilever.co.id

Attn. Corporate Secretary
Email : unvr.indonesia@unilever.com

28 September 2019
Board of Directors of the Company