

Date: January 21, 2025

To
**The Audit Committee &
The Board of Directors of
Hindustan Unilever Limited,**
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai, Maharashtra, 400099

Dear Sirs,

Sub: Proposed scheme of arrangement amongst Hindustan Unilever Limited ("HUL" or the "Demerged Company"), Kwality Wall's (India) Limited ("KWIL" or the "Resulting Company") and their respective shareholders

You have requested us to issue a fairness opinion ("**Opinion**") from a financial point of view on the Share Entitlement Ratio (*as defined below*) in relation to the demerger of the demerged undertaking (comprising of Ice Cream business) (*as set out in the scheme*) ("**Demerged Undertaking**") of HUL into KWIL ("**Demerger**"). As more fully described in the Scheme (*as defined below*), in consideration of the Demerger, equity shareholders of HUL for every 1 (one) equity share of face and paid-up value of Re. 1 held in HUL as on the Record Date (as defined in the Scheme) will receive 1 (one) equity share of face and paid-up value of Re. 1 in KWIL (the "**Share Entitlement Ratio**").

HUL is a public company, limited by shares, incorporated under the provisions of the Indian Companies Act, 1913 under corporate identification number L15140MH1933PLC002030 and having its registered office at Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai, 400099, India. The equity shares of HUL listed on the National Stock Exchange of India Limited and BSE Limited. HUL is one of India's leading private sector companies and is engaged in the business of manufacturing, marketing, distribution and sale of fast-moving consumer goods (FMCG).

KWIL is a public company, limited by shares, incorporated on January 10, 2025 under the provisions of the Companies Act, 2013 under corporate identification number: U10505MH2025PLC437886 and having its registered office is at Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai, 400099, India. KWIL is a wholly owned subsidiary of HUL. The main object of KWIL is the manufacture, marketing, distribution and sale of ice creams, frozen desserts (both dairy and non-dairy), frozen snacks, frozen vegetables and frozen processed food of all kinds.

Scheme of arrangement is being proposed to be entered amongst HUL, KWIL and their respective shareholders ("**Scheme**"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, providing for the demerger of the Demerged Undertaking of HUL into KWIL and in consideration, the consequent issuance of equity shares by KWIL to the equity shareholders of HUL ("**Proposed Transaction**").

Kotak Mahindra Capital Company Limited

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Our scope is restricted to providing an Opinion on the Share Entitlement Ratio as recommended by Deloitte India Valuation LLP (“Valuer”) in its share entitlement ratio report dated January 21, 2025 (the “Share Entitlement Ratio Report”).

In arriving at our Opinion, we have reviewed (i) the Share Entitlement Ratio Report dated January 21, 2025 issued by Valuer and (ii) the draft of the Scheme received by us and (iii) the current shareholding of HUL and KWIL. We have also reviewed certain publicly available information which the Company has confirmed as being reasonable for the purposes of providing our fairness opinion, and have also taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions that may be applicable to HUL and KWIL.

We have also assumed that the final Scheme will be substantially the same as the scheme discussed with and reviewed by us and that there will no material changes between the draft shared with us and the final approved scheme. Any such material changes will require us to reevaluate our opinion herein.

In addition to above, we have had discussions with members of the management of HUL on the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from HUL dated January 21, 2025.

Further, we have had discussions with Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge HUL and KWIL to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Demerger would be carried out in compliance with all the applicable laws, rules and regulations, including section 2(19AA) and other applicable provisions of the Income Tax Act, 1961.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information that was relevant for the purpose of our exercise was disclosed to us. With respect to information and data relating to HUL and KWIL provided to or otherwise reviewed by or discussed with us, we have been advised by the management of HUL and KWIL, and we have assumed and relied upon such advice, that such information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of HUL and KWIL as to the potential strategic implications and operational benefits anticipated to result from the Demerger and the other matters covered thereby. We have not conducted any evaluation or appraisal of any assets or liabilities (contingent or otherwise) of HUL or KWIL nor have we evaluated the solvency or fair value of HUL or KWIL, whether for any lender or otherwise, under any laws relating to bankruptcy, insolvency or similar matters or the Company’s ability to fulfill its obligations towards any class of investors or third parties. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of HUL or KWIL.

Our Opinion does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the businesses of HUL and/ or KWIL, in arriving at our final Opinion.



Our Opinion does not address, and we have not assessed, any matters (including any existing or potential contingent liabilities and any ongoing or threatened litigation, including taxation proceedings) which may have an impact, adverse or otherwise, on the business, operations or prospects of HUL, KWIL or their affiliates or any underlying assumptions, or views of the management of HUL or KWIL. We have relied upon the financial, market, and technical data provided to or obtained by us or the management's views on the businesses, operations and prospects or any underlying assumptions for the same.

We have assumed, with your consent, that the Demerger will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement. We have further assumed that the requisite approvals, consents and releases will be duly obtained as required for the effectiveness of the Scheme, without any undue delays. Further, we have assumed that there will not be any adverse rulings or proceedings whatsoever (whether of any court, regulatory body or otherwise) arising out of or in relation to the Demerger as contemplated by the Scheme.

Our Opinion does not address, and we have not assessed, any legal, regulatory, taxation or accounting matters. We have also assumed that all aspects of the Demerger and any other transaction contemplated in the Draft Scheme would be in compliance with applicable laws and regulations; and we have issued this Opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. We have also assumed that the Demerger will not result in any adverse effect on HUL, KWIL or their respective businesses, whether under tax or other laws or under the terms of any license or approval.

Our Opinion is restricted to the fairness, from a financial point of view, of the Share Entitlement Ratio for equity shareholders, as determined by the Valuer in its Share Entitlement Ratio Report, and we express no view as to the fairness (financial or otherwise) to the holders of any other class of securities or creditors of HUL, KWIL or any of their affiliates. Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholder rights or any other equitable considerations. We are not providing you with any investment advice or recommendations in connection with the Demerger including any advice (from an investment perspective) on the suitability of the Demerger (whether structured as any single transaction or a series of transactions) or any trading strategy or any other structuring options or approach involving HUL and KWIL. Further, HUL will remain solely responsible for the commercial assumptions on which the Opinion provided by us is based and for its decision to proceed with the Demerger. We have not been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of HUL, KWIL or their respective affiliates. We express no opinion as to the solvency or fair value of HUL or KWIL under any laws, or otherwise, or the realizable value of the properties or assets of HUL or KWIL or their respective affiliates.

A valuation estimate for any transaction does not necessarily suggest that a market exists for the transaction. We express no view as to, and our Opinion does not address, the underlying business decision of HUL to effect the Demerger, the relative merits of the Demerger as compared to any alternative business strategies that might exist for HUL or the effect of any other transaction in which HUL might engage. We also express no view as to, and our Opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Demerger, or any class of such persons, relative to the Share Entitlement Ratio. We express herein no view or opinion as to any terms or other aspects of the Demerger or the Scheme (other than the Share Entitlement Ratio, as determined by Valuer pursuant in its Share Entitlement Ratio Report, to the extent expressly specified herein). Our Opinion is

necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing, as of the date hereof.

Our Opinion does not constitute a recommendation to any shareholder or creditor of HUL or KWIL as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. In addition, this Opinion does not address the fairness to, or any other consideration, to the creditors or other constituencies of HUL. We are not expressing any opinion herein as to the prices at which the equity shares of HUL will trade following the announcement or consummation of the proposed transaction or as to the prices at which the equity shares of HUL may be transacted.

HUL has executed the engagement letter ("**Kotak EL**") in relation to our services in connection with the delivery of this Opinion and for providing certain advisory services to HUL in connection with the Transaction. We will receive fees from HUL for these services under Kotak EL. In addition, HUL has agreed to indemnify us from any claims arising out of our engagement in providing the Opinion.

We and/or our affiliates in the past five years may have provided, and currently maybe providing, services to HUL and/ or its affiliates unrelated to the Proposed Transaction for which we or such affiliates have received and expect to receive compensation, including, without limitation as lenders and creditors to HUL.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities, in strict compliance with the applicable laws. In addition, we and our affiliates maintain relationships with HUL and its respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of HUL and is for the purpose of submission to the Stock Exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and shall not confer rights or remedies upon, any shareholder of HUL, KWIL or any other person including any company involved in the Scheme other than the members of the Board of Directors of HUL and shall not be used for any other purpose. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be kept open for inspection by shareholders of HUL and KWIL, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Opinion may be shown or who may acquire a copy of this Opinion.

The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion, the courts of competent jurisdiction at India shall have exclusive jurisdiction.





Investment Banking

On the basis of and subject to the foregoing, our work as merchant bankers, our work as described above, and other factors that we deem relevant, it is our view that, as of the date hereof, the proposed Share Entitlement Ratio recommended by the Valuer, in its Share Entitlement Ratio Report dated January 21, 2025, is fair and reasonable from a financial point of view.

Yours faithfully,

For Kotak Mahindra Capital Company Limited

A handwritten signature in blue ink, appearing to read "S. Malik", written over a horizontal line.

Authorised Signatory