



Unilever

MAKING
SUSTAINABLE LIVING
COMMONPLACE

THE GOVERNANCE OF UNILEVER
1 JANUARY 2019

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PART A: THE FUNDAMENTALS

1 CORPORATE PURPOSE

Unilever has a simple but clear purpose: to make sustainable living commonplace. We believe this is the best road to sustainable, profitable growth, and creating long-term value for our shareholders, our employees, our business partners, and other stakeholders.

Our distinct purpose and our operational expertise across our business model will help realise our vision of accelerating growth in the business, while reducing our environmental footprint and increasing our positive social impact.

Our purpose and vision are ambitious, but are consistent with the changing attitudes and expectations of consumers.

Our unswerving commitment to sustainable living is increasingly delivering more trust from consumers, as well as a strong business for shareholders, with lower risks and consistent, competitive and profitable long-term growth.

To succeed also requires, we believe, the highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact.

2 THE DUAL-HEADED STRUCTURE

2.1 BACKGROUND

Unilever N.V. and Unilever PLC are the two parent companies of the Unilever Group. NV is incorporated under the laws of the Netherlands and PLC is incorporated under the laws of England and Wales.

Since 1930, when the Unilever Group was formed, NV and PLC, together with their group companies, have operated as nearly as practicable as a single economic entity. However, they remain separate legal entities with different shareholder constituencies and separate stock exchange listings. Shareholders cannot convert or exchange the shares of one for shares of the other.

NV and PLC are subject to different laws and regulations and different corporate governance requirements and best practice codes; the most relevant being those in the Netherlands, the United Kingdom and the United States.

As stated in the Code of Business Principles, Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. It is therefore Unilever's practice to comply with the best practice represented by the aggregate of these best practice codes.

Both NV and PLC are holding and service companies and the business activities of Unilever are carried out by their subsidiaries around the world. Shares in these subsidiary companies are held ultimately by either NV or PLC or by both.

As a consequence, the combined affairs of the Unilever Group are more relevant to the shareholders of NV and PLC than their specific activities and this is recognised by the preparation and publication of statutory accounts on a combined NV/PLC basis.

2.2 THE FOUNDATION AGREEMENTS

The Unilever Group structure is effectively a single economic entity. The Unilever Group is created and maintained by a series of agreements between NV and PLC (known as the Foundation Agreements), together with special provisions in the respective articles of association of NV and PLC. The Foundation Agreements are made available to shareholders and others on the Unilever website: www.unilever.com, and comprise:

- The Equalisation Agreement;
- The Deed of Mutual Covenants; and
- The Agreement for Mutual Guarantees of Borrowing.

These agreements enable Unilever to achieve unity of management, operations, shareholders' rights, purpose and mission.

2.3 UNITY OF MANAGEMENT

It is of profound significance for Unilever, with its dual-headed structure, that it is able to operate as nearly as practicable as a single economic entity. This objective is achieved by securing unity of management of NV and PLC.

It has always been a requirement of Unilever that the same people be on the Boards of NV and PLC. This ensures that all matters are considered by the Boards as a single intellect, reaching the same conclusions on the same set of facts. It is essential that in reaching the same decisions the Boards identify and resolve any potential conflicts of interest between NV and PLC.

This is of significance both to the strategic and the day to day operation of Unilever. It ensures that Unilever achieves the substance of a single parent group but without the form.

The rules for the appointment of Directors are set out in the articles of association of NV and PLC. Directors are appointed by the general meetings of NV and PLC. The Boards, acting upon the recommendation of the Nominating and Corporate Governance Committee, nominate candidates to the Boards. In addition, the articles of association of NV and PLC make it possible for shareholders to nominate candidates to the Boards whilst taking into account the need to ensure that the same people constitute their respective Boards. Shareholders are able to do this by requisitioning a resolution pursuant to local requirements to be put to the general meeting to appoint a person as a Director. However, in order to preserve unity of management, for a person to be appointed as a Director of one Company, it is necessary that a resolution appointing that person as a Director of the other Company is passed at a general meeting of that Company at or about the same time. This ensures the identical composition of the Boards.

In addition the articles containing the rules for appointing Directors cannot be changed without the permission, in the case of NV, of the holders of the special ordinary shares numbered 1 – 2400 inclusive and, in the case of PLC, of the holders of PLC's deferred stock. The joint holders of both the NV special ordinary shares and the PLC deferred stock are N.V. Elma and United Holdings Limited, which are joint subsidiaries of NV and PLC. The boards of N.V. Elma and United Holdings Limited comprise the Chairman, the Chief Executive Officer and the Chief Financial Officer.

PART A: THE FUNDAMENTALS CONTINUED

2.4 UNITY OF OPERATIONS

Unity of operations is facilitated by the Deed of Mutual Covenants and the Agreement for Mutual Guarantees of Borrowing.

The Deed of Mutual Covenants provides that NV and PLC and their respective subsidiary companies shall cooperate in every way for the purpose of maintaining a common operating policy. In addition, they shall exchange all relevant information about their respective businesses — the intention being to create and maintain a common operating platform for the Unilever Group throughout the world.

The Deed of Mutual Covenants illustrates some of the information which makes up this common platform, such as the mutual exchange and free use of know-how, patents, trademarks and all other commercially valuable information. The Deed also contains provisions relating to the ratio of the dividend generating capacity of NV and PLC to the dividend entitlement of shareholders of NV and PLC. The Boards maintain this ratio and the Group structure under review and, as part of their obligation to ensure that the Unilever Group is able to make payments of dividends and returns of capital on an efficient basis, from time to time the Boards may approve the transfer of assets or dividends between NV and its subsidiaries and PLC and its subsidiaries.

The Agreement for Mutual Guarantees of Borrowing also assists in the creation of the single operating platform. Under the Agreement for Mutual Guarantees of Borrowing, NV and PLC each, will, if asked by the other, guarantee the borrowings of the other. NV and PLC can also agree jointly to guarantee the borrowings of their subsidiaries. We use the Agreement for Mutual Guarantees of Borrowing, as a matter of financial policy, for certain significant public borrowings. These arrangements enable lenders to rely on our combined financial strength.

2.5 UNITY OF SHAREHOLDERS' RIGHTS

The Equalisation Agreement regulates the mutual rights of the two sets of shareholders in NV and PLC. Its objective is to ensure that, in principle, it does not make any economic difference to a shareholder whether he holds shares in NV or PLC.

It achieves this by securing that the rights and benefits accruing to each unit of ownership in NV made up of €0.16 nominal of NV's ordinary capital shall, as far as possible, be the same as a unit made up of 3 1/9 pence nominal of PLC's ordinary capital. Always the objective is that these respective rights shall, as far as possible, be the same as if each unit formed part of the ordinary capital of one and the same company.

Also under the Equalisation Agreement, NV and PLC adopt the same financial periods and accounting policies and neither company can issue or reduce capital without the consent of the other.

Underpinning these arrangements are provisions for equalisation payments between NV and PLC in the event that one is unable to pay all or part of its dividend. Thus, if one Company has losses or is unable to pay its dividend, the loss or shortfall is made up from the current profits of the other Company (after it has paid its own shareholders), then from its own free reserves and then from the free reserves of the other Company. Where this is beneficial for the Unilever Group as a whole, the Boards may jointly agree that the company with the loss or shortfall pays its dividends from its own free reserves rather than from the current profits of the other company.

In the case of liquidation of NV or PLC or both, surplus assets of both Companies are available for distribution to holders of any shares of each company on the basis that the surplus assets of both Companies are deemed to be pooled and distributed such that the sum paid or allocated on every €0.16 nominal of capital in NV is the same as the sum paid or allocated on every 3 1/9 pence nominal of capital in PLC.

2.6 UNITY OF PURPOSE AND MISSION

Under the articles of association of NV and PLC both Companies are required to carry out the Equalisation Agreement. Pursuant to the articles of association of NV and PLC, the Equalisation Agreement cannot be changed or terminated without the approval of both sets of shareholders.

The Foundation Agreements establish what amounts to a single economic entity and a common global operating platform which make possible the statement of Unilever's corporate purpose, in other words, what Unilever is in business to achieve.

3 THE BOARDS

3.1 GENERAL

The Boards have ultimate responsibility for the management, general affairs, direction, performance and long-term success of Unilever. The Boards are each a one-tier board with Executive Directors and Non-Executive Directors. The Boards comprise a majority of Non-Executive Directors.

The rules governing the internal proceedings of the Boards are included in the Governance of Unilever under Part B – Board Rules. The profile of the Boards is attached as Appendix 8.

3.2 COMMITTEES

The Boards have four Board Committees: the Audit Committee, the Compensation Committee, the Corporate Responsibility Committee, and the Nominating and Corporate Governance Committee. The Board has two Management Committees: the Disclosure Committee and the Global Code and Policy Committee. The terms of reference of these Committees are set out in Appendices 2 through 6 and Appendix 7B. Further Committees of the Boards may be established by the Boards from time to time and the membership and terms of reference of the Committees can be modified by the Boards.

3.3 DELEGATION

The Boards have delegated certain of their powers, authorities and discretions (including the power to sub-delegate) to the Chief Executive Officer, to the Chief Financial Officer, and to the Committees.

Where the Boards have delegated their powers, they supervise the execution of their responsibilities by the Chief Executive Officer, the Chief Financial Officer and the Boards' Committees and are ultimately responsible for the fulfilment of the Board's duties by them. The process by which the Boards pass resolutions to delegate and adopt these practices and procedures is set out in Appendix 9.

4 CODE OF BUSINESS PRINCIPLES AND CODE POLICIES

The Code of Business Principles represents the standard of conduct which all Unilever employees are expected to meet in their business endeavours. It forms the benchmark against which the outside world is invited to judge Unilever's activities. The Code of Business Principles must be adhered to strictly and any amendment thereto must be approved by the Boards. The Code of Business Principles is set out in Appendix 7A.

Code Policies that support the Code of Business Principles have been developed to provide a set of mandatory rules designed to ensure consistency in key areas within our worldwide operations. Code Policies are characterised by being universally applicable within Unilever and mandatory in effect. They govern the principles and practices of how we run our business.

Compliance with the Code of Business Principles and Code Policies is an essential element in our business success. The Boards are responsible for ensuring these standards of conduct are applied throughout Unilever. The Chief Executive Officer is responsible for implementing these standards of conduct and is supported in this by the Global Code and Policy Committee which is chaired by the Chief Legal Officer.

Day-to-day responsibility is delegated to all senior management of the geographies, divisions, functions and operating companies. They are responsible for implementing these standards of conduct, supported by local Business Integrity Committees. Assurance of compliance is given, and monitored, each year. Compliance is subject to review by the Boards supported by the Corporate Responsibility Committee, and for financial and accounting issues by the Audit Committee.

PART B: BOARD RULES

1 BOARD COMPOSITION AND RESPONSIBILITIES

1.1 COMPOSITION

- 1.1.1 The Boards of both NV and PLC are one-tier boards, comprised of Executive Directors and Non-Executive Directors.
- 1.1.2 The Boards of NV and PLC comprise the same persons.
- 1.1.3 The Boards determine the number of Executive Directors and Non-Executive Directors. The Boards should comprise a majority of Non-Executive Directors.
- 1.1.4 Non-Executive Directors are chosen for their ability to make a contribution to the governance and strategic development of Unilever.
- 1.1.5 The composition of the Boards must be such to enable the Directors to discharge their responsibilities and provide effective leadership to the Unilever Group.
- 1.1.6 The Boards prepare a profile of their size and composition, taking into account the nature of the business and the Boards' activities. The current profile is set out in Appendix 8.

1.2 RESPONSIBILITIES OF THE BOARDS

- 1.2.1 The Boards are responsible for the overall conduct of Unilever.
- 1.2.2 The Boards have the powers, authorities and duties vested in them respectively pursuant to the relevant laws of the Netherlands and of the United Kingdom and the articles of association of NV and PLC.
- 1.2.3 In all their dealings, the Boards have regard to the interests of Unilever as a whole, including its stakeholders such as its shareholders, employees, customers, consumers and suppliers, together with Unilever's social and legal responsibilities in the communities in which it operates and to the environment. These interests are, among other things, represented by pursuing a policy aimed at sustainable long-term value creation.
- 1.2.4 The Boards have the final responsibility for the management, general affairs, direction, performance and long-term success of Unilever, as well as for the effective engagement with Unilever's stakeholders.
- 1.2.5 The identification and management of risk is fundamental to carrying through Unilever's strategy and to achieving its long-term goals. The Boards have overall responsibility for the management of risk and for reviewing the effectiveness of the system of internal control and risk management approach.

1.3 DIVISION OF DUTIES

- 1.3.1 Executive Directors and Non-Executive Directors are members of the same body and share the overall responsibility for the direction of Unilever.
- 1.3.2 The Executive Directors have additional responsibilities for the operation of the Companies' business as determined by the Chief Executive Officer.

- 1.3.3 The Boards have delegated, but not to the exclusion of the Boards' powers, authorities and discretions, the following duties:
- (a) to the Chief Executive Officer: all its powers, authorities and discretions which relate to the operational running of the Unilever Group and the matters set out in clause 7.2;
 - (b) to the Chief Executive Officer and the Chief Financial Officer acting individually or jointly: all duties relating to the matters set out in clause 7.3; and
 - (c) to the Committees: the duties set out in each of their respective Committee rules of procedure as referred to in clause 4.1.2.
- 1.3.4 The Boards supervise the execution of their responsibilities by the Chief Executive Officer, the Chief Financial Officer and the Committees, and are ultimately responsible for the fulfilment of the Boards' duties by them.
- 1.3.5 Every Director may request that any matter be discussed by the Boards.

1.4 BOARD EXCLUSIVE DUTIES

- 1.4.1 Those powers, authorities and discretions of the Boards that have not currently been delegated pursuant to clause 1.3 and which remain exclusively within the remit of the Boards, include making or approving the following:

STRUCTURAL AND CONSTITUTIONAL MATTERS

- 1.4.2 Any proposal to a general meeting of NV or PLC to amend its respective articles of association.
- 1.4.3 Any proposal to alter or terminate the Equalisation Agreement.
- 1.4.4 The alteration or termination of the Deed of Mutual Covenants, the Agreement for Mutual Guarantees of Borrowings and the Governance of Unilever.
- 1.4.5 Any alteration in the capital of NV or PLC, including without limitation the purchase, disposal, allotment, issue, share split or cancellation of share capital, whether issued or not and in any event subject to the authorities of a general meeting of NV or PLC.

GOVERNANCE

- 1.4.6 The convening of general meetings of NV and PLC and the setting of the agenda thereof, and generally ensuring that a satisfactory dialogue with shareholders takes place.
- 1.4.7 The Annual Report and Accounts for adoption by the general meetings of NV and PLC.
- 1.4.8 Nominations for appointments to the Boards, including succession planning and the appointment of the Senior Independent Director.
- 1.4.9 Reviewing and approving proposals from the Compensation Committee as referred to in clause 1 of the terms of reference of the Compensation Committee.

- 1.4.10 Proposals to the general meetings of NV and PLC on the Board remuneration policy and deciding on the individual remuneration packages of Directors, within the authority set by the general meetings of NV and PLC.
- 1.4.11 The appointment or removal of the Group Secretary.
- 1.4.12 The review of the functioning of the Boards and the Committees.
- 1.4.13 The endorsement or amendment of the Code of Business Principles.
- 1.4.14 The remits and membership of Committees and deciding upon any issues arising from its receipt and review of reports from the same.
- 1.4.15 Conflicts of interest involving Directors or significant shareholders (holders of ten per cent or more of the share capital in either NV or PLC).
- 1.4.16 Overall responsibility for compliance with all relevant legislation and regulations.

DIVIDENDS

- 1.4.17 The determination of retained profit reserves of NV and declaration or recommendation of a dividend of the Companies.

STRATEGY AND MANAGING THE CORPORATE PORTFOLIO

- 1.4.18 The strategies for the shaping of the portfolio and direction of the Unilever Group and priorities in corporate resource allocation.
- 1.4.19 The quarterly business performance reports for quarter 2 and quarter 4 and the annual results announcement so that, taken as a whole, they are fair, balanced and understandable.
- 1.4.20 Unilever's entry by means of direct investment into or exit from any country.

MERGERS, ACQUISITIONS, JOINT VENTURES AND DISPOSALS

- 1.4.21 Any merger, acquisition, joint venture or disposal where the value of consideration paid or received, or of the assets contributed by Unilever or contributed by other parties, exceeds €500 million.

CAPITAL EXPENDITURE

- 1.4.22 Any capital expenditure project, which has a value exceeding €500 million.

CONTRACTS

- 1.4.23 Any agreement or contract for goods or services, which has a value exceeding €5 billion or which exceeds seven years in duration and has a value exceeding €500 million.

LITIGATION

- 1.4.24 The initiation or settlement of any litigation or claim with a value in excess of €100 million.

FINANCIAL

- 1.4.25 Any single long-term borrowing, in each case with a maturity of more than one year, where the value exceeds €1.5 billion (and for this purpose, any issues of debt instruments (and any tranche thereof) whether or not made under a debt issuance programme, shall qualify as a single borrowing).
- 1.4.26 Capital injections into Unilever Group companies, capital reductions of Unilever Group companies, intra-Group transfers of shares or assets or mergers, in each case where the associated third party costs, e.g., tax, stamp duty and fees, are €250 million or more.
- 1.4.27 Approving policies in respect of the hedging of net instrument exposures, the hedging (or leaving unhedged) of net equity balance sheet exposures of up to (or exceeding) €5 billion per currency or any other financial derivative exposure.

PENSIONS

- 1.4.28 Any agreements with pension funds on contributions to correct deficits (as measured under IFRS or local funding, as applicable), which have an aggregate value, over the period of the agreement, exceeding €750 million.
- 1.4.29 Any changes to benefits provided under Unilever Group pension (and similar) arrangements which increase the value of the liabilities (as measured under IFRS) by more than €100 million.

2 MEETINGS OF THE BOARDS AND DECISION-MAKING

2.1 BOARD MEETINGS AND LOCATION

- 2.1.1 The Boards meet on such dates each year as they determine and also at such other times upon the requisition of a Director as provided in the articles of association of the Companies.
- 2.1.2 There should be a minimum of five meetings throughout the calendar year. These include meetings to consider the half-year and full year results statements of the Unilever Group as well as Unilever Group strategic issues. There are additional Board meetings to discuss matters that arise.
- 2.1.3 Meetings of the Boards may be held in London, Rotterdam or such other locations as the Boards think fit. Attendance by means of video and telephone link is permitted.

2.2 METHOD OF WORKING

- 2.2.1 Given the mutuality of interests of the Boards, the Directors normally meet as the Board of each of NV and PLC simultaneously.
- 2.2.2 However, when considering matters of interest to one Company only they do so as the Board of that Company alone.

PART B: BOARD RULES CONTINUED

2.3 AGENDAS

2.3.1 The agendas for Board meetings are set by the Chairman in consultation with the Chief Executive Officer. It must enable the Boards to discharge their responsibility for the strategy, management, direction and performance of Unilever.

2.3.2 The agenda of each of the meetings of the Boards includes:

- (a) regular items, such as reports by the Chief Executive Officer, or such other member of the Unilever Leadership Executive as he or she may nominate on the exercise of the Delegated Powers, on the financial affairs of the Unilever Group and on the Unilever Group performance against plan and reports from Committees;
- (b) special items, such as Business Reviews;
- (c) items for approval and noting, and papers for information.

2.4 ATTENDANCE

2.4.1 Each Director may be represented at a meeting by an alternate Director or other Director holding a written proxy, as the case may be.

2.4.2 The external auditor attends the Board meeting at which the external auditor's report on the audit of the financial statements is discussed.

2.5 CHAIR OF THE BOARD MEETING

2.5.1 The Chairman chairs the Board meeting. If the Chairman is not present at the meeting, the Senior Independent Director chairs the meeting. If both the Chairman and the Senior Independent Director are not present at a meeting and the Chairman has not appointed another Non-Executive Director as chair of that meeting, the Directors present at the meeting will appoint one of the other Directors as chair of that meeting.

2.6 ADOPTION OF RESOLUTIONS

2.6.1 Resolutions by the Boards are passed by a majority of votes. Each Director shall have one vote.

2.7 BOARD MEETING MINUTES

2.7.1 The Group Secretary or any other person designated as the meeting secretary prepares the meeting minutes. The minutes are adopted by a resolution adopted at a subsequent Board meeting.

2.7.2 All meetings are minuted separately as meetings of the Boards of NV and PLC respectively.

2.8 ADOPTING RESOLUTIONS WITHOUT HOLDING A MEETING

2.8.1 The Boards may adopt written resolutions without holding a meeting.

2.8.2 Written resolutions of the Boards, any Committee referred to in the Governance of Unilever and any sub-committee of the Boards formed from time to time may be adopted by the electronic signatures of the Directors.

2.8.3 The MeetX system for the adoption of resolutions and the application of electronic signatures may be used for these purposes or such other system or process as the Group Secretary from time to time may determine is appropriate in the circumstances.

2.8.4 Written resolutions can also be adopted by the Directors in writing (including faxes and reproducible electronic communication, such as emails) and a written resolution can consist of a combination of written and electronic signatures of the Directors.

2.9 EVIDENCE OF ADOPTED RESOLUTIONS

2.9.1 Resolutions adopted in a Board meeting can be evidenced by a statement signed by the Chairman or, in his or her absence, the chair of the meeting, or by the Group Secretary.

2.10 SUPPORT

2.10.1 The Group Secretary, the CEO office and the secretariat of the Boards are responsible for collating and distributing all papers submitted to the Boards for consideration and for organising Board meetings. The Group Secretary procures the taking and circulation of Board meeting minutes.

3 CONFLICTS OF INTEREST

3.1 PREVENTING CONFLICTS OF INTEREST

3.1.1 Any conflict of interest or apparent conflict of interest between Unilever and the Directors is to be avoided.

3.1.2 Directors are expected to be alert to conflicts of interest and act in accordance with the relevant principles set out in the Code of Business Principles and Code Policies. Directors may not:

- (a) offer, demand or accept gifts, hospitality or other transfer of value save as permissible under the Code of Business Principles and the Code Policies;
- (b) provide unjustified advantages to third parties at Unilever's expense; or
- (c) compete with Unilever or take advantage of business opportunities that Unilever is entitled to, for themselves or for immediate family members.

3.2 CONSEQUENCES

3.2.1 A Director may not participate in the Boards' deliberations and decision-making process on a subject where the Director is found to have a conflict of interest pursuant to clause 3.4, and such Director does not qualify as a Director entitled to vote in relation to that subject.

3.3 OBLIGATION TO REPORT

3.3.1 A Director must without delay report any conflict of interest or potential conflict of interest to the Chairman and to the other Directors, or, in case any conflict of interest or potential conflict of interest of the Chairman, to the Senior Independent Director and to the other Directors. The Director must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

3.4 DETERMINATION OF CONFLICTS OF INTEREST

3.4.1 The Boards decide whether a reported (potential) conflict of interest of a Director qualifies as a conflict of interest to which clause 3.2 applies, without the Director concerned being present.

3.5 REQUIRED TERMS AND APPROVAL

3.5.1 Matters where the Boards have found one or more Directors to have a conflict of interest:

- (a) may only be entered into by NV or PLC on terms that are customary in the market; and
- (b) require the approval of the Boards if the conflict of interest is of material significance to the Companies or to the relevant Director.

- 3.5.2 Any requirement as to the quorum at the meeting at which the matter is considered must be met without counting the Director in question.

3.6 TRANSACTIONS WITH MAJOR SHAREHOLDERS

- 3.6.1 All transactions between NV or PLC and legal or natural persons who hold at least ten per cent of the shares in either NV or PLC, that are of material significance to the Companies or to those persons, require the approval of the Boards. The Boards will only grant their approval if the transaction is to be entered into by NV or PLC on terms that are customary in the market.
- 3.6.2 Resolutions as referred to in clauses 3.5 and 3.6.1 shall be published in the Annual Report and Accounts, together with a statement of the conflict of interest and a declaration that applicable laws and regulations have, to the extent applicable, been complied with.

4 COMMITTEES

4.1 GENERAL

- 4.1.1 The Boards may assign certain tasks to one or more permanent or ad hoc Committees.
- 4.1.2 For each Committee, the Boards adopt terms of reference setting out the composition, duties and internal proceedings of the Committee. Board Committees are composed of Non-Executive Directors.
- 4.1.3 Each Committee meets as a single Committee of the Boards of each of NV and PLC. One set of minutes shall be prepared as a record of the business of such Committees.
- 4.1.4 Committees report to the Boards on a regular basis about their actions, reviews, proposals and findings.

4.2 PERMANENT COMMITTEES

- 4.2.1 The Boards have the following permanent Board Committees:
- (a) the Nominating and Corporate Governance Committee, governed by the terms of reference as set out in Appendix 2;
 - (b) the Compensation Committee, governed by the terms of reference as set out in Appendix 3;
 - (c) the Audit Committee, governed by the terms of reference as set out in Appendix 4; and
 - (d) the Corporate Responsibility Committee, governed by the terms of reference as set out in Appendix 5.
- 4.2.2 In addition, the Boards have established the following Management Committees (which do not qualify as Board Committees):
- (a) the Disclosure Committee, governed by the terms of reference as set out in Appendix 6; and
 - (b) the Global Code and Policy Committee, governed by the terms of reference as set out in Appendix 7B.

5 DIRECTORS

5.1 APPOINTMENT AND ANNUAL RE-ELECTION

- 5.1.1 Directors are appointed by the general meetings of NV and PLC.
- 5.1.2 All Directors, Executive and Non-Executive, retire at the annual general meetings of NV and PLC each year and, if nominated by the Boards, offer themselves for re-election, in accordance with the articles of association of NV and PLC.
- 5.1.3 Directors are nominated for re-election by the Boards on the recommendation of the Nomination and Corporate Governance Committee which, in deciding whether to nominate a Director, takes into consideration the Chairman's annual evaluation of the individual. The Nominating and Corporate Governance Committee will rarely recommend the re-election of a Non-Executive Director who has served for nine years.

5.2 LIMITATIONS

- 5.2.1 Executive and Non-Executive Directors hold office as long as they are appointed as such by the general meetings of NV and PLC, unless they resign or are dismissed by the general meetings of NV and PLC.
- 5.2.2 Executive Directors serve in accordance with the terms of their service contracts with the Companies.

5.3 INDEPENDENCE

- 5.3.1 All Non-Executive Directors are expected to provide Unilever with independent character and judgement.
- 5.3.2 Non-Executive Directors are judged by the Boards for their 'independence' in the light of criteria that are in line with best practice guidelines in the Netherlands, the United Kingdom and the United States. The criteria chosen by the Boards for judging the independence of Non-Executive Directors are:
- (a) no additional remuneration or other benefits from any company within the Unilever Group;
 - (b) no material business relationships within the last three years, including shareholder, customer, adviser and supplier relationships, with any company within the Unilever Group;
 - (c) no cross-directorships with other Directors, which are likely to affect, or could appear to affect, the Director's judgement;
 - (d) no shareholding of more than ten per cent in either NV or PLC or any of their subsidiaries, including shares held by legal entities outside the Unilever Group of which the Director is a (supervisory) director;
 - (e) not more than nine years of service on the Boards in normal circumstances;
 - (f) not a former employee of any company within the Unilever Group within the last five years and has not temporarily performed management duties for the Companies in the absence or incapacity of any Executive Director within the last twelve months; and
 - (g) no close family ties with any of the Companies' advisers, Directors or senior employees.

PART B: BOARD RULES CONTINUED

5.3.3 The Boards will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned and will also consider, where relevant, the circumstances of immediate family members.

5.3.4 Where there are additional criteria for a member of the Audit Committee or the Compensation Committee to be considered 'independent' imposed by applicable laws and regulations, the Boards will apply these criteria.

5.4 COLLECTIVE RESPONSIBILITIES

5.4.1 As members of the Boards, all Directors are required to:

- (a) set Unilever's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review the management performance;
- (b) provide leadership of Unilever within a framework of prudent and effective controls, which enable risk to be assessed and managed; and
- (c) maintain Unilever values and standards as outlined in the Code of Business Principles and ensure that its obligations to its shareholders and others are understood and met.

5.4.2 All Directors are responsible for the proper fulfilment of the Boards' duties and obligations. As part of their role as members of a one-tier board, Non-Executive Directors should constructively challenge and help develop proposals on strategy.

5.4.3 All Directors should see to it that they are informed on a timely basis and in sufficient detail about all important matters relating to the Companies and the functioning of the Boards. The Chief Executive Officer has a particular responsibility to ensure that the Chairman promptly receives timely and clear information (in particular, about the Companies' performance). The Chairman is required to ensure that all members of the Boards have the information they need to take sound decisions, monitor effectively and provide advice to promote the success of the Companies.

5.5 SPECIFIC RESPONSIBILITIES

5.5.1 The responsibility for the operational management of the Companies and their business lies with the Chief Executive Officer under the final and ultimate responsibility of the Boards as a whole.

5.5.2 In their capacity as members of the Boards, the Non-Executive Directors supervise the functioning of the Executive Directors.

5.6 POSITIONS OUTSIDE THE COMPANIES

5.6.1 All Directors must be able to allocate sufficient time to be able to perform their responsibilities effectively.

5.6.2 To ensure that outside positions of the Executive Directors do not involve an excessive commitment or a conflict of interest:

- (a) the number of outside directorships of listed companies is generally limited to one per Executive Director;
- (b) Executive Directors must inform the Chairman and the Group Secretary prior to accepting a position outside the Companies; and
- (c) approval for any outside directorship, including any position as a supervisory board member or non-executive director, is required from the Chairman.

5.6.3 Non-Executive Directors must inform the Chairman and Group Secretary prior to accepting a position outside the Companies.

5.6.4 Positions of Directors outside the Companies are discussed at a Board meeting at least annually.

5.7 LOANS AND GUARANTEES

5.7.1 The Companies may not grant any personal loans, guarantees or similar facilities to a Director.

5.8 ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

5.8.1 Directors, both as a group and individually, are entitled to take independent professional advice, at the expense of Unilever, on matters relating to the proper discharge of their office. This does not extend to issues regarding their personal interests. The Group Secretary will arrange for advice to be obtained.

5.9 CONFIDENTIALITY

5.9.1 Each Director must treat all information and documentation obtained in connection with his or her position as Director with the necessary discretion, integrity and confidentiality.

6 CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR

6.1 DESIGNATION

6.1.1 The Boards appoint from their members, on recommendation from the Nominating and Corporate Governance Committee, a Non-Executive Director to be Chairman of both NV and PLC.

6.1.2 The Chairman should not be a former Executive Director, and should be independent in accordance with clause 5.3. The Chairman should not remain in post beyond nine years from the date of his or her first appointment to the Boards.

6.1.3 The Boards appoint from their members, on a recommendation from the Nominating and Corporate Governance Committee, a Non-Executive Director to be Senior Independent Director or "SID", who shall also serve as the vice-chairman of the Boards.

6.2 RESPONSIBILITIES OF THE CHAIRMAN

6.2.1 The Chairman is primarily responsible for:

- (a) conducting general meetings of NV and PLC, including annual general meetings;
- (b) leading the Boards and ensuring that they operate effectively in relation to all aspects of their role;
- (c) ensuring that the members of the Boards receive accurate, timely and clear information, in particular about the Companies' performance, to enable the Boards to take sound decisions, monitor effectively and provide advice to promote the success of the Companies;
- (d) encouraging active engagement by all the members of the Boards;
- (e) in consultation with the Chief Executive Officer, setting and approving the Boards agenda to take full account of the issues and the concerns of all Directors, and ensuring that adequate time is available for discussion on strategic issues;

- (f) promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and Executive Directors;
 - (g) building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board approval and approval by the general meetings of NV and PLC, where so required;
 - (h) monitoring effective implementation of Board decisions;
 - (i) ensuring clear structure for and the effective running of Board Committees;
 - (j) together with the Senior Independent Director and the Chief Executive Officer, and facilitated by the Group Secretary, maintaining effective communication with major shareholders, so as to ensure the Boards develop an understanding of their views;
 - (k) in conjunction with the Group Secretary, taking the lead in providing a properly constructed induction programme for new Directors that is comprehensive, formal and tailored;
 - (l) taking the lead in identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised approach to training and development with each Director;
 - (m) addressing the development needs of the Boards as a whole with a view to enhancing their overall effectiveness as a team;
 - (n) in conjunction with the Senior Independent Director, ensuring that the performance of individuals and of the Boards as a whole and their Committees is evaluated at least once a year and facilitated, once every three years, by a third party consultant;
 - (o) establishing a close relationship of trust with the Chief Executive Officer, by providing support and advice while respecting executive responsibility;
 - (p) acting where appropriate as Unilever representative on corporate aims and policies, including environmental and corporate social responsibility matters;
 - (q) guarding the corporate reputation, including, in conjunction with the Chief Executive Officer, relations with major shareholders, government, academia and other relevant stakeholders and commentators;
 - (r) being a member of the Nominating and Corporate Governance Committee;
 - (s) being a member of the Compensation Committee as appointed by the Boards from time to time;
 - (t) approving any outside directorship, including any position as a supervisory board member or non-executive director, that an Executive Director proposes to take up;
 - (u) receiving direct reports from the Group Secretary;
 - (v) ensuring that the Boards designate a Non-Executive Director as Senior Independent Director and vice-chairman of the Boards;
 - (w) ensuring that the Boards have proper interaction with shareholders at the general meetings of NV and PLC;
 - (x) ensuring that there is sufficient time for deliberation and decision-making by the Boards;
 - (y) ensuring that the Directors follow their induction, education or training programme;
 - (z) ensuring that the Boards perform activities in respect of creating a culture aimed at long-term value creation of the Company and its affiliated enterprise;
 - (aa) ensuring that signals from the business are recognised by, and that any actual or suspected material misconduct and irregularities are reported to, the Boards without delay; and
 - (bb) ensuring that effective engagement with stakeholders can take place.
- 6.2.2 The Chairman acts on behalf of the Boards as the main contact for individual Directors and for shareholders regarding the performance of Directors.
- 6.3 RESPONSIBILITIES OF THE SENIOR INDEPENDENT DIRECTOR**
- 6.3.1 The role of the Senior Independent Director is:
- (a) to act as vice-chairman of the Boards and to deputise for the Chairman in the event that the Chairman is unable to act or if the position of Chairman is vacant;
 - (b) to act as contact for individual Directors regarding the functioning of the Chairman;
 - (c) to serve as an intermediary for the other Directors when necessary;
 - (d) to participate in the process of dealing with any conflict of interest between the Companies and the Chairman, as referred to in clause 3;
 - (e) to participate in the Nominating and Corporate Governance Committee's process for considering successions to the role of Chairman as set out in Appendix 2;
 - (f) to participate in the process of Director induction and training, as set out in clause 11;
 - (g) to participate in the Boards' evaluation process, as set out in clause 12;
 - (h) to be available to shareholders if they have concerns, which the normal channels of the Chairman or Executive Directors have failed to resolve or for which such normal channels are inappropriate; and
 - (i) to attend meetings with a range of major shareholders and financial analysts, in order to help develop a balanced understanding of their issues and concerns.

PART B: BOARD RULES CONTINUED

7 CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

7.1 DESIGNATION

7.1.1 The Boards appoint the Chief Executive Officer and the Chief Financial Officer.

7.2 RESPONSIBILITIES OF THE CEO

7.2.1 In each case subject to the exclusive duties of the Boards referred to in clause 1.4, the Boards have delegated all powers, authorities and discretions relating to the operational running of the Unilever Group and specifically those matters set out in clauses 7.2.2 through 7.2.27 to the Chief Executive Officer, including the power to sub-delegate any of those powers, authorities and discretions.

MANAGEMENT

7.2.2 Ensuring delivery of the Unilever Group's agreed strategy, business plans and financial performance, including:

- (a) profit responsibility of the Unilever Group; and
- (b) managing business performance.

STRATEGY AND MANAGING THE CORPORATE PORTFOLIO

7.2.3 Proposing for approval by the Boards following consultation with the Chairman, the strategies for the shaping of the portfolio and direction of the Unilever Group and priorities in corporate resource allocation.

7.2.4 Implementing and monitoring strategies and annual plans, agreeing geographical and product markets for divisional activities and places of operation, and ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Boards.

7.2.5 Monitoring the development of the global and regional markets in which the Unilever Group operates, testing future economic scenarios against growth objectives and making proposals to the Boards for the corporate strategic priorities in the light of these.

7.2.6 Preparing for approval by the Boards periodic business performance reports, including quarterly and annual results announcements.

MERGERS, ACQUISITIONS, JOINT VENTURES AND DISPOSALS

7.2.7 Any merger, acquisition, joint venture or disposal where the value of consideration paid or received, or of the assets contributed by Unilever or contributed by other parties, does not exceed €500 million.

CAPITAL EXPENDITURE

7.2.8 Any capital expenditure project, which has a value not exceeding €500 million including land and property agreements.

CONTRACTS

7.2.9 Any agreement or contract for goods or services (other than land and property agreements), which:

- (a) has a value less than €5 billion;
- (b) is of seven years or less in duration; or
- (c) is more than seven years in duration and less than €500 million in value.

LITIGATION

7.2.10 Initiation or settlement of any litigation or claim with an estimated value not in excess of €100 million.

HUMAN RESOURCES

7.2.11 Appointing and removing all managers, including the Unilever Leadership Executive and Senior Corporate Executives who report directly or indirectly to the Chief Executive Officer, with the exception of the appointment and removal of the (i) Executive Directors, which requires shareholder approval, (ii) members of the Unilever Leadership Executive, which requires approval of the Nominating and Corporate Governance Committee, (iii) the Group Secretary, which requires the approval of the Boards, and (iv) the Chief Auditor, which requires the approval of the Audit Committee.

7.2.12 Proposing to the Compensation Committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of members of the Unilever Leadership Executive who report directly to the Chief Executive Officer, including those members of the Unilever Leadership Executive who are also Executive Directors but without prejudice to the authority of a general meeting of NV and PLC.

7.2.13 Supervising and determining the roles, activities and responsibilities of the Unilever Leadership Executive.

7.2.14 Approving the appointment, removal, remuneration, bonuses and other terms of employment of senior managers not dealt with by the Nominating and Corporate Governance Committee or the Compensation Committee.

7.2.15 Ensuring that the performance of members of the Unilever Leadership Executive and other Senior Corporate Executives is systematically assessed and adequately rewarded.

7.2.16 Ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Unilever Group.

7.2.17 Monitoring staff development and recruitment and dealing with deviations from planned performance. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles and Unilever's Code Policies.

7.2.18 Subject to the powers of the Compensation Committee in clauses 4.4 and 4.5 of the Terms of Reference of the Compensation Committee, exercising powers (with the power to sub-delegate) granted by the Boards under any existing or future NV or PLC executive or all employee share-based incentive plan, including powers to determine: (i) the treatment of leavers (except members of the Unilever Leadership Executive) within the discretion of the Boards or the Compensation Committee under any such executive or all employee share-based incentive plan, (ii) to purchase shares to meet obligations under any executive or all employee share-based incentive plan, (iii) to operate any executive or all employee share-based incentive plan and (iv) to establish and operate (share based) incentive sub-plans, to set and agree performance targets and to determine the actual performance against these targets upon vesting, including any particular vesting condition, clawback (consistent with standard Unilever policy) or other discretionary element, and to do all these things with regard to incentive sub-plans for pioneering frontiers of the business under the condition

that such sub-plans are not open to members of the Unilever Leadership Executive; (v) to make arrangements for the administration of any executive or all employee share-based incentive plan, including powers to set-up, register, operate and approve the design and actual terms of any sub-plan under, or deviations from, any executive or all employee share-based incentive plan, to allow Unilever Group companies and/or employees to benefit from favourable tax and/or social security regimes and/or to allow awards to be made in countries with onerous securities and/or other regulations that make it difficult to implement any executive or all employee share-based incentive plan, and to do everything necessary to give effect to the grant of awards under such sub-plans.

PENSIONS

- 7.2.19 The following matters with respect to pensions: the establishment and maintenance of appropriate policies covering:
- (a) the design of benefit arrangements, including specific provisions for the treatment of employees on the acquisition or disposal of businesses;
 - (b) the selection of financing mechanisms, funding methods and accounting procedures; and
 - (c) pension fund investment practices, including:
 - investment objectives, strategy and allocation;
 - limits on Unilever related investment of pension fund assets
 - investment management and custody services;
 - internal investment management; and
 - controls on the use of derivatives and other investments.
- 7.2.20 All necessary governance and approval procedures relating to the matters listed in clause 7.2.19.
- 7.2.21 Any agreements with pension funds or other parties which are:
- (a) changes in the level of normal contributions following an actuarial valuation;
 - (b) contributions to correct deficits (as measured under IFRS or local funding as applicable), which have an aggregate value, over the period of the agreement, not exceeding €750 million; or
 - (c) changes to benefits provided under Unilever Group pension (and similar) arrangements, which increase the value of the liabilities (as measured under IFRS) by not more than €100 million.
- 7.2.22 Any other agreements in relation to pensions with pension funds or other parties which has a value of up to €500m.
- ### MANAGING RISK AND CORPORATE REPUTATION
- 7.2.23 Preparing for approval by the Boards, and implementing and managing, Unilever's risk management approach.
- 7.2.24 Interacting with the media and approving any press release in relation to any matter within the ambit of the Chief Executive Officer.
- 7.2.25 Implementing and managing compliance with the Code of Business Principles and Unilever's Code Policies and standards.
- 7.2.26 Preparing all public filings, reports and statements relating to the Unilever Group.
- 7.2.27 Representing the Companies with major customers, suppliers, trade and professional bodies.

7.3 RESPONSIBILITIES OF THE CEO AND THE CFO

7.3.1 In each case, subject to the exclusive duties of the Boards referred to in clause 1.4, the Boards have delegated all powers, authorities and discretions relating to the matters set out in clauses 7.3.2 through 7.3.14 to the Chief Executive Officer and Chief Financial Officer, acting jointly or individually.

FINANCIAL

- 7.3.2 Proposing for approval by the Boards: a financial framework and targets, and a dividend policy for the Unilever Group.
- 7.3.3 Setting financial and treasury strategies for the Unilever Group and implementing them, including: (i) approving short term borrowings (i.e., with a maturity of up to one year) of any amount; (ii) approving long-term borrowings up to a value for any single borrowing of €3 billion (and for this purpose any issues of debt instruments, and any tranche thereof, whether or not made under a debt issuance programme, shall qualify as a single borrowing); and (iii), approving the entering into by NV or PLC whether as borrower or guarantor or both and approval of the terms of any standby loan facilities providing for borrowings of up to \$8 billion (without needing to take into account the limits referred to in (i) or (ii) above) in aggregate or such higher amount, as may be approved by the Boards from time to time.
- 7.3.4 The establishment or update of (and approval of the amount (including any increase) and other terms of) any debt issuance programme of any kind (including but not limited to the \$15,000,000,000 Debt Issuance Programme, the Euro Commercial Paper Programme, the U.S. \$15,000,000,000 Shelf Programme and the United States 4(2) and 3(a) 3 Commercial Paper Programme).
- 7.3.5 In respect of any borrowings approved in accordance with or relating to clauses 7.3.3 and 7.3.4, the issue or guarantee by NV or PLC of any debt instruments (including the signing of any agreements or other documents necessary or conducive thereto, e.g., final terms, subscription agreements, underwriting agreements, etc.), and the listing of any debt instruments on any securities market, and the entering into by NV or PLC whether as borrower or guarantor (of any Unilever Group company) of any other form of financing agreement or arrangement and any amendment or supplement thereto in connection with such debt instruments.
- 7.3.6 The giving by NV or PLC of (and the approval of the terms of) any other guarantees.
- 7.3.7 The giving of (and the approval of the terms of) any other guarantees by NV and/or PLC of the borrowings or debt instruments of any direct or indirect subsidiary or subsidiary undertaking of NV or PLC up to an amount of €1.5 billion for each single borrowing or debt instrument.
- 7.3.8 The granting of security (not being a guarantee) of any nature over the assets of any Unilever Group company, up to a limit of €250 million (or its equivalent in any currency) per country at any time.
- 7.3.9 Cross currency funding and deposits of any amount.
- 7.3.10 Investor relations guidelines.
- 7.3.11 Capital injections into Unilever Group companies, capital reductions of Unilever Group companies, intra-Group transfers of shares or assets or mergers, in each case where the associated third party costs, e.g. tax, stamp duty and fees, are less than €250 million.
- 7.3.12 Entering into contracts with brokers and other intermediaries for the purpose of exchange swaps and derivatives transactions.

PART B: BOARD RULES CONTINUED

7.3.13 Entering into by NV or PLC of any swaps or derivatives transactions (including under any International Swaps and Derivatives Association documentation).

GUARANTEES

7.3.14 The giving by NV or PLC (and the approval of the terms) of any guarantee of the activities of any Unilever Group company falling within clauses 7.2.1 through 7.2.10 and clauses 7.3.2 through 7.3.13.

7.4 ENTERING INTO DOCUMENTS

7.4.1 The powers of the Chief Executive Officer (and for clauses 7.3.2 through 7.3.14, the Chief Financial Officer) include the authority to enter into commitments, agreements, contracts, instruments or other documents on behalf of NV or PLC in relation to the matters described above (including, in the case of the Chief Executive Officer, the power to sub-delegate the power to use the common seal of PLC to a committee formed of two or more employees).

7.5 BOARD NOTIFICATION

7.5.1 Notwithstanding the authorities outlined in clauses 7.3.2 through 7.3.14, the Chief Executive Officer will notify the Boards of any issues, projects or transactions that, in his judgement, have the capacity to impact the reputation of Unilever.

7.5.2 Without prejudice to the authority conferred in clauses 7.3.12 and 7.3.14, the Chief Executive Officer shall report to the Boards (i) any net investment exposures exceeding a cost (at the time of entering into the transaction) of €60 million per annum; (ii) any hedging of net equity balance sheet exposure in excess of €5 billion per currency or any unhedged net equity balance sheet exposure in excess of €5 billion per currency; or (iii) any other financial or commodity derivative exposure, which is material in the context of the Unilever Group and out of the ordinary course of business.

7.5.3 The Chief Executive Officer will notify the Boards of Unilever's entry into any country through means of indirect investment, e.g. agents.

7.6 OTHER

7.6.1 The Chief Executive Officer in discharging his duties is responsible to the Boards as a whole. However in articulating their view of the Chief Executive Officer's performance the Boards will operate through the Chairman.

7.6.2 The Chief Executive Officer's direct reports will comprise all members of the Unilever Leadership Executive and such other functional heads as the Chief Executive Officer elects.

7.6.3 All internal business related communications are the responsibility of the Chief Executive Officer.

8 NON-EXECUTIVE DIRECTORS

8.1 PRIMARY RESPONSIBILITIES

8.1.1 As Directors, the Non-Executive Directors share full responsibility for the execution of the Boards' duties. Within this broad responsibility, the role of the Non-Executive Directors is, essentially, a supervisory one, having the following key elements:

- (a) strategy: they constructively challenge and help develop proposals on strategy;
- (b) performance: they scrutinise the performance of management in meeting agreed goals and objectives;
- (c) risk: they satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- (d) people: they take responsibility for determining appropriate levels of remuneration of Executive Directors, and have a prime role in the appointing and, where necessary the removing, of Executive Directors and in succession planning;
- (e) reporting: they take responsibility for the processes for accurately reporting on performance and the financial position of Unilever; and
- (f) compliance: they should keep governance and compliance with the legislation and regulations under review and the conformity of Unilever practices to accepted norms.

8.1.2 The Boards will adopt criteria for candidates for Non-Executive Directors, responding to such issues as relevant experience on financial, social, economic and business related matters, diversity, and geographical expertise.

8.2 MEETINGS OF NON-EXECUTIVE DIRECTORS

8.2.1 The Non-Executive Directors shall meet independently at least once a year to consider agenda items set by them. The Chairman, or in his absence the Senior Independent Director, shall preside over such meetings.

8.2.2 The Non-Executive Directors can ask members of management and external professional advisers to attend those meetings. The Group Secretary assists them with the support they need.

9 CHIEF LEGAL OFFICER AND GROUP SECRETARY

9.1 CHIEF LEGAL OFFICER

FORMAL STATUS

9.1.1 The appointment or removal of the Chief Legal Officer is a matter for the Chief Executive Officer.

9.1.2 The Chief Legal Officer reports to the Chief Executive Officer.

RESPONSIBILITIES

9.1.3 The Chief Legal Officer is responsible for:

- (a) the provision of legal advice to the Unilever Group, the Boards and the Unilever Leadership Executive;
- (b) the global legal function; and
- (c) legal and regulatory compliance, intellectual property and managing the global Business Integrity function responsible for delivering effective, organisation-wide capability for implementing the Code of Business Principles and Code Policies.

9.2 GROUP SECRETARY

FORMAL STATUS

9.2.1 The appointment and removal of the Group Secretary is a matter to be decided by the Boards.

9.2.2 The Group Secretary is appointed by the Boards as the company secretary of NV and PLC. NV is allowed by its articles of association to appoint one or more Secretaries. PLC is required by UK law to appoint an appropriately qualified person to the office of company secretary.

9.2.3 All Directors have open access to the Group Secretary at any time and on any matter relating to Unilever.

9.2.4 The Group Secretary reports to the Chairman and, if the role of the Chief Legal Officer and Group Secretary are not performed by one and the same person, administratively to the Chief Legal Officer.

RESPONSIBILITIES

9.2.5 The Group Secretary is responsible for:

- (a) providing administrative and general support to Directors;
- (b) preparation of the Annual Report and Accounts;
- (c) corporate legal and regulatory compliance;
- (d) formal relations with shareholders, including maintenance of the share registers and convening of general meetings of NV and PLC;
- (e) matters relating to share capital and shareholding structures;
- (f) arrangement of induction, training/development and performance evaluations for the Boards and Committees;

(g) drafting and publishing standard regulatory announcements (such as those related to Director share dealing transactions) that do not normally require consideration by the Disclosure Committee;

(h) reporting to the Chairman when the Group Secretary notes that the interests of the Executive Directors and the Non-Executive Directors diverge, as a result of which it is unclear which interests the Group Secretary should represent; and

(i) supporting the Chairman in organising the Boards' affairs, including the provision of information, meeting agenda, evaluation and training programmes.

9.2.6 The Group Secretary is secretary of the Nominating and Corporate Governance Committee, and may attend the meetings of the Audit Committee, the Corporate Responsibility Committee and the Compensation Committee at the invitation of each Committee.

10 CHIEF AUDITOR

10.1 FORMAL STATUS

10.1.1 The Chief Auditor will be appointed and removed by the Audit Committee.

10.1.2 All Directors, and in particular the Chairman and members of the Audit Committee, have open access to the Chief Auditor at any time and vice versa.

10.1.3 The external auditors have open access to the Chief Auditor at any time and vice versa.

10.1.4 The Chief Auditor reports to the Audit Committee and administratively to the Chief Financial Officer.

10.2 RESPONSIBILITIES

10.2.1 The Chief Auditor is responsible, in his or her role as Unilever's chief internal auditor, for providing independent reassurance to the Boards, through the Chief Executive Officer and the Audit Committee, that all major risks affecting the achievement of Unilever's objectives are adequately understood and managed.

10.2.2 The Chief Auditor supports the Audit Committee in its operations. The Chief Auditor has a standing invitation to attend meetings of the Global Code and Policy Committee.

10.3 REPORTING

10.3.1 Status reports and reports reviewing specific subjects are sent by the Chief Auditor to the Chief Executive Officer, Chief Financial Officer and the Audit Committee. Copies of all internal audit reports are made available to the controller and to the external auditors.

PART B: BOARD RULES CONTINUED

11 DIRECTORS' INDUCTION AND TRAINING

11.1 BACKGROUND

11.1.1 The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards in Unilever.

11.1.2 The Chairman is responsible for ensuring that induction programmes and training are provided, and that the Group Secretary actually provides them.

11.1.3 Ultimately, however, it is the individual Director's responsibility to identify his or her needs and take steps to ensure that he or she is adequately informed about Unilever and his/her responsibilities as a director.

11.2 INDUCTION PROGRAMME

11.2.1 The Group Secretary provides new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors. This includes providing a Directors' information pack containing all key Unilever documents relevant to their roles and responsibilities. The Group Secretary also provides documents setting out the current structure and performance of Unilever's business.

11.2.2 The induction briefing may include briefings from internal and outside legal counsel, the external auditors, Senior Corporate Executives and others, as the Group Secretary judges appropriate. This is weighted to cover any particular areas of responsibility that the Director is taking on. As part of the induction, Directors may meet major shareholders.

11.2.3 The Group Secretary procures that new Non-Executive Directors are briefed on the business of Unilever. This programme comprises initial documentation, presentations from members of the Unilever Leadership Executive and other Senior Corporate Executives, and opportunities to visit business operations.

11.2.4 The induction process is designed to:

- (a) build an understanding of the nature of Unilever, its businesses and the markets and regulatory environments in which it operates;
- (b) provide an appreciation of the responsibilities of a Non-Executive Director of Unilever;
- (c) build links to Unilever's employees; and
- (d) build an understanding of Unilever's main relationships.

11.3 ONGOING EDUCATION

11.3.1 The Group Secretary keeps the Boards briefed on legal and regulatory developments relevant to the responsibilities of the Directors.

11.3.2 The Chairman agrees and regularly reviews a personalised approach to training and development with each Director.

11.3.3 The Group Secretary ensures that the programme to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved. The Group Secretary confers with the Chairman and Chief Executive Officer to ensure that this is the case.

11.4 REPORTING

11.4.1 An annual report to shareholders is made in the corporate governance statement within the Annual Report and Accounts on the induction and training activities arranged during the year.

12 BOARD'S EVALUATION

12.1 BACKGROUND

12.1.1 It is important that the Boards and their Committees evaluate the effectiveness of their performance in a rigorous and structured way so that Unilever may confirm to its shareholders that it has high corporate governance standards.

12.1.2 The Chairman is responsible for ensuring that such evaluation exercises take place, and the Group Secretary is responsible for their organisation.

12.2 THE BOARDS

12.2.1 The Chairman in conjunction with the Senior Independent Director leads the process whereby the Boards assess their own performance.

12.2.2 The evaluation process of the Boards is undertaken internally by the Group Secretary. This process is, in addition, facilitated by a third party consultant at least every three years.

12.2.3 Following each evaluation, a report will be prepared based on appropriate interviews and responses to questionnaires. The report shall be reviewed and discussed by the Boards following its submission to the Boards by the Chairman. Thereafter, the Chairman implements the actions that the Boards decide are appropriate.

12.3 INDIVIDUAL DIRECTORS

12.3.1 The Chairman conducts the process of evaluating the performance of individual Directors in their role as a member of the Boards (including the performance of the Executive Directors).

12.3.2 The Senior Independent Director conducts the process whereby the Boards evaluate the performance of the Chairman. He or she consults the Executive Directors and his/her fellow Non-Executive Directors.

12.3.3 The Senior Independent Director shares the resulting assessment with the Chairman. These individual assessments are taken into account in the evaluation of the performance of the Boards as a whole.

12.4 COMMITTEES

12.4.1 Each chairman of a Committee leads the process of evaluating the performance of that Committee. This includes taking the views of the Boards on the performance of that Committee.

12.4.2 The chairman of the Committee reports on the results of the process to the Boards.

12.5 TIMING

12.5.1 The evaluations are carried out on an annual basis.

12.5.2 All evaluations are designed to be completed before the Nominating and Corporate Governance Committee meets to discuss the nominations for candidates for election as Directors at the annual general meetings of NV and PLC in that year.

12.6 PROCESSES

12.6.1 The Group Secretary provides guidance on how to carry out evaluation processes and the criteria to be used. The Group Secretary updates this guidance each year in the light of internal experience and external best practice.

12.7 REPORTING

- 12.7.1 An annual report to shareholders is made in the Corporate Governance statement within the Annual Report and Accounts, which confirm that the evaluation processes have been carried out and describes the processes that were used.

13 MISCELLANEOUS

13.1 DEFINITIONS

- 13.1.1 In these Board rules and all appendices hereto, capitalised terms have the meaning given to them in Appendix 1.

13.2 CONSTRUCTION

- 13.2.1 Appendices 1 through 5 and Appendix 9 form part of these Board rules.

13.3 DEVIATION. AMENDMENT

- 13.3.1 The Boards may, where appropriate, resolve not to comply with these Board rules.
- 13.3.2 The Boards may amend these Board rules.

PART C: APPENDICES

APPENDIX 1: DEFINITIONS

Annual Report and Accounts	The Companies' statutory annual report and annual accounts	Director	A member of the Boards
Board(s)	The board of directors of NV and/or PLC, as the context shall determine	Executive Director	A Director appointed as executive director of NV and PLC
Board Committee	A committee of the Boards on which only Non-Executive Directors may serve	Foundation Agreements	The agreements and documents listed in paragraph 2.2 of Part A
Chairman	The Non-Executive Director designated by the Boards as chairman of NV and PLC	Group Secretary	The secretary of the Boards
Chief Auditor	The person appointed as Unilever's chief internal auditor	Management Committee	A committee of the Boards on which persons who are not Non-Executive Directors may serve
Chief Executive Officer or CEO	The person appointed by the Boards as Chief Executive Officer and to whom the Boards have delegated certain of their powers, as set out in Appendix 9	Non-Executive Director	A Director appointed as non-executive director of NV and PLC
Chief Legal Officer	The person appointed by the CEO as Unilever's Chief Legal Officer	NV	Unilever N.V.
Chief Financial Officer or CFO	The person appointed by the Boards as Chief Financial Officer and to whom the Boards have delegated certain of their powers, as set out in Appendix 9	PLC	Unilever PLC
Code of Business Principles	The Unilever Group's code of conduct for carrying on business, set out in Appendix 7A	Senior Corporate Executives	All Unilever's executives at Work Level 5 and above
Code Policies	The policies that support the Code of Business Principles	Senior Independent Director	The Non-Executive Director designated by the Boards as senior independent director and vice-chairman of the Boards
Committee	A Board Committee or a Management Committee	Unilever Leadership Executive	The Chief Executive Officer and those senior executives appointed by the Chief Executive Officer from time to time to assist him or her in the discharge of the powers delegated to him or her and which consists of the Chief Financial Officer, the Division Presidents, the Presidents for Europe and North America, and the Chief Research and Development Officer, Chief HR Officer, Chief Legal Officer, Chief Marketing and Communications Officer and Chief Supply Chain Officer
Company or Companies	NV and/ or PLC, as the context shall determine	Unilever, Unilever Group or Group	The Companies and their subsidiaries and subsidiary undertakings
Delegated Powers	The powers of the Chief Executive Officer delegated to him or her under the resolution set out in Appendix 9		

APPENDIX 2: TERMS OF REFERENCE OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

1. CONSTITUTION

- 1.1 The Nominating and Corporate Governance Committee (in this Appendix 2: the "Committee") is concerned with:
- 1.1.1 recommending candidates for nomination as Executive Directors (including the Chief Executive Officer) and Non-Executive Directors (including the Chairman and Senior Independent Director);
- 1.1.2 succession planning within and approval of appointments to or removals from the Unilever Leadership Executive following recommendations from the Chief Executive Officer;
- 1.1.3 ensuring that the Boards and its Committees consist of Directors with the appropriate balance of skills, experience, diversity, independence and knowledge of the Unilever Group to enable it to discharge its duties and responsibilities effectively;
- 1.1.4 reporting on the Boards' policy, and any measurable objective, on diversity, including gender;
- 1.1.5 leadership development, especially of the Unilever Leadership Executive and Senior Corporate Executives; and
- 1.1.6 oversight of matters relating to corporate governance bringing any issues to the attention of the Boards.

2. MEMBERSHIP

- 2.1 Members of the Committee are appointed by the Boards. The chairman of the Committee is appointed by the Boards, subject to endorsement of the Chairman, and should not be a former Executive Director.
- 2.2 The Committee comprises a minimum of three Non-Executive Directors.
- 2.3 The Group Secretary is the secretary of the Committee.

3. MEETINGS

- 3.1 Meetings are held at least four times a year, and on such other occasions as the chairman of the Committee considers appropriate.
- 3.2 Meetings are convened by written notice served on each of the members by the secretary of the Committee.
- 3.3 All members of the Committee are expected to attend each meeting.
- 3.4 The quorum for meetings is two Non-Executive Directors.
- 3.5 A member of the Committee shall leave the meeting when his or her own position is discussed.
- 3.6 At the invitation of the Committee, others, including the Chief Executive Officer, Chief Human Resources Officer, and external advisers may attend Committee meetings, unless there is a conflict of interest.
- 3.7 All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.

- 3.8 Formal decisions are passed by a simple majority vote, with the chairman of the Committee holding a casting vote.
- 3.9 Clause 2.8 of Unilever's Board rules applies to meetings of the Committee.
- 3.10 The secretary of the Committee is responsible, in conjunction with the chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The secretary of the Committee is also responsible for liaising with the Unilever Leadership Executive to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.

4. REMIT

- 4.1 The Committee's specific responsibilities are:
- 4.1.1 periodically assessing the structure, size and composition of the Boards, making a proposal for a composition profile of the Boards, including keeping under review the Boards' policy on diversity;
- 4.1.2 evaluating the balance of skills, experience, independence and knowledge on the Boards, its diversity (including as to gender and ethnicity), how the Boards work together as a unit and other factors which may be relevant to its effectiveness;
- 4.1.3 succession planning within and to the Boards including evaluating and recommending termination of service of individual members of the Boards as appropriate for cause or for other proper reasons;
- 4.1.4 drawing up selection criteria and appointment procedures for Directors;
- 4.1.5 approving, on behalf of the Boards, the contractual terms for Executive Directors and Non Executive Directors;
- 4.1.6 recommending to the Boards candidates for nomination as Executive Directors (including Chief Executive Officer) and as Non-Executive Directors each year having due regard to their performance and ability to contribute to the Boards in light of knowledge, skills, diversity and experience required;
- 4.1.7 recommending to the Boards candidates for election as Chairman and Senior Independent Director of the Boards;
- 4.1.8 periodically reviewing and recommending to the Boards candidates for election as members to the Board Committees and for the election as chairman for each Board Committee from the appointed members of the Board Committee. The Boards' appointment of the chairman of each Committee shall be subject to the endorsement of the Chairman in the case of the Nominating and Corporate Governance Committee, the Compensation Committee and the Corporate Responsibility Committee. In the case of the Audit Committee the Chairman will consider the Committee's recommendation and will make a proposal to the Boards. In addition, the Committee shall recommend to the Boards candidates to fill vacancies or new positions on the Board Committees as necessary or desirable and review and make recommendations to the Boards concerning any removal of Committee members;

PART C: APPENDICES CONTINUED

- 4.1.9 reviewing the feedback in respect of the role and functioning of the Board Committees arising from Boards and Board Committee evaluations and making any recommendations as appropriate in respect of the Board Committees to the Chairman;
- 4.1.10 supervising the policy of the Chief Executive Officer on the selection criteria and appointment procedures for the Unilever Leadership Executive and Senior Corporate Executives;
- 4.1.11 approving appointments to or removals from the Unilever Leadership Executive following recommendations from the Chief Executive Officer and ensuring that all other Directors are made aware of announcements relating to such appointments and removals before they are made;
- 4.1.12 ensuring that succession planning to the Unilever Leadership Executive and the leadership development plans to enhance such succession planning are discussed at the Boards at least annually;
- 4.1.13 advising the Boards as it may require in relation to any related party transactions or conflicts of interest involving the Company and the Directors; and
- 4.1.14 oversight of all matters relating to corporate governance.

5. AUTHORITY

- 5.1 The Committee is entitled to employ, at Unilever's expense, the services of such independent consultants as in its sole discretion it deems necessary to fulfil its responsibilities. The Committee shall draw up selection criteria for the appointment of such consultants and shall verify that if any such consultant is appointed that the consultant concerned shall not provide services to the Executive Directors.
- 5.2 The Committee is authorised by the Boards to give the approvals referred to in clause 4.1 of these terms of reference.
- 5.3 The Committee may form and delegate authority to sub-committees comprising one or more members of the Committee if the Committee feels appropriate. The Committee may also form and delegate authority to sub-committees comprising one or more members of the Unilever Leadership Executive to conclude the final details of, and implement decisions taken by, the Committee. Any such sub-delegation shall be duly noted in the minutes of the Committee.
- 5.4 Subject to clause 5.1 of these terms of reference, the Committee is authorised by the Boards to investigate any matter within its terms of reference, using, at Unilever's expense, resources from within Unilever or from external legal, accounting or other advisers as the Committee considers necessary.
- 5.5 The Committee shall give due consideration to all relevant laws, regulations, governance codes, listing and other applicable rules as appropriate.

6. CONSULTATION

- 6.1 Prior to meetings of the Committee, the chairman of the Committee may consult among the Executive Directors and the Non-Executive Directors who are not members of the Committee in order to assist in framing the Committee's recommendations.

7. REPORTING, SELF-ASSESSMENT AND PERFORMANCE EVALUATION

- 7.1 The Committee reports to the Boards after each meeting and shall make whatever recommendation to the Boards it deems appropriate where action or improvement is needed.
- 7.2 The secretary of the Committee prepares minutes of all meetings of the Committee and these are circulated to the members of the Committee before the next Committee meeting. All signed Committee minutes are made available to the Boards.
- 7.3 The Committee reviews and assesses annually the adequacy of these terms of reference to ensure it is operating efficiently.
- 7.4 The Committee ensures that its current terms of reference are made available at www.unilever.com.
- 7.5 The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its terms of reference and reports thereon to the Boards. This evaluation takes into account the views of the Boards on the performance of the Committee.
- 7.6 The Committee publishes a report annually (to be included in the Annual Report and Accounts) including a description of its activities, the process used to make appointments and a statement of the Boards' policy on diversity (including gender, any measurable objectives that it has set for implementing the policy and progress on achieving the objectives).
- 7.7 The Committee will keep the profiles of the Executive Directors and Non-Executive Directors under review and propose improvements for approval by the Boards.

8. ANNUAL GENERAL MEETINGS

- 8.1 The chairman of the Committee or another member of the Committee attends the annual general meetings of NV and PLC and is available to answer any questions referred to him or her by the chairman of those meetings.

APPENDIX 3: TERMS OF REFERENCE OF THE COMPENSATION COMMITTEE

1. CONSTITUTION

- 1.1 The Compensation Committee (in this Appendix 3: the "Committee") is concerned with:
 - 1.1.1 remuneration and benefits of the Directors and other members of the Unilever Leadership Executive;
 - 1.1.2 design and terms of cash and executive and all employee share-based incentive plans;
 - 1.1.3 remuneration policy for the Unilever Leadership Executive and Senior Corporate Executives; and
 - 1.1.4 performance evaluation of the Unilever Leadership Executive.

2. MEMBERSHIP

- 2.1 The Nominating and Corporate Governance Committee recommends membership of the Committee and the members are appointed by the Boards.
- 2.2 The Committee comprises a minimum of three Non-Executive Directors (other than the Chairman who may be appointed as an additional member).
- 2.3 The chairman of the Committee is appointed by the Boards, subject to endorsement of the Chairman. The chairman of the Committee may not be the Chairman or a former Executive Director.
- 2.4 The Committee appoints a secretary of the Committee.

3. MEETINGS

- 3.1 Meetings are held at least three times a year, and on such other occasions as the chairman of the Committee considers appropriate.
- 3.2 Meetings are convened by written notice served on each of the members by the secretary of the Committee.
- 3.3 All members of the Committee are expected to attend each meeting.
- 3.4 The quorum for meetings is two Non-Executive Directors.
- 3.5 At the invitation of the Committee, others, including the Chief Executive Officer, Chief Human Resources Officer, Global Head of Reward and the Group Secretary may attend Committee meetings, unless there is a conflict of interest. No Director, officer or Senior Corporate Executive shall be involved in any decision-making as to their own remuneration.
- 3.6 All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.
- 3.7 Formal decisions are passed by a simple majority vote, with the chairman of the Committee holding a casting vote.
- 3.8 Clause 2.8 of Unilever's Board rules applies to meetings of the Committee.
- 3.9 The secretary of the Committee is responsible, in conjunction with the chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The secretary of the Committee is also responsible for liaising with the Unilever Leadership Executive to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.

4. REMIT

- 4.1 The Committee's specific responsibilities include making proposals to the Boards on:
 - 4.1.1 the Companies' remuneration policy, especially for Directors and the Unilever Leadership Executive and shall review such policy on a continuous basis;
 - 4.1.2 the individual salary levels, bonuses, long term (share based) incentives and other benefits for the Executive Directors, taking into account the Executive Directors' views with regard to the amount and structure of their own remuneration;
 - 4.1.3 the remuneration of Non-Executive Directors, if and insofar as not determined by the general meetings of NV and PLC; and
 - 4.1.4 the design and terms of executive and all employee share-based incentive plans.
- 4.2 The Committee shall determine:
 - 4.2.1 an appropriate performance framework for annual bonuses and long term (share based) incentive plans for the Companies;
 - 4.2.2 the performance targets for the Companies for annual bonuses and the performance conditions for the Companies' long term (share based) incentive plans;
 - 4.2.3 the individual remuneration targets for the Executive Directors;
 - 4.2.4 the actual performance of the Companies against the performance targets for annual bonuses and the performance conditions for long term (share based) incentive plans;
 - 4.2.5 the performance of the Executive Directors against their individual remuneration targets; and
 - 4.2.6 The Companies' remuneration policy for Senior Corporate Executives.
- 4.3 The Committee shall consider and decide upon proposals made by the Chief Executive Officer in relation to the individual salary levels, benefits, bonuses, long term (share based) incentives and other terms of employment of members of the Unilever Leadership Executive (excluding Executive Directors), including reviewing actual performance and approving pay-outs.
- 4.4 The Committee shall approve or determine as the case may be, in respect of any (share based) incentive plan, any particular vesting condition (such as a change of control), any clawback or other discretionary element of any (share based) incentive plan.
- 4.5 The Committee delegates authority to the CEO (with the power to sub-delegate) to establish and operate (share based) incentive sub-plans, to set and agree performance targets and to determine the actual performance against these targets upon vesting, including any particular vesting condition, clawback (consistent with standard Unilever policy) or other discretionary element, and to do all these things with regard to incentive sub-plans for pioneering frontiers of the business under the condition that such sub-plans are not open to members of the Unilever Leadership Executive.
- 4.6 The Committee shall periodically review remuneration of the workforce and related policies and report on its findings to the Boards.

PART C: APPENDICES CONTINUED

5. AUTHORITY

- 5.1 The Committee is entitled to employ, at Unilever's expense, the services of such independent consultants as in its sole discretion it deems necessary to fulfil its responsibilities. The Committee shall draw up selection criteria for the appointment of such consultants and shall verify that if any such consultant is appointed that the consultant concerned shall not provide services to the Executive Directors.
- 5.2 The Committee is authorised by the Boards to give the approvals referred to in clauses 4.2, 4.3, 4.4 and, where relevant, 4.6 of these terms of reference.
- 5.3 The Committee may form and delegate authority to sub-committees comprising one or more members of the Committee if the Committee feels appropriate. The Committee may also form and delegate authority to sub-committees comprising one or more members of the Unilever Leadership Executive to conclude the final details of, and implement decisions taken by, the Committee. Any such sub-delegation shall be duly noted in the minutes of the Committee.
- 5.4 Subject to clause 5.1 of these terms of reference, the Committee is authorised by the Boards to investigate any matter within the scope of its terms of reference, using, at Unilever's expense, resources from within Unilever or from external legal, accounting or other advisers as the Committee considers necessary.
- 5.5 The Committee shall give due consideration to all relevant laws, regulations, governance codes, listing and other applicable rules as appropriate.

6. REPORTING, SELF-ASSESSMENT AND PERFORMANCE EVALUATION

- 6.1 The Committee reports to the Boards after each meeting and shall make whatever recommendation to the Boards it deems appropriate where action or improvement is needed.
- 6.2 The secretary of the Committee prepares minutes of all meetings of the Committee and these are circulated to the members of the Committee before the next Committee meeting. All signed Committee minutes are made available to the Boards.
- 6.3 The Committee reviews and assesses annually the adequacy of these terms of reference to ensure it is operating efficiently.
- 6.4 The Committee ensures that its current terms of reference are made available at www.unilever.com.
- 6.5 The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its terms of reference, and reports thereon to the Boards. This evaluation takes into account the views of the Boards on the performance of the Committee.
- 6.6 The Committee publishes a report annually (to be included in the Annual Report and Accounts) and ensures that Unilever maintains contact as required with its principal shareholders.

7. ANNUAL GENERAL MEETINGS

- 7.1 The chairman of the Committee or another member of the Committee attends the annual general meetings of NV and PLC and is available to answer any questions referred to him or her by the chairman of those meetings.

APPENDIX 4: TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. CONSTITUTION

- 1.1 The Audit Committee (in this Appendix 4: the "Committee") is concerned with:
- 1.1.1 the oversight of the integrity of Unilever's financial statements;
- 1.1.2 the oversight of Unilever's risk management and internal control arrangements;
- 1.1.3 the oversight of Unilever's compliance with legal and regulatory requirements;
- 1.1.4 making recommendations to the Boards on the nomination of and compensation payable to the external auditors;
- 1.1.5 the oversight of performance, qualifications and independence of the external auditors;
- 1.1.6 the policy on work that can and cannot be performed by the external auditors and the compliance thereof;
- 1.1.7 the performance of the internal audit function; and
- 1.1.8 the approval of the Unilever Group trading statements for quarter 1 and quarter 3.

2. MEMBERSHIP

- 2.1 The Nominating and Corporate Governance Committee recommends membership of the Committee and the members are appointed by the Boards.
- 2.2 The Committee comprises a minimum of three Non-Executive Directors. The Committee as a whole shall have competence relevant to the sector in which Unilever operates.
- 2.3 Each member of the Committee should be 'independent'. The 'independence' of the members is judged by the Boards in accordance with the requirements of applicable legislation and regulation and in light of relevant codes of practice in the Netherlands, the United Kingdom and the United States.
- 2.4 Each member of the Committee should be 'financially literate'. The 'financial literacy' of the members is adjudged by the Boards in accordance with the requirements of applicable legislation and regulation and in light of relevant codes of practice in the Netherlands, the United Kingdom and the United States.
- 2.5 One member of the Committee should be a 'financial expert'. The 'financial expertise' of this member is judged by the Boards in accordance with the requirements of applicable legislation and regulation and in light of relevant codes of practice in the Netherlands, the United Kingdom and the United States.
- 2.6 Upon appointment, each member of the Committee will participate in an induction programme relating to the role and function of the Committee.
- 2.7 Members of the Committee are expected not to serve on the audit committees of more than three public companies at any one time.
- 2.8 The chairman of the Committee is appointed by the Boards upon a proposal by the Chairman and may not be a former Executive Director.
- 2.9 The secretary of the Committee is the Chief Auditor or the Group Secretary or a nominee of either of them.

3. MEETINGS

- 3.1 Meetings are held at least four times a year, and on such other occasions as the chairman of the Committee considers appropriate.
- 3.2 Meetings are convened by written notice served on each of the members by the secretary of the Committee.
- 3.3 All members of the Committee are expected to attend each meeting.
- 3.4 The quorum for meetings is two Non-Executive Directors.
- 3.5 At the invitation of the Committee, others, including the Chief Executive Officer, Chief Financial Officer, Controller, Chief Auditor, Chief Legal Officer, Group Secretary, lead partner of the external auditors and other Directors and executives may attend Committee meetings.
- 3.6 The Committee shall meet the external auditors in private session (without management) at least once a year and may also meet routinely in private sessions with any of the Chief Auditor, the external auditors and management, or any combination of them.
- 3.7 All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.
- 3.8 Formal decisions are passed by a simple majority vote, with the chairman of the Committee holding a casting vote.
- 3.9 Clause 2.8 of Unilever's Board rules applies to meetings of the Committee.
- 3.10 The secretary of the Committee is responsible, in conjunction with the chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The secretary of the Committee is also responsible for liaising with the Unilever Leadership Executive to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.
- 3.11 Outside of the formal meetings, the chairman of the Committee shall maintain a dialogue with key individuals involved in Unilever's governance (including the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Chief Auditor and the lead partner of the external auditors).

4. REMIT

- 4.1 The Committee's responsibilities include:

OVERSIGHT OF THE INTEGRITY OF UNILEVER'S FINANCIAL STATEMENTS.

- 4.1.1 regular review of Unilever's internal and external financial reporting systems;
- 4.1.2 review of significant accounting and reporting issues and how these issues were addressed, including:
- (a) any significant changes in accounting principles;
 - (b) the methods used to account for significant or unusual transactions where different approaches are possible;
 - (c) whether Unilever has followed appropriate accounting standards and made appropriate estimates and judgements (taking into account the views of the external auditors); and
 - (d) reporting its views to the Boards where the Committee is not satisfied with any aspect of the proposed financial reporting of Unilever;

PART C: APPENDICES CONTINUED

- 4.1.3 review of any material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material effect on Unilever, its subsidiary companies and related entities;
- 4.1.4 review of Unilever's quarterly and annual financial statements (including clarity and completeness of disclosure), approval and publishing of the quarterly trading statements for quarters 1 and 3 so that taken as a whole, they are fair, balanced and understandable;
- 4.1.5 review of Unilever's practices with regard to the release and publication of financial information to the markets;
- 4.1.6 review of Unilever's dividend proposals including any annual or other proposal in relation to the amount of the quarterly or other periodic dividend;
- 4.1.7 approving the expenses policy for the Unilever Leadership Executive, review of the process for the claiming of expenses by the Unilever Leadership Executive to ensure that it is appropriate and effective and review of the annual aggregate expenses claims of the Executive Directors;
- 4.1.8 review of the Annual Report and Accounts and whether, taken as a whole, it is fair balanced and understandable;
- 4.1.9 review of the going concern assumption;
- 4.1.10 review of the viability statement;
- 4.1.11 oversight of the assurance of the financial and nonfinancial key performance indicators (KPIs) in the Annual Report and Accounts, including the external assurance programme over certain Unilever Sustainable Living Plan KPIs;

OVERSIGHT OF RISK MANAGEMENT AND INTERNAL CONTROL ARRANGEMENTS

- 4.1.12 approval of any proposals relating to employee indemnities;
- 4.1.13 risk management approach including the identification of corporate risks and related mitigation/response plans;
- 4.1.14 review of the recommendation of the Unilever Leadership Executive for the Boards' statements on internal control to be included in the Annual Report and Accounts;
- 4.1.15 review of the Controller's quarterly Risk and Control Report (including reference to any frauds involving persons with significant roles in internal control and any significant breaches of the Code of Business Principles or Code Policies);
- 4.1.16 establishment of procedures for:
 - (a) the receipt, retention and treatment of complaints received by Unilever regarding accounting, internal control and auditing matters; and
 - (b) the confidential, anonymous submission of concerns from employees of Unilever regarding accounting or auditing matters;
- 4.1.17 oversight of the activities of the management with respect to:
 - (a) the policy of the Unilever Group on tax planning;
 - (b) the financing of the Unilever Group; and
 - (c) the application of information technology, information management and information security;

- 4.1.18 review of the Chief Legal Officer's quarterly Litigation Report;

OVERSIGHT OF COMPLIANCE WITH THE CODE OF BUSINESS PRINCIPLES AND LEGAL AND REGULATORY REQUIREMENTS

- 4.1.19 review of any instances of financial or accounting non-compliance with the Code of Business Principles;
- 4.1.20 review of any instances of non-compliance with legal and regulatory requirements that may be brought to its attention by any Senior Corporate Executive or Committee;
- 4.1.21 review of instances of misconduct or irregularity reported by the external auditors;

EXTERNAL AUDITORS' NOMINATION, PERFORMANCE, QUALIFICATIONS AND INDEPENDENCE

- 4.1.22 tendering the audit services' contract in accordance with any relevant ethical guidance, rules, regulations or best practice guidelines;
- 4.1.23 ensuring rotation of the lead and any concurring partners at the external auditors, as well as any other partners at the external auditors as necessary, in compliance with any applicable rules or requirements of, but not limited to, the U.S. Securities and Exchange Commission and the Public Company Accounting Oversight Board;
- 4.1.24 the Committee shall consider and make recommendations to the Boards on
 - (a) the Boards' nomination for shareholder approval of the appointment, re-appointment or removal of the external auditors in accordance with any applicable rules, regulations and best practice guidelines; and
 - (b) the approval of the external auditors' remuneration and letters of engagement, representation and management (or their equivalent);
- 4.1.25 overseeing relations with activities of, and performance by, the external auditors, including:
 - (a) pre-approval of all audit services;
 - (b) pre-approval of non-audit services and approval of related disclosure to shareholders;
 - (c) review of the external auditors' report to the Boards and management's response and ensuring that the external auditors attend the Boards meeting in which such report is discussed;
 - (d) review of the external auditors' annual audit plan and associated timetable;
 - (e) review of any matters required to be reported to the Committee by the external auditors pursuant to any applicable rules, regulations and best practice guidelines;
 - (f) resolution of disagreements between the external auditors and management regarding financial reporting;
 - (g) review with the external auditors of any audit problems or difficulties, and management's response;

- (h) annual review and evaluation of the external auditors' qualifications, performance, effectiveness, objectivity and independence (including a review and evaluation of the lead partner and of relationships (such as family, employment, investment, financial or business) between the external auditors and Unilever (other than in the ordinary course of business) which could adversely affect the external auditors' independence and objectivity); and
- (i) providing feedback to the external auditors about the Committee's findings about the external auditors functioning and reporting these findings to the Boards;
- 4.1.26 review at least annually:
- (a) the report that the external auditors must provide to the Committee about the external auditors' independence; and
- (b) a report of the external auditors' internal quality control procedures;
- 4.1.27 establishing a policy regarding the nature of work that can be provided to Unilever by the external auditors;
- 4.1.28 review of all relationships between the external auditors and Unilever, including any reports on such relationships submitted by the external auditors;
- PERFORMANCE OF THE INTERNAL AUDIT FUNCTION**
- 4.1.29 review of the Chief Auditor's Status Reports on Risk Management & Control and actions taken to resolve the issues raised;
- 4.1.30 review of the internal audit function:
- (a) charter, cover and scope;
- (b) annual plan and associated timetable;
- (c) budget and resource requirements; and
- (d) effectiveness (including management's responsiveness to internal audit's findings and recommendations);
- 4.1.31 appointment and removal of the Chief Auditor; and
- 4.1.32 meeting the Chief Auditor at least annually without management.
- 5. AUTHORITY**
- 5.1 The Committee may form and delegate authority to sub-committees comprising one or more members of the Committee if the Committee feels appropriate. The Committee may also form and delegate authority to sub-committees comprising one or more members of the Unilever Leadership Executive to conclude the final details of, and implement decisions taken by, the Committee. Any such sub-delegation shall be duly noted in the minutes of the Committee.
- 5.2 The Committee is authorised by the Boards to investigate any matter within the scope of its terms of reference, using, at Unilever's expense, resources from within Unilever or from external legal, accounting or other advisers as the Committee considers necessary. The Committee is authorised to seek information from any Director, Senior Corporate Executive or employee, and from any adviser, agent or representative of Unilever, for the purpose of fulfilling its duties and the Boards shall, if so requested, direct such persons to co-operate with the Committee.
- 5.3 Following review of the quarterly trading statements for quarter 1 or 3 pursuant to clause 4.1.5 of these terms of reference, the Committee may if the Committee feels appropriate delegate authority for the final approval of any such quarterly trading statement and its publication to the Chief Executive Officer with the authority to make such non-material changes as the Chief Executive Officer may consider appropriate.
- 5.4 The Committee shall give due consideration to all relevant laws, regulations, governance codes, listing and other applicable rules as appropriate.
- 6. REPORTING, SELF-ASSESSMENT AND PERFORMANCE EVALUATION**
- 6.1 The Committee reports to the Boards after each meeting by means of an oral presentation by the chairman of the Committee the outcome of all its meetings and on how it has discharged its responsibilities and shall make whatever recommendation to the Boards it deems appropriate where action or improvement is needed.
- 6.2 The secretary of the Committee prepares minutes of all meetings of the Committee and these are circulated to the members of the Committee before the next Committee meeting. All signed Committee minutes are made available to the Boards.
- 6.3 The Committee reviews and assesses annually the adequacy of these terms of reference to ensure it is operating efficiently.
- 6.4 The Committee ensures that its current terms of reference are made available at www.unilever.com.
- 6.5 The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its terms of reference, and reports thereon to the Boards. This evaluation takes into account the views of the Boards on the performance of the Committee.
- 6.6 The Committee publishes a report annually (to be included in the Annual Report and Accounts).
- 7. ANNUAL GENERAL MEETINGS**
- 7.1 The chairman of the Committee or another member of the Committee attends the annual general meetings of NV and PLC and is available to answer any questions referred to him or her by the chairman of those meetings.

PART C: APPENDICES CONTINUED

APPENDIX 5: TERMS OF REFERENCE OF THE CORPORATE RESPONSIBILITY COMMITTEE

1. CONSTITUTION

1.1 The Corporate Responsibility Committee (in this Appendix 5: the "Committee") assists the Boards in fulfilling their oversight responsibilities in respect of corporate responsibility and sustainability and Unilever's reputation.

2. MEMBERSHIP

2.1 The Nominating and Corporate Governance Committee recommends membership of the Committee and the members are appointed by the Boards.

2.2 The Committee should comprise a minimum of two Non-Executive Directors.

2.3 The chairman of the Committee is appointed by the Boards, subject to endorsement of the Chairman, and may not be a former Executive Director.

2.4 The Committee appoints a secretary of the Committee.

3. MEETINGS

3.1 Meetings are held four times a year, and on such other occasions as the chairman of the Committee considers appropriate.

3.2 Meetings are convened by written notice served on each of the members by the secretary of the Committee.

3.3 All members of the Committee are expected to attend each meeting.

3.4 The quorum for meetings is two Non-Executive Directors.

3.5 Meetings of the Committee are attended by the Chief Marketing and Communications Officer, the Chief Sustainability Officer and the Global Head of Communications.

3.6 At the invitation of the Committee, others, including the Chief Legal Officer, the Chief Business Integrity Officer, the Chief Auditor and other Directors, executives and employees may attend Committee meetings.

3.7 All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.

3.8 Formal decisions are passed by a simple majority vote, with the chairman of the Committee holding a casting vote.

3.9 Clause 2.8 of Unilever's Board rules applies to meetings of the Committee.

3.10 The secretary of the Committee is responsible, in conjunction with the chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The secretary of the Committee is also responsible for liaising with the Unilever Leadership Executive to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.

4. REMIT

4.1 The Committee has responsibility for the oversight of Unilever's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen. This shall include, but is not limited to the following matters, with a view to bringing any relevant issues to the attention of the Boards or Senior Corporate Executives, and making recommendations relating to any of these issues:

4.1.1 identifying and reviewing those external developments which are likely to have significant influence upon Unilever's reputation and/or its ability to conduct its business appropriately as a good corporate citizen, including developments in the fields of government relations, best corporate practice, the views and programmes of particular interest groups, academia and other opinion formers and issues of growing importance to the general public;

4.1.2 acting as a sounding board and providing guidance and recommendations to the business on how best to handle both internal issues raised by the Unilever Leadership Executive and those external developments identified in clause 4.1 of these terms of reference;

4.1.3 reviewing and recommending changes as appropriate to Unilever's Code of Business Principles to ensure that Unilever's standards of business behaviour are up-to-date and reflect the best practices of business in this area;

4.1.4 reviewing instances of material non-compliance with the Code of Business Principles (except for financial or accounting matters) and management's monitoring of compliance with that code;

4.1.5 reviewing and providing input to the Companies on the management of current and emerging sustainability matters affecting the Companies and providing external and independent oversight and guidance on the environmental and social impact of how Unilever conducts its business;

4.1.6 reviewing matters of health and safety in relation to the Companies' activities and reporting back to the Boards;

4.1.7 ensuring that the appropriate communications policies are in place and working effectively to build and protect Unilever's reputation internally and externally;

4.1.8 reviewing reports, minutes and recommendations within the Committee's areas of responsibility from Unilever's senior management teams and relevant external parties; and

4.1.9 reporting to the Boards on Unilever's standing in the external world, particularly among target audiences.

5. AUTHORITY

- 5.1 The Committee is entitled to employ, at Unilever's expense, the services of such independent consultants as in its sole discretion it deems necessary to fulfil its responsibilities. The Committee shall draw up selection criteria for the appointment of such consultants.
- 5.2 The Committee may form and delegate authority to sub-committees comprising one or more members of the Committee if the Committee feels appropriate. The Committee may also form and delegate authority to sub-committees comprising one or more members of the Unilever Leadership Executive to conclude the final details of, and implement decisions taken by, the Committee. Any such sub-delegation shall be duly noted in the minutes of the Committee.
- 5.3 The Committee is authorised by the Boards to investigate any matter within the scope of its terms of reference, using, at Unilever's expense, resources from within Unilever or from external sources as the Committee considers necessary. The Committee is authorised to seek information from any Director, Senior Corporate Executive or employee, and from any adviser, agent or representative of Unilever for the purpose of fulfilling its duties.
- 5.4 The Committee shall give due consideration to all relevant laws, regulations, governance codes, listing and other applicable rules as appropriate.

6. REPORTING, SELF-ASSESSMENT AND PERFORMANCE EVALUATION

- 6.1 The Committee reports to the Boards after each meeting and shall make whatever recommendation to the Boards it deems appropriate where action or improvement is needed.
- 6.2 The secretary of the Committee prepares minutes of all meetings of the Committee and these are circulated to the members of the Committee before the next meeting of the Committee. All signed Committee minutes are made available to the Boards.
- 6.3 The Committee reviews and assesses annually the adequacy of these terms of reference to ensure it is operating efficiently.
- 6.4 The Committee ensures that its current terms of reference are made available at www.unilever.com.
- 6.5 The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its terms of reference, and reports thereon to the Boards. This evaluation takes into account the views of the Boards on the performance of the Committee.
- 6.6 The Committee publishes a report annually (to be included in the Annual Report and Accounts).

7. ANNUAL GENERAL MEETINGS

- 7.1 The chairman of the Committee or another member of the Committee attends the annual general meetings of NV and PLC and is available to answer any questions referred to him or her by the chairman of those meetings.

PART C: APPENDICES CONTINUED

APPENDIX 6: TERMS OF REFERENCE OF THE DISCLOSURE COMMITTEE

1. CONSTITUTION

1.1 The Disclosure Committee (in this Appendix 6: the "Committee") is responsible for the establishment and maintenance of disclosure controls and procedures and the evaluation thereof and also with the appropriateness of the disclosures made or any delay thereof. It is responsible to the Boards through the Chief Executive Officer.

2. MEMBERSHIP

2.1 The membership of the Committee comprises the EVP Financial Control, the EVP Finance – Group Performance Management, the EVP Corporate Strategy and M&A, the EVP Tax and Treasury and the NV and PLC Deputy Secretaries. The Chief Legal Officer has a standing invitation to attend meetings of the Disclosure Committee and has unlimited access to the documents of the Disclosure Committee.

2.2 In the case of any significant event or issue, the chairman of the Committee will take steps to ensure that the Chief Executive Officer and/or the Chief Financial Officer participate in the Committee as appropriate.

2.3 The chairman of the Committee is the EVP Financial Control or, in his or her absence for any meeting, whoever is appointed by the Committee to that position for that meeting. If no such person is appointed, the chairman of the Committee shall be the most senior person at the meeting.

2.4 The secretary of the Committee is whoever is appointed by the Committee to that position.

2.5 The chairman of the Committee may review the membership of the Committee and may add to the membership of the Committee.

3. MEETINGS

3.1 Meetings are held at least five times a year, and on such other occasions as the Chief Financial Officer, Chief Executive Officer, Group Secretary or chairman of the Committee considers appropriate.

3.2 Meetings are convened by reasonable notice served on each of the members by the secretary of the Committee.

3.3 All members of the Committee are expected to attend each meeting.

3.4 The Head of Investor Relations or his or her nominee, external auditors, legal advisers and brokers and any other person the Committee deems appropriate may be invited to attend meetings.

3.5 The quorum for meetings is two members, one of which must be a member of the Legal Group, and the other a member of the Finance Function.

3.6 All or any members of the Committee may participate in a meeting or in the approval process of any particular announcement by teleconference or videoconference or other electronic means. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.

3.7 Formal decisions are passed by a simple majority vote, with the chairman of the meeting holding a casting vote.

3.8 Clause 2.8 of Unilever's Board rules applies to meetings of the Committee.

3.9 The secretary of the Committee is responsible, in conjunction with the chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The secretary of the Committee is also responsible for liaising with the Unilever Leadership Executive to ensure that all papers, reports etc. required by the Committee are forwarded to the Committee in a timely manner.

4. REMIT

4.1 The purpose of the Committee is to ensure that information required to be disclosed by Unilever in the reports that it files or submits is properly identified, recorded, processed, summarised and reported to the senior management of Unilever, as appropriate, to allow timely decisions regarding required disclosure or any delay thereof.

4.2 The Committee evaluates the adequacy of Unilever's disclosure controls and procedures with respect to its reports and assists in their design and implementation.

4.3 The Committee ensures the timely and accurate disclosure of all information that is required to be disclosed, or any delay thereof, to meet the legal and regulatory obligations and requirements arising from its listings of both debt and equity.

4.4 The Committee maintains insider lists and manages and follows the operating procedures as set out in the Preventing Insider Dealing Code Policy, the Unilever Disclosure Manual and the Share Dealing Manual.

5. DUTIES

5.1 In order to achieve its purpose, the Committee has the following duties:

5.1.1 to determine on a timely basis the disclosure treatment of material information and review any announcements dealing with any information that might have a significant effect on the share price and ensure the accuracy thereof and to consider generally the requirement for announcements in the case of rumours relating to Unilever and in the case of a leak of inside information, and in particular, the need to issue holding announcements;

5.1.2 the identification of inside information for the purposes of securing this information and maintaining the insider lists and alerting Corporate Secretaries, London to the existence of inside information giving rise to the need for amendments to or the creation of insider lists;

- 5.1.3 to identify and consider disclosure issues in connection with the preparation of periodic reports and participate in the review of such disclosures. As part of this process, the Committee shall:
- (a) review Unilever's periodic reports;
 - (b) review and discuss with senior financial management whether Unilever's periodic reports provide a fair presentation of its financial condition, results of operation and cash flows;
 - (c) assess the materiality of specific events, developments or risks to Unilever; and
 - (d) review financial reporting issues that are significant to Unilever and other material reporting matters where the person primarily responsible for such matters made significant judgements (either independently or in consultation with others);
- 5.2 to monitor compliance with the Preventing Insider Dealing Code Policy, the Unilever Disclosure Manual and the Share Dealing Manual;
- 5.3 to review on an annual basis the section 302 certifications and the section 404 assertion made in relation to Unilever's disclosure controls and procedures; and
- 5.4 to evaluate the effectiveness of Unilever's procedures for recording, processing, summarising and reporting of information required to be disclosed by the Unilever Group in its filings by reviewing on an annual basis the section 302 certifications and section 404 assertion.

6. AUTHORITY

- 6.1 The Committee is entitled to employ the services of such advisers as it deems necessary to fulfil its responsibilities.
- 6.2 The Committee is authorised to approve all announcements on behalf of NV and PLC including assessing which announcements it needs to approve and establishing processes for doing that. The Committee may at any time delegate the approval of any announcements to any one of its members. If a quorum for the Committee can not be obtained for a matter requiring a time sensitive regulatory announcement, any Committee member is delegated the authority to do approve such announcement having consulted the company's corporate broker.
- 6.3 The Committee shall give due consideration to all relevant laws, regulations, governance codes, listing and other applicable rules as appropriate.

7. REPORTING

- 7.1 The Committee will report on its considerations, conclusions and/or recommendations about the effectiveness of the disclosure controls and procedures and any other disclosure issues it considers, whenever appropriate, to the Chief Financial Officer, Chief Executive Officer, the Chief Legal Officer and, where necessary, to the Audit Committee and/or the Boards.
- 7.2 The secretary of the Committee prepares minutes of all meetings of the Committee and these are circulated to the members of the Committee before the next meeting of the Committee. All signed Committee minutes are made available to the Boards.

PART C: APPENDICES CONTINUED

APPENDIX 7A: CODE OF BUSINESS PRINCIPLES

STANDARD OF CONDUCT

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

OBEYING THE LAW

Unilever companies and our employees are required to comply with the laws and regulations of the countries in which we operate.

EMPLOYEES

Unilever is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

We are committed to safe and healthy working conditions for all employees.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards.

We will not use any form of forced, compulsory, trafficked or child labour.

We are committed to working with employees to develop and enhance each individual's skills and capabilities.

We respect the dignity of the individual and support the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company based information and consultation procedures.

We will ensure transparent, fair and confidential procedures for employees to raise concerns.

CONSUMERS

Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

SHAREHOLDERS

Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

BUSINESS PARTNERS

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our business partners to adhere to business principles consistent with our own.

Community Involvement

Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

PUBLIC ACTIVITIES

Unilever companies are encouraged to promote and defend their legitimate business interests.

Unilever will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

THE ENVIRONMENT

Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

INNOVATION

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society. We will work on the basis of sound science applying rigorous standards of product safety.

COMPETITION

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

BRIBERY & CORRUPTION

Unilever does not give or receive whether directly or indirectly bribes or other improper advantages for business or financial gain. No employee may offer give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

CONFLICTS OF INTERESTS

All Unilever employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

Unilever employees must not seek gain for themselves or others through misuse of their positions.

COMPLIANCE - MONITORING - REPORTING

Compliance with these principles is an essential element in our business success. The Boards are responsible for ensuring these principles are applied throughout Unilever.

The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Global Code and Policy Committee, which is chaired by the Chief Legal Officer.

Day-to-day responsibility is delegated to all senior management of the geographies, divisions, functions and operating companies. They are responsible for implementing these principles, supported by local Business Integrity Committees.

Assurance of compliance is given and monitored each year.

Compliance is subject to review by the Boards supported by the Corporate Responsibility Committee and for financial and accounting issues the Audit Committee.

Any breaches of the Code of Business Principles must be reported. The Boards will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

APPENDIX 7B: TERMS OF REFERENCE OF THE GLOBAL CODE AND POLICY COMMITTEE

1. CONSTITUTION

1.1 The Global Code and Policy Committee (in this Appendix 7B: the "Committee") assists the Boards, the Unilever Leadership Executive and in particular the Chief Executive Officer in ensuring that all employees of Unilever and third parties working with or on behalf of Unilever do so in compliance with the requirements of Unilever's Code of Business Principles (in this Appendix 7B also referred to as: the "Code") and Code Policies.

2. MEMBERSHIP

2.1 The Chief Legal Officer is the chairman of the Committee.
2.2 Members of the Committee are appointed by the chairman of the Committee.
2.3 The Committee comprises a minimum of three members.
2.4 The secretary of the Committee is appointed by the chairman of the Committee, in consultation with the other members.

3. MEETINGS

3.1 Meetings are held at least four times a year and on such other occasion as the chairman of the Committee considers appropriate.
3.2 Meetings are convened by written notice served on each of the members by the secretary of the Committee.
3.3 All members of the Committee are expected to attend each meeting.
3.4 The quorum for meetings is three persons.
3.5 Meetings of the Committee may also be attended by Directors, members of the Unilever Leadership Executive and other employees or external advisors at the invitation of the Committee.
3.6 All or any members of the Committee may participate in a meeting by teleconference or videoconference. A person so participating is deemed to be present in person at the meeting and shall be counted in a quorum accordingly.
3.7 Formal decisions are passed by a simple majority vote, with the chairman of the Committee holding a casting vote.
3.8 Clause 2.8 of Unilever's Board rules applies to meetings of the Committee.
3.9 The secretary of the Committee is responsible, in conjunction with the chairman of the Committee, for compiling and circulating the agenda, papers and minutes relating to each meeting.

4. REMIT

4.1 The Committee's remit includes the following:
4.1.1 ensuring the content of the Code and Code Policies remains comprehensive and relevant, recommending amendments to the Code to the Unilever Leadership Executive and approving any amendments to the Code Policies;
4.1.2 approving the operating model for Unilever's Business Integrity, as defined in the Standard for Business Integrity operations;
4.1.3 reviewing the effectiveness of the Unilever operating model for Business Integrity and recommending areas for improvement, including accountabilities and levels of resource;
4.1.4 reviewing the global program for Business Integrity training;
4.1.5 reviewing Unilever performance in preventing, detecting and responding to business integrity breaches, through appropriate metrics;
4.1.6 overseeing the investigation of sensitive Business Integrity breaches that cannot be managed by MCO or Cluster Business Integrity committees;
4.1.7 providing assurance to the Unilever Leadership Executive, the Boards, the Board Committees and the Management Committees as requested; and
4.1.8 reviewing external ethics and compliance trends and best practice.
4.2 Day-to-day management of the responsibilities of the Committee as set out in this clause 4 rests with its secretary.

5. AUTHORITY

5.1 The Committee is empowered to deal with any and all matters related to the Code and Code Policies. The Committee is authorised to investigate any matter within its terms of reference using, at Unilever's expense, resources from within Unilever or from external sources as the Committee considers necessary.
5.2 The Committee is authorised to seek information from any Director, member of the Unilever Leadership Executive or other employee and from any advisor, agent or representative of Unilever for the purpose of fulfilling its duties.
5.3 All members of the Committee and the secretary of the Committee shall have authority to communicate directly to the chairman of the Audit Committee and/or to the chairman of the Corporate Responsibility Committee on matters relating to content of, or compliance with, the Code and Code Policies and to the Chairman in case senior executives are involved.

6. REPORTING

6.1 The Committee regularly reports to the Unilever Leadership Executive, the Audit Committee and the Corporate Responsibility Committee (plus to the Boards for noting).

7. ANNUAL GENERAL MEETINGS

7.1 The chairman of the Committee or another member of the Committee attends the annual general meetings of NV and PLC and is available to answer any questions referred to him or her by the chairman of those meetings.

PART C: APPENDICES CONTINUED

APPENDIX 8: PROFILE OF UNILEVER'S BOARDS

1. GENERAL

1.1 The purpose of this profile is to provide guiding principles for the composition of the Boards in line with the recommendations of the Dutch Corporate Governance Code, the UK Corporate Governance Code and the Corporate Governance Standards of the New York Stock Exchange as applicable to Foreign Private Issuers.

2. COMPOSITION

2.1 The composition and qualities of the Boards as a whole should be in keeping with the size of Unilever, its portfolio, culture and geographical spread and its status as a listed company.

2.2 The Boards should be of sufficient size that the balance of skills and experience is appropriate for the requirements of the business and should furthermore include a balance of Executive and Non-Executive Directors, with a majority of Non-Executive Directors. The composition of the Boards shall be such that the members are able to act critically and independently of one another and any particular interest.

2.3 With respect to diversity in the composition of the Boards the objective pursued by the Boards is to have a variation of age, gender, expertise, social background, ethnicity and nationality.

3. DESIRED EXPERTISE AND EXPERIENCE

3.1 In view of Unilever's objectives and activities, it is important that the Boards have sufficient global experience and outlook, financial literacy, and are composed in such a way that the following skills and capabilities are present in one or more of its members:

- 3.1.1 leadership of complex global entities;
- 3.1.2 broad board experience — including 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;
- 3.1.3 geo-political exposure;
- 3.1.4 financial expertise — including with financial administration, accounting policies and internal control;
- 3.1.5 fast moving consumer goods (FMCG) and consumer experience;
- 3.1.6 understanding of the markets where Unilever is active, in particular emerging markets;
- 3.1.7 insights on digital technologies, in particular digital marketing;
- 3.1.8 marketing and sales expertise;
- 3.1.9 banking expertise;
- 3.1.10 science, technology and innovation expertise;
- 3.1.11 strong experience with corporate social responsibility issues; and
- 3.1.12 understanding of human resources and remuneration related matters of large international companies.

4. DESIRED PERSONAL QUALIFICATIONS

- 4.1 Besides expertise, experience, contacts, vision and adequate availability, personal qualities such as impartiality, integrity, tolerance of other points of view, balance and ability to act critically and independently are evenly important.
- 4.2 Directors should be capable of assessing the broad outline of the overall policy and shall have the specific expertise required for the fulfilment of the duties assigned to the role designated to them within the framework of the Boards profile.
- 4.3 Directors should observe the principles underlying the corporate governance codes of the Netherlands, the United Kingdom and the United States.
- 4.4 Non-Executive Directors should be independent of Unilever (as referred to in clause 5.3 of The Governance of Unilever) and should avoid material conflicts of interest.
- 4.5 Business in the Boards and their committees will be conducted in the English language and Directors therefore should be fluent in English.

5. AVAILABILITY

- 5.1 Each Director shall have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, appraisal and other Boards associated activities.

6. PROFILE

- 6.1 This profile will guide the Nominating and Corporate Governance Committee and the Boards on the occasion of the nomination of Directors. It will be reviewed and updated by the Boards periodically.

APPENDIX 9: FORM OF DELEGATION RESOLUTION

Pursuant to resolutions of the Boards of Unilever N.V. and Unilever PLC on 28 November 2018.

IT WAS RESOLVED THAT with effect from 1 January 2019:

1. the Boards hereby entrust to and confer upon (i) the Chief Executive Officer all of its powers, authorities and discretions in relation to the operational running of the Unilever Group (with power to sub-delegate any such powers, authorities and discretions) and specifically all of its powers, authorities and discretions in relation to those matters set out in clauses 7.2.2 through 7.2.27 and 7.4 of Unilever's Board Rules as contained in 'The Governance of Unilever' (whether or not those matters relate to the operational running of the Unilever Group) and (ii) the Chief Executive Officer and the Chief Financial Officer (acting individually or jointly) all its powers, authorities and discretions with power to sub-delegate (acting individually or jointly) any such powers, authorities and discretions in relation to those matters set out in clauses 7.3.2 through 7.3.14 of Unilever's Board Rules as contained in 'The Governance of Unilever', in each case provided that all those matters set out in clause 1.4 of Unilever's Board Rules as contained in 'The Governance of Unilever' (whether or not those matters relate to the operational running of the Companies) shall be reserved to the Boards and the Boards' powers, authorities and discretions in relation to those matters are not hereby delegated. This delegation of powers, authorities and discretions by the Boards is made collaterally with (and not to the exclusion of) its own powers, authorities and discretions;
2. the Boards hereby approve and adopt the terms of reference of each of the committees set out in appendices 2 through 7 and 7B to 'The Governance of Unilever' and delegate to each such committee the authorities and/or powers set out in the relevant appendix.
3. without limiting the delegations or authorities referred to in the paragraph above, the document entitled 'The Governance of Unilever' is approved and adopted by the Boards as internal practices and procedures to be followed by members of the Unilever Group and its officers and employees

The approval and adoption of 'The Governance of Unilever' shall be binding on members of Unilever Group and its officers and employees only as to matters of internal policy and procedure and need not be taken into account by any third party dealing with any member of the Unilever Group as to whether any such dealing has been properly authorised. Accordingly, a failure to comply with the provisions of 'The Governance of Unilever' shall have no effect on whether such a dealing or transaction has been properly authorised;

PROVIDED that this resolution and any changes it makes to the powers, authorities and discretions delegated to any person or committee shall not affect the validity of, and shall be without prejudice to, any exercise of such powers, authorities or discretions prior to the date on which this resolution becomes effective including, without limitation, any exercise of the power to sub-delegate prior to that date.

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