DISCLAIMER

This PDF is a section of the Unilever Annual Report and Accounts 2014. It does not contain sufficient information to allow a full understanding of the results of the Unilever Group and the state of affairs of Unilever N.V., Unilever PLC or the Unilever Group. For further information the Unilever Annual Report and Accounts 2014 should be consulted.

Certain sections of the Unilever Annual Report and Accounts 2014 have been audited. These are on pages 84 to 135, 137 to 139, and those parts noted as audited within the Directors’ Remuneration Report on pages 65 to 77.

The maintenance and integrity of the Unilever website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters. Accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially placed on the website.

Legislation in the United Kingdom and the Netherlands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Except where you are a shareholder, this material is provided for information purposes only and is not, in particular, intended to confer any legal rights on you.

The Annual Report and Accounts does not constitute an invitation to invest in Unilever shares. Any decisions you make in reliance on this information are solely your responsibility.

The information is given as of the dates specified, is not updated, and any forward-looking statements are made subject to the reservations specified in the cautionary statement on the inside back cover of the Annual Report and Accounts.

Unilever accepts no responsibility for any information on other websites that may be accessed from this site by hyperlinks.
CORPORATE GOVERNANCE

GOVERNANCE OF UNILEVER

ABOUT UNILEVER

Unilever N.V. (NV) and Unilever PLC (PLC), together with their group companies, have, since the Unilever Group was formed in 1938, operated as nearly as practicable as a single economic entity. This is achieved by special provisions in the Articles of Association of NV and PLC, together with a series of agreements between NV and PLC which are together known as the Foundation Agreements (described below). These agreements enable Unilever to achieve unity of management, operations, shareholders’ rights, purpose and mission and can be found on our website.

The Equalisation Agreement makes the economic position of the shareholders of NV and PLC, as far as possible, the same as if they held shares in a single company. The Equalisation Agreement regulates the mutual rights of the shareholders of NV and PLC. Under the Equalisation Agreement, NV and PLC must adopt the same financial periods and accounting policies.

The Deed of Mutual Covenants provides that NV and PLC and their respective subsidiary companies shall co-operate in every way for the purpose of maintaining a common operating policy. They shall exchange all relevant information about their respective businesses – the intention being to create and maintain a common operating platform for the Group throughout the world. The Deed also contains provisions for the allocation of assets between NV and PLC.

Under the Agreement for Mutual Guarantees of Borrowing between NV and PLC, each company will, if asked by the other, guarantee the borrowings of the other and the other’s subsidiaries. These arrangements are used, as a matter of financial policy, for certain significant borrowings. They enable lenders to rely on our combined financial strength.

NV’s Articles of Association contain, among other things, the objects clause, which sets out the scope of activities that NV is authorised to undertake. They are drafted to give a wide scope and provide that the primary objectives are: to carry on business as a holding company, to manage any companies in which it has an interest and to operate and carry into effect the Equalisation Agreement. At the 2010 PLC AGM, the shareholders agreed that the objects clause be removed from PLC’s Articles of Association so that there are no restrictions on its objects.

Each NV ordinary share represents the same underlying economic interest in the Unilever Group as each PLC ordinary share. However, NV and PLC remain separate legal entities with different shareholder constituencies and separate stock exchange listings. Shareholders cannot convert or exchange the shares of one for the shares of the other.

A list of our current Directors, their roles on the Boards, their dates of appointments and their other major appointments is set out on page 54.

The Boards have delegated the operational running of the Group to the CEO with the exception of the following matters which are reserved for the Boards: structural and constitutional matters, corporate governance, approval of dividends, approval of overall strategy for the Group and approval of significant transactions or arrangements in relation to mergers, acquisitions, joint ventures and disposals, capital expenditure, contracts, litigation, financing and pensions. The CEO is responsible to the Boards and is able to delegate any of his powers and discretions which he does to members of the ULE. The ULE is chaired by and reports to the CEO. The biographies of ULE members are on page 55.

BOARD COMMITTEES

The Boards have established four Board Committees: the Audit Committee, the Compensation Committee, the Corporate Responsibility Committee and the Nominating and Corporate Governance Committee. The terms of reference of these Committees can be found on our website and the reports of each Committee can be found on pages 56 to 77. Attendance tables can be found within each Committee Report.

THE GOVERNANCE OF UNILEVER

Further details of the roles and responsibilities of the Chairman, Vice Chairman, CEO and other corporate officers and how our Boards effectively operate as one board, govern themselves and delegate their authorities are set out in the document entitled ‘The Governance of Unilever’, which can be found on our website.

The Governance of Unilever also describes the Foundation Agreements, Directors’ appointment, tenure, induction and training, Directors’ ability to seek independent advice at Unilever’s expense and details about Board and Management Committees (including the Disclosure Committee).

BOARD EFFECTIVENESS

BOARD MEETINGS

A minimum of five face-to-face meetings are planned throughout the calendar year to consider, for example, the half-year and full-year results announcements of the Group and the Annual Report and Accounts. Other Board meetings and telephone conferences are held to discuss matters that arise as well as Group strategic issues. Meetings of the Boards may be held either in London or in Rotterdam or such other locations as the Boards think fit, with one or two off-site Board meetings a year. The Chairman sets the Boards’ agenda, ensures the Directors receive accurate, timely and clear information, and promotes effective relationships and open communication between the Executive and Non-Executive Directors.
In 2014 the Boards met physically in January, March, May, July, September and November and considered important corporate events and actions, such as:

- developing and approval of the overall strategy;
- oversight of the performance of the business;
- review of risks and internal risk management and control systems;
- authorisation of major transactions;
- declaration of dividends;
- convening of shareholders’ meetings;
- nominations for Board appointments;
- review of Directors’ remuneration policy;
- review of the functioning of the Boards and their Committees, and
- review of corporate responsibility and sustainability,
in particular the Unilever Sustainable Living Plan.

ATTENDANCE

The following table shows the attendance of Directors at Board meetings in 2014. If Directors are unable to attend a Board meeting they have the opportunity beforehand to discuss any agenda items with the Chairman. Attendance is expressed as the number of meetings attended out of the number eligible to be attended.

<table>
<thead>
<tr>
<th>Director</th>
<th>Main Board</th>
<th>Non-Executive Director Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Treschow</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Kees Storm</td>
<td>6/7</td>
<td></td>
</tr>
<tr>
<td>Paul Polman</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Jean-Marc Huet</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Laura Cha</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Louise Fresco</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Ann Fudge</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Charles Golden</td>
<td>3/3</td>
<td></td>
</tr>
<tr>
<td>Byron Grote</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Mary Ma</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Hixonia Nyasulu</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Sir Malcolm Ridkind</td>
<td>6/7</td>
<td></td>
</tr>
<tr>
<td>John Rishton</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Feike Sibesma</td>
<td>1/1</td>
<td></td>
</tr>
<tr>
<td>Paul Walsh</td>
<td>7/7</td>
<td></td>
</tr>
</tbody>
</table>

1Chairman
2Vice-Chairman/Senior Independent Director
3Executive Director
4Retired from the Boards on 14 May 2014
5Appointed to the Boards with effect from 1 November 2014

NON-EXECUTIVE DIRECTOR MEETINGS

The Non-Executive Directors meet as a group, without the Executive Directors present, to consider specific agenda items set by them, usually four or five times a year. In 2014 they met five times. The Chairman, or in his absence the Vice-Chairman/Senior Independent Director, chairs such meetings.

BOARD EVALUATION

Each year the Boards formally assess their own performance with the aim of helping to improve the effectiveness of both the Boards and the Committees and at least once every three years an independent third party facilitates the evaluation. The evaluation consists of individual interviews with the Directors by the Chairman and also, every three years, by the external evaluator. These interviews complement our annual process of completion by all Directors of three full and confidential online evaluation questionnaires on our Boards, CEO and Chairman. The detailed Board questionnaire invites comments on a number of key areas including Board responsibility, operations, effectiveness, training and knowledge.

As in 2011 Mr J. de Leeuw, an independent external consultant, facilitated the 2014 Board evaluation. Mr J. de Leeuw has no other connection with the Unilever Group. The Chairman’s Statement on page 2 describes the key actions agreed by the Boards following that evaluation.

APPPOINTMENT

In seeking to ensure that NV and PLC have the same Directors, the Articles of Association of NV and PLC contain provisions which are designed to ensure that both NV and PLC shareholders are presented with the same candidates for election as Directors. Anyone being elected as a Director of NV must also be elected as a Director of PLC and vice versa. Therefore, if an individual fails to be elected to both companies he or she will be unable to take his or her place on either Board. These provisions of the Articles cannot be changed without the permission, in the case of NV, of the holders of the NV special ordinary shares and, in the case of PLC, of the holders of the PLC deferred stock.

The report of the Nominating and Corporate Governance Committee (NCGC) on pages 60 and 61 describes the work of the NCGC in Board appointments and recommendations for re-election. In addition, shareholders are able to nominate Directors. The procedure for shareholders to nominate Directors can be found in the Appointment procedure for NV & PLC Directors’ document under ‘download links’ on our website. To do so they must put a resolution to both the NV and PLC AGMs in line with local requirements. Directors are appointed by shareholders by a simple majority vote at each AGM.

DIRECCTOR INDUCTION AND TRAINING

All Directors receive induction on joining the Boards and the Chairman ensures that ongoing training is provided for Directors by way of site visits, presentations and circulated updates at (and between) Board and Board Committee meetings on, among other things, Unilever’s business, environmental, social and corporate governance, regulatory developments and investor relations matters. Details of the training provided to the Directors in 2014 can be found in the Chairman’s Statement on page 2.

INDEPENDENCE AND CONFLICTS

As the Non-Executive Directors make up the Committees of the Boards, it is important that they can be considered to be independent. Each year the Boards conduct a thorough review of the Non-Executive Directors’, and their related or connected persons’, relevant relationships referencing the criteria set out in ‘The Governance of Unilever’ which is derived from the relevant best practice guidelines in the Netherlands, UK and US.
The Boards currently consider all our Non-Executive Directors to be independent of Unilever. Furthermore, the Boards have determined that Byron Grote’s current position of serving on the audit committees of more than three public companies does not impair his ability to effectively serve on the Audit Committee.

We attach special importance to avoiding conflicts of interest between NV and PLC and their respective Directors. The Boards ensure that there are effective procedures in place to avoid conflicts of interest by Board members. If appropriate, authorisation of situational conflicts is given by the Boards to the relevant Director. The authorisation includes conditions relating to keeping Unilever information confidential and to the Director’s exclusion from receiving and discussing relevant information at Board meetings. Situational conflicts are reviewed annually by the Boards as part of the determination of Director independence. Between those reviews Directors have a duty to inform the Boards of any relevant changes to the situation. A Director may not vote on, or be counted in a quorum in relation to, any resolution of the Boards in respect of any situation in which he or she has a conflict of interest. The procedures that Unilever has put in place to deal with conflicts of interest operate effectively.

Unilever recognises the benefit to the individual and the Group of senior executives acting as directors of other companies but, to ensure outside directorships of our Executive Directors do not involve an excessive commitment or conflict of interest, the number of outside directorships of listed companies is generally limited to one per Executive Director and approval is required from the Chairman.

INDEMNIFICATION

The terms of NV Directors’ indemnification are provided for in NV’s Articles of Association. The power to indemnify PLC Directors is provided for in PLC’s Articles of Association and deeds of indemnity have been issued to all PLC Directors. Appropriate qualifying third party directors’ and officers’ liability insurance was in place for all Unilever Directors throughout 2014 and is currently in force.

In addition, PLC provides indemnities (including, where applicable, a qualifying pension scheme indemnity provision) to the Directors of three subsidiaries which each acts as trustee of a Unilever UK pension fund. Appropriate trustee liability insurance is also in place.

VOTING RIGHTS

NV shareholders can cast one vote for each €0.16 nominal capital they hold. Therefore, the voting rights attached to NV’s outstanding shares are split as follows:

<table>
<thead>
<tr>
<th>Total number of votes</th>
<th>% of issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,714,727,700 ordinary shares</td>
<td>76.89</td>
</tr>
<tr>
<td>6,428,550</td>
<td>0.29</td>
</tr>
<tr>
<td>431,409,276</td>
<td>19.34</td>
</tr>
<tr>
<td>77,678,313</td>
<td>3.48</td>
</tr>
</tbody>
</table>

As at 31 December 2014:

- 141,540,629 shares were held in treasury and 12,368,368 shares were held to satisfy obligations under share-based incentive schemes.
- 37,679 6% cumulative preference shares were held in treasury.
- 7,562 7% cumulative preference shares were held in treasury.
- The special shares and the shares under (a), (b) and (c) are not voted on.

SHARE ISSUES AND BUY BACKS

NV may issue shares not yet issued and grant rights to subscribe for shares only pursuant to a resolution of the General Meeting or of another corporate body designated for such purpose by a resolution of the General Meeting. At the NV AGM held on 14 May 2014 the Board was designated as the corporate body authorised to resolve on the issue of, or on the granting of rights to subscribe for, shares not yet issued and to restrict or exclude the statutory pre-emption rights that accrue to shareholders upon issue of shares, on the understanding that this authority is limited to 10% of the issued share capital of NV, plus an additional 10% of the issued share capital of NV in connection with or on the occasion of mergers, acquisitions or strategic alliances.

At the 2014 NV AGM the Board of NV was also authorised to cause NV to buy back its own shares or depositary receipts thereof, with a maximum of 10% of issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than €0.01 (one euro cent) and not higher than 10% above the average of the closing price of the shares on the Euronext stock exchange in Amsterdam for the five business days before the day on which the purchase is made.

These authorities expire on the earlier of the conclusion of the 2015 NV AGM or the close of business on 30 June 2015 (the last date by which NV must hold an AGM in 2015). Such authorities are renewed annually and authority will be sought at NV’s 2015 AGM.

During 2014 Unilever group companies purchased 7,304,993 NV New York Registry Shares, each representing one NV ordinary share with a nominal value of €0.16 for €227.5 million to facilitate grants made in connection with its employee compensation programmes. This represents 0.426% of the called-up share capital of NV. No NV 6% cumulative preference shares nor NV 7% cumulative preference shares were purchased by Unilever group companies during 2014. Further information on this and on NV shares held by an employee share trust can be found in note 4 to the consolidated accounts on pages 98 and 99.

NV SPECIAL ORDINARY SHARES

The NV special ordinary shares may only be transferred to one or more other holders of such shares. The joint holders of these shares are N.V. Elma and United Holdings Limited, which are subsidiaries of NV and PLC respectively. The Boards of N.V. Elma and United Holdings Limited comprise the members of the Nominating and Corporate Governance Committee.

TRUST OFFICE

The Foundation Unilever N.V. Trust Office (Stichting Administratiekantoor Unilever N.V.) is a trust office with a board independent of Unilever: As part of its corporate objects, the Trust

OUR SHARES

NV SHARES

SHARE CAPITAL

NV’s issued share capital on 31 December 2014 was made up of:

- €274,356,432 split into 1,714,727,700 ordinary shares of €0.16 each;
- €1,028,568 split into 2,400 ordinary shares numbered 1 to 2,400 known as special shares; and
- €81,454,014 split into two classes (6% and 7%) of cumulative preference shares (financing preference shares*).

* These shares are included within liabilities (note 15C).

LISTINGS

NV has listings of shares and depositary receipts for shares on Euronext Amsterdam and of New York Registry Shares on the New York Stock Exchange.
Office issues depositary receipts in exchange for the NV ordinary shares and NV 7% preference shares. These depositary receipts are listed on Euronext Amsterdam, as are the NV ordinary and 7% preference shares themselves.

Holdes of depositary receipts can under all circumstances exchange their depositary receipts for the underlying shares (and vice versa) and are entitled to dividends and all economic benefits on the underlying shares held by the Trust Office. There are no limitations on the holders’ voting rights, they can attend all General Meetings of NV, either personally or by proxy, and have the right to speak. The Trust Office only votes shares that are not represented at a General Meeting. The Trust Office votes in such a way as it deems to be in the interests of the holders of the depositary receipts. This voting policy is laid down in the Conditions of Administration that apply to the depositary receipts.

The Trust Office’s shareholding fluctuates daily. Its holdings on 31 December 2014 were 1,331,829,935 NV ordinary shares (77.67%) and 9,776 NV 7% cumulative preference shares (33.71%).

The members of the board at the Trust Office are Mr J H Schraven (chairman), Mr P P de Koning, Ms C M S Smits-Nusteling and Mr A A Olijslager. Prof Emeritus Dr L. Koopmans retired on 11 February 2015. The Trust Office reports periodically on its activities. Further information on the Trust Office, including its Articles of Association and Conditions of Administration, can be found on its website.

Unilever considers the arrangements of the Trust Office to be appropriate and in the interests of NV and its shareholders given the size of the voting rights attached to the financing preference shares and the relatively low attendance of holders of ordinary shares at the General Meetings of NV.

The Trust Office’s website is www.administratiekantoor-unilever.nl.

PLC SHARES

SHARE CAPITAL

PLC’s issued share capital on 31 December 2014 was made up of:

- £40,760,420 split into 1,310,156,361 ordinary shares of 3p each; and
- £100,000 of deferred stock of £1 each.

LISTINGS

PLC has shares listed on the London Stock Exchange and, as American Depositary Receipts, on the New York Stock Exchange.

VOTING RIGHTS

PLC shareholders can cast one vote for each 3p nominal capital they hold. This means that shareholders can cast one vote for each PLC ordinary share or PLC American Depositary Receipt of Shares. Therefore, the total number of voting rights attached to PLC’s outstanding shares is as follows:

<table>
<thead>
<tr>
<th>Class of shares</th>
<th>Total number of shares held</th>
<th>% of relevant class</th>
</tr>
</thead>
<tbody>
<tr>
<td>ordinary shares</td>
<td>5,653,749</td>
<td>0.33</td>
</tr>
<tr>
<td>7% cumulative preference shares</td>
<td>20,665</td>
<td>71.26</td>
</tr>
<tr>
<td>6% cumulative preference shares</td>
<td>74,088</td>
<td>46.0</td>
</tr>
<tr>
<td>ordinary shares</td>
<td>3,169,339</td>
<td>0.18</td>
</tr>
<tr>
<td>6% cumulative preference shares</td>
<td>46,000</td>
<td>28.56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Class of shares</th>
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<tr>
<td>ING</td>
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<td></td>
<td>6% cumulative preference shares</td>
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<td>46.0</td>
</tr>
<tr>
<td>ASR</td>
<td>ordinary shares</td>
<td>3,169,339</td>
<td>0.18</td>
</tr>
<tr>
<td></td>
<td>6% cumulative preference shares</td>
<td>46,000</td>
<td>28.56</td>
</tr>
<tr>
<td>BlackRock</td>
<td>ordinary shares</td>
<td>66,568,832</td>
<td>3.88</td>
</tr>
</tbody>
</table>

(a) Representing 2.98% capital interest and 3.71% voting rights in the NV share capital.

As far as Unilever is aware, no disclosable changes in interests in the share capital of NV have been notified to the AFM between 1 January 2015 and 25 February 2015 (the latest practicable date for inclusion in this report). Between 1 January 2012 and 25 February 2015, ING, BlackRock and ASR have held more than 3% in the share capital of NV. Deutsche Bank, Bank of America Corporation and UBS AG also held more than 3% in the share capital of NV, however, during this period, and as notified, these holdings reduced to below the 3% reporting threshold.

Our Shareholders

SIGNIFICANT SHAREHOLDERS OF NV

As far as Unilever is aware, the only holders of more than 3% of, or 3% of voting rights attributable to, NV’s share capital on 31 December 2014 (apart from the Foundation Unilever N.V. Trust Office, see pages 43 and 44, and shares held in treasury by NV, see page 43), are ING Groep N.V. (ING), ASR Nederland N.V. (ASR) and BlackRock, Inc. (BlackRock) as indicated in the table below.

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Class of shares</th>
<th>Total number of shares held</th>
<th>% of relevant class</th>
</tr>
</thead>
<tbody>
<tr>
<td>ING</td>
<td>ordinary shares</td>
<td>5,653,749</td>
<td>0.33</td>
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<td>3,169,339</td>
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As far as Unilever is aware, no disclosable changes in interests in the share capital of NV have been notified to the AFM between 1 January 2015 and 25 February 2015 (the latest practicable date for inclusion in this report). Between 1 January 2012 and 25 February 2015, ING, BlackRock and ASR have held more than 3% in the share capital of NV. Deutsche Bank, Bank of America Corporation and UBS AG also held more than 3% in the share capital of NV, however, during this period, and as notified, these holdings reduced to below the 3% reporting threshold.
SIGNIFICANT SHAREHOLDERS OF PLC
As far as Unilever is aware, the only holders of more than 3% of, or 3% of voting rights attributable to, PLC’s share capital on 31 December 2014 (apart from deferred stock held by Naamloze Vennootschap Elma and United Holdings Limited, see page 44, and shares held in treasury by PLC, see page 44), are BlackRock, Inc. and the Leverhulme Trust as indicated in the table below.

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Class of shares</th>
<th>Total number of shares held</th>
<th>% of relevant class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naamloze Vennootschap Elma</td>
<td>deferred shares</td>
<td>50,000</td>
<td>50</td>
</tr>
<tr>
<td>United Holdings Limited</td>
<td>deferred shares</td>
<td>50,000</td>
<td>50</td>
</tr>
<tr>
<td>BlackRock</td>
<td>ordinary shares</td>
<td>71,832,960</td>
<td>5.5</td>
</tr>
<tr>
<td>The Leverhulme Trust</td>
<td>ordinary shares</td>
<td>68,531,182</td>
<td>5.3</td>
</tr>
</tbody>
</table>

No disclosable changes in interests in the share capital of PLC have been notified to PLC between 1 January 2015 and 25 February 2015 (the latest practicable date for inclusion in this report). Between 1 January 2012 and 25 February 2015, Legal & General Group plc, BlackRock and the Trustees of the Leverhulme Trust and the Leverhulme Trade Charities Trust have held more than 3% of, or 3% of voting rights attributable to, PLC’s ordinary shares. During this period, and as notified, these holdings reduced to below the 3% reporting threshold.

During 2014, the trustees of the Leverhulme Trust and the trustees of the Leverhulme Trade Charities Trust (comprising the same individuals [together the ‘Trustees’]) together held 70,566,764 ordinary shares amounting to 5.5% of the voting rights of PLC. On 31 December 2014 the Leverhulme Trust and the Leverhulme Trade Charities Trust became charitable incorporated organisations. As a consequence of these changes, the balance of shares held by the Trustees has reduced to zero and only the Leverhulme Trust has a disclosable interest as shown in the table above.

SHAREHOLDER ENGAGEMENT
Unilever values open, constructive and effective communication with our shareholders. Our shareholders can raise issues directly with the Chairman and, if appropriate, the Vice-Chairman/Senior Independent Director. The CFO has lead responsibility for investor relations, with the active involvement of the CEO. They are supported by our Investor Relations department which organises presentations for analysts and investors. These and other materials (eg an Introduction to Unilever and AGM materials) are generally made available on our website.

Principal shareholders: the Executive Directors’ investor relations programme continued in 2014 with meetings in nine major cities in Europe, North America and Asia. In all, they met more than 90 investors during these roadshows. In addition, the Chairman maintained contact with principal shareholders with one to one and group governance and strategy meetings in the UK and the Netherlands in June and in the US in September.

Quarterly announcements: briefings on quarterly results are given via teleconference and are accessible by telephone or via our website.

Annual investor seminar: this annual event was held in our London offices in December 2014. It focused on ‘Driving Profitable Growth and Agility’ and included presentations on brands, R&D and supply chain. The event was attended by members of the Unilever Leadership Executive and other senior management. The slides shown and an audio-recording of the presentations were made available and can be accessed on our website. This allows those investors not attending in person to access the information provided at the event.

Investor conferences: the Executive Directors and members of the Investor Relations team also meet a large number of investors at the industry conferences they attend. In 2014 the conferences that were attended by Unilever representatives included broker sponsored conferences in London, Paris, Brussels, San Francisco and Singapore.

Feedback from shareholders: we maintain a frequent dialogue with our principal shareholders and regularly collect feedback. In addition, in 2014 we asked a cross section of investors to participate in a detailed perception study. We use this feedback to help shape our investor programme and future shareholder communications. Private shareholders are encouraged to give feedback via shareholder.services@unilever.com. The Chairman, Executive Directors and Chairmen of the Committees are also generally available to answer questions from the shareholders at the AGMs each year.

Board awareness: the Boards are briefed on investor reactions to the Group’s quarterly results announcements and are briefed on any issues raised by shareholders that are relevant to their responsibilities.

www.unilever.com/investorrelations

GENERAL MEETINGS
Both Unilever N.V. and Unilever PLC hold an AGM each year. At the AGMs the Chairman gives his thoughts on governance aspects of the preceding year and the CEO gives a detailed review of the performance of the Group over the last year. Shareholders are encouraged to attend the relevant meeting and to ask questions at or in advance of the meeting. Indeed, the question and answer session forms an important part of each meeting. The external auditors are welcomed to the AGMs and are entitled to address the meetings.

The 2014 AGMs were held in London and in Rotterdam in May and the topics raised by shareholders included: Non-Executive Directors’ shareholdings, Non-Executive Director succession planning, the PLC Dividend Reinvestment Plan, the NV Cumulative Preference shares, the termination of the certification of the NV shares and how Unilever’s values are reflected across its brand portfolio.

VOTING
Shareholders can vote in person or by proxy. Similar arrangements apply to holders of depositary receipts issued for NV shares and the holders of NV preference shares. The Trustees of the PLC employee share trusts may vote or abstain in any way they think fit and in doing so may take into account both financial and non-financial interests of the beneficiaries of the employee share trusts or their dependants. Historically the Trustees tend not to exercise this right.

The shares held by NV and PLC in treasury are not voted on. More information on the exercise of voting rights can be found in NV’s and PLC’s Articles of Association and in the respective Notices of Meetings, all of which can be found on our website.

www.unilever.com/corporategovernance
www.unilever.com/agm
SHAREHOLDER PROPOSED RESOLUTIONS
Shareholders of NV may propose resolutions if they individually or together hold at least 1% of NV’s issued capital in the form of shares or depositary receipts issued for NV shares. Shareholders who together represent at least 10% of the issued capital of NV can also requisition Extraordinary General Meetings to deal with specific resolutions.

Shareholders of PLC may propose resolutions if they individually or together hold shares representing at least 5% of the total voting rights of PLC, or 100 shareholders who hold on average £100 each in nominal value of PLC share capital can require PLC to propose a resolution at a General Meeting. PLC shareholders holding in aggregate 5% of the issued PLC ordinary shares are able to convene a General Meeting of PLC.

REQUIRED MAJORITIES
Resolutions are usually adopted at NV and PLC General Meetings by an absolute majority of votes cast, unless there are other requirements under the applicable laws or NV’s or PLC’s Articles of Association. For example, there are special requirements for resolutions relating to the alteration of the Articles of Association, the liquidation of NV or PLC and the alteration of the Equalisation Agreement.

A proposal to alter the Articles of Association of NV can only be made by the NV Board. A proposal to alter the Articles of Association of PLC can be made either by the PLC Board or by requisition of shareholders in accordance with the UK Companies Act 2006. Unless expressly specified to the contrary in PLC’s Articles of Association, PLC’s Articles of Association may be amended by a special resolution. Proposals to alter the provisions in the Articles of Association of NV and PLC respectively relating to the unity of management require the prior approval of meetings of the holders of the NV special ordinary shares and the PLC deferred stock. The Articles of Association of both NV and PLC can be found on our website.

RIGHT TO HOLD SHARES
Unilever’s constitutional documents place no limitations on the right to hold NV and PLC shares. There are no limitations on the right to hold or exercise voting rights on the ordinary shares of NV and PLC imposed by Dutch or English law.

CORPORATE GOVERNANCE COMPLIANCE
GENERAL
We conduct our operations in accordance with internationally accepted principles of good governance and best practice, whilst ensuring compliance with the corporate governance requirements applicable in the countries in which we operate. Unilever is subject to corporate governance requirements (legislation, codes and/or standards) in the Netherlands, the UK and the US and in this section we report on our compliance against these.

MATERIAL CONTRACTS
Under the European Takeover Directive as implemented in the Netherlands and the UK, the UK Companies Act 2006 and rules of the US Securities and Exchange Commission, Unilever is required to provide information on contracts and other arrangements essential or material to the business of the Group. Other than the Foundation Agreements referred to on page 41, we believe we do not have any such contracts or arrangements.

THE NETHERLANDS
NV complies with almost all of the principles and best practice provisions of the Dutch Corporate Governance Code (Dutch Code), which is available on the Commissie Corporate Governance’s website.

![www.commissiecorporategovernance.nl](www.unilever.com/corporategovernance)

Statements required by the Dutch Code and explanations of the NV compliance position are set out below.

Non-Financial Performance Indicator: In determining the level and structure of the remuneration of the Executive Directors, amongst other things, the results, the share price performance and non-financial indicators relevant to the long-term objectives of the Company, with due regard for the risks to which variable remuneration may expose the enterprise, shall be taken into account (bp II.2.3).

Unilever places a great deal of importance on corporate responsibility and sustainability and is keen to ensure focus on key financial performance measures which we believe to be the drivers of shareholder value creation and relative total shareholder return. Unilever therefore believes that the interests of the business and shareholders are best served by linking our long-term share plans to such measures as described above, and which are further set out in the Directors’ Remuneration Report, and has therefore not included a non-financial performance indicator.

Risk Management and control: With regard to financial reporting risks, as advised by the Audit Committee (as described in its report on pages 56 and 57, the NV Board believes that the risk management and control systems provide reasonable assurance that the financial statements do not contain any errors of material importance and the risk management and control systems have worked properly in 2014 (bp II.1.5). The statements in this paragraph are not statements in accordance with the requirements of Section 404 of the US Sarbanes-Oxley Act of 2002.

Retention Period of Shares: The Dutch Code recommends that shares granted to the Executive Directors without financial consideration shall be retained for a period of at least five years or until at least the end of the employment, if this period is shorter (bp II.2.5).

Our remuneration policy requires Executive Directors to build and retain a personal shareholding in Unilever. In addition, Executive Directors are required to hold 100% of the shares needed to maintain their minimum shareholding requirement until 12 months after they leave Unilever and 50% of these shares for 24 months after they leave Unilever.

Severance Pay: It is our policy to set the level of severance payments for Directors at no more than one year’s salary, unless the Boards, on the recommendation of the Compensation Committee, find this manifestly unreasonable given circumstances or unless otherwise dictated by applicable law (bp II.2.8).

Financing Preference Shares: The voting rights of the 6% and 7% cumulative preference shares issued by NV are based on their nominal value, as prescribed by Dutch law. NV agrees with the principle in the Dutch Code that the voting rights of any newly issued preference shares should be based on their economic value rather than on their nominal value (bp IV.1.2), but cannot unilaterally reduce voting rights of its outstanding preference shares.
Anti-takeover constructions and control over the company: NV confirms that it has no anti-takeover constructions, in the sense of constructions that are intended solely, or primarily to block future hostile public offers for its shares (pp IV.3.11). Nor does NV have any constructions whose specific purpose is to prevent a bidder, after acquiring 75% of the capital, from appointing or dismissing members of the Board and subsequently altering the Articles of Association. The acquisition through a public offer of a majority of the shares in a company does not, under Dutch law, preclude the continued right of the board of the company to exercise its powers.

Corporate Governance Statement: NV is required to make a statement concerning corporate governance as referred to in article 2a of the decree on additional requirements for annual reports (Vaststellingsbesluit nadere voorschriften inhoud jaarverslag) with effect from 1 January 2010 (the Decree). The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree can be found on our website.

www.unilever.com/corporategovernance

THE UNITED KINGDOM

PLC, being a company that is incorporated in the UK and listed on the London Stock Exchange, is required to state how it has applied the main principles and how far it has complied with the provisions set out in the 2012 UK Corporate Governance Code (UK Code), which is available on the Financial Reporting Council’s (FRC) website. In 2014 PLC complied with all UK Code provisions.

www.frc.org.uk

Risk Management and Control: Our approach to risk management and systems of internal control is in line with the recommendations in the report on ‘Internal Control – Revised Guidance for Directors on the UK Combined Code’ (The Turnbull guidance). It is Unilever’s practice to bring acquired companies within the Group’s governance procedures as soon as is practicable and in any event by the end of the first full year of operation.

Greenhouse Gas (GHG) Emissions: As part of our Unilever Sustainable Living Plan (USLP), we have set ambitious eco-efficiency targets which include carbon dioxide (CO₂) emissions from energy used in manufacturing as well as water and waste and targets for the new factories we are building.

In line with the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 our greenhouse gas performance is set out below. We have used the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (GHG Protocol) to calculate emissions of carbon dioxide from the combustion of fuels and the operation of facilities [Scope 1] and from purchased electricity, heat, steam and cooling [Scope 2] for our manufacturing facilities.

Carbon emission factors are used to convert energy used in manufacturing to emissions of CO₂. Carbon emission factors for fuels are provided by the Intergovernmental Panel on Climate Change (IPCC).

Carbon emission factors for electricity reflect the country or sub-region where each manufacturing site is located and are provided by the International Energy Agency (IEA) and local regulatory authorities, for example the United States Environmental Protection Agency (US EPA). We have selected an intensity ratio based on production, this aligns with our long-standing reporting of manufacturing performance.

The GHG data relates to emissions during the 12-month period from 1 October 2013 to 30 September 2014. This period is different from that for which the remainder of the Directors’ Report is prepared [which is the calendar year 2014].

Emissions of CO₂ from manufacturing (tonnes), 1 October 2013 to 30 September 2014 (1 October 2012 to 30 September 2013)

| Scope 1 | 929,360 tonnes CO₂ (1,013,690 tonnes CO₂) |
| Scope 2 | 1,849,163 tonnes CO₂ (1,953,147 tonnes CO₂) |
| Total Scope 1 & 2 | 2,778,523 tonnes CO₂ (2,966,837 tonnes CO₂) |
| Intensity ratio | 91.93 kg CO₂ per tonne of production* |

Emissions data includes material sources of Scope 1 and 2 emissions that have been subject to external assurance, ie emissions of CO₂ from energy used in manufacturing. Emissions from the combustion of biogenic fuels (biomass, fuel crops etc) at our manufacturing sites are reported separately to other Scope 1 and 2 emissions, as recommended by the GHG Protocol, and excluded from our intensity ratio calculation.

Our GHG data does not include minor emissions sources that are beyond our boundary of financial control or that are not material. For example, emissions of CO₂ from energy used in our offices and warehouses are excluded, although we continue to drive improvements in these areas through our USLP targets. The data also excludes Scope 3 emissions (including consumer use of our products) which we report as part of our USLP [see below].

One of the three big goals of the USLP is to halve the environmental footprint of the making and use of our products by 2020 (see page 11). This is expressed on a per consumer use basis – i.e. a single use, portion or serving of a product and measures the GHG emissions associated with the lifecycle of a product from raw materials to manufacturing to consumer use and disposal. To calculate this we consider emissions spanning Scopes 1, 2 and 3. See page 11 and our online Unilever Sustainable Living Report 2014 [to be published in May 2015] for further detail.

www.unilever.com/sustainable-living

Progress During the Year: Total Scope 1 and 2 emissions during the reporting period have demonstrated significant reduction compared to the previous reporting period. They have also decreased significantly compared to the 2008 baseline year of the target to reduce GHG in manufacturing in the USLP (2008 baseline).

Absolute emissions reduced by 5.3% compared to the previous 12 months (a reduction of 7.0% per tonne of production) and by over 930,000 tonnes* (37% per tonne of production) compared to the 2008 baseline. Some of the biggest contributors to our reductions in CO₂ emissions from energy used in manufacturing during the reporting year were:

- energy savings through adoption of a wide range of technologies, behaviours and the sharing of best practice.
- Energy use reduced by 7.2% per tonne of production during the reporting period compared to the previous 12 months; and
- investment in cost-effective renewable energy technologies.

At the end of the calendar year, the number of manufacturing sites that use either renewable fuels or other renewable energy generated on site increased to 50 out of our total of 247.

* PwC assured. For further details and the basis of preparation see our website.
Employee Involvement and Communication: Unilever’s UK companies maintain formal processes to inform, consult and involve employees and their representatives. A National Consultative Forum comprising employees and management representatives meets regularly to provide a forum for discussing issues relating to all Unilever sites in the United Kingdom. We recognise collective bargaining on a number of sites and engage with employees via the Sourcing Unit Forum, which includes national officer representation from the three recognised trade unions. A European Works Council, embracing employee and management representatives from countries within Europe, has been in existence for several years and provides a forum for discussing issues that extend across national boundaries.

The Directors’ Reports of the United Kingdom operating companies contain more details about how they have communicated with their employees during 2014.

Equal Opportunities and Diversity: In accordance with our Code of Business Principles, Unilever aims to ensure that applications for employment from everyone are given full and fair consideration and that everyone is given access to training, development and career opportunities. Every effort is also made to retrain and support employees who become disabled while working within the Group.

Independent Auditors and Disclosure of Information to Auditors: To the best of each of the Directors’ knowledge and belief, and having made appropriate enquiries, all information relevant to enabling the auditors to provide their opinions on PLC’s consolidated and parent company accounts has been provided. Each of the Directors has taken all reasonable steps to ensure their awareness of any relevant audit information and to establish that Unilever PLC’s auditors are aware of any such information.

THE UNITED STATES

Both NV and PLC are listed on the New York Stock Exchange (NYSE). As such, both companies must comply with the requirements of US legislation, such as the Sarbanes-Oxley Act of 2002, regulations enacted under US securities laws and the Listing Standards of the NYSE, that are applicable to foreign private issuers, copies of which are available on their websites.

We are substantially compliant with the Listing Standards of the NYSE applicable to foreign private issuers except as set out below.

We are required to disclose any significant ways in which our corporate governance practices differ from those typically followed by US companies listed on the NYSE. Our corporate governance practices are primarily based on the requirements of the UK Listing Rules, the UK Code and the Dutch Code but substantially conform to those required of US companies listed on the NYSE. The only significant way in which our corporate governance practices differ from those followed by domestic companies under Section 303A Corporate Governance Standards of the NYSE is that the NYSE rules require that shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with certain limited exemptions. The UK Listing Rules require shareholder approval of equity-compensation plans only if new or treasury shares are issued for the purpose of satisfying obligations under the plan or if the plan is a long-term incentive plan in which a director may participate. Amendments to plans approved by shareholders generally only require approval if they are to the advantage of the plan participants. Furthermore, Dutch law and NV’s Articles of Association require shareholder approval of equity-compensation plans only if the Executive Directors are able to participate in such plans. Under Dutch law, shareholder approval is not required for material revisions to equity-compensation plans unless the Executive Directors participate in a plan and the plan does not contain its own procedure for revisions.

Attention is drawn to the Report of the Audit Committee on pages 56 and 57. In addition, further details about our corporate governance are provided in the document entitled ‘The Governance of Unilever’ which can be found on our website.

All senior executives and senior financial officers have declared their understanding of and compliance with Unilever’s Code of Business Principles and the related Code Policies. No waiver from any provision of the Code of Business Principles or Code Policies was granted in 2014 to any of the persons falling within the scope of the SEC requirements. Our Code of Business Principles can be found on our website.

www.unilever.com/corporategovernance

Risk Management and Control: Following a review by the Disclosure Committee, Audit Committee and Boards, the CEO and the CFO concluded that the design and operation of the Group’s disclosure controls and procedures, including those defined in the United States Securities Exchange Act of 1934 – Rule 13a – 15(e), as at 31 December 2014 were effective, and that subsequently until 3 March 2015, the date of the approval of the Annual Report and Accounts by the Boards, there have been no significant changes in the Group’s internal controls, or in other factors that could significantly affect those controls.

Unilever is required by Section 404 of the US Sarbanes-Oxley Act of 2002 to report on the effectiveness of its internal control over financial reporting. This requirement will be reported on separately and will form part of Unilever’s Annual Report on Form 20-F.
RISKS

OUR RISK APPETITE AND APPROACH TO RISK MANAGEMENT

Risk management is integral to Unilever’s strategy and to the achievement of Unilever’s long-term goals. Our success as an organisation depends on our ability to identify and exploit the opportunities generated by our business and the markets we are in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the leadership team agenda, which is where we believe it should be.

Unilever adopts a risk profile that is aligned to our Vision to double the size of our business while reducing our environmental footprint and increasing our positive social impact. Our available capital and other resources are applied to underpin our priorities. We aim to maintain a strong single A credit rating on a long-term basis.

Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Unilever’s senior management including, where appropriate, the Chief Executive Officer and Chief Financial Officer.

ORGANISATION

The Unilever Boards assume overall accountability for the management of risk and for reviewing the effectiveness of Unilever’s risk management and internal control systems.

The Boards have established a clear organisational structure with well defined accountabilities for the principal risks that Unilever faces in the short, medium and long term. This organisational structure and distribution of accountabilities and responsibilities ensures that every country in which we operate has specific resources and processes for risk review and risk mitigation. This is supported by the Unilever Leadership Executive, which takes an active responsibility for focusing on the principal areas of risk to Unilever. The Boards regularly review these risk areas, including consideration of environmental, social and governance matters, and retain responsibility for determining the nature and extent of the significant risks that Unilever is prepared to take to achieve its strategic objectives.

FOUNDATION AND PRINCIPLES

Unilever’s approach to doing business is framed by our Purpose. Our Code of Business Principles sets out the standards of behaviour that we expect all employees to adhere to. Day-to-day responsibility for ensuring these principles are applied throughout Unilever rests with senior management across categories, geographies and functions. A network of Code Officers and Committees supports the activities necessary to communicate the Code, deliver training, maintain processes and procedures (including support lines) to report and respond to alleged breaches, and to capture and communicate learnings.

We have a framework of Code Policies that underpin the Code of Business Principles and set out the non-negotiable standards of behaviour expected from all our employees.

For each of our principal risks we have a risk management framework detailing the controls we have in place and who is responsible for both managing the overall risk and the individual controls mitigating that risk.

Unilever’s functional standards define mandatory requirements across a range of specialist areas such as health and safety, accounting and reporting and financial risk management.

PROCESSES

Unilever operates a wide range of processes and activities across all its operations covering strategy, planning, execution and performance management. Risk management is integrated into every stage of this business cycle. These procedures are formalised and documented and are increasingly being centralised and automated into transactional and other information technology systems.

ASSURANCE AND RE-ASSURANCE

Assurance on compliance with the Code of Business Principles and all of our Code Policies is obtained annually from Unilever management via a formal Code declaration. In addition, there are specialist compliance programmes which run during the year and vary depending on the business priorities. These specialist compliance programmes supplement the Code declaration. Our Corporate Audit function plays a vital role in providing to both management and the Boards an objective and independent review of the effectiveness of risk management and internal control systems throughout Unilever.

BOARDS’ ASSESSMENT OF COMPLIANCE WITH THE RISK MANAGEMENT FRAMEWORKS

The Boards, advised by the Committees where appropriate, regularly review the significant risks and decisions that could have a material impact on Unilever. These reviews consider the level of risk that Unilever is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure.

The Boards, through the Audit Committee, have reviewed the assessment of risks, internal controls and disclosure controls and procedures in operation within Unilever. They have also considered the effectiveness of any remedial actions taken for the year covered by this report and up to the date of its approval by the Boards.

Details of the activities of the Audit Committee in relation to this can be found in the Report of the Audit Committee on pages 56 to 57.

Further statements on compliance with the specific risk management and control requirements in the Dutch Corporate Governance Code, the UK Corporate Governance Code, the US Securities Exchange Act (1934) and the Sarbanes–Oxley (2002) Act can be found on pages 46, 47 and 48.

PRINCIPAL RISK FACTORS

Our business is subject to risks and uncertainties. On the following pages we have identified the risks that we regard as the most relevant to our business. These are the risks that we see as most material to Unilever’s business and performance at this time. There may be other risks that could emerge in the future. We have also commented below on certain mitigating actions that we believe help us to manage these risks. However, we may not be successful in deploying some or all of these mitigating actions. If the circumstances in these risks occur or are not successfully mitigated, our cash flow, operating results, financial position, business and reputation could be materially adversely affected. In addition, risks and uncertainties could cause actual results to vary from those described, which may include forward-looking statements, or could impact on our ability to meet our targets or be detrimental to our profitability or reputation.
<table>
<thead>
<tr>
<th>DESCRIPTION OF RISK</th>
<th>WHAT WE ARE DOING TO MANAGE THE RISK</th>
</tr>
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<tbody>
<tr>
<td><strong>BRAND PREFERENCE</strong></td>
<td>As a branded goods business, Unilever’s success depends on the value and relevance of our brands and products to consumers across the world and on our ability to innovate and remain competitive.</td>
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<tr>
<td>Consumer tastes, preferences and behaviours are constantly changing and Unilever’s ability to anticipate and respond to these changes and to continue to differentiate our brands and products is vital to our business.</td>
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<tr>
<td>We are dependent on creating innovative products that continue to meet the needs of our consumers. If we are unable to innovate effectively, Unilever’s sales or margins could be materially adversely affected.</td>
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<tr>
<td><strong>PORTFOLIO MANAGEMENT</strong></td>
<td>Unilever’s strategic investment choices will affect the long-term growth and profits of our business.</td>
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<tr>
<td>Unilever’s growth and profitability are determined by our portfolio of categories, geographies and channels and how these evolve over time. If Unilever does not make optimal strategic investment decisions then opportunities for growth and improved margin could be missed.</td>
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<tr>
<td><strong>SUSTAINABILITY</strong></td>
<td>The success of our business depends on finding sustainable solutions to support long-term growth.</td>
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<tr>
<td>Unilever’s Vision to double the size of our business while reducing our environmental footprint and increasing our positive social impact will require more sustainable ways of doing business. This means reducing our environmental footprint while increasing the positive social benefits of Unilever’s activities. We are dependent on the efforts of partners and various certification bodies to achieve our sustainability goals. There can be no assurance that sustainable business solutions will be developed and failure to do so could limit Unilever’s growth and profit potential and damage our corporate reputation.</td>
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<tr>
<td>The Unilever Sustainable Living Plan sets clear long-term commitments to improve health and well-being, reduce environmental impact and enhance livelihoods. Underpinning these are targets in areas such as hygiene, nutrition, sustainable sourcing, fairness in the workplace, opportunities for women and inclusive business as well as greenhouse gas emissions, water and waste. These targets and more sustainable ways of operating are being integrated into Unilever’s day-to-day business.</td>
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<tr>
<td>Progress towards the Unilever Sustainable Living Plan is monitored by the Unilever Leadership Executive and the Boards. The Unilever Sustainable Living Plan Council, comprising six external specialists in sustainability, guides and critiques the development of our strategy.</td>
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</tr>
<tr>
<td><strong>CUSTOMER RELATIONSHIPS</strong></td>
<td>Successful customer relationships are vital to our business and continued growth.</td>
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<tr>
<td>Maintaining strong relationships with our customers is necessary for our brands to be well presented to our consumers and available for purchase at all times.</td>
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<tr>
<td>The strength of our customer relationships also affects our ability to obtain pricing and secure favourable trade terms. Unilever may not be able to maintain strong relationships with customers and failure to do so could negatively impact the terms of business with the affected customers and reduce the availability of our products to consumers.</td>
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<tr>
<td>We build and maintain trading relationships across a broad spectrum of channels ranging from centrally managed multinational customers through to small traders accessed via distributors in many developing countries.</td>
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<tr>
<td>We develop joint business plans with our key customers that include detailed investment plans and customer service objectives and we regularly monitor progress.</td>
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<tr>
<td>We have developed capabilities for customer sales and outlet design which enable us to find new ways to improve customer performance and enhance our customer relationships.</td>
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<tr>
<td>DESCRIPTION OF RISK</td>
<td>WHAT WE ARE DOING TO MANAGE THE RISK</td>
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<tr>
<td>---------------------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>TALENT</strong></td>
<td>Resource committees have been established and implemented throughout our business. These committees have responsibility for identifying future skills and capability needs, developing career paths and identifying the key talent and leaders of the future.</td>
</tr>
<tr>
<td>A skilled workforce is essential for the continued success of our business.</td>
<td>We have integrated management development process which includes regular performance reviews underpinned by a common set of leadership behaviours, skills and competencies.</td>
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<tr>
<td>Our ability to attract, develop and retain the right number of appropriately qualified people is critical if we are to compete and grow effectively.</td>
<td>We have targeted programmes to attract and retain top talent and we actively monitor our performance in retaining talent within Unilever.</td>
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<tr>
<td>This is especially true in our key emerging markets where there can be a high level of competition for a limited talent pool. The loss of management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results.</td>
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<tr>
<td><strong>SUPPLY CHAIN</strong></td>
<td>We have contingency plans designed to enable us to secure alternative key material supplies at short notice, to transfer or share production between manufacturing sites and to use substitute materials in our product formulations and recipes.</td>
</tr>
<tr>
<td>Our business depends on purchasing materials, efficient manufacturing and the timely distribution of products to our customers.</td>
<td>These contingency plans also extend to an ability to intervene directly to support a key supplier should it for any reason find itself in difficulty or be at risk of negatively affecting a Unilever product.</td>
</tr>
<tr>
<td>Our supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents or bankruptcy of a key supplier which could impact our ability to deliver orders to our customers.</td>
<td>We have policies and procedures designed to ensure the health and safety of our employees and the products in our facilities, and to deal with major incidents or crises including business continuity and disaster recovery.</td>
</tr>
<tr>
<td>The cost of our products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs cannot always be passed on to the consumer through pricing.</td>
<td>Commodity price risk is actively managed through forward buying of traded commodities and other hedging mechanisms. Trends are monitored and modelled regularly and integrated into our forecasting process.</td>
</tr>
<tr>
<td><strong>SAFE AND HIGH QUALITY PRODUCTS</strong></td>
<td>Our product quality processes and controls are comprehensive, from product design to customer shelf. They are verified annually, and regularly monitored through performance indicators that drive continuous improvement activities. Our key suppliers are externally certified and the quality of material received is regularly monitored to ensure that it meets the rigorous quality standards that our products demand.</td>
</tr>
<tr>
<td>The quality and safety of our products are of paramount importance for our brands and our reputation.</td>
<td>In the event of an incident relating to the safety of our consumers or the quality of our products, incident management teams are activated in the affected markets under the direction of our product quality, science, and communications experts, to ensure timely and effective market place action.</td>
</tr>
<tr>
<td>The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure or other factors cannot be excluded.</td>
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<tr>
<td><strong>SYSTEMS AND INFORMATION</strong></td>
<td>Hardware that runs and manages core operating data is fully backed up with separate contingency systems to provide real time back-up operations should they ever be required.</td>
</tr>
<tr>
<td>Unilever’s operations are increasingly dependent on IT systems and the management of information.</td>
<td>We maintain a global system for the control and reporting of access to our critical IT systems. This is supported by an annual programme of testing of access controls.</td>
</tr>
<tr>
<td>We interact electronically with customers, suppliers and consumers in ways which place ever greater emphasis on the need for secure and reliable IT systems and infrastructure and careful management of the information that is in our possession.</td>
<td>We have policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. Our employees are trained to understand these requirements.</td>
</tr>
<tr>
<td>Disruption of our IT systems could inhibit our business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results.</td>
<td>We have standardised ways of hosting information on our public websites and have systems in place to monitor compliance with appropriate privacy laws and regulations, and with our own policies.</td>
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<tr>
<td>There is also a threat from unauthorised access and misuse of sensitive information. Unilever’s information systems could be subject to unauthorised access or the mistaken disclosure of information which disrupts Unilever’s business and/or leads to loss of assets.</td>
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## RISKS CONTINUED

### DESCRIPTION OF RISK

#### BUSINESS TRANSFORMATION

Successful execution of business transformation projects is key to delivering their intended business benefits and avoiding disruption to other business activities.

Unilever is continually engaged in major change projects, including acquisitions and disposals and outsourcing, to drive continuous improvement in our business and to strengthen our portfolio and capabilities.

Failure to execute such transactions or change projects successfully, or performance issues with third party outsourced providers on which we are dependent, could result in under-delivery of the expected benefits. Furthermore, disruption may be caused in other parts of the business.

#### EXTERNAL ECONOMIC AND POLITICAL RISKS AND NATURAL DISASTERS

Unilever operates across the globe and is exposed to a range of external economic and political risks and natural disasters that may affect the execution of our strategy or the running of our operations.

Adverse economic conditions may result in reduced consumer demand for our products, and may affect one or more countries within a region, or may extend globally.

Government actions such as fiscal stimulus, changes to taxation and price controls can impact on the growth and profitability of our local operations.

Social and political upheavals and natural disasters can disrupt sales and operations.

In 2014, more than half of Unilever’s turnover came from emerging markets including Brazil, India, Indonesia, Turkey, South Africa, China, Mexico and Russia. These markets offer greater growth opportunities but also expose Unilever to economic, political and social volatility in these markets.

#### TREASURY AND PENSIONS

Unilever is exposed to a variety of external financial risks in relation to Treasury and Pensions.

Changes to the relative value of currencies can fluctuate widely and could have a significant impact on business results. Further, because Unilever consolidates its financial statements in euros it is subject to exchange risks associated with the translation of the underlying net assets and earnings of its foreign subsidiaries.

We are also subject to the imposition of exchange controls by individual countries which could limit our ability to import materials paid in foreign currency or to remit dividends to the parent company.

Currency rates, along with demand cycles, can also result in significant swings in the prices of the raw materials needed to produce our goods.

Unilever may face liquidity risk, ie difficulty in meeting its obligations, associated with its financial liabilities. A material and sustained shortfall in our cash flow could undermine Unilever’s credit rating, impair investor confidence and also restrict Unilever’s ability to raise funds.

### WHAT WE ARE DOING TO MANAGE THE RISK

#### BUSINESS TRANSFORMATION

All acquisitions, disposals and global restructuring projects are sponsored by a member of the Unilever Leadership Executive. Regular progress updates are provided to the Unilever Leadership Executive.

Sound project disciplines are used in all merger, acquisitions, restructuring and outsourcing projects and these projects are resourced by dedicated and appropriately qualified personnel.

The performance of third party outsourced providers is kept under constant review, with potential disruption limited to the time and cost required to install alternative providers.

Unilever also monitors the volume of change programmes under way in an effort to stagger the impact on current operations and to ensure minimal disruption.

#### EXTERNAL ECONOMIC AND POLITICAL RISKS AND NATURAL DISASTERS

The breadth of Unilever’s portfolio and our geographic reach help to mitigate our exposure to any particular localised risk to an extent. Our flexible business model allows us to adapt our portfolio and respond quickly to develop new offerings that suit consumers’ and customers’ changing needs during economic downturns.

We regularly update our forecast of business results and cash flows and, where necessary, rebalance investment priorities.

We have continuity planning designed to deal with crisis management in the event of political and social events and natural disasters.

We believe that many years of exposure to emerging markets have given us experience operating and developing our business successfully during periods of economic, political or social change.

#### TREASURY AND PENSIONS

Currency exposures are managed within prescribed limits and by the use of forward foreign exchange contracts. Further, operating companies borrow in local currency except where inhibited by local regulations, lack of local liquidity or local market conditions. We also hedge some of our exposures through the use of foreign currency borrowing or forward exchange contracts.

Our interest rate management approach aims to achieve an optimal balance between fixed and floating rate interest exposures on expected net debt.

We seek to manage our liquidity requirements by maintaining access to global debt markets through short-term and long-term debt programmes. In addition, we have high committed credit facilities for general corporate purposes.

Group treasury regularly monitors exposure to our banks, tightening counter-party limits where appropriate. Unilever actively manages its banking exposures on a daily basis.
### DESCRIPTION OF RISK

We are exposed to market interest rate fluctuations on our floating rate debt. Increases in benchmark interest rates could increase the interest cost of our floating rate debt and increase the cost of future borrowings.

In times of financial market volatility, we are also potentially exposed to counter-party risks with banks, suppliers and customers.

Certain businesses have defined benefit pension plans, most now closed to new employees, which are exposed to movements in interest rates, fluctuating values of underlying investments and increased life expectancy. Changes in any or all of these inputs could potentially increase the cost to Unilever of funding the schemes and therefore have an adverse impact on profitability and cash flow.

### WHAT WE ARE DOING TO MANAGE THE RISK

We regularly assess and monitor counter-party risk in our customers and take appropriate action to manage our exposures.

Our pension investment standards require us to invest across a range of equities, bonds, property, alternative assets and cash such that the failure of any single investment will not have a material impact on the overall value of assets.

The majority of our assets, including those held in our ‘pooled’ investment vehicle, Univest, are managed by external fund managers and are regularly monitored by pension trustees and central pensions and investment teams.

Further information on financial instruments and capital and treasury risk management is included in note 16 on pages 114 to 119.

### ETHICAL

Acting in an ethical manner, consistent with the expectations of customers, consumers and other stakeholders, is essential for the protection of the reputation of Unilever and its brands.

Unilever’s brands and reputation are valuable assets and the way in which we operate, contribute to society and engage with the world around us is always under scrutiny both internally and externally. Despite the commitment of Unilever to ethical business and the steps we take to adhere to this commitment, there remains a risk that activities or events cause us to fall short of our desired standard, resulting in damage to Unilever’s corporate reputation and business results.

Our Code of Business Principles and our Code Policies govern the behaviour of our employees, suppliers, distributors and other third parties who work with us.

Our processes for identifying and resolving breaches of our Code of Business Principles and our Code Policies are clearly defined and regularly communicated throughout Unilever. Data relating to such breaches is reviewed by the Unilever Leadership Executive and by relevant Board committees and helps to determine the allocation of resources for future policy development, process improvement, training and awareness initiatives.

### LEGAL AND REGULATORY

Compliance with laws and regulations is an essential part of Unilever’s business operations.

Unilever is subject to local, regional and global laws and regulations in such diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

Failure to comply with laws and regulations could expose Unilever to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation.

Changes to laws and regulations could have a material impact on the cost of doing business. Tax, in particular, is a complex area where laws and their interpretation are changing regularly, leading to the risk of unexpected tax exposure.

Unilever is committed to complying with the laws and regulations of the countries in which we operate. In specialist areas the relevant teams at global, regional or local levels are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws specific and relevant to their roles.

Our legal and regulatory specialists are heavily involved in monitoring and reviewing our practices to provide reasonable assurance that we remain aware of and in line with all relevant laws and legal obligations.

We have a Tax Risk Framework in place which sets out the controls established to assess and monitor tax risk for direct and indirect taxes.
**MOHAMMED KHALID RIFKIND**
Non-Executive Director

**Nationality**
British

**Age**
57

**Appointed**
May 2013

**Committee membership**
Nominating and Corporate Governance

**Key areas of experience**
Finance, sales & marketing

**Current external appointments**
- Alliance Medical Holdings Limited (NED)
- British Airways plc (CFO)
- Delticom AG (NED)
- Evonik Industries AG (NED)
- Natura Cosmeticos (NED)
- Nestlé S.A. (CFO, NED)
- Oxford Economics (Member)
- Procter & Gamble Co. (NED)

**Previous relevant experience**
- Assistant Director-General of the IAEA
- Head of Private Sector Development at IFAD
- Consultant at ATP
- Authority for Nuclear Technology

**Key areas of experience:** Public Sector, Finance, Policy, Development, Legal, Regulatory Affairs, Corporate Governance, International Relations

**Current external appointments**
- Former UK Treasury Civil servant
- Member, BBC Trust
- Foreign Secretary of the UK
- Chief of Staff to the Director-General of the IAEA
- Former UK Permanent Secretary, Home Office

**Previous relevant experience**
- Former UK Foreign Secretary
- UK Permanent Secretary, Home Office
- British Civil Servant

**Academic / Gov. / Legal / Regulatory Affairs**

**PAUL WALSH**
Non-Executive Director

**Nationality**
British

**Age**
59

**Appointed**
May 2009

**Committee membership**
Compensation

**Key areas of experience**
Finance, consumer, science & technology

**Current external appointments**
- Diageo plc (Chairman)
- E.ON SE (NED)
- Nestlé S.A. (CFO, NED)
- United Spirits Limited (NED)
- Avanti Communications Group plc (NED)
- Diageo plc, United Spirits (Chairman)

**Previous relevant experience**
- Executive Director, European Chemical Industry Council (Board member)
- Royal DSM N.V. (CEO and Chairman)
- CEO, Royal DSM

**Key areas of experience:** Finance, consumer, science & technology

**Academic / Gov. / Legal / Regulatory Affairs**

**JEAN-MARC HUET**
Chief Financial Officer Executive Director

**Nationality**
Dutch

**Age**
45

**Appointed**
February 2018

**Committee membership**
Audit (Chairman)

**Key areas of experience**
Finance, consumer, sales & marketing

**Current external appointments**
- Delto Topco Limited (NED)
- Heineken N.V. (Supervisory Board member)
- Goldman Sachs International (Investment Banking)

**Previous relevant experience**
- Bristol-Myers Squibb Company (NVP and CFO)
- Mead Johnson Nutrition (NED)

**Key areas of experience:** Finance, consumer, sales & marketing

**Academic / Gov. / Legal / Regulatory Affairs**

**DIRECORS’ KEY AREAS OF EXPERTISE**
UNILEVER LEADERSHIP EXECUTIVE (ULE)
FOR PAUL POLMAN AND JEAN-MARC HUËT SEE PAGE 54

DOUG BAILLIE
Chief Human Resources Officer
Nationality British Age 59, Male
Appointed to ULE November 2011
Previous Unilever posts include:
- Hindustan Unilever Limited (CFO)
- Unilever Bangladesh (VP)
Current external appointments: Synergos (Board member)

DAVID BLANCHARD
Chief R&D Officer
Nationality British Age 50, Male
Appointed to ULE February 2013
Previous Unilever posts include:
- Unilever Research & Development (SVP)
- Unilever Canada Inc. (Chairman)
Current external appointments: Ingleby Farms and Forests (NED)

KEVIN HAVELock
President, Refreshment
Nationality British Age 57, Male
Appointed to ULE November 2011
Previous Unilever posts include:
- FRALIB France (President Director Général)
- Unilever Araba (Chairman)
- Unilever UK (Chairman)
Current External Appointments: Pepsi/Lipton JV (Co-Chairman)

ALAN JOPE
President, Personal Care
Nationality British Age 50, Male
Appointed to ULE November 2011
Previous Unilever posts include:
- Unilever Russia, Africa and Middle East (President)
- Unilever North Asia (President)
Current external appointments: SCC and Dressings (Global Category Leader), Home and Personal Care business in North America (President)

KEES KRYTHOFF
President, North America
Nationality Dutch Age 64, Male
Appointed to ULE 1993
Previous Unilever posts include: Brazil (EVP), Unilever Foods South Africa (CEO), Unilever Bestfoods Asia (SVP and Board member)
Current external appointments: Enactus (Worldwide Board member), USA Grocery Manufacturing Association (Board member)

NITIN PARANJPE
President, Home Care
Nationality Indian Age 51, Male
Appointed to ULE October 2013
Previous Unilever posts include:
- Hindustan Unilever Limited (CEO)
- Home and Personal Care, India (Executive Director)
Current external appointments: Bhatiya Alliance Child Nutrition Initiatives (Director)

ANTOINE DE SAINT-AFFRIQUE
President, Foods
Nationality French Age 50, Male
Appointed to ULE November 2011
Previous Unilever posts include:
- Skin category (EVP), Unilever Central and Eastern Europe (EVP)
Current external appointments: Conseiller du Commerce Extérieur de la France, Essilor International (NED)

RITVA SOTAMAA
Chief Legal Officer
Nationality Finnish Age 51, Female
Appointed to ULE March 2013
Previous posts include: Siemens AG – Siemens Healthcare (GC), General Electric Company – GE Healthcare (various positions including GE Healthcare Systems (EVP), Instrumentarium Corporation (GC)

KEITH WEED
Chief Marketing and Communications Officer
Nationality British Age 53, Male
Appointed to ULE April 2010
Previous Unilever posts include:
- Global Home Care and Hygiene (EVP)
- Lever Fabergé (Chairman), Hair and Oral Care (EVP)
Current external appointments: Sun Products Corporation (NED), Collectively Limited (Chairman), Business in the Community International Board (Board member), World Economic Forum Consumer Industry (Board member)

PIER LUIGI SIGISMONDI
Chief Supply Chain Officer
Nationality Italian Age 69, Male
Appointed to ULE September 2009
Previous posts include: Nestlé Mexico.
Current external appointments: Rexel S.A. (NED)

JAN ZIJDERVELD
President, Europe
Nationality Dutch Age 50, Male
Appointed to ULE February 2011
Previous Unilever posts include:
- South East Asia and Australasia (EVP)
- Unilever Middle East North Africa (Chairman)
Current external appointments: AIM (Board member), FoodDrinkEurope (Board member), Pepsi/Lipton, JV (Board member), ECR Europe (Efficent Consumer Responsible) (Board member and Co-Chairman)

Key:
NED Non-Executive Director
EVP Executive Vice President
SVP Senior Vice President
VP Vice President
GC General Counsel
## COMMITTEE MEMBERS AND ATTENDANCE

<table>
<thead>
<tr>
<th>Name</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Byron Grote</td>
<td>7 / 8</td>
</tr>
<tr>
<td>Mary Ma</td>
<td>8 / 8</td>
</tr>
<tr>
<td>Hixonia Nyasulu</td>
<td>8 / 8</td>
</tr>
<tr>
<td>John Rishton</td>
<td>8 / 8</td>
</tr>
</tbody>
</table>

This table shows the membership of the Committee together with their attendance at meetings during 2014. If Directors are unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the Committee Chairman. Attendance is expressed as the number of meetings attended out of the number eligible to be attended.

## HIGHLIGHTS OF 2014

- Review of the Annual Report & Accounts
- Oversight of transition to the new external auditors
- Review of management’s improvements to reporting and internal control arrangements
- Review of Unilever’s major change programmes
- Review of IT security and data privacy

## PRIORITIES FOR 2015

- Ongoing assessment of new regulatory requirements for audit committees with respect to reporting and governance
- Review of Unilever’s major change programmes
- Review of non-financial KPIs
- Review of IT security and resilience
- Impact of new global tax regulations

## MEMBERSHIP OF THE COMMITTEE

The Audit Committee is comprised only of independent Non-Executive Directors with a minimum requirement of three such members. It is chaired by Byron Grote. The other members are Mary Ma, Hixonia Nyasulu and John Rishton. For the purposes of the US Sarbanes-Oxley Act of 2002 Byron Grote is the Audit Committee’s financial expert. The Boards have satisfied themselves that the current members of the Audit Committee are competent in financial matters and have recent and relevant experience. Other attendees at Committee meetings (or part thereof) were the Chief Financial Officer, Chief Auditor, Group Controller, Chief Legal Officer, Group Secretary and the external auditor. Throughout the year the Committee members periodically met without others present and also held separate private sessions with the Chief Financial Officer, Chief Auditor and the external auditor, allowing the Committee to discuss any issues in more detail directly.

## ROLE OF THE COMMITTEE

The role and responsibilities of the Audit Committee are set out in written terms of reference which are reviewed annually by the Committee taking into account relevant legislation and recommended good practice. The terms of reference are contained within ‘The Governance of Unilever’ which is available on our website at www.unilever.com/corporategovernance. The Committee’s responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Boards:

- Oversight of the integrity of Unilever’s financial statements;
- Review of Unilever’s quarterly and annual financial statements (including clarity and completeness of disclosure), and approval of the quarterly trading statements for quarter 1 and quarter 3;
- Oversight of risk management and internal control arrangements;
- Oversight of the external auditors’ performance, objectivity, qualifications and independence; the approval process of non-audit services; recommendation to the Boards of their nomination for shareholder approval; and approval of their fees, refer to note 25 on page 128;
- The performance of the internal audit function; and
- Approval of Unilever Leadership Executive (ULE) expense policy and review of Executive Director expenses.

In order to help the Committee meet its oversight responsibilities, each year management organise knowledge sessions for the Committee on subject areas within their remit. In 2014, sessions on corporate governance and reporting updates and cyber security were held.

## HOW THE COMMITTEE HAS DISCHARGED ITS RESPONSIBILITIES

During the year, the Committee’s principal activities were as follows:

### FINANCIAL STATEMENTS

The Committee reviewed the quarterly financial press releases together with the associated internal quarterly reports from the Chief Financial Officer and the Disclosure Committee, and with respect to the half-year, and full-year results the external auditors’ reports, prior to their publication. They also reviewed the Annual Report and Accounts and Annual Report on Form 20-F. These reviews incorporated the accounting policies and significant judgements and estimates underpinning the financial statements as disclosed within note 1 on pages 88 and 89. Particular attention was paid to the following significant issues in relation to the financial statements:

- Revenue recognition – estimation of discounts, incentives on sales made during the year, refer to note 2 on page 90;
- Direct tax provisions and contingencies, refer to note 6 on pages 100 to 102;
- Indirect tax provisions and contingencies, refer to note 19 on page 123.

The external auditors have agreed the list of significant issues discussed by the Audit Committee.

For each of the above areas the Committee considered the key facts and judgements outlined by management. Members of management attended the section of the meeting of the Committee where their item was discussed to answer any questions or challenges posed by the Committee. The issues were also discussed with the external auditor and further information can be found on page 80. The Committee was satisfied that there are relevant accounting policies in place in relation to these significant issues and management have correctly applied these policies.

At the request of the Board the Committee considered whether the 2014 Annual Report and Accounts was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group’s performance, business model and strategy. The Committee were satisfied that, taken as a whole, the 2014 Annual Report and Accounts is fair, balanced and understandable.
RISK MANAGEMENT AND INTERNAL CONTROL ARRANGEMENTS

The Committee reviewed Unilever’s overall approach to risk management and control, and its processes, outcomes and disclosure. It reviewed:

- the Controller’s Quarterly Risk and Control Status Report, including Code of Business Principles cases relating to frauds and financial crimes and significant complaints received through the Unilever Code Support Line;
- the 2014 corporate risks for which the Audit Committee had oversight and the proposed 2015 corporate risks identified by the ULE;
- management’s improvements to reporting and internal financial control arrangements;
- processes related to cyber security, information management and privacy;
- tax planning, insurance arrangements and related risk management;
- treasury policies, including debt issuance and hedging; and
- litigation and regulatory investigations.

The Committee reviewed the application of the requirements under Section 404 of the US Sarbanes-Oxley Act of 2002 with respect to internal controls over financial reporting. In addition, the Committee reviewed the annual financial plan and Unilever’s dividend policy and dividend proposals.

During 2014 the Committee oversaw the independent assurance work that is performed on a number of our Unilever Sustainable Living Plan (USLP) metrics (selected on the basis of their materiality to the USLP).

In fulfilling its oversight responsibilities in relation to risk management, internal control and the financial statements, the Committee met regularly with senior members of management and is fully satisfied with the key judgements taken.

INTERNAL AUDIT FUNCTION

The Committee reviewed Corporate Audit’s audit plan for the year and agreed its budget and resource requirements. It reviewed interim and year-end summary reports and management’s response. The Committee carried out an evaluation of the performance of the internal audit function and was satisfied with the effectiveness of the function. The Committee met independently with the Chief Auditor during the year and discussed the results of the audits performed during the year.

AUDIT OF THE ANNUAL ACCOUNTS

KPMG, Unilever’s external auditors and independent registered public accounting firm, reported in depth to the Committee on the scope and outcome of the annual audit, including their audit of internal controls over financial reporting as required by Section 404 of the US Sarbanes-Oxley Act of 2002. Their reports included accounting matters, governance and control, and accounting developments.

The Committee held independent meetings with the external auditors during the year and reviewed, agreed, discussed and challenged their audit plan, including their assessment of the financial reporting risk profile of the Group. The Committee discussed the views and conclusions of KPMG regarding management’s treatment of significant transactions and areas of judgement during the year and KPMG confirmed they were satisfied that these had been treated appropriately in the financial statements.

EXTERNAL AUDITORS

As a result of the tender performed in 2013, shareholders approved the appointment of KPMG as the Group’s external auditor at the 2014 AGMs in May and throughout the year the Committee oversaw and helped facilitate a smooth transition from the former auditors. The Committee has approved the extension of the current external audit contract by one year, and recommended to the Boards the re-appointment of the external auditors. On the recommendation of the Committee, the Directors will be proposing the re-appointment of KPMG at the AGMs in April 2015.

Both Unilever and KPMG have safeguards in place to avoid the possibility that the auditors’ objectivity and independence could be compromised, such as audit partner rotation and the restriction on non-audit services that the external auditors can perform as described below. The Committee reviewed the report from KPMG on the actions they take to comply with the professional and regulatory requirements and best practice designed to ensure their independence from Unilever.

Each year, the Committee assesses the effectiveness of the external audit process which includes gaining feedback from key stakeholders at all levels across Unilever.

The Committee also reviewed the statutory audit, audit related and non-audit related services provided by KPMG and compliance with Unilever’s documented approach, which prescribes in detail the types of engagements, listed below, for which the external auditors can be used:

- statutory audit services, including audit of subsidiaries;
- audit related engagements – services that involve attestation, assurance or certification of factual information that may be required by external parties;
- non-audit related services – work that our auditors are best placed to undertake, which may include:
  - tax services – all significant tax work is put to tender;
  - acquisition and disposal services, including related due diligence, audits and accountants’ reports; and
  - internal control reviews.

Several types of engagements are prohibited, including:

- bookkeeping or similar services;
- systems design and implementation related to financial information or risk management;
- valuation services;
- actuarial services;
- internal audit;
- broker, dealer, investment adviser or investment bank services;
- legal services;
- design and/or implementation of risk management processes and systems; and
- staff secondments to a management function.

All audit related engagements over €250,000 and non-audit related engagements over €100,000 required specific advance approval by the Audit Committee Chairman. The Committee further approved all engagements below these levels which have been authorised by the Group Controller. These authorities are reviewed regularly and, where necessary, updated in the light of internal developments, external developments and best practice.

EVALUATION OF THE AUDIT COMMITTEE

As part of the external Board evaluation carried out in 2014, the Boards evaluated the performance of the Committee. The Committee also carried out an assessment of its own performance. Each concluded that the Committee is performing effectively. Nevertheless, the Committee agreed that to enhance its effectiveness it would seek opportunities for all Committee members to visit a key accounting and reporting centre.

Byron Grote
Chairman of the Audit Committee
Mary Ma
Hixonia Nyasulu
John Rishton
The Corporate Responsibility Committee oversees Unilever’s conduct as a responsible multinational business. The Committee is also charged with ensuring that Unilever’s reputation is protected and enhanced. A key element of the Committee’s role is the need to identify any external developments which are likely to have an influence upon Unilever’s standing in society and to bring these to the attention of the Boards.

The Committee currently comprises two Non-Executive Directors: Louise Fresco, who chairs the Committee, and Laura Cha. The Chief Marketing & Communications Officer attends the Committee’s meetings. Charles Golden retired as a Non-Executive Director of Unilever at the 2014 AGMs in May.

The Committee’s discussions are informed by the perspectives of the Group’s two sustainability leadership groups, both of which are chaired by the Chief Marketing & Communications Officer. The first is the Unilever Sustainable Living Plan Council (formerly called the Unilever Sustainable Development Group) – a group of experts from outside the Group who advise Unilever’s senior leadership on its sustainability strategy. The second is the Unilever Sustainable Living Plan Steering Team – the group of Unilever’s senior executives who are accountable for driving sustainable growth. The insights from these groups help to keep the Boards informed of current and emerging trends and any potential risks arising from sustainability issues.

During 2014 the Committee reviewed its terms of reference of the Committee and, on the recommendation of the Committee, the Boards approved minor changes to the terms.

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During 2014 the Committee reviewed its terms of reference of the Committee and, on the recommendation of the Committee, the Boards approved minor changes to the terms.
The Committee maintains close scrutiny of the mechanisms for compliance with the Code and Code Policies as ongoing compliance is essential to promote and protect Unilever’s values and standards, and hence the good reputation of the Group. At each meeting the Committee reviews the completion of investigations into non-compliance with the Code and Code Policies and progress on training programmes as well as any trends which may emerge from reports of Code non-compliance.

Third parties’ compliance with the Code is essential for the protection of the reputation of Unilever and its brands. This was a priority for the Committee in 2014 and remains high on its agenda for 2015.

LITIGATION REVIEW
The Chief Legal Officer reports to the Committee on litigation and regulatory matters which may have a reputational impact including environmental issues, bribery and corruption compliance and competition law compliance. For further information on ‘legal proceedings’ please see note 20 on page 125.

SAFETY
The Committee reviews a scorecard analysis of progress on occupational safety and product safety and quality at each meeting. These quarterly scorecards are complemented by regular in-depth discussions to reassure committee members that systems and processes remain robust.

Occupational safety, particularly road safety, remains a high priority for Unilever and the Committee noted considerable effort has been made to counter a slight dip in performance at the beginning of 2014.

Having discussed Unilever’s policies and processes for product safety, including incident management, members considered that Unilever adopts a systematic approach that focuses on prevention.

UNILEVER SUSTAINABLE LIVING PLAN
The USLP is at the heart of Unilever’s Vision to double the size of its business while reducing its environmental footprint and increasing its positive social impact. By making sustainability integral to how Unilever does business, the USLP provides the differentiator in Unilever’s business model. Given its strategic importance, the Committee monitors progress on the USLP and reviews any potential risks that could affect Unilever’s reputation.

One of the Committee’s ongoing priorities is to ensure that delivery of the USLP is maintained through appropriate business strategies.

The USLP was launched at the end of 2010 and much has been learned in implementing the plan since then. In 2014 Unilever reviewed its strategy and approach to focus its attention on the areas that matter most to the business and where its contribution can achieve the greatest impact on society.

An important outcome of this review is the expansion of the Enhancing Livelihoods pillar of the USLP to embrace commitments on fairness in the workplace, opportunities for women and inclusive business. The promotion of human rights is an important component in these new commitments and the Committee studied the implications of the UN Guiding Principles on Human Rights. It also welcomed the launch of Unilever’s new Responsible Sourcing Policy as a crucial step in promoting human rights with Unilever’s suppliers (see page 8).

The Committee also discussed Unilever’s ambitions to achieve systemic change in areas that support its business priorities. Unilever has defined three areas where it has the scale and resources to create transformational change. It is deepening its efforts to work towards eliminating deforestation from supply chains; championing sustainable agriculture and the development of smallholder farmers; and improving hygiene through handwashing, safe drinking water and sanitation.

FURTHER ITEMS
Other discussions during the year focused on obesity, progress on alternatives to animal testing and consumer confidence in the use of chemicals. The systems and processes in place for managing issues such as these were also scrutinised as they are essential in helping to maintain Unilever’s good reputation.

EVALUATION OF THE CORPORATE RESPONSIBILITY COMMITTEE
As part of the external Board evaluation carried out in 2014, the Boards evaluated the performance of the Committee. The Committee also carried out an assessment of its own performance. Each concluded that the Committee is performing effectively. The Committee agreed that the structure of its meetings and its focus on priority topics were working well and should be continued.

Louise Fresco
Chairman of the Corporate Responsibility Committee
Laura Cha

Further details on the USLP can be found in Unilever’s online Sustainable Living Report 2014 to be published in May 2015.

www.unilever.com/sustainable-living
REPORT OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

COMMITTEE MEMBERS, MEMBERSHIP STATUS AND ATTENDANCE

<table>
<thead>
<tr>
<th>Name</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kees Storm</td>
<td>7/7</td>
</tr>
<tr>
<td>Chairman of the Nominating and Corporate Governance Committee</td>
<td></td>
</tr>
<tr>
<td>Sir Malcolm Rifkind</td>
<td>7/7</td>
</tr>
<tr>
<td>Michael Treschow</td>
<td>7/7</td>
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</tbody>
</table>

This table shows the membership of the Committee together with their attendance at meetings during 2014. If Directors are unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the Committee Chairman. Attendance is expressed as the number of meetings attended out of the number eligible to be attended.

HIGHLIGHTS OF 2014

- Director and Unilever Leadership Executive Succession Planning
- External Board evaluation

PRIORITIES FOR 2015

- Recommendations for new Non-Executive Directors
- Planning for Chairman succession
- Monitoring of emerging Corporate Governance developments
- Active participation in relevant Corporate Governance consultations

ROLE AND MEMBERSHIP OF THE COMMITTEE

The Nominating and Corporate Governance Committee is responsible for evaluating the balance of skills, experience, independence and knowledge on the Boards and for drawing up selection criteria, ongoing succession planning and appointment procedures. It also has oversight of all matters relating to corporate governance and brings any issues in this respect to the attention of the Boards.

The Committee’s terms of reference are set out in ‘The Governance of Unilever’ which can be found on our website at www.unilever.com/corporategovernance. During the year, the Committee reviewed the Committee’s terms of reference to ensure they remained in line with relevant corporate governance guidelines and to determine whether its responsibilities are properly described. The amended terms became effective on 1 January 2015.

The Committee is comprised of two Non-Executive Directors and the Chairman. The Group Secretary acts as secretary to the Committee. Other attendees at Committee meetings in 2014 (or part thereof) were the Chief Executive Officer, the Chief HR Officer and the Group Secretary.

In 2014 the Committee met seven times. At the start of the year the Committee considered the results of the Committee’s annual self-evaluation for 2013 and used these to help create an annual plan for meetings for 2014.

APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Re-appointment: Non-Executive Directors normally serve for a maximum of nine years. The schedule the Committee uses for orderly succession planning of Non-Executive Directors can be found on our website at www.unilever.com/committees. All existing Executive and Non-Executive Directors, unless they are retiring, submit themselves for evaluation by the Committee every year. An Executive Director stops holding executive office on ceasing to be a Director. The Chairman will inform the Committee of the outcomes of his discussions with each Director on individual performance. Based upon the evaluation of the Boards, its Committees and the continued good performance of individual Directors, the Committee recommends to each Board a list of Directors for re-election at the relevant company’s AGMs. In 2014, Charles Golden decided not to put himself forward for re-election at the 2014 AGMs in May 2014. The Committee proposed the nomination of all other Directors. Directors are appointed by shareholders by a simple majority vote at the AGMs.

Appointment: Where a vacancy arises on the Boards, the Committee may seek the services of specialist recruitment firms and other external experts to assist in finding individuals with the appropriate skills and expertise. The Committee reviews candidates presented by the recruitment firm, or recommended by Directors and members of the Unilever Leadership Executive (ULEI), and all members of the Committee are involved in the interview process before making their recommendations to the Boards for approval. The Committee also recommends to the Boards candidates for election as Chairman and Vice-Chairman/Senior Independent Director.

When recruiting the Committee will take into account the profile of Unilever’s Boards of Directors set out in the ‘The Governance of Unilever’ which is in line with the recommendations of applicable governance regulations to the extent and best practice. Pursuant to the profile the Boards should comprise a majority of Non-Executive Directors who are independent of Unilever, free from any conflicts of interest and are able to allocate sufficient time to perform their responsibilities effectively. With respect to composition and qualities, the Boards should be in keeping with the size of Unilever, its portfolio, culture and geographical spread and its status as a...
listed company. The objective pursued by the Boards is to have a variety of age, gender, expertise, social background and nationality and, wherever possible, the Boards should reflect Unilever’s consumer base and take into account the footprint and strategy of the Group.

In 2014, the Committee engaged the services of Russell Reynolds Associates, an executive search agency, to assist with the recruitment of a new Non-Executive Director. Russell Reynolds Associates, who also assist Unilever with the recruitment of senior executives, helped to identify Feike Sijbesma as a potential candidate. The Committee recommended to the Boards that Feike Sijbesma be nominated as a new Non-Executive Director at the 2014 AGMs. In May 2014 the AGMs resolved to appoint Feike and his appointment took effect on 1 November 2014. Feike is a leading business figure and brings significant additional expertise to the Boards, including in the important areas of food, nutrition and sustainability.

Succession planning: In consultation with the Committee, the Boards review both the adequacy of succession planning processes and the actual succession planning at each of Board and ULE level.

The Committee, on behalf of the Boards, continued during 2014 to consider succession planning for the Boards given that Byron Grote and Kees Storm (Vice-Chairman/Senior Independent Director) are expected to retire at the AGMs in May 2015 and Michael Treschow (the Chairman), and Hixonia Nyasulu are expected to retire in May 2016. The Committee actively engaged with the Boards in 2014 on potential Non-Executive Director candidates and on the profile of a future Chairman.

In addition, during 2014, the Committee consulted with the Chief Executive Officer on the selection criteria and appointment procedures for senior management changes including changes to the ULE.

DIVERSITY POLICY
Unilever has long understood the importance of diversity within our workforce because of the wide range of consumers we connect with globally. This goes right through our organisation, starting with the Boards. The Boards feel that gender is only one part of diversity, and Unilever Directors will continue to be selected on the basis of their wide-ranging experience, backgrounds, skills, knowledge and insight.

Unilever’s Board Diversity Policy, which is reviewed by the Committee each year, can be found on our website at www.unilever.com/boardsofunilever. The Committee also reviewed and considered relevant recommendations on diversity and remains pleased that over 40% of our Non-Executive Directors are women.

EVALUATION
As part of the external Board evaluation carried out in 2014, the Boards evaluated the performance of the Committee. The Committee also carried out an assessment of its own performance. Each concluded that the Committee is performing effectively. Nevertheless, the Committee agreed that, to enhance its effectiveness, it would give fuller feedback to the Boards on the appointment process of Non-Executive Directors and arrange for the external recruitment firm used to present to the Boards.

Kees Storm
Chairman of the Nominating and Corporate Governance Committee
Sir Malcolm Rifkind
Michael Treschow

PROFILE OF UNILEVER’S BOARDS OF DIRECTORS

DESIRED EXPERTISE AND EXPERIENCE
In view of Unilever’s objectives and activities, it is important that the Boards have sufficient financial literacy, have at least one financial expert and are composed in such a way that the following expertise and experience are present in one or more of its members:

- Executive management experience and knowledge of corporate governance issues at main board level with a company comparable in size and international spread of activities with multiple stock exchange listings;
- Understanding of human resources and remuneration in large international companies;
- Experience in financial administration, accounting policies and internal control;
- Risk management of multinationals with share listings;
- Understanding of the markets where Unilever is active;
- Experience in and understanding of the fast-moving consumer goods (FMCG) market;
- Knowledge of marketing and commercial expertise;
- Awareness of corporate social responsibility issues; and
- Experience with R&D in those fields where Unilever is active.

PROFILE
This profile guides the Nominating and Corporate Governance Committee and the Boards on the occasion of the nomination of Directors. It is reviewed and updated by the Boards periodically.
DEAR SHAREHOLDERS,

I am pleased to report that our Remuneration Policy was adopted at the 2014 NV and PLC AGMs with strong levels of support and remains unchanged for 2015.

RENUMERATION POLICY – AVAILABLE ON OUR WEBSITE

To simplify this year’s report we have chosen not to repeat our Remuneration Policy, which is available on our website. To reflect the reward decisions taken for 2015 by the Compensation Committee we have updated the supporting information in the remuneration policy table and other contextual information.

www.unilever.com/ara2014/downloads

BUSINESS PERFORMANCE AND REMUNERATION OUTCOMES FOR 2014

Annual bonus – a year of resilient performance

During the year Unilever faced a increasingly challenging external environment. In addition to fierce competition, we also saw weakening consumer demand across many parts of the world and increasing external volatility. The business responded to the combination of these events with resilience by heightening focus on cost control and margin improvement. Although our overall underlying sales growth lowered to 2.9% we continued to outperform our markets, as we have done consistently since Paul Polman’s appointment as CEO. Through rigorous control of overheads, we delivered a core operating margin improvement of 0.4 percentage points despite adverse currency movements. With the quality of these results in mind, the Committee exercised its judgement to uplift the annual bonus outcome from 68% to 80% of target and decided to pay a bonus of 132% of salary (66% of maximum) to the CEO, Paul Polman, and a bonus of 88% of salary (59% of maximum) to the CFO, Jean-Marc Huet. The Committee believes that these awards fairly reflect the performance delivered in 2014. This consistency in performance delivery, now established over the last six years, shows that Unilever is building a more resilient company. We are better able to withstand the challenges of an increasingly uncertain business environment because we are moving towards a business model with long-term sustainability at its core.

GSIP and MCIP – strong financial performance over the last three years

Over the past three years, Unilever has again delivered very strong financial performance. Underlying sales growth during this period was 4.7% per annum. Core operating margin improvement over the period was an average of 0.37 percentage points per year, demonstrating management’s drive for consistent top and bottom line growth. Unilever has also generated very strong operating cash in the period, with cumulative operating cash flow of €15.5 billion. Total shareholder return (TSR) over this three-year period was below the performance of our peers, and, as a result, no part of the GSIP and MCIP awards related to TSR will vest. The Committee believes the outcomes of the long-term share incentive plans represent a fair reflection of Unilever’s underlying performance over the last three years. On the basis of this performance, the Committee determined that the GSIP awards to the end of 2014 together with MCIP awards, which were granted to Executive Directors for the first time in 2012, will vest at 121% of initial award levels (ie 61% of maximum for GSIP and 81% of maximum awards for MCIP, which is capped at 150%).

PRIORITIES FOR 2015

• Further review and shaping of Unilever’s future reward framework to ensure that it remains aligned with strategy and long-term shareholder value creation.
• Review of relative competitive position of reward levels for Unilever’s ‘Top 100’ executive management population.
• Review of progress in implementing SHARES.

HIGHLIGHTS OF 2014

• No changes have been made to the remuneration policy during the year.
• The Committee approved the implementation and roll-out of the new global employee share plan ‘SHARES’ for employees below management level.
• The Committee reviewed the remuneration framework and concluded that it continues to serve Unilever well, particularly in light of the strong level of shareholder support for Unilever’s remuneration policy at the 2014 AGMs.
• Review of the global reward structure for Unilever’s ‘Top 100’ executive management population below Executive Director level, two years after implementation, has proven that it is delivering effectively against the objectives that had been set for it.

FORMAT OF THE DIRECTORS’ REMUNERATION REPORT

Our Directors’ Remuneration Report is split into the following sections:

• Chairman’s letter – page 42 to 63
• Remuneration Principles – page 64 to 66
• Annual Remuneration Report – page 67 to 77

COMMITTEE MEMBERS AND ATTENDANCE

<table>
<thead>
<tr>
<th>NAME</th>
<th>ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Walsh</td>
<td>5 / 5</td>
</tr>
<tr>
<td>Ann Fudge</td>
<td>5 / 5</td>
</tr>
<tr>
<td>Kees Storm</td>
<td>4 / 5</td>
</tr>
<tr>
<td>Michael Treschow</td>
<td>5 / 5</td>
</tr>
</tbody>
</table>

This table shows the attendance of Directors at Committee meetings held in the year ended 31 December 2014. If Directors are unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the Committee Chairman. Attendance is expressed as the number of meetings attended out of the number eligible to be attended.
**EXECUTIVE DIRECTORS TURN DOWN SALARY INCREASES FOR 2015**

In our 2011 Directors’ Remuneration Report, the Committee drew shareholders’ attention to our concern that the CEO’s salary was positioned at the lower end of market practice compared to similar sized UK and European companies. At that time the Committee stated that it would look to make further increases, as appropriate, to address this over the next few years. Since then, largely at the CEO and CFO’s own insistence, we have consistently awarded less of a salary increase than we believed was merited by the performance of the Executive Directors. Having held their salaries steady for longer than intended and in view of the sustained track record of performance delivery, the Committee recommended, and the Boards approved, salary increases for the CEO and CFO with effect from January 2015.

In making these recommendations the Committee considered the strong performance of Unilever and alignment, both to increases in pay for the broader employee population and externally. The CEO and CFO have turned down the salary increases recommended by the Committee for 2015.

**STRATEGIC LINKAGE OF REWARD TO BUSINESS PERFORMANCE**

As in previous years, the Committee continues to use performance-based incentives to drive the business towards delivering sustainable long-term value for shareholders. For 2015, the Committee has decided to focus on the importance of cash generation in an environment of lower global growth rates by replacing underlying volume growth with growth in free cash flow (FCF) as a performance measure for the annual bonus, in alignment with our strategy as set out in the Strategic Report (www.unilever.com/ara2014/downloads). FCF is a widely reported metric used to evaluate Unilever’s in-year performance. For our shareholders, cash is an important driver of value creation, allowing us to pay attractive and sustainable dividends while continuing to invest in the business.

The performance measures for our long-term share incentive plans remain unchanged for the 2015-2017 performance cycle. Even though FCF is our primary cash measure, we use operating cash flow (OCF) as the cash measure in our long-term incentive plans as it better represents underlying long-term performance at constant exchange rates. To better describe long-term management performance, OCF is also adjusted to exclude the impact of cash inflows and outflows resulting from M&A activity and the impact of pension contributions and interest costs on external borrowings.

For reasons of commercial sensitivity, our practice is to disclose the target ranges for performance measures together with the outcomes of incentive plans at the end of the respective performance period.

In 2015 the Committee plans to undertake a further review of our remuneration framework to ensure that it continues to be fully aligned with Unilever’s business strategy and enables us to respond quickly to the rapidly changing markets in which we operate. Specifically, we will be looking for opportunities to simplify reward arrangements and also to strengthen the linkage between executive pay and the creation of sustainable longer-term shareholder value. To the extent that changes are proposed, the Committee will consult with key shareholders to get their feedback in advance of recommending changes to shareholders.

_Paul Walsh_
Chairman of the Compensation Committee

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**REMUNERATION PRINCIPLES**

**SUPPORTING THE DELIVERY OF OUR STRATEGY THROUGH REMUNERATION ARRANGEMENTS**

Our business vision is to double the size of Unilever while reducing our environmental footprint and increasing our positive social impact through a focus on our brands, our operations and our people, and the Unilever Sustainable Living Plan (USLP). Remuneration is one of the key tools that we have as a business to help us to motivate our people to achieve our goals.

Our remuneration arrangements are designed to support our business vision and the implementation of our strategy. The key elements of our remuneration package for Executive Directors are summarised below:

<table>
<thead>
<tr>
<th>FIXED ELEMENTS</th>
<th>PERFORMANCE-RELATED ELEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>Annual bonus</td>
</tr>
<tr>
<td>Fixed allowance and other benefits</td>
<td>Longer-term: MCIP</td>
</tr>
<tr>
<td></td>
<td>Longer-term: GSIP</td>
</tr>
</tbody>
</table>

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Paul Walsh
Chairman of the Compensation Committee
Paying for Performance

The focus of our package is on variable pay based on annual and long-term performance. Performance-related elements are structured so that target levels of reward are competitive, but Executive Directors can only earn higher rewards if they exceed the ongoing standards of performance that Unilever requires.

Aligning Performance Measures with Strategy

The performance measures for our annual and long-term plans have been selected to support our business strategy and the ongoing enhancement of shareholder value through a focus on increasing sales, improving margin, cash generation and returns for shareholders.

Delivering Sustainable Performance

Acknowledging that success is not only measured by delivering financial returns, we also consider the quality of performance in terms of business results and leadership, including corporate social responsibility and progress against the USLP, when determining rewards.

To ensure that remuneration arrangements fully support our sustainability agenda, the personal performance goals under the annual bonus include USLP targets.

Alignment with Shareholder Interests

The majority of the package for our Executive Directors is delivered in Unilever shares to ensure that the interests of executives are aligned with shareholders’ interests. This is further supported by significant shareholding requirements, ensuring that a substantial portion of each Executive Director’s personal wealth is linked to Unilever’s share price performance.

Non-Executive Directors are also encouraged to build up their personal holding of Unilever shares to ensure alignment with shareholders’ interests.

Paying Competitively

The overall remuneration package offered to Executive Directors should be sufficiently competitive to attract and retain highly experienced and talented individuals, without paying more than is necessary.

Preventing Inappropriate Risk-Taking

The Committee believes that Unilever’s risk management process provides the necessary control to prevent inappropriate risk-taking. When the Committee reviews the structure and levels of performance-related pay for Executive Directors and other members of the Unilever Leadership Executive (ULE), it considers whether these might encourage behaviours that are incompatible with the long-term interests of Unilever and its shareholders or that may raise any environmental, social or governance risks. Where necessary, the Committee would take appropriate steps to address this.
ANNUAL REMUNERATION REPORT

The following sets out how Unilever’s Remuneration Policy, which is available on our website, will be implemented in 2015 and how it was implemented in 2014.

www.unilever.com/ara2014/downloads

IMPLEMENTATION OF THE REMUNERATION POLICY IN 2015 FOR EXECUTIVE DIRECTORS

ELEMENTS OF REMUNERATION

<table>
<thead>
<tr>
<th>FIXED ELEMENTS OF REMUNERATION</th>
<th>AT A GLANCE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
</table>
| BASE SALARY                    | Salary effective from 1 January 2015:  
• CEO £1,010,000 (unchanged from 2014)  
• CFO £714,000 (unchanged from 2014) | In its 2011 Report, the Committee signalled its concern that the CEO’s salary was positioned at the lower end of market practice compared to similar sized UK and European companies. The Committee expressed its intention to make further increases, as appropriate, to address this over the next few years. Having held their salaries steady for longer than intended and in view of the sustained track record of performance delivery, the Committee recommended, and the Boards approved, salary increases for the CEO and CFO with effect from January 2015. In making these recommendations the Committee considered the strong performance of Unilever and alignment, both to increases in pay for the broader employee population and externally. The CEO and CFO have turned down the salary increases recommended by the Committee for 2015. |
| FIXED ALLOWANCE                | Fixed allowance for 2015:  
• CEO – £250,000  
• CFO – £220,000 | A fixed allowance not linked to base salary is provided as a simple, competitive alternative to the provision of itemised benefits and pensions. |
| OTHER BENEFIT ENTITLEMENTS     | Amounts for other benefits are not known until the year end. | In line with Unilever’s Remuneration Policy, Executive Directors will be provided with death, disability and medical insurance cover and actual tax return preparation costs in 2015. |

In line with the commitments made to the current CEO on recruitment and included in the Remuneration Policy, Unilever also pays the CEO’s social security obligations in his country of residence to protect him against the difference between employee social security obligations in his country of residence versus the UK.

Conditional supplemental pension
The CEO also receives a conditional supplemental pension accrual to compensate him for the arrangements forfeited on leaving his previous employer. The CEO will receive a contribution to his supplemental pension of 12% of the lower of his actual base salary over the year and his 2011 base salary (£920,000) plus 3% per annum. The cap for 2015 has been kept at £976,028 with a maximum contribution of £117,123.

This supplemental pension accrual is conditional on the CEO remaining in employment with Unilever to age 60 and subsequently retiring from active service or his death or total disability prior to retirement.

PERFORMANCE ELEMENTS OF REMUNERATION

The actual targets for the annual bonus and the three business-focused performance measures for the MCIP and GSIP awards to be made in 2015 have not been disclosed up front. The Boards deem this to be commercially sensitive information as targets could reveal information about Unilever’s business plan and budgeting process to competitors, which could be damaging to Unilever’s business interests and therefore to shareholders. Where appropriate, targets will be disclosed in the Directors’ Remuneration Report following the end of the respective performance period.

Performance measures are selected to align with Unilever’s clearly stated growth ambition and our long-term business strategy. Unilever’s primary business objective is to generate a sustainable improvement in business performance through increasing underlying sales while steadily improving core operating margins and cash flow.

The measures chosen for the annual and long-term incentives support the delivery of this objective. Performance measures focus management on the delivery of a combination of top-line revenue growth and bottom-line profit growth that Unilever believes will build shareholder value over the longer term. The use of a performance measure based on total shareholder return measures Unilever’s success relative to peers.
## Performance Elements of Remuneration

### At a Glance

<table>
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<tr>
<th>ANNUAL BONUS</th>
<th>DESCRIPTION</th>
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| • CEO – target 120% of base salary, maximum 200% of base salary | The performance measures for 2015 will be:  
  - Underlying sales growth (⅓)  
  - Free cash flow (⅓)  
  - Core operating margin improvement (⅓)  
  - In addition, when determining annual bonus awards, the Committee will also consider personal performance and the quality of results in terms of both business results and leadership, including corporate social responsibility and progress against the delivery of USLP goals.  
  - The Committee determined that free cash flow would replace underlying volume growth as a performance measure for 2015. This change will assist Unilever in focusing on cost reduction and improving cash generation, as well as top-line growth, in a challenging market environment. Underlying volume growth will remain a factor that is considered by the Committee as part of the quality of results assessment. |
| • CFO – target 100% of base salary, maximum 150% of base salary |  |

### MCIP 2015

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| Out of their annual bonus awards, Executive Directors are required to invest 25% of their gross bonus and may invest up to 60% of their gross bonus in the MCIP (investment shares which are held in the individual's name) | Matching shares awarded under the MCIP in 2015 will be subject to the same measures as GSIP awards made in the year. Further details of the performance measures are disclosed below.  
  - The Committee considers that using the same performance measures across both the MCIP and GSIP is appropriate, as the performance measures used reflect our key strategic goals and maintain the alignment of our incentive plans to delivering our clearly stated growth ambitions. Given that we use four different performance measures, the Committee believes that the proportion of remuneration linked to each performance measure is not excessive.  
  - The current TSR peer group is as follows:  
    - Avon  
    - Beiersdorf  
    - Campbell Soup  
    - Coca-Cola  
    - Colgate-Palmolive  
    - Danone  
    - General Mills  
    - Estée Lauder  
    - Henkel  
    - Kao  
    - Kellogg’s  
    - Kimberly-Clark  
    - L’Oréal  
    - Nestlé  
    - Reckitt Benckiser  
    - Shiseido  
    - PepsiCo  
    - Procter & Gamble  
  - The TSR comparator group consists of 18 companies (19 including Unilever). No shares in the portion of the award subject to TSR vest if Unilever is ranked below position 10 in the peer group at the end of the three-year period, 50% vests if Unilever is ranked 10th, 100% vests if Unilever is ranked 7th and 200% (150% under the MCIP) vests if Unilever is ranked 3rd or above. Straight-line vesting occurs between these points. The Committee may change the TSR vesting levels set out above if the number of companies in the TSR comparator group changes. |
| They are awarded an equal number of MCIP matching shares |  |
| Maximum vesting for matching shares is 150% of the initial award |  |
| The maximum award of matching shares for the CEO and CFO (as a percentage of base salary at grant), assuming maximum bonus, maximum deferral under the MCIP, would be 180% of base salary and 135% of base salary respectively |  |

### GSIP 2015 Awards

<table>
<thead>
<tr>
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<th>DESCRIPTION</th>
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</thead>
</table>
| Target award 200% of base salary for the CEO and 175% of base salary for CFO | Performance targets are assessed over a three-year period.  
  - Performance measures for 2015 awards:  
    - Underlying sales growth (25%)(a)  
    - Core operating margin improvement (25%)(a)  
    - Cumulative operating cash flow (25%)(a)  
    - Relative total shareholder return (25%)(b)  
  - Both performance conditions must reach threshold performance, before any payout in respect of either measure is made.  
    - For the three business-focused measures, 25% of target awards vest for achieving threshold performance. 200% of target awards vest (capped at 150% under the MCIP) for maximum performance.  
    - For the relative TSR measure, Unilever’s TSR is measured against a comparator group of other consumer goods companies. TSR measures the return received by a shareholder, capturing both the increase in share price and the value of dividend income (assuming dividends are reinvested). The TSR results are measured on a common currency basis to better reflect the shareholder experience.  
    - The current TSR peer group is as follows:  
      - Avon  
      - Beiersdorf  
      - Campbell Soup  
      - Coca-Cola  
      - Colgate-Palmolive  
      - Danone  
      - General Mills  
      - Estée Lauder  
      - Henkel  
      - Kao  
      - Kellogg’s  
      - Kimberly-Clark  
      - L’Oréal  
      - Nestlé  
      - Reckitt Benckiser  
      - Shiseido  
      - PepsiCo  
      - Procter & Gamble  
    - The TSR comparator group consists of 18 companies (19 including Unilever). No shares in the portion of the award subject to TSR vest if Unilever is ranked below position 10 in the peer group at the end of the three-year period, 50% vests if Unilever is ranked 10th, 100% vests if Unilever is ranked 7th and 200% (150% under the MCIP) vests if Unilever is ranked 3rd or above. Straight-line vesting occurs between these points. The Committee may change the TSR vesting levels set out above if the number of companies in the TSR comparator group changes. |
| Maximum vesting of 200% initial award |  |
| Maximum vesting of 400% of base salary for the CEO and 350% of base salary for the CFO |  |
ULTIMATE REMEDY/MALUS
Grants under the GSIP and MCIP are subject to ultimate remedy. Upon vesting of an award, the Committee shall have the discretionary power to adjust the value of the award if the award, in the Committee’s opinion taking all circumstances into account, produces an unfair result. In exercising this discretion, the Committee may take into account Unilever’s performance against non-financial measures. The Committee will only adjust the value of a vesting GSIP and MCIP award upwards after obtaining shareholder consent. With effect from the 2015 GSIP and MCIP awards, the Committee may apply malus to reduce an award or determine that it will not vest or only vest in part in the event of a significant downward restatement of the financial results of Unilever, gross misconduct or gross negligence, material breach of Unilever’s Code of Business Principles or any of the Unilever Code Policies or conduct by the individual that results in significant losses or serious reputational damage to Unilever. With effect from the 2015 annual bonus (based on 2014 performance), the annual bonus will also be subject to malus on the same grounds as apply for GSIP and MCIP awards.

CLAW-BACK
The Committee has discretion to reclaim or claw-back some or all of the value of awards of performance-related payments to Executive Directors in the event of a significant downward restatement of the financial results of Unilever. This includes the annual bonus together with any awards that have been made and/or vested shares under the Share Matching Plan, the GSIP and the MCIP. This claw-back may be effected up to two years from vesting by reducing outstanding awards or requiring the return of the net value of vested awards to Unilever.

In 2014, the Committee did not reclaim or claw-back any of the value of awards of performance-related payments to Executive Directors.

SINGLE FIGURE OF REMUNERATION AND IMPLEMENTATION OF THE REMUNERATION POLICY IN 2014 FOR EXECUTIVE DIRECTORS (AUDITED)
The table below shows a single figure of remuneration for each of our Executive Directors, for the years 2013 (restated to reflect final value of GSIP performance shares on the date of vesting) and 2014.

<table>
<thead>
<tr>
<th>Paul Polman CEO (UK) (£’000)</th>
<th>Jean-Marc Huët CFO (UK) (£’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2013 (Restated)</td>
</tr>
<tr>
<td>(A) Base salary</td>
<td>1,251</td>
</tr>
<tr>
<td>(B) Fixed allowances and other benefits</td>
<td>787</td>
</tr>
<tr>
<td>(C) Annual bonus</td>
<td>1,652</td>
</tr>
<tr>
<td>(D) MCIP matching shares – required by UK law</td>
<td>1,803</td>
</tr>
<tr>
<td>(E) GSIP performance shares – required by UK law</td>
<td>3,923</td>
</tr>
<tr>
<td>Long-term incentives</td>
<td>5,726</td>
</tr>
<tr>
<td>Long-term incentives (sub-total)</td>
<td>145</td>
</tr>
<tr>
<td>(F) Conditional supplemental pension</td>
<td>9,561</td>
</tr>
</tbody>
</table>

Total remuneration paid – (required by UK law) (A+B+C+D+E+F) 8,041 7,960 4,289 4,966

Where relevant, amounts for 2014 have been translated into euros using the average exchange rate over 2014 (€1 = £0.8071), excluding amounts in respect of long-term incentive plans which have been translated into euros using the exchange rate at vesting date (€1 = £0.7383). Amounts for 2013 have been translated into euros using the average exchange rate over 2013 (€1 = £0.8492), excluding amounts in respect of GSIP which have been translated into euros using the exchange rate at vesting date (€1 = £0.8351).

We do not grant our Executive Directors any personal loans or guarantees.

ELEMENTS OF SINGLE FIGURE REMUNERATION 2014

(A) BASE SALARY (AUDITED)
Salary set in sterling and paid in 2014:
- CEO – £1,010,000
- CFO – £714,000
(B) FIXED ALLOWANCE AND OTHER BENEFITS (AUDITED)

For 2014 this comprises:

<table>
<thead>
<tr>
<th>Description</th>
<th>Paul Polman (UK) (£)</th>
<th>Jean-Marc Huët CFO (UK) (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed allowance</td>
<td>250,000</td>
<td>260,000</td>
</tr>
<tr>
<td>Medical insurance cover and actual tax return preparation costs</td>
<td>54,637</td>
<td>35,765</td>
</tr>
<tr>
<td>Provision of death-in-service benefits and administration</td>
<td>10,901</td>
<td>8,174</td>
</tr>
<tr>
<td>Unilever 2005 Share Save Plan (2)</td>
<td>11,868</td>
<td>n/a</td>
</tr>
<tr>
<td>Payment to protect against difference between employee social security obligations in country of residence versus UK</td>
<td>307,899</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>635,305(3)</td>
<td>303,939</td>
</tr>
</tbody>
</table>

(1) The numbers in this table are quoted in sterling and have been translated into euros for the single figure of remuneration table above using the average exchange rate over 2014 of €1 = £0.8071.

(2) On 25 November 2014 Paul Polman exercised his 1,042 options under the Unilever 2005 Share Save Plan. The option price at grant was £14.92 and the closing share price on the exercise date was £26.31 so his notional gain on exercise was £11,868.

(3) In 2013, the Dutch government applied an additional crisis tax charge of 16% over 2013 taxable income of employees above €150,000. This tax charge for Unilever N.V. for Paul Polman over 2013 was €148,969. This tax is an expense to the employer and therefore not included in the table above and is no longer applicable in 2014.

(C) ANNUAL BONUS (AUDITED)

Annual bonus 2014 actual outcomes

- CEO – £1,333,200 (which is 66% of maximum, 132% of base salary)
- CFO – £628,320 (which is 59% of maximum, 88% of base salary)

This includes cash and shares invested under the MCIP. See below for details.

Performance against targets:

<table>
<thead>
<tr>
<th>Performance metrics</th>
<th>Threshold</th>
<th>Target</th>
<th>Maximum</th>
<th>Result vesting (% of target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying sales growth (%)</td>
<td>2%</td>
<td>2.9%</td>
<td>8%</td>
<td>30%</td>
</tr>
<tr>
<td>Underlying volume growth (%)</td>
<td>0%</td>
<td>1.0%</td>
<td>5%</td>
<td>40%</td>
</tr>
<tr>
<td>Core operating margin improvement compared to prior year (%)</td>
<td>0 percentage points</td>
<td>0.4 percentage points</td>
<td>0.6 percentage points</td>
<td>133%</td>
</tr>
<tr>
<td>Overall performance ratio (based on actual performance bonus formula)</td>
<td>0%</td>
<td>200%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Actual performance ratio (after Committee discretion)</td>
<td>0%</td>
<td>200%</td>
<td>80%</td>
<td></td>
</tr>
</tbody>
</table>

2014 has been a year of resilient performance in the face of stiff competition and a deteriorating economic environment in many of the markets in which Unilever operates.

At the beginning of the year, the Committee set stretching performance targets, against which management has made solid progress despite declining growth rates during the year across many of the markets in which Unilever sells its products. Underlying sales growth was 2.9% and underlying volume growth was 1.0%. Although these results are towards the lower end of the performance range, Unilever has continued to grow ahead of its markets. Improvement in core operating margin compared with 2013 was 0.4 percentage points.

The Committee considered this to be an outstanding performance, especially given unfavourable movements in exchange rates over the course of 2014. To achieve this result, underlying core operating margin growth at constant exchange rates has been 0.8 percentage points reflecting strong discipline in controlling costs.

In view of the high quality of results achieved over the course of the year, the Committee exercised its judgement to raise the overall Group bonus score from 68% to 80% of target (40% of maximum). The Committee considered this to be a fairer representation of the performance delivered by the executive team during 2014. In the past five years, including 2014, the Committee has exercised its discretion to adjust the formulaic outcome of the annual bonus calculation downwards three times and upwards twice.

In determining bonus outcomes for Paul Polman, the Committee also considered his strong personal performance and leadership in driving Unilever to a more agile and resilient business, as well as his personal leadership in driving towards a more responsible long-term sustainable business model, taking the needs of multiple stakeholders into account, driving diversity and making Unilever the choice for talent in the majority of its markets. As a consequence of that review, Paul Polman was awarded a personal performance multiplier of 138%. This resulted in Paul Polman receiving a bonus of 132% of his base salary. This is calculated as follows:
In determining bonus outcomes for Jean-Marc Huët, the Committee also considered his personal performance and leadership, including the management of Unilever’s financial risk exposure and driving enterprise wide efficiencies. As a consequence of that review, Jean-Marc Huët was awarded a personal performance multiplier of 110%. This resulted in Jean-Marc Huët receiving a bonus of 88% of his base salary. This is calculated as follows:

\[
\text{Target bonus: } 120\% \text{ of base salary } = \£1,212,000 \\
\times \text{Unilever’s 2014 performance ratio = 80\%} \\
\times \text{Personal performance multiplier = 138\%} \\
= \£1,333,200 \\
(132\% \text{ of base salary})
\]

MCIP 2015 AWARDS (BASED ON 2014 ANNUAL BONUS OUTCOMES)
On 13 February 2015, Paul Polman invested 60\% (£799,920) and Jean-Marc Huët invested 25\% (£157,080) of their 2014 bonus in MCIP investment shares. Paul Polman elected to invest fully in NV shares. Jean-Marc Huët elected to receive a 50/50 mix of PLC/NV shares.

They each received a corresponding award of performance-related MCIP matching shares (awarded in the same form as the investment shares). MCIP matching awards are subject to the same performance measures as GSIP awards. Further information on matching awards is set out on page 65 to 66.

(D) MCIP – UK LAW REQUIREMENT (AUDITED)
2014 OUTCOMES
This includes MCIP matching shares granted on 17 February 2012 (based on the percentage of 2011 bonus that Executive Directors had invested in Unilever shares) based on performance in the three-year period to 31 December 2014 which vested on 17 February 2015.

The values included in the single figure table for 2014 are calculated by multiplying the number of shares granted on 17 February 2012 (including additional shares in respect of accrued dividends through to 31 December 2014) by the level of vesting (121\% of target awards). The share prices on the date of vesting of NV €37.04 and PLC £28.01 have been translated into euros using the exchange rate on the date of vesting: €1 = £0.7383.

The award was based on the same performance targets as the GSIP and performance against targets is outlined in section E below.

(E) GSIP – UK LAW REQUIREMENT (AUDITED)
2014 OUTCOMES
This includes GSIP performance shares granted on 17 February 2012, based on performance in the three-year period to 31 December 2014 which vested on 17 February 2015.

The values included in the single figure table for 2014 are calculated by multiplying the number of shares granted on 17 February 2012 (including additional shares in respect of accrued dividends through to 31 December 2014) by the level of vesting (121\% of target awards). The share prices on the date of vesting of NV €37.04 and PLC £28.01 have been translated into euros using the exchange rate on the date of vesting: €1 = £0.7383.

The award was equally based on the performance measures outlined in the table below.

### Performance against targets:

<table>
<thead>
<tr>
<th>Performance metrics</th>
<th>Threshold</th>
<th>Maximum</th>
<th>Result vesting (% of target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying sales growth (pa) (25%)</td>
<td>2%</td>
<td>4.7%</td>
<td>7%</td>
</tr>
<tr>
<td>Core operating margin improvement (25%)</td>
<td>0 percentage points</td>
<td>0.37 percentage points</td>
<td>0.4 percentage points</td>
</tr>
<tr>
<td>Cumulative operating cash flow (25%)</td>
<td>€12.0bn</td>
<td>€15.5bn</td>
<td>€16.0bn</td>
</tr>
<tr>
<td>Total shareholder return (25%)*</td>
<td>14th</td>
<td>10th</td>
<td>3rd</td>
</tr>
<tr>
<td>Overall vesting</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Comparator group of 19 companies including Unilever. The comparator group is the same as disclosed on page 66.

25\% of target awards vest for threshold performance under the three business focused performance measures. 50\% of target awards vest for threshold performance under the TSR performance measure.
At the outset of the 2012-2014 performance period, the Committee set demanding performance ranges for the long-term incentive plans, as shown in the table above. Over the past three years, Unilever has delivered very strong financial performance against these ranges. Underlying sales growth during the period was 4.7% per annum and core operating margin improvement of 0.37 percentage points per annum over the period demonstrate management’s commitment to delivering consistent top and bottom line growth. Unilever has also generated very strong operating cash flow of €15.5 billion over the period. Total shareholder return over the period was below the performance of our peers, consequently no part of this element of the award will vest. The Committee considers that these outcomes are a fair reflection of Unilever’s performance over the period and determined that GSIP awards granted to Executive Directors in 2012 will vest at 121% of the initial award level (ie 61% of maximum). The Committee also determined that MCIP awards granted to Executive Directors in 2012 will vest at 121% of initial award levels (vesting capped at 150% – ie 81% of maximum awards).

The 2011 GSIP performance shares figure, included in the single figure remuneration in respect of 2013, has been restated to reflect the actual number of shares that vested and the market value of the shares on the date of vesting of 14 March 2014 (PLC £23.69 and NV €27.70) and have been translated into euros using the exchange rate on the date of vesting: £1 = €0.8351. The figure included in the 2013 Directors’ Remuneration Report was estimated based on the average share price for the period from 1 October 2013 to 31 December 2013 as the vesting date was post the publication of the 2013 Annual Report and Accounts. The actual values at the vesting date were: Paul Polman €3,798,141 (estimated as €3,849,000) and Jean-Marc Huët €2,630,022 (estimated as €2,665,000).

(F) CONDITIONAL SUPPLEMENTAL PENSION (AUDITED)
CEO: Paul Polman
Conditional supplemental pension provision agreed with Paul Polman on hiring, which is conditional on his remaining in employment with Unilever to age 60 and subsequently retiring from active service or his death or total disability prior to retirement. This was £117,123 based on 12% of a capped salary of £976,028 for 2014.

CFO: Jean-Marc Huët
Jean-Marc Huët does not receive a conditional supplemental pension.

(G) SHARE INCENTIVES – DUTCH LAW REQUIREMENT (AUDITED)
As per the Dutch requirements, these costs are non-cash costs and relate to the expenses recognised for the period following IFRS 2. This is based on share prices on grant dates, a 98% adjustment factor for GSIP shares and MCIP matching shares awarded in 2014, 2013 and 2012.

OTHER IMPLEMENTATION INFORMATION FOR 2014

<table>
<thead>
<tr>
<th>PLAN</th>
<th>BASIS OF AWARD</th>
<th>MAXIMUM FACE VALUE OF AWARDS</th>
<th>THRESHOLD VESTING (% OF TARGET AWARD)</th>
<th>PERFORMANCE PERIOD</th>
<th>DETAILS OF PERFORMANCE MEASURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCIP Conditional matching share award made on 14 February 2014</td>
<td>Based on the level of 2013 bonus paid in 2014 invested by the CEO and CFO. The following numbers of matching shares were awarded on 14 February 2014:</td>
<td>CEO: PLC – 0, NV – 41,775</td>
<td>CFO: PLC – 4,036, NV – 4,036</td>
<td>Four equally weighted long-term performance measures. For the three business focused metrics, 25% of the target award vests for threshold performance. For the TSR measure, 50% of the target awards vest for threshold performance.</td>
<td>1 January 2014 – 31 December 2016</td>
</tr>
</tbody>
</table>
The CEO received a target award of 200% of base salary. The CFO received a target award of 175% of base salary.

Maximum vesting results in 200% of target awards vesting, which translates to a maximum vesting of 400% of base salary for the CEO and 350% of base salary for the CFO.

Executive Directors are required to hold shares to the value of 100% of their shareholding requirement for 12 months post cessation of employment at Unilever, and 50% of these shares for 24 months post cessation of employment with Unilever.

All ULE members are required to build a shareholding of 300% of base salary. This requirement is 150% of base salary for the 'Top 100' management layer below ULE.

Executive Directors’ Interests in Shares and Share Ownership (Audited)

<table>
<thead>
<tr>
<th>Share ownership guideline as % of base salary</th>
<th>Have guidelines been met?</th>
<th>Actual share ownership (as a % of base salary)</th>
<th>Shares held as at 1 January 2014(b)</th>
<th>Shares held as at 31 December 2014(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO: Paul Polman</td>
<td>400</td>
<td>yes</td>
<td>2004</td>
<td>310,572, 266,546</td>
</tr>
<tr>
<td>CFO: Jean-Marc Huët</td>
<td>300</td>
<td>yes</td>
<td>871</td>
<td>86,620, 86,853</td>
</tr>
</tbody>
</table>

(a) Calculated based on the minimum shareholding requirements and methodology set out above and the base salaries as included for the CEO and CFO in the single figure.

(b) NV shares are ordinary €0.16 shares and PLC shares are ordinary 3⅓p shares.
The following conditional shares were granted during 2014 and were outstanding at 31 December 2014 under the MCIP:

<table>
<thead>
<tr>
<th>Share type</th>
<th>Paul Polman</th>
<th>Jean-Marc Huët</th>
</tr>
</thead>
<tbody>
<tr>
<td>NV</td>
<td>9,932</td>
<td>5,047</td>
</tr>
<tr>
<td>PLC</td>
<td>9,932</td>
<td>5,047</td>
</tr>
</tbody>
</table>

There are no further outstanding awards under this plan and no further awards will be granted.

INFORMATION IN RELATION TO OUTSTANDING SHARE INCENTIVE AWARDS

As at 31 December 2014, Paul Polman held awards over a total of 392,921 shares which are subject to performance conditions. Jean-Marc Huët held awards over a total of 202,142 shares which are subject to performance conditions. There are no awards of shares without performance conditions and no awards in the form of options.

SHARE MATCHING PLAN (AUDITED)

<table>
<thead>
<tr>
<th>Share type</th>
<th>Balance of conditional shares at 1 January 2014</th>
<th>Conditional shares vested in 2014</th>
<th>Balance of conditional shares at 31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Polman</td>
<td>NV: 9,932, PLC: 9,932</td>
<td>NV: 9,932, PLC: 9,932</td>
<td>NV: 9,932, PLC: 9,932</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share type</th>
<th>Performance period</th>
<th>Price at award</th>
<th>Dividend shares accrued during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Polman</td>
<td>1 January 2014 to 31 December 2016</td>
<td>€27.70</td>
<td>2,688</td>
</tr>
<tr>
<td>Jean-Marc Huët</td>
<td>NV: 9,218, PLC: 9,259</td>
<td>€27.70</td>
<td>447</td>
</tr>
</tbody>
</table>

There are no further outstanding awards under this plan and no further awards will be granted.

MANAGEMENT CO-INVESTMENT PLAN (AUDITED)

The following conditional shares were granted during 2014 and were outstanding at 31 December 2014 under the MCIP:

<table>
<thead>
<tr>
<th>Share type</th>
<th>Balance of conditional shares at 1 January 2014</th>
<th>Conditional shares awarded in 2014</th>
<th>Balance of conditional shares at 31 December 2014</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Share type</th>
<th>Performance period</th>
<th>Price at award</th>
<th>Dividend shares accrued during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Polman</td>
<td>1 January 2014 to 31 December 2016</td>
<td>€27.70</td>
<td>2,688</td>
</tr>
</tbody>
</table>

Reflects reinvested dividend equivalents accrued during 2014 and subject to the same performance conditions as the underlying matching shares.
The following conditional shares were granted during 2014 and were outstanding at 31 December 2014 under the GSIP:

<table>
<thead>
<tr>
<th>Share type</th>
<th>Original award</th>
<th>Balance of conditional shares at 1 January 2014</th>
<th>Conditional shares awarded in 2014</th>
<th>Balance of conditional shares at 31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Polman</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NV</td>
<td>134,444^a</td>
<td>43,700 (36,700)</td>
<td>14,735</td>
<td>130,219</td>
</tr>
<tr>
<td>PLC</td>
<td>133,378^a</td>
<td>43,700 (36,700)</td>
<td>14,735</td>
<td>130,219</td>
</tr>
<tr>
<td>Jean-Marc Huët</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NV</td>
<td>93,319^a</td>
<td>27,031</td>
<td>10,203</td>
<td>87,086</td>
</tr>
<tr>
<td>PLC</td>
<td>93,979^a</td>
<td>27,031</td>
<td>10,319</td>
<td>87,580</td>
</tr>
</tbody>
</table>

^a Each award of conditional shares vests three years after the date of the award, subject to performance conditions (further details can be found on pages 65 to 66). The 2014 award was made on 14 February 2014 (vesting 14 February 2017).

^b This includes a grant of 47,173 of each of NV and PLC shares made on 14 March 2011 (128% of which vested on 14 March 2014), a grant of 38,676 of each of NV and PLC shares made on 17 February 2012 (121% of the award vested on 17 February 2015), a grant of 39,698 of each of NV and PLC shares made on 18 February 2013 (vesting 18 February 2016) and 8,897 NV shares and 9,831 PLC shares from reinvested dividends accrued in prior years in respect of awards.

^c This includes a grant of 32,665 of each of NV and PLC shares made on 14 March 2011 (128% of which vested on 14 March 2014), a grant of 29,798 of each of NV and PLC shares made on 17 February 2012 (121% of the award vested on 17 February 2015), a grant of 24,556 of each of NV and PLC shares made on 18 February 2013 (vesting 18 February 2016) and 6,300 NV shares and 6,960 PLC shares from reinvested dividends accrued in prior years in respect of awards.

^d Reflects reinvested dividend equivalents accrued during 2014 and subject to the same performance conditions as the underlying GSIP shares.

On 13 February 2015, Paul Polman received an award of 36,497 NV and 36,497 PLC performance-related shares and Jean-Marc Huët received an award of 22,576 NV and 22,576 PLC performance-related shares under the GSIP.

SHARE SAVE PLAN (AUDITED)

The Unilever PLC 2005 Share Save Plan is a UK tax-qualified, all-employee, savings-related share option scheme under which employees can save up to a limit of £250 per month with an option to buy PLC shares at the end of a five-year vesting period (subject to continued employment).

<table>
<thead>
<tr>
<th>Share type</th>
<th>Balance of options at 1 January 2014</th>
<th>Granted in 2014</th>
<th>Balance of options at 31 December 2014</th>
<th>First exercisable date</th>
<th>Final expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Polman</td>
<td>PLC 1,042</td>
<td></td>
<td>0</td>
<td>01/10/2014</td>
<td>01/04/2015</td>
</tr>
</tbody>
</table>

^a Option price at grant was £14.92.

^b Paul Polman exercised his 1,042 options on 25 November 2014.

There are no further outstanding awards under this plan and no further awards will be granted.

EXECUTIVE DIRECTORS’ SERVICE CONTRACTS

Starting dates of our Executive Directors’ service contracts:
CEO: 1 October 2008 [signed on 7 October 2008];
CFO: 1 February 2010 [signed on 19 March 2010].

Both service contracts shall end upon termination and are available to shareholders to view at the AGMs or on request from the Group Secretary.

Service contracts can be terminated with 12 months’ notice from Unilever or six months’ notice from the Executive Director. A payment in lieu of notice can be made of no more than one year’s base salary, fixed allowance and other benefits unless the Boards, at the proposal of the Committee, find this manifestly unreasonable given the circumstances or unless dictated by applicable law. Other payments that can be made to Executive Directors in the event of loss of office are disclosed in our Remuneration Policy which is available on our website.

PAYMENTS TO FORMER DIRECTORS (AUDITED)

There have been no payments to former Directors during the year.

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

There were no payments for loss of office.
IMPLEMENTATION OF THE REMUNERATION POLICY IN 2015 FOR NON-EXECUTIVE DIRECTORS

The Non-Executive Director fee levels were reviewed in 2014 and no changes were made to the sterling reference with the exception of the Vice Chairman position. With effect from the 2015 NV and PLC AGMs the fees of the Vice Chairman will be based on the modular fee structure set out below, including a fee of £30,000 for the Vice Chairman’s responsibilities. The Non-Executive Directors’ fees are set at a reference point in sterling (£) and then 50% is paid in sterling (£) by PLC and 50% is paid in euros (€) by NV at a £/€ exchange rate which is reviewed periodically to ensure that the balance between the fees remains appropriate. We reviewed the exchange rate used in this calculation in 2014 and updated the amount paid by NV in euros to reflect the movement in exchange rates since 2011 when the balance was last set. The table below outlines the updated 2015 fees.

<table>
<thead>
<tr>
<th>Role</th>
<th>Reference total fees</th>
<th>NV</th>
<th>PLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>£550,000</td>
<td>€352,474</td>
<td>£275,000</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>£30,000</td>
<td>£19,226</td>
<td>£15,000</td>
</tr>
<tr>
<td>Basic Non-Executive Director fee</td>
<td>£75,000</td>
<td>€48,065</td>
<td>£37,500</td>
</tr>
<tr>
<td>Membership of the Nominating and Corporate Governance, Compensation and Management Resources or Corporate Responsibility Committee</td>
<td>£10,000</td>
<td>€6,409</td>
<td>£5,000</td>
</tr>
<tr>
<td>Membership of the Audit Committee</td>
<td>£15,000</td>
<td>€9,613</td>
<td>£7,500</td>
</tr>
<tr>
<td>Chairman of the Nominating and Corporate Governance, Compensation and Management Resources or Corporate Responsibility Committee</td>
<td>£20,000</td>
<td>€12,817</td>
<td>£10,000</td>
</tr>
</tbody>
</table>

With the exception of the Vice Chairman, the overall fees are unchanged since 2012 and 50% of the overall fee is paid in euros and is converted to euros from sterling using Unilever’s Controller’s department third quarter 2014 closing exchange rate €1 = £0.7802 at the date of the review.

All reasonable travel and other expenses incurred by Non-Executive Directors in the course of performing their duties are considered to be business expenses. Non-Executive Directors also receive expenses relating to the attendance of the Director’s spouse or partner, when they are invited by Unilever.

SINGLE FIGURE OF REMUNERATION IN 2014 FOR NON-EXECUTIVE DIRECTORS (AUDITED)

The table below shows a single figure of remuneration for each of our Non-Executive Directors, for the years 2013 and 2014.

<table>
<thead>
<tr>
<th>Non-Executive Director</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fees (€’000)</td>
<td>Benefits (€’000)</td>
</tr>
<tr>
<td>Michael Treschow (Chairman)</td>
<td>654</td>
<td>3</td>
</tr>
<tr>
<td>Laura Cha (Basic Non-Executive Director)</td>
<td>101</td>
<td>–</td>
</tr>
<tr>
<td>Louise Fresco (Chair, Corporate Responsibility Committee)</td>
<td>113</td>
<td>–</td>
</tr>
<tr>
<td>Ann Fudge (Chair, Audit Committee)</td>
<td>101</td>
<td>11</td>
</tr>
<tr>
<td>Charles Golden (Chair, Corporate Responsibility Committee)</td>
<td>42</td>
<td>–</td>
</tr>
<tr>
<td>Byron Grote (Chair, Corporate Responsibility Committee)</td>
<td>125</td>
<td>–</td>
</tr>
<tr>
<td>Mary Ma (Chair, Corporate Responsibility Committee)</td>
<td>107</td>
<td>–</td>
</tr>
<tr>
<td>Sunil Bharti Mittal (Chair, Corporate Responsibility Committee)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Hixonia Nyasulu (Chair, Corporate Responsibility Committee)</td>
<td>107</td>
<td>–</td>
</tr>
<tr>
<td>Sir Malcolm Rifkind (Chair, Corporate Responsibility Committee)</td>
<td>101</td>
<td>–</td>
</tr>
<tr>
<td>John Rishton (Chair, Corporate Responsibility Committee)</td>
<td>107</td>
<td>–</td>
</tr>
<tr>
<td>Feike Sijbesma (Chair, Corporate Responsibility Committee)</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>Kees Storm (Chair, Corporate Responsibility Committee)</td>
<td>196</td>
<td>3</td>
</tr>
<tr>
<td>Paul Walsh (Chair, Corporate Responsibility Committee)</td>
<td>113</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>1,882</td>
<td>20</td>
</tr>
</tbody>
</table>

Notes:
1) This includes fees received from both NV in euros and PLC in sterling for both 2013 and 2014 respectively. Includes basic Non-Executive Director fee and Committee chairmanship and/or membership.
2) The only benefit received relates to travel by spouses or partners where they are invited by Unilever.
3) This includes fees received from both NV in euros and PLC in sterling for both 2013 and 2014 respectively. Includes basic Non-Executive Director fee and Committee chairmanship and/or membership.
4) The only benefit received relates to travel by spouses or partners where they are invited by Unilever.
5) The only benefit received relates to travel by spouses or partners where they are invited by Unilever.
6) Chair, Corporate Responsibility Committee.
7) Chair, Audit Committee.
8) Chair, Corporate Responsibility Committee.
9) Vice-Chairman and Chair of the Nominating and Corporate Governance Committee.
10) Chair, Compensation Committee.

In 2013, the Dutch government applied an additional crisis tax charge of 16% over 2013 taxable income above €150,000. This tax charge for Unilever N.V. for Michael Treschow over 2013 is €26,171. This tax is an expense to Unilever N.V. and therefore not included in the table above and is no longer applicable in 2014.

We do not grant our Non-Executive Directors any personal loans or guarantees, nor are they entitled to any severance payments.
NON-EXECUTIVE DIRECTORS’ INTERESTS IN SHARES (AUDITED)
Non-Executive Directors are encouraged to build up a personal shareholding of at least one times their annual fees over the five years from 1 January 2012 (or appointment if later).

The table shows the interests in NV and PLC ordinary shares of Non-Executive Directors and their connected persons as at 31 December 2014. There has been no change in these interests between 31 December 2014 and 25 February 2015, other than Feike Sijbesma who purchased 1,500 NV shares on 20 January 2015 at a share price of €34.50.

NON-EXECUTIVE DIRECTORS’ LETTERS OF APPOINTMENT
All Non-Executive Directors were reappointed to the Boards at the 2014 AGMs, with the exception of Feike Sijbesma who was appointed for the first time with effect from 1 November 2014 and Charles Golden who chose not to put himself forward for re-election.

OTHER DISCLOSURES RELATED TO DIRECTORS’ REMUNERATION
SERVING AS A NON-EXECUTIVE ON THE BOARD OF ANOTHER COMPANY
Executive Directors serving as non-executive directors on the boards of other companies are permitted to retain all remuneration and fees earned from outside directorships subject to a maximum of one outside listed directorship (see Independence and Conflicts on pages 42 to 43 for further details).

Paul Polman is a non-executive director of The Dow Chemical Company and received an annual fee of €86,239 (US $115,000 based on the average exchange rate over the year €1 = US $1.3335). In addition, he received a restricted award of 2,760 ordinary shares with a nominal value of US $2.50 per share in the capital of The Dow Chemical Company. The shares include the rights to vote and to receive dividends thereon. The shares cannot be sold or transferred until Paul Polman leaves the board of directors of The Dow Chemical Company, and in any case not earlier than 16 May 2016.

Jean-Marc Huët is a non-executive director of the unlisted company Delta Topco Limited and received an annual fee of €179,978 (US $240,000). Furthermore, Jean-Marc Huët was appointed as a non-executive director of Heineken N.V. from 24 April 2014 and received an annual fee of €51,510.
SIX-YEAR HISTORICAL TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE

The table below includes:

- growth in the value of a hypothetical £100 holding over six years’ FTSE 100 comparison based on 30-trading-day average values; and
- growth in the value of a hypothetical €100 investment over six years’ AEX comparison based on 30-trading-day average values.

The Committee has decided to show Unilever’s performance against the FTSE 100 Index, London and also the Euronext 100 index (AEX), Amsterdam as these are the most relevant indices in the UK and the Netherlands where we have our principal listings. Unilever is a constituent of both these indices.

CEO SINGLE FIGURE SIX-YEAR HISTORY

The table below shows the six-year history of the CEO single figure of total remuneration:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single figure of total remuneration (£’000)</td>
<td>3,859</td>
<td>6,292</td>
<td>6,010</td>
<td>7,852</td>
<td>7,740</td>
<td>9,561</td>
</tr>
<tr>
<td>Annual bonus award rates against maximum opportunity</td>
<td>82%</td>
<td>80%</td>
<td>68%</td>
<td>100%</td>
<td>78%</td>
<td>66%</td>
</tr>
<tr>
<td>GSIP performance shares vesting rates against maximum opportunity</td>
<td>n/a</td>
<td>47%</td>
<td>44%</td>
<td>55%</td>
<td>64%</td>
<td>61%</td>
</tr>
<tr>
<td>MCIP performance shares vesting rates against maximum opportunity</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Share Matching Plan vesting rates against maximum opportunity</td>
<td>100%</td>
<td>100%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

PERCENTAGE CHANGE IN REMUNERATION OF DIRECTOR UNDERTAKING THE ROLE OF CHIEF EXECUTIVE OFFICER

The table below shows the percentage change from 2013 to 2014 for base salary, bonus and benefits (excluding pension) for both Paul Polman and all UK and Dutch management in Unilever.

The subset of UK and Dutch management has been used as a fair representation of our dual listing status.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits (not including pension)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td>5.2%</td>
<td>-11.4%</td>
</tr>
<tr>
<td>UK and Dutch management</td>
<td>3.4%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

RELATIVE IMPORTANCE OF SPEND ON PAY

The chart below shows the relative spend on pay compared with dividends paid to Unilever shareholders and core earnings. Core earnings represent the net profit attributable to Unilever shareholders, adjusted for non-core items. Over time, both core earnings and core earnings growth provide a good reference point to compare spend on pay.

THE COMPENSATION COMMITTEE

During 2014, the Committee comprised four Non-Executive Directors: Paul Walsh (Committee Chairman), Michael Treschow, Ann Fudge and Kees Storm.

The Committee reviewed its terms of reference during the year. The Committee’s revised terms of reference are contained within ‘The Governance of Unilever’, and are also set out on our website.

www.unilever.com/corporategovernance
In the context of the external Board evaluation, carried out in 2014, the Boards evaluated the performance of the Committee. The Committee also carried out a self-assessment of its performance. Both assessments concluded that the Committee is performing effectively. Based on its self-assessment, the Committee decided that to enhance the overall knowledge of the Board on the key issues that the Committee is engaged with, it would add a specific remuneration module to the induction program for Non-Executive Directors and conduct a remuneration knowledge session for the Boards.

ADVISERS

While it is the Committee’s responsibility to exercise independent judgement, the Committee does request advice from management and professional advisers, as appropriate, to ensure that its decisions are fully informed given the internal and external environment.

The Committee appointed Deloitte LLP to provide independent advice on various matters it considered. During the year, Deloitte also provided other services to Unilever primarily in relation to the Directors’ Remuneration Report. The wider Deloitte firm has also provided tax and consultancy services including expatriate tax advice, tax compliance, transfer pricing, R&D and grant claims, financial advisory and transformation, IT, HR and data analytics consultancy and sourcing strategies advice to Unilever.

Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK, which is available at www.remunerationconsultantsgroup.com.

The Committee is satisfied that the Deloitte LLP engagement partner and team, which provide remuneration advice to the Committee, do not have connections with Unilever N.V. or Unilever PLC that might impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. The fees paid to Deloitte LLP in relation to advice provided to the Committee in the year up to 31 December 2014 were £23,500. This figure is calculated based on time spent and expenses incurred for the majority of advice provided, but on occasion for specific projects a fixed fee may be agreed. The Committee would like to thank Deloitte for their assistance throughout 2014.

After a thorough interview process the Committee appointed Tom Gosling of PwC to become the independent remuneration advisor in 2015.

During the year, the Committee also sought input from the Chief Executive Officer (Paul Polman), the Chief Human Resources Officer (Doug Baillie) and the SVP Global Head of Reward (Peter Newhouse) on various subjects including the remuneration of senior management. No individual Executive Director was present when their own remuneration was being discussed to ensure a conflict of interest did not arise. The Committee also received legal and governance advice from the Group Secretary (Tonia Lovell).

CLAIRIFICATION STATEMENT

After publication of our Directors’ Remuneration Report 2013 the Committee issued a clarification statement on our website at the request of The Investment Association (previously: IMA and ABI). The statement is available on our website. The statement confirms that we will not make share awards higher than the maximum awards stated in our Policy for existing and newly hired Executive Directors without prior shareholder approval. It further clarifies that awards to newly hired Executive Directors to buy out remuneration items on leaving the previous employer as provided in the new hires policy will be done under the GSiP. Consequently, under such exceptional circumstances, the aggregated GSiP share awards for a newly hired Executive Director may be higher than the maximum annual award set out in the Remuneration Policy. As stated in the Remuneration Policy in relation to new hires, we will inform shareholders of any such buyout awards when announcing the appointment.

www.unilever.com/ara2014/downloads

SHAREHOLDER VOTING

Unilever remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. In the event of a substantial vote against a resolution in relation to Directors’ remuneration, Unilever would seek to understand the reasons for any such vote and would set out in the following Annual Report and Accounts any actions in response to it.

The following table sets out actual voting in respect of our previous report:

<table>
<thead>
<tr>
<th>Voting outcome (% of votes)</th>
<th>For</th>
<th>Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Directors’ Remuneration Policy (2014 AGM)²⁶ PLC</td>
<td>97.51%</td>
<td>2.49%</td>
</tr>
<tr>
<td>2014 Directors’ Remuneration Policy (2014 AGM)²⁶ NV</td>
<td>98.37%</td>
<td>1.63%</td>
</tr>
<tr>
<td>2013 Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy (2014 AGM)]²⁷ PLC</td>
<td>99.14%</td>
<td>0.86%</td>
</tr>
</tbody>
</table>

²⁶7,606,237 votes were withheld (approximately 0.6% of share capital).
²⁷4,388,993 votes were withheld (approximately 0.27% of share capital).
²⁸25,507,949 votes were withheld (approximately 2.0% of share capital).

The Directors’ Remuneration Report is not subject to a shareholder vote in the Netherlands.

The Directors’ Remuneration Report has been approved by the Boards and signed on their behalf by Tonia Lovell, Group Secretary.