Report of the Remuneration Committee

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

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

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

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

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

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

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

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

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

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

David Simon Chairman of the Remuneration Committee
Jeroen van der Veer

Definition of auditable part of the Report of the Remuneration Committee

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