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Certain sections of the Unilever Annual Report and Accounts 2007 have been audited. Sections that have been audited are set out on pages 69 to 121, 125 to 126, 128 to 130 and 133 to 135. The auditable part of the Directors' Remuneration report as set out on page 49 has also been audited.

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Report of the Remuneration Committee

During 2007, the Committee continued to progress on the five strategic principles that serve as the platform for Unilever's approach to remuneration for the Unilever Executive. These principles not only pertain to our Executive Directors but to all Unilever's leadership levels. They provide the basis for our remuneration structure as explained in greater detail in the following pages, and direct that pay should be:

- aligned with shareholders' interests;
- robustly linked to performance;
- aligned with strategic priorities;
- market competitive; and
- easy to understand and communicate.

The overriding objective is to ensure that Unilever recruits and retains the best performers, and effectively incentivises them to achieve superior results. It is also our aim to manage the differing elements of total remuneration in a fully integrated manner.

During 2007 these five principles provided the foundation for important changes to the level and structure of Unilever's incentive plans. At our 2007 AGMs, shareholders approved the introduction of a new share-based incentive plan which appropriately aligned our programme with our peer company market. The Committee also increased the annual incentive opportunity for Executive Directors while leaving base salary levels unchanged. Together, these changes have placed a greater emphasis on performance-based rewards relative to fixed pay, and play a critical role in driving improved business results.

During the second half of 2007, Jim Lawrence was appointed as Chief Financial Officer of Unilever. Jim Lawrence's election to the Boards is subject to shareholders' approval at the AGMs in May 2008. However, in the interests of transparency and good governance, a summary of his remuneration arrangements has been included in this year's report.

The year 2007 marked a continuation of the Group's momentum of improved performance. The focus on growth priorities, together with stronger innovation, improved speed to market and better in-market execution, has delivered consistent, and we believe sustainable, growth. Underlying operating margins have improved and a strong start was made in implementing an acceleration to the implementation of the One Unilever reorganisation programme.

Based on the performance over 2007 the annual incentive awards were on average 128% of base salary across the Unilever Executive team. A Global Performance Share Plan (GPSP) long-term incentive award will vest in 2008 for 121% based on the performance period 2005 – 2007. The minimum vesting level for the performance period 2005 – 2007 was in 2005 set at 2% per annum average underlying sales growth (USG) and €12.2 billion ungeared free cash flow (UFCF), whereas up to 200% could vest for USG exceeding 4% per annum and with UFCF more than €13.2 billion. Targets were set before the disposal of European Frozen Foods and before the disposal of UCI. The targets have been adjusted by the impacts of these disposals. A total shareholder return (TSR) long-term incentive award will also vest in 2008. The vesting was 50% for the performance period 2005 to 2007. Unilever ranked 8th within the comparator group of peer companies (see page 51).

Over the three years to December 2007 Unilever has created more than €20 billion of shareholder value. Looking forward to 2008, we expect the Group leadership to deliver improvement against our longer-term objectives and, as a result, our shareholders and our executives will be duly rewarded.

In September 2007, Jean-Cyril Spinetta stepped down as a Non-Executive Director for personal reasons. We would like to take this opportunity to thank Jean-Cyril for his contributions to Unilever and our Committee. His wise counsel and experience have been most helpful. We wish him all the best for the future. We are currently working to replace Jean-Cyril with a new recruit for our Committee during 2008.

Michael Treschow was also appointed a member of our Committee on 6 February 2008.

David Simon Chairman of the Remuneration Committee
Jeroen van der Veer

Definition of auditable part of the Report of the Remuneration Committee

In compliance with the UK Directors' Remuneration Report Regulation 2002, and under Title 9, Book 2 of the Civil Code in the Netherlands, the auditable part of the report of the Remuneration Committee comprises the 'Aggregate remuneration for Executive Directors' on page 53, the 'Remuneration for individual Executive Directors' on page 53, the 'Executive Directors' Global Share Incentive Plan and the 'Executive Directors' Global Performance Share Plan' on page 54, the 'Executive Directors' conditional share awards under the TSR Long-Term Incentive Plan' on page 55, the 'Executive Directors' Share Matching Plan' on page 55, 'Executive Directors' share options' on page 56, 'Executive Directors' pensions' on page 57, 'Executive Directors' interests – share capital' on page 58, 'Non-Executive Directors' remuneration' on page 59 and 'Non-Executive Directors' interests – share capital' on page 60.

Report of the Remuneration Committee continued

Remuneration policy

Unilever reward policy table 2007

Element	Payment vehicle	Value determination	Plan objectives/Key drivers
FIXED			
Base salary	Cash	Market median	Attraction and retention of high performing executives
Pension	Cash	Directors stay in their home country pension fund or an alternative of similar value Bonus not pensionable	Attraction and retention of high performing executives
VARIABLE		Indicative levels at face value as % of base pay	
Annual incentive	Cash (75%)	Executive Directors: target 87% (range 0% – 150%) Group Chief Executive: target 113% (range of 0% – 200%)	Delivery of trading contribution (Unilever's primary internal measure of economic value added – see page 51) and top-line growth targets Individual responsibility for key Unilever business objectives
	Shares (25%)		
Global Share Incentive Plan	Shares	Grant level for Executive Directors: up to 120% in 2007 (from 2008 onwards up to 180% is allowable) Grant level for Group Chief Executive: up to 135% (from 2008 onwards up to 200% is allowable) In exceptional circumstances the committee may exceed the limits Vesting level: 0% – 200% of grant	Shareholder return at upper half of peer group (see page 51) Top-line revenue growth as essential to Unilever's long-term value creation Ungeared Free Cash Flow as the basic driver of Unilever's shareholder returns
Share Matching Plan	Shares	25% of annual incentive is paid in shares, these shares are matched one for one	Alignment with shareholders' interests

A significant proportion of the Executive Directors' total reward is linked to a number of key measures of Group performance to create alignment with strategy, business priorities, and shareholder value.

The total remuneration package for Executive Directors is intended to be competitive in a global market, with a strong emphasis on performance related pay.

Internal and external comparisons are made with the reward arrangements for other senior executives within Unilever to support consistent application of Unilever's executive reward policies.

In setting targets for the performance measures, the Committee is guided by what would be required to deliver top third shareholder value. This is reflected in both the short-term and long-term performance targets.

Report of the Remuneration Committee continued

Base salary

The Remuneration Committee reviews base salary levels annually, taking into account external benchmarks within the context of Group and individual performance.

The Committee decided not to increase the salaries in 2007 in order to place more emphasis on performance related pay and less on fixed pay.

Annual incentive

The annual incentive plan rewards Executive Directors for the delivery of trading contribution (Unilever's primary internal measure of economic value added) and top-line growth targets, as well as for their individual contribution to Unilever's business strategy.

In 2007 the Remuneration Committee reviewed annual incentive levels in light of the strategic remuneration principles. Given the desire to enhance the focus on performance-linked pay and to ensure arrangements are market competitive, the Committee decided to increase annual incentive opportunities. In 2007 the opportunity for Executive Directors was increased to a maximum of 150% of base salary and for the Group Chief Executive up to 200%. Up to 120% of salary will be based on Unilever's business results targets (133.3% for Group Chief Executive) and a maximum of 30% of salary will be based on individual business targets (66.7% for Group Chief Executive). The target levels are around 60% of maximum. Aggressive business targets mean that maximum levels are only payable for exceptional performance.

The performance criteria for the annual incentive are:

- trading contribution: Unilever's primary internal measure of economic value added. It is calculated from Trading Result after a deduction for tax and a charge for asset use. (Trading result is the internal management measure of profit that is the most consistent with operating profit). Increases in trading contribution reflect the combined impact of top-line growth, margin improvement and capital efficiency gains. It is well aligned with our objective of a progressive improvement in return on invested capital and with shareholder value creation;
- underlying sales growth: focus on the organic growth of Unilever's turnover; and
- individual business and leadership targets: tailored to each individual's responsibilities to deliver certain business objectives supporting the strategy. Individual contribution is assessed against robustly set measures and targets to ensure both objectivity and 'stretch'.

Achievement of targets is measured at the end of the year and the payment takes place the following March. 25% of the annual incentive is delivered to the Executive Directors in the form of shares in NV and PLC, which are matched by a conditional award of 'matching shares', as further described under the section on long-term incentives below.

Long-term incentives

At the 2007 AGM's, shareholders approved the new Unilever Global Share Incentive Plan (GSIP) for employees and Executive Directors.

The new plan supports the Committee's strategic remuneration principles for executives. The number of shares vesting is linked to improvements in Unilever's performance over a three-year period. The plan integrates and replaces two previous long-term plans, the Global Performance Share Plan and TSR Long-Term Incentive Plan, making Unilever's long-term arrangements simpler and easier to understand.

The long-term incentive for Executive Directors now consists of two elements, both of which are delivered in shares:

- Global Share Incentive Plan; and
- Share Matching Plan (linked to annual incentive).

Executive Directors are required to demonstrate a significant personal shareholding commitment to Unilever. Within five years of appointment, they are expected to hold shares worth 150% of their annual base salary. This reinforces the link between the executives and other shareholders.

Global Share Incentive Plan (GSIP)

Under the GSIP, annual awards of shares in NV and PLC are granted to Executive Directors. The actual number of shares received at vesting after three years depends on the satisfaction of performance conditions.

For the 2007 awards, the vesting of shares is conditional on the achievement of three distinct performance conditions over the performance period. The performance period is the three-year period which began on 1 January 2007 and ends on 31 December 2009.

The vesting of 40% of the shares in the award is based on a condition measuring Unilever's relative total shareholder return (TSR) against a comparator group of 20 other companies over that three-year period. 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 compared on a single reference currency basis. No shares (in the portion of the award subject to TSR) will vest if Unilever is ranked below position 11 of the TSR ranking table over the three-year period. 50% of the shares will vest if Unilever is ranked 11th among the peer group, 100% if ranked 7th, and 200% will vest if Unilever is ranked 3rd or above in the table. Straight-line vesting will occur between these points.

The TSR peer group is as follows:

Avon	Kraft
Beiersdorf	Lion
Cadbury Schweppes	L'Oréal
Clorox	Nestlé
Coca-Cola	Orkla
Colgate	PepsiCo
Danone	Procter & Gamble
Heinz	Reckitt Benckiser
Kao	Sara Lee
Kimberly-Clark	Shiseido

Report of the Remuneration Committee continued

The vesting of a further 30% of the shares in the award is conditional on achieving an underlying sales growth target.

The vesting of the final 30% of the shares in the award is conditional on achieving an ungeared free cash flow target which is the basic driver of the returns that Unilever is able to generate for shareholders.

Vesting of the business performance-focused parts of an award depends on meeting challenging objectives. There will be no vesting if performance is below the minimum of the range, 25% vesting for achieving minimum, and 200% vesting only at or substantially above the top end of the range.

Performance for each condition will be assessed independently from the other conditions over the performance period. Shares will only vest if and to the extent that the respective performance conditions are satisfied. There will be no re-testing.

Target and actual performance levels will be shown in the Remuneration Report detailing the number of awards that have actually vested.

[Share Matching Plan](#) (linked to the annual incentive)

The Share Matching Plan enhances the alignment with shareholders' interests and supports the retention of key executives. In addition, the necessity to hold the shares for a minimum period of three years supports the shareholding requirements.

The Executive Directors receive 25% of their annual incentive in the form of NV and PLC shares. These are matched with an equivalent number of matching shares. The matching shares will vest after three years provided that the underlying shares have been retained during this period and the Executive Director has not resigned or been dismissed.

The Remuneration Committee considers that there is no need for further performance conditions on the vesting of the matching shares because the number of shares is directly linked to the annual incentive (which is itself subject to demanding performance conditions). In addition, during the three-year vesting period the share price of NV and PLC will be influenced by the performance of Unilever. This, in turn, will affect the ultimate value of the matching shares on vesting.

Executive Directors' pensions

The policy beginning in 2007 is that new Executive Directors will be members of the all-employee pension arrangement in their home country (or an alternative of similar value) and will pay employee contributions at the same rate as other employees in that arrangement.

Executive Directors appointed prior to 2007 have a defined benefit pension of two-thirds of final salary, payable at retirement from age 60. Annual incentive is not pensionable except for Executive Directors appointed prior to the change of policy in 2005 (Patrick Cescau, Kees van der Graaf and Rudy Markham

who retired in 2007) for whom annual incentive is pensionable up to a maximum of 20% of base salary.

Other benefits and allowances

Executive Directors enjoy similar benefits to those enjoyed by many other employees of Unilever.

Serving as non-executive on the Board of another company

Some of the Executive Directors serve as a non-executive on the Board of another company. In 2007 Unilever required that all remuneration and fees earned from outside directorships are paid directly to Unilever.

This policy has been amended in 2008 (see Outside appointments on page 36).

Arrangements for Jim Lawrence

Jim Lawrence joined Unilever in September 2007 as Chief Financial Officer. He will be proposed for election to the Boards of NV and PLC at the AGMs in May 2008. Given Unilever's objective of balancing remuneration more clearly towards performance linked variable pay the agreed package follows this policy direction. His salary in 2007 was set at US \$1 100 000 per annum; the maximum annual incentive in 2007 was 150% of salary and the grant under the GSIP in 2007 was 49 962 each of NV shares and PLC shares. He will be in a pension plan similar to that of Unilever in the USA, which is a defined contribution plan.

To compensate for the forfeiture of incentives from his former employer, a cash allowance was paid on appointment of US \$1 million (with a pro rata claw back over 3 years) and restricted shares of 35 565 each of NV and PLC were granted (at award value US \$2.5 million). These will vest one-third after one year of service, one-third after two years of service and one-third after 3 years of service.

Jim Lawrence has purchased 295 508 NV shares and 240 000 PLC ADRs.

Future developments

The Remuneration Committee continues to monitor trends and changes in the market. It keeps a watching brief on the continuing alignment between Unilever's strategic objectives and the reward policy for Executive Directors.

From 1 January 2008, the UK all-employee pension plan benefit for new hires changed from final salary to a combination of career average earnings (up to a limit of £38 000) and defined contribution above the limit. Existing employees are being given the option to move to the new plan or to remain in the previous plan (subject to certain changes including paying higher individual contributions). The latter impacts the UK-based Executive Directors Patrick Cescau and Ralph Kugler.

The performance range for the GSIP (Global Share Incentive Plan) 2008 award (performance period 2008 - 2010) will be 4% - 6.4% per annum in respect of average underlying sales growth and €10.5 billion - €15.5 billion for cumulative ungeared free cash flow.

Report of the Remuneration Committee continued

Remuneration information for 2007

The following section contains detailed information and commentary on the Executive Directors' annual remuneration, long-term incentives, pension benefits and share interests in respect of 2007.

Aggregate remuneration for Executive Directors

The following table gives details of the aggregate remuneration (including value of the vesting of matching shares and exercise of options) as a group.

	2007 € '000	2006 € '000
Annual emoluments		
Base salary	3 491	4 061
Allowances and other payments	221	913
Benefits	82	111
Performance-related payments (annual incentive)	4 865	2 409
Sub-total of annual emoluments	8 659	7 494
Other income arising from vesting/exercise of long-term incentives ^(a)		
Gains on exercise of share options	50	427
Vesting of matching shares	230	566
Vesting of awards under TSR Long-Term Incentive Plan	–	–
Total of annual emoluments and other income arising from long-term incentives	8 939	8 487

(a) Includes the gains realised in 2007 following the exercise of share options granted in earlier years and the value of matching shares vested in 2007.

Comments on base salary

In 2007, base salary levels were benchmarked against those paid in other major global companies based in Europe, excluding companies in the financial sector. The Committee decided not to increase base salaries for 2007 and to place greater emphasis on performance-based pay.

Comments on annual incentive

The annual incentive awards for 2007 were subject to achievement of underlying sales growth and trading contribution targets in combination with individual key strategic business targets. The Committee measured the results against the targets set and determined the annual incentive amounts for 2007.

Remuneration for individual Executive Directors

The following table gives details of the remuneration received in 2007 (including the value of vested share match and options exercised) by each Executive Director individually.

Name and Base Country	Annual Emoluments 2007					Total 2006 € '000	Other income arising from long-term incentives and exercise of options in 2007			Grand total 2007 € '000	Grand total 2006 € '000
	Base salary € '000	Allowances and other payments ^(a) € '000	Value of benefits ^(b) € '000	Bonus ^(c) € '000	Total 2007 € '000		Option gains € '000	Share match € '000	TSR/LTIP € '000		
Patrick Cescau (UK) ^(d)	1 426	129	47	2 346	3 948	2 727	50	63	–	4 061	2 940
Kees van der Graaf (NL)	798	27	9	988	1 822	1 202	–	60	–	1 882	1 287
Ralph Kugler (UK)	861	56	11	1 033	1 961	1 313	–	53	–	2 014	1 414
Rudy Markham (UK) ^(e)	406	9	15	498	928	1 517	–	54	–	982	2 111

(a) Includes: allowance in lieu of company car; blind trust fees compensation; compensation for loss of net income because part of the salary was paid in the Netherlands; entertaining allowance and employers' cost for the all-employee savings plan in the Netherlands. All allowances are taxable in the country of residence apart from the entertaining allowance which is currently tax free in the Netherlands.

(b) Includes: benefits for company car; housing (for business use) instead of hotel; medical insurance and private use of chauffeur driven cars. Included are benefits that are taxable in the country of residence. In addition, Unilever provides support to Executive Directors in relation to spouse's travel expenses when travelling together on company business. This amount is capped at 5% of base salary and for 2007 totalled €168 559 (including related taxes payable).

(c) Bonus of the year 2007. Includes: the value of both the cash element and the element paid in shares of NV and PLC. In addition to the element of the bonus paid in shares each Executive Director is awarded, on a conditional basis, an equivalent number of matching shares.

(d) Group Chief Executive.

(e) Rudy Markham stepped down as a Director at the May 2007 AGMs. He retired from Unilever at 31 October 2007. In the table above are the emoluments for the period January – May 2007. His emoluments for the period June – October were in total: €1 140 000.

Figures have been translated into euros using the following exchange rate: €1 = £0.6822 (2006: €1 = £0.6818).

Report of the Remuneration Committee continued

Comments on long-term incentive arrangements• **Global Share Incentive Plan**

The first award was made in 2007 with a performance period 1 January 2007 to 31 December 2009. Vesting will be in May 2010 (three years after award)

• **Global Performance Share Plan**

The performance period for the first awards made under the plan ended on 31 December 2007. Vesting will be in May 2008 (three years after award).

• **TSR Plan**

In 2007 the conditional shares awarded in 2004 lapsed. Vesting was based on the TSR performance of Unilever (when ranked against its defined peer group with competitors) over the three-year performance period which ended 31 December 2006. For this period, Unilever ranked 13th in its peer group and therefore no vesting occurred for this award and the shares lapsed in March 2007.

• **Share Matching Plan**

In 2007 the matching shares originally granted in 2004 on a conditional basis vested, subject to fulfilment of the retention conditions.

• **Executive Share Options**

The grants of executive share options made in 2004 became exercisable as from 2007. As the 2004 grant was based on Unilever's EPS performance, the options at vesting were subject to no further conditions.

Executive Directors' Global Share Incentive Plan

The Global Share Incentive Plan was approved by shareholders at the 2007 AGMs.

The following conditional shares were granted during 2007 and outstanding at 31 December 2007 under the Global Share Incentive Plan:

	Share type	Conditional grant made 22 May 2007 (Performance period 1 January 2007 to 31 December 2009) ^(a)		Balance of conditional shares at 31 December 2007
		No. of shares ^(a)	Price at award	No. of shares
Patrick Cescau	NV	40 505	€22.20	40 505
	PLC	40 505	1 582.00p	40 505
Kees van der Graaf	NV	20 550	€22.20	20 550
	PLC	20 550	1 582.00p	20 550
Ralph Kugler	NV	22 145	€22.20	22 145
	PLC	22 145	1 582.00p	22 145
Rudy Markham ^(b)	NV	–	–	–
	PLC	–	–	–

(a) Each award of performance shares is conditional and vests subject to certain conditions three years after the date of the award.

(b) Was not awarded under this new Scheme as he stepped down as a Director at the May 2007 AGMs.

Executive Directors' Global Performance Share Plan

The following conditional shares were outstanding from grants made in 2005 and 2006.

No new awards from 2007 onwards will be made under this Plan as a new plan was approved by shareholders at the 2007 AGMs and as from 2007 LTI awards will be made only under the new plan.

	Share type	Balance of conditional shares at 1 January 2007	Balance of conditional shares at 31 December 2007
		No. of shares ^(a)	No. of shares ^(a)
Patrick Cescau	NV	18 000	18 000
	PLC	18 000	18 000
Kees van der Graaf	NV	12 000	12 000
	PLC	12 150	12 150
Ralph Kugler	NV	12 000	12 000
	PLC	12 150	12 150
Rudy Markham	NV	12 000	12 000 ^(b)
	PLC	12 150	12 150 ^(b)

(a) Each award of performance shares is conditional and vests subject to performance conditions three years after the date of the award.

(b) Balance is at May 2007 when he stepped down as an Executive Director.

Report of the Remuneration Committee continued

Executive Directors' conditional share awards under the TSR Long-Term Incentive Plan

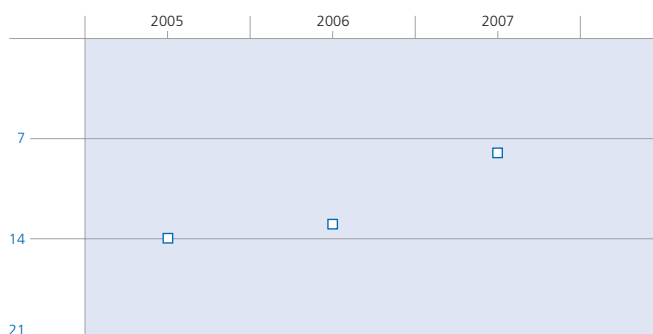
The following conditional shares were outstanding from grants made in 2004 to 2006.

From 2007 onwards no new awards will be made under this Plan as a new plan was approved by shareholders at the 2007 AGMs. From 2007 LTI awards will be made only under the new plan.

	Share type	Balance of conditional shares at 1 January 2007		Conditional awards lapsed 24 March 2007 (Performance period 2004 to 2006) ^(a)		Balance of conditional shares at 31 December 2007	
		No. of shares	No. of shares	No. of shares	Original price at award	No. of shares	No. of shares
Patrick Cescau	NV	58 476	(13 863)	€18.03	44 613		
	PLC	60 449	(14 391)	1 154.00p	46 058		
Kees van der Graaf	NV	36 201	(8 319)	€18.03	27 882		
	PLC	37 422	(8 634)	1 154.00p	28 788		
Ralph Kugler	NV	36 201	(8 319)	€18.03	27 882		
	PLC	37 422	(8 634)	1 154.00p	28 788		
Rudy Markham	NV	41 745	(13 863)	€18.03	27 882 ^(b)		
	PLC	43 179	(14 391)	1 154.00p	28 788 ^(b)		

(a) The conditional awards made in 2004 lapsed in 2007, based on the TSR performance of Unilever over the three-year performance period ending 31 December 2006. For this period, Unilever ranked 13th in its peer group and therefore no vesting occurred for this award.

(b) Balance is at May 2007 when he stepped down as an Executive Director.

Unilever's position relative to the TSR reference group

The reference group, including Unilever, consists of 21 companies. Unilever's position is based on TSR over a three-year rolling period.

Executive Directors' Share Matching Plan

The following conditional shares were outstanding, awarded or vested during 2007 under the share matching plan:

	Share type	Balance of conditional shares at 1 January 2007		Conditional shares awarded in 2007 ^(a)		Shares vested on 24 March 2007 ^(b)		Balance of conditional shares at 31 December 2007	
		No. of shares	No. of shares	Price at award	No. of shares	Market price at vesting	Original price at award	No. of shares	No. of shares
Patrick Cescau	NV	8 778	6 627	€21.33	(1 413)	€21.66	€18.03	13 992	
	PLC	8 992	6 627	1 488.00p	(1 469)	1 505.11p	1 154.00p	14 150	
Kees van der Graaf	NV	4 266	2 121 ^(c)	€21.33	(1 341)	€21.66	€18.03	2 925	
	PLC	4 394	2 121 ^(c)	1 488.00p	(1 392)	1 505.11p	1 154.00p	3 002	
Ralph Kugler	NV	3 831	2 402	€21.33	(1 191)	€21.66	€18.03	5 042	
	PLC	3 936	2 402	1 488.00p	(1 238)	1 505.11p	1 154.00p	5 100	
Rudy Markham	NV	4 932	2 830	€21.33	(1 209)	€21.66	€18.03	6 553 ^(d)	
	PLC	5 071	2 830	1 488.00p	(1 257)	1 505.11p	1 154.00p	6 644 ^(d)	

(a) Each award of matching shares is conditional and vests three years after the date of the award subject to certain conditions. The 2007 award was made at grant date 21 March 2007.

(b) The conditional shares awarded on 24 March 2004 (relating to the 2003 performance period) vested on 24 March 2007.

(c) Kees van der Graaf (based in the Netherlands) was granted a conditional right to receive at the vesting date a cash amount equal to the value on that date of 2 121 NV shares and 2 121 PLC shares.

(d) Balance is at May 2007 when he stepped down as an Executive Director.

Report of the Remuneration Committee continued

Executive Directors' share options

Options to acquire NV ordinary shares of €0.16 each and options to acquire PLC ordinary shares of 31/9p each were outstanding, were exercised or lapsed during 2007. No option awards were made in 2007.

	Share type	Balance of options at 1 January 2007	Number of options exercised/lapsed in 2007	Balance of options at 31 December 2007	Options outstanding below market price at 31 December 2007		Options outstanding above market price at 31 December 2007		First exercisable date	Final expiry date
					Number of options	Weighted average exercise price	Number of options	Weighted average exercise price		
Patrick Cescau										
Executive Plan	NV	269 166	(27 000) ^(a)	242 166	242 166	€19.50	–	–	24/03/02	08/11/15
Executive Plan	PLC	272 967	(27 000) ^(b)	245 967	245 967	1 175p	–	–	24/03/02	08/11/15
NL All-Employee Plan	NV	750	(150) ^(c)	600	600	€17.53	–	–	02/06/03	17/05/11
UK ShareSave Plan	PLC	1 374	–	1 374	1 374	1 171p	–	–	01/10/11	31/03/12
Kees van der Graaf										
Executive Plan	NV	135 450	–	135 450	135 450	€19.70	–	–	24/03/02	08/11/15
Executive Plan	PLC	135 450	–	135 450	135 450	1 203p	–	–	24/03/02	08/11/15
NL All-Employee Plan	NV	750	(150) ^(d)	600	600	€17.53	–	–	02/06/03	17/05/11
UK ShareSave Plan	PLC	1 374	–	1 374	1 374	1 202p	–	–	01/10/10	31/03/11
Ralph Kugler										
Executive Plan	NV	176 625	–	176 625	176 625	€19.41	–	–	24/03/02	20/03/15
Executive Plan	PLC	176 625	–	176 625	176 625	1 163p	–	–	24/03/02	20/03/15
NL All-Employee Plan	NV	300	–	300	300	€17.59	–	–	18/05/05	17/05/11
UK ShareSave Plan	PLC	1 374	–	1 374	1 374	1 202p	–	–	01/10/10	31/03/11
Rudy Markham										
Executive Plan	NV	237 150	–	237 150 ^(e)	237 150	€19.67	–	–	24/03/02	31/10/09
Executive Plan	PLC	237 150	–	237 150 ^(e)	237 150	1 212p	–	–	24/03/02	31/10/09
NL All-Employee Plan	NV	750	(150) ^(d)	600 ^(e)	600	€17.53	–	–	02/06/03	17/05/11
UK ShareSave Plan	PLC	1 373	–	1 373 ^(e)	1 373	1 190p	–	–	01/11/07	30/04/08

(a) Options in respect of 27 000 shares exercised on 1 November 2007 at a market value of €23.24. The options would have expired 7 November 2007 if not exercised before. The options had originally been granted on 8 May 1998 at a price (after taking into account the share split in May 2006) of €23.10.

(b) Options in respect of 5 355 shares exercised on 8 May 2007 at a market price of 1 658p. Further options in respect of 21 645 shares exercised on 26 September 2007 at a market price of 1 585p. The options would have expired 7 November 2007 if not exercised before. The options had originally been granted on 8 May 1998 at a price (after taking into account the share consolidation in May 2006) of 1 483p.

(c) Options lapsed without value on 12 June 2007.

(d) Options exercised on 8 May 2007 at a market value of €23.75. The options had originally been granted on 12 June 2002 at a price (after taking into account the share split in May 2006) of €22.63.

(e) Balances are at May 2007 when he stepped down as a Director. On 2 November 2007, 33 750 options each of NV and PLC were exercised at €23.64 and 1 725p respectively. The original grant prices were €23.10 and 1 483p. On 27 December 2007, a further 96 750 NV and 164 250 PLC options were exercised at €25.32 and 1 902p. The original grant prices were on average €17.21 and 1 158p.

The term 'Executive Plan' refers to options granted under the PLC or NV Executive Option Plans.

The closing market prices of ordinary shares at 31 December 2007 were €25.15 (NV shares) and 1 890p (PLC shares). During 2007 the highest market prices were €25.72 and 1 924p respectively, and the lowest market prices were €18.89 and 1 320p respectively.

Report of the Remuneration Committee continued

Comments on pensions

The Netherlands all-employee pension plan benefit basis was changed from final salary to career average earnings at 31 December 2006. This had a small impact on the accrued pension of the Netherlands-based Executive Director.

During 2007, individual contributions paid by Executive Directors in the UK were paid through a salary sacrifice arrangement.

Executive Directors' pensions^(a)

Pension values for the year ended 31 December 2007 are set out below.

Name and base country	Age at 31/12/07	Accrued pension at 31/12/06 ^(b) €'000 pa	Movement in accrued pension during 2007 ^(c) €'000 pa	Accrued pension at 31/12/07 ^(b) €'000 pa	Transfer value of accrued pension at 31/12/06 ^(d) €'000	Movement in transfer value during 2007 (less individual contributions) ^(e) €'000	Individual contributions made during 2007 ^(f) €'000	Transfer value of accrued pension at 31/12/07 ^(d) €'000
Patrick Cescau (UK)	59	1 000	29	1 029	18 662	1 951	4	20 617
Kees van der Graaf ^(g) (NL)	57	602	37	639	8 098	868	9	8 975
Ralph Kugler (UK)	51	441	(23)	418	6 283	219	–	6 502
Rudy Markham ^(h) (UK)	61	793	(68)	725	15 909	(1 928)	–	13 981

(a) Figures have been translated into euros where necessary using the following exchange rates: 31 December 2007 €1.00 = £0.7342; 31 December 2006 €1.00 = £0.6712; Average for the year ended 31 December 2007 €1.00 = £0.6822.

(b) Based on the Executive Directors' current pension letters and calculated on a deferred basis using the Executive Directors' service to 31 December 2006 and 31 December 2007 respectively on the basis that the Executive Directors remain in service until at least age 60 and that the pension payment commences at that time. It includes all pensions provided from Unilever pension plans. In the event that an Executive Director leaves service prior to age 60 and the payment of pension commences earlier than age 60, the pension payable would be on a reduced basis.

(c) Includes the effect of inflation on the accrued pension at 31 December 2006.

(d) For the Netherlands-based Executive Director the arrangement is calculated on the basis used by the Unilever Netherlands pension plan ('Progress'), as prescribed by the Netherlands Ministry of Social Affairs and Employment. These prescriptions changed on 1 January 2008 as illustrated in footnote (g). For the UK-based Executive Directors' the arrangement is calculated on the market related basis used by Unilever United Kingdom pension plan (UUKPF), in line with the GN11 guidance note published by the Board for Actuarial Standards in the United Kingdom.

(e) The movement in transfer value during 2007 of market changes for the UK based Executive Directors together with additional service and the Executive Directors being one year closer to retirement and exchange rate movements (for pensions denominated in currency other than euros). There have been no salary increases in 2007.

(f) Consistent with employees in the current Netherlands pension plan, the rate of individual contributions paid by Kees van der Graaf is 0.5% of pensionable salary between €11 872 and €56 990 and 1% on balance. Consistent with employees in the United Kingdom pension plan, Ralph Kugler's and Rudy Markham's contributions are paid through salary sacrifice and at a rate of 5% of pensionable salary (above the UK Lower Earnings Limit), and as such no individual contributions are shown above. Patrick Cescau's contributions on the part of his salary paid in the Netherlands are paid based on the basis of the old Unilever Netherlands pension plan, at 1% above €56 990, and on the part of his salary paid in the UK are consistent with employees in the Unilever United Kingdom pension plan.

(g) The increase in accrued pension and transfer value during 2007 includes the effect of revaluation on the accrued pension in the Unilever Netherlands pension plan at January 2008. The basis for calculation of the transfer value in the Netherlands as prescribed by the Netherlands Ministry of Social Affairs and Employment changed for accounting periods ending after 1 January 2008. Calculated on this new basis the transfer value at 31 December 2007 for Kees van der Graaf would be €7 951 000.

(h) Attained age 60 in 2006 and accrued no additional pension. Stepped down as a Director at the 2007 AGMs. The values shown are at 31 May 2007, or the period ending on that date, as appropriate. Schedule 7A of the UK Companies Act requires the disclosure of pension values at retirement as he performed qualifying services during 2007. The accrued pension at 31 October 2007 (the date he retired from Unilever) is unchanged from that shown in the table. The transfer value of the accrued pension at 31 October 2007 was €14 055 000.

The Listing Rules of the Financial Services Authority are different from the Directors' Remuneration Report Regulations 2002 and require the following disclosures for defined benefit pension plans which are calculated on an alternative basis to those disclosed in the previous table.

The Dutch Corporate Governance Code requires the disclosure of pension service costs charged to operating profit:

	Listing rules of the Financial Services Authority €'000 ^(a)	Listing rules of the Financial Services Authority €'000 ^(b)	Dutch Corporate Governance Code €'000
Patrick Cescau (UK)	(9)	(192)	552
Kees van der Graaf (NL)	32	450	249
Ralph Kugler (UK)	(1)	(14)	294
Rudy Markham (UK)	(31)	(601)	50 ^(c)

(a) Movement in accrued pension during 2007 (excluding the effect of inflation on the accrued pension at 31 December 2006).

(b) Transfer value at 31 December 2007 of the movement in accrued pension during 2007 (excluding the effect of inflation on the accrued pension at 31 December 2006 and less individual contributions).

(c) This includes €28 000 that was incurred up to May 2007 when he left the Board and €22 000 that was incurred subsequently up to 31 October 2007.

Report of the Remuneration Committee continued

Executive Directors' interests – share capital

The interests in the share capitals of NV and PLC and their group companies of those who were Executive Directors at 31 December 2007 and of their connected persons were as shown in the table below:

	Share type ^(a)	Shares held at 1 January 2007 ^(b)	Shares held at 31 December 2007 ^(b)
Patrick Cescau ^(c)	NV	85 059	93 099
	PLC	52 347	65 798
Kees van der Graaf	NV	23 157	32 499
	PLC	16 718	20 339
Ralph Kugler	NV	45 396	48 489
	PLC	20 124	23 366

(a) NV shares are ordinary €0.16 shares and PLC shares are ordinary 3¼p shares.

(b) Numbers are excluding unvested matching shares.

(c) Balances include under NV 38 715 NV New York shares and under PLC 10 220 PLC ADRs.

The Executive Directors, in common with other employees of PLC and its United Kingdom subsidiaries, had beneficial interests in 16 678 871 PLC ordinary shares at 1 January 2007 and 10 920 385 PLC ordinary shares at 31 December 2007, acquired by the Unilever Employee Share Trust (Jersey) for the purpose of satisfying options and vesting of shares under various group share plans (including the PLC Executive Option Plans and the UK Employee ShareSave Plan). Further information, including details of the NV and PLC ordinary shares acquired by certain group companies in connection with other share-based compensation plans, is given in note 29 on pages 117 to 119.

The voting rights of the Directors who hold interests in the share capitals of NV and PLC are the same as for other holders of the class of shares indicated. None of the Directors' or other executive officers' shareholdings amounts to more than 1% of the issued shares in that class of share. Except as stated above, all shareholdings are beneficial.

The only changes in the interests of the Executive Directors and their connected persons in NV and PLC ordinary shares between 31 December 2007 and 1 March 2008 were that:

- The holding of the Unilever Employee Share Trust (Jersey) has reduced to 10 814 117 PLC ordinary shares; and
- Kees van der Graaf and Ralph Kugler each acquired an additional 14 PLC ordinary shares during January and February as a result of regular contributions to an employee share investment plan.

Report of the Remuneration Committee continued

Non-Executive Directors

The following section contains detailed information and commentary on the Non-Executive Directors' annual fees and share interests. The Non-Executive Directors receive fees from both NV and PLC. No other remuneration is given in respect of their non-executive duties from either NV or PLC, such as annual incentives, share-based incentives or pension benefits.

The level of their fees reflects their commitment and contribution to Unilever. The Chairman's levels were reviewed and increased with the appointment of Michael Treschow as Chairman in 2007. No other fee changes have been made since the 2006 AGMs.

Non-Executive Directors' remuneration

The total fees payable to each Non-Executive Director in 2007 are set out below:

Current Non-Executive Directors	Total fees paid in 2007^(a) €'000	Total fees paid in 2006 ^(a) €'000
Michael Treschow ^{(b)(c)}	469	n/a
Genevieve Berger ^(b)	60	n/a
Leon Brittan	97	83
Wim Dik	92	85
Charles Golden	134	89
Byron Grote	90	60
Narayana Murthy ^(b)	97	n/a
Hixonia Nyasulu ^(b)	82	n/a
David Simon	131	110
Kees Storm	113	75
Jeroen van der Veer	90	83
Former Non-Executive Directors		
Antony Burgmans ^{(d)(e)}	246	300
Lynda Chalker ^{(d)(g)}	42	94
Jean-Cyril Spinetta ^(f)	68	60

(a) Covers fees and allowances received from both NV and PLC. Includes fees for travel from outside Europe if applicable.

(b) Appointed at the 2007 AGMs.

(c) Chairman NV and PLC since the 2007 AGMs.

(d) Stepped down at the 2007 AGMs.

(e) Chairman until the 2007 AGMs. Total fees include some benefits that occurred after retirement.

(f) Stepped down in September 2007.

(g) Started to work for Unilever under a consultancy agreement as from 1 June 2007 to support Unilever in the African world. Total amount paid for period June 2007 – December 2007 €85 508.

Please see page 46 for details on committee memberships.

Report of the Remuneration Committee continued

Prior to being a Non-Executive Director Mr Burgmans was awarded shares and options in his capacity as an Executive Director. Mr Burgmans received no further share-based awards in his capacity as Non-Executive Director.

Details of the balance and lapsing under the TSR Long-Term Incentive Plan:

	Balance 1 January 2007	Conditional award lapsed 24 March 2007	Balance May 2007
NV	22 182	(22 182)	–
PLC	23 024	(23 024)	–

Details of the balance and vesting under the Share Matching Plan:

	Balance 1 January 2007	Shares vested 27 March 2007	Balance May 2007
NV	4 569	(1 815)	2 754
PLC	4 712	(1 886)	2 826

Details of his outstanding options can be found below:

	Share type	Number of options granted in 2007	Number of options exercised/lapsed in 2007	Balance of options at May 2007	Balance below market price	Weighted average exercise price	Balance above market price	Weighted average exercise price	First exercisable date	Final expiry date ^(a)
Executive Plan	NV	316 800	–	316 800	316 800	€19.10	–	–	24/03/02	01/06/09
Executive Plan	PLC	316 800	–	316 800	316 800	1 163p	–	–	24/03/02	01/06/09
NL All-Employee Plan	NV	450	(150) ^(a)	300	300	€17.47	–	–	02/06/03	12/05/09

(a) Exercised 8 May 2007 at market price of €23.75 (originally awarded 12 June 2002 at €22.63).

Non-Executive Directors' interests – share capital

The interests in the share capitals of NV and PLC and their group companies of those who were Non-Executive Directors as at 31 December 2007 and had share holdings (including those of their connected persons) were as shown below:

	Share type ^(a)	Shares held at 1 January 2007 ^(a)	Shares held at 31 December 2007 ^(a)
Michael Treschow	NV	– ^(b)	15 000
	PLC	– ^(b)	15 000
Byron Grote	NV NY	3 000	3 000
	PLC ADRs	1 800	1 800
David Simon	NV	–	–
	PLC	1 492	1 536
Jeroen van der Veer	NV	16 800	16 800
	PLC	–	–

(a) NV shares are ordinary €0.16 shares and PLC shares are ordinary 3 1/9p shares.

(b) Shareholding is as from date of appointment.

There were no changes in the interests of the Non-Executive Directors and their connected persons in NV and PLC ordinary shares between 31 December 2007 and 1 March 2008.

Report of the Remuneration Committee continued

Additional statutory and other disclosures

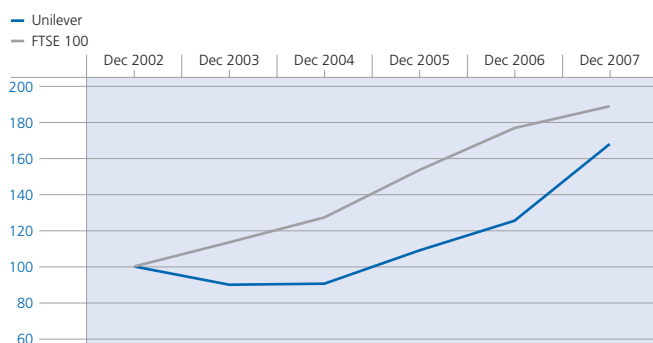
The Board evaluated the performance of the Committee and the Committee carried out a self assessment of its performance.

Unilever's share performance relative to broad-based equity indices

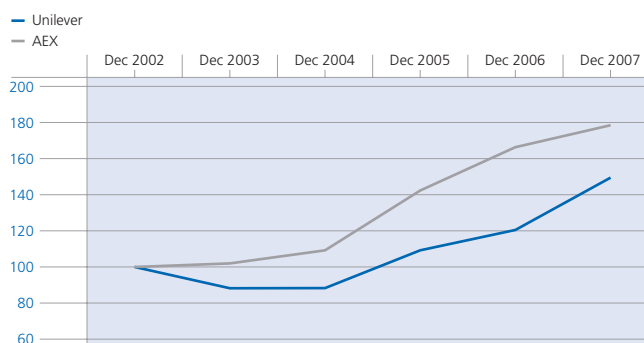
The UK Companies Act 1985 (schedule 7A) requires us to show Unilever's relative share performance, based on Total Shareholder Return, against a holding of shares in a broad-based equity index for the last five years. The Remuneration Committee has decided to show Unilever's performance against two indices, namely the FTSE 100 Index, London, and the Euronext AEX Index, Amsterdam as these are the most generally used indices in the UK and the Netherlands, where we have our principal listings.

Five-Year Historical TSR Performance

Growth in the value of a hypothetical £100 holding over five years
FTSE 100 comparison based on 30 trading day average values



Growth in the value of a hypothetical investment over five years
AEX comparison based on 30 day average values



Role and responsibilities

The Committee is responsible for making proposals to the Boards on the reward policy for Executive Directors. It is also responsible for setting individual reward packages for Executive Directors and for monitoring and approving all share-based incentive arrangements. The Committee meets at least three times a year and, during 2007, it met on five occasions.

Structure and role

During 2007 David Simon served as Chairman of the Committee with Jeroen van der Veer and Jean-Cyril Spinetta as Non-Executive members. Jean-Cyril Spinetta stepped down as a Director in September 2007. Michael Treschow was appointed a member of the Committee on 6 February 2008.

Advice and assistance

The Committee does not formally retain remuneration consultants. It seeks professional advice from external advisers as and when required. During 2007, the Committee sought advice from Towers Perrin (an independent firm of human resources specialists) on market data, reward trends and performance-related pay. Towers Perrin also provides general consultancy advice to Unilever group companies on employee rewards, pension, communications and other human resource matters.

The Group Secretary attends all Committee meetings and advises on matters of corporate governance.

The Group Chief Executive can be invited to attend Committee meetings to provide his own insights to the Committee on business objectives and the individual performance of his direct reports. Naturally, he does not attend when his own remuneration is being discussed.

During 2007, the Non-Executive Chairman could, in his role as Chairman of the Boards, also attend meetings.

The Report has been approved by the Boards. Signed on behalf of the Boards by Sven Dumoulin (Group Secretary).