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.
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 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 national 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.