

## Disclaimer

This PDF is a section of the Unilever Annual Report & Accounts and Form 20-F 2003 provided to Unilever's shareholders. It does not contain sufficient information to allow a full understanding of the results of the Unilever Group and the state of affairs of Unilever N.V., Unilever PLC or the Unilever Group. For further information the Unilever Annual Report & Accounts and Form 20-F 2003 should be consulted.

Certain sections of the Unilever Annual Report & Accounts and Form 20-F 2003 have been audited. Sections that have been audited are set out on pages 73 to 125, 131 to 147 and 149 to 150. The auditable part of the Directors' Remuneration report as set out on page 68 has also been audited.

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

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

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

The Annual Report & Accounts and Form 20-F does not constitute an invitation to invest in Unilever shares. Any decisions you make in reliance on this information are solely your responsibility.

The information is given as of the dates specified, is not updated, and any forward-looking statements are made subject to the reservations specified on page 3 of the Report.

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

# Corporate governance

## Organisational structure of Unilever

NV and PLC are the two parent companies of the Unilever Group of companies. NV was incorporated under the name Naamlooze Vennootschap Margarine Unie in the Netherlands in 1927. PLC was incorporated under the name Lever Brothers Limited in Great Britain in 1894.

Since 1930 when the Unilever Group was formed, NV and PLC together with their group companies have operated, as nearly as is practicable, as a single entity. They have the same directors, adopt the same accounting principles, and are linked by a series of agreements. The Equalisation Agreement, which regulates the mutual rights of the two sets of shareholders, is particularly important. It makes the position of the shareholders of both companies, as far as possible, the same as if they held shares in a single company.

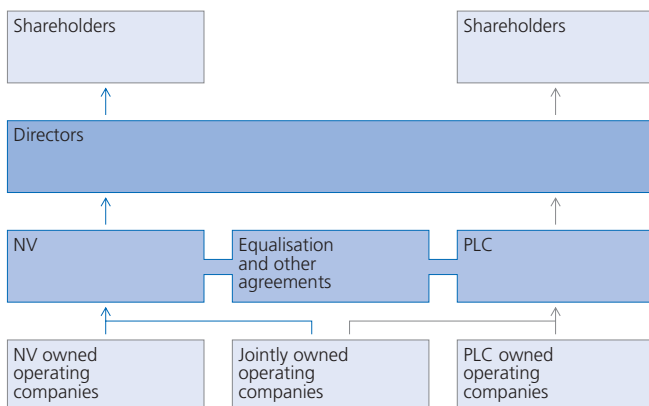
NV and PLC are separate companies, with separate stock exchange listings and different shareholders. You cannot convert or exchange the shares of one for shares of the other and the relative share prices on the various markets can, and do, fluctuate. This happens for a number of reasons, including changes in exchange rates. However, over time the prices of NV and PLC shares do stay in close relation to each other, in particular because of our equalisation arrangements.

NV and PLC are holding and service companies. Our businesses are carried out by our group companies around the world. The holding companies have agreed to co-operate in all areas, to exchange all relevant business information and to ensure all group companies act accordingly. Usually, shares in the group companies are held ultimately by either NV or PLC, with the main exception being that the US companies are owned by both and, as a result of the legal integration of Bestfoods into Unilever, a number of the group companies are partly held by Unilever United States, Inc. These group companies are therefore also ultimately owned jointly by NV and PLC.

These arrangements are designed to create a balance between the funds generated by the NV and PLC parts of the Group.

See pages 142 to 145 for a listing of the Group's principal subsidiaries and also Control of Unilever on page 152.

## Legal structure of the Group



## Corporate governance developments

The text that follows describes Unilever's corporate governance arrangements throughout 2003. This text should be read in the light of the proposals that will be put to the NV and PLC shareholders for consideration at the Annual General Meetings in 2004 to change those arrangements. The principal change is to make individuals who are currently Advisory Directors formal, non-executive members of the Boards of NV and PLC, with full entitlement to vote at meetings and responsibility for the actions of the Boards. Full information on these proposed changes can be found on the Unilever website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

These and other changes are being proposed in order to maintain Unilever's high standards of corporate governance in response to the latest developments in Europe and the US. Subject to acceptance of these proposals by shareholders, fuller details of Unilever's changed corporate governance arrangements will be placed on Unilever's website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

## Directors

The Chairmen and all of the Directors are full-time executives and directors of both NV and PLC and, as well as holding specific management responsibilities, they are responsible for the conduct of the business as a whole.

The Chairmen of NV and PLC are the principal executive officers of Unilever.

Our operations are organised into two global divisions – Foods and Home & Personal Care – headed by Division Directors. Reporting to their respective Division Directors are the Foods and the Home & Personal Care Business Presidents, responsible for the profitability of their regional and global businesses. For details of the Division Directors and Business Presidents, see pages 52 to 53.

The Directors have set out a number of areas for which the Boards have direct responsibility for decision making. They meet at least five times a year to consider the following corporate events and actions:

- Agreement of quarterly results announcements
- Approval of the Annual Report and Accounts and Form 20-F
- Declaration of dividends
- Convening of shareholders' meetings
- Approval of corporate strategy
- Authorisation of major transactions

All other matters are delegated to committees whose actions are reported to and monitored by the Boards.

Board meetings are held in London and Rotterdam and chaired by the Chairmen of NV and PLC. The Chairmen are assisted by the Joint Secretaries, who ensure the Boards are supplied with all the information necessary for their deliberations. Information is normally supplied a week prior to each meeting.

Directors are elected by shareholders at the Annual General Meetings of NV and PLC, to hold office until the end of the next Annual General Meetings. For details of the nomination procedure for Directors, see Control of Unilever on page 152. All the Directors submit themselves for re-election each year and

## Corporate governance

retire at the latest by the age of 62. They are executive officers, and cease to hold executive office on ceasing to be directors. We appoint our other executive officers, who are full time, for an indefinite period. These other executive officers are the corporate officers listed on page 53. None of our Directors or executive officers are elected or appointed under any arrangement or understanding.

All of our Directors have been with Unilever full time for at least five years, and in most cases for most of their business careers. For details see pages 52. There are no family relationships between any of our Directors or executive officers.

A procedure is in place to enable Directors, if they so wish, to seek independent professional advice. On election, Directors are briefed thoroughly on their responsibilities and updates on corporate governance developments are a frequent item at board meetings. The Directors regularly visit Unilever's operations around the world and the Business Presidents routinely give presentations to the Boards.

The Joint Secretaries are appointed and removed by the Boards.

### Advisory Directors

The Advisory Directors have hitherto been the principal external presence in the governance of Unilever. The role of an independent Advisory Director involves giving advice to the Boards in general, and to the Executive Committee in particular, on corporate governance, business, social and economic issues. They serve on certain key Board committees, the roles and membership of which are described below.

The appointment of Advisory Directors is provided for in the Articles of Association of both parent companies, although they are not formally members of the Boards. They are therefore not entitled to vote at meetings of the Boards and bear no legal responsibility for the Boards' actions. Their terms of appointment, role and powers are enshrined in resolutions of the Boards. As well as Board committee meetings, they attend the quarterly Directors' meetings, other Directors' conferences, and other meetings with the Chairmen. In addition, the Advisory Directors may meet as a body, at their discretion, and appoint a senior member as their spokesman.

Our Advisory Directors are chosen for their broad experience, international outlook and independence. They are appointed by resolutions of the Boards, normally for an initial term of three to four years and thereafter for terms of three years.

Their remuneration is determined by the Boards and it, and any other financial relationships, are reported on page 67. All appointments and re-appointments are based on the recommendations of the Nomination Committee.

In the context of Unilever's unique arrangements for corporate governance, all the Advisory Directors are considered to be independent of Unilever. The report on pages 59 and 67 describes the relationships between the Advisory Directors and Unilever.

The position of Advisory Director will cease if shareholders accept the proposals being put to the NV and PLC shareholders at the Annual General Meetings in 2004. See page 47.

### Board Committees

The Directors have established the following committees:

#### Executive Committee

The Executive Committee comprises the Chairmen of NV and PLC and five other members: the two Division Directors for Foods and for Home & Personal Care; the Corporate Development Director; the Financial Director; and the Personnel Director. Members of the Executive Committee are appointed by all of the Directors for one year at a time. The Executive Committee is responsible for agreeing priorities and allocating resources, setting overall corporate targets, agreeing and monitoring divisional strategies and plans, identifying and exploiting opportunities created by Unilever's scale and scope, managing external relations at the corporate level and developing future leaders. The Executive Committee generally meets formally at least monthly and is chaired, alternately, by the Chairmen of NV and PLC. The Committee is supplied with information by the Executive Committee Secretariat.

#### Audit Committee

The Audit Committee comprises a minimum of three Advisory Directors. The Committee met five times in 2003. It is chaired by Hilmar Kopper, and its other members are Oscar Fanjul and Claudio X Gonzalez. The Boards have satisfied themselves that all the members of the Committee are competent in financial matters and that, for the purposes of the US Sarbanes-Oxley Act of 2002, Hilmar Kopper is the Committee's financial expert. The Committee's meetings are attended by the Financial Director, the General Counsel, the Controller, the Chief Auditor and our external auditors. The Audit Committee assists the Boards in fulfilling their oversight responsibilities in respect of the integrity of Unilever's financial statements, risk management and internal control arrangements, compliance with legal and regulatory requirements, the performance, qualifications and independence of the external auditors and the performance of the internal audit function. The Committee is directly responsible, subject to local laws regarding shareholder approval, for the nomination, compensation and oversight of the external auditors. The Chief Auditor ensures that the Committee is supplied with necessary information. Both the Chief Auditor and the external auditors have direct access to the Audit Committee separately from other management.

See page 69 for the Report of the Audit Committee to the shareholders.

The Committee's terms of reference, including its full responsibilities, can be read on the Unilever website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

#### Corporate Risk Committee

The Corporate Risk Committee currently comprises the Financial Director, the Foods Director, the Home & Personal Care Director, the Personnel Director, the General Counsel, the Chief Auditor and the Controller. It meets at least four times a year. The objective of the Committee is to assist the Boards to carry out their responsibilities to ensure effective risk management and systems of internal control. It reports to the Boards, the Executive Committee and, as relevant, to the Audit Committee. The Committee is supplied with information by the Controller.

### External Affairs and Corporate Relations Committee

The External Affairs and Corporate Relations Committee currently comprises four Advisory Directors and normally meets four times a year. It is chaired by Lady Chalker, and its other members are Lord Brittan, Senator George J Mitchell and Professor Wim Dik. Charles R Shoemate retired as a member in 2003. The Committee oversees the Code of Business Principles, advises on external matters of relevance to the business – including issues of corporate social responsibility – and reviews our corporate relations strategy. The Committee is supplied with necessary information by the Corporate Development Director.

### Nomination Committee

The Nomination Committee comprises a minimum of three Advisory Directors and the Chairmen of NV and PLC and meets at least once a year. It was chaired by Frits Fentener van Vlissingen until his retirement at the 2003 Annual General Meeting and thereafter by Bertrand Collomb. Its other members are Antony Burgmans, Niall FitzGerald, Lord Simon and Jeroen van der Veer. It recommends to the Boards candidates for the positions of Director, Advisory Director and Executive Committee member. The Committee is supplied with information by the Joint Secretaries. The Committee's terms of reference are on our website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

### Remuneration Committee

The Remuneration Committee currently comprises three Advisory Directors and meets at least three times a year. It was chaired by Frits Fentener van Vlissingen until his retirement at the 2003 Annual General Meeting and thereafter by Bertrand Collomb. Its other members are Lord Simon and Jeroen van der Veer. It reviews executive Directors' remuneration and is responsible for the executive share-based incentive plans. The Committee determines specific remuneration packages for each of the Directors. The Committee is supplied with information by J A A van der Bijl, Joint Secretary of Unilever.

The detailed report to shareholders on Directors' remuneration is on pages 54 to 68. The Committee's terms of reference are on our website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

### Other committees

The Boards and the Board Committees are assisted by:

- a Code Compliance Committee, that is responsible for monitoring and reporting on compliance with the Code of Business Principles. The Joint Secretaries are responsible for the operation of this Committee; and
- a Disclosures Committee, that is responsible for helping the Boards ensure that information that ought to be disclosed publicly is disclosed and that the information that is disclosed is complete and accurate. The Controller is responsible for the operation of this Committee.

Committees are also set up to conduct routine business as and when they are necessary. They comprise any two of the Directors and certain senior executives and company officers. They administer certain matters previously agreed by the Boards or the Executive Committee. The Joint Secretaries are responsible for the operation of these committees.

All these committees are formally set up by Board resolution with carefully defined remits. They report regularly and are responsible to the Boards of NV and PLC.

### Requirements – general

Unilever is subject to corporate governance requirements in the Netherlands, the United Kingdom and the United States. A vital factor in the arrangements between NV and PLC is their having the same directors. The concept of the non-executive director, as recognised in the United Kingdom, was, until recently, not a feature of corporate governance in the Netherlands, and the supervisory board, as recognised in the Netherlands, is hitherto unknown in the United Kingdom. It is also the case that the role of the board differs in certain key respects between the UK and the US. Nevertheless, Unilever's Advisory Directors have long provided a strong independent element, performing many of the functions of supervisory and non-executive directors. The Audit, External Affairs and Corporate Relations and Remuneration Committees consist exclusively of Advisory Directors and the majority of the members of the Nomination Committee are Advisory Directors. See page 52 for details. It had hitherto not been considered practicable to appoint supervisory or non-executive directors who could serve on both Boards. However, as indicated above, following a review in 2003, proposals to change this aspect of Unilever's corporate governance arrangements will be put to shareholders for adoption in 2004.

### Requirements – the Netherlands

In December 2003, the Corporate Governance Committee (Tabaksblat Committee) published the definitive version of the Dutch Corporate Governance Code ('Dutch Code') which replaces the 1997 'Recommendations on Corporate Governance in the Netherlands' of the Peters Committee. The Dutch legislature will provide the Dutch Code with a legal basis, and is expected to apply the Dutch Code to all companies, such as NV, whose registered office is in the Netherlands and whose shares or depositary receipts are officially listed on a recognised stock exchange with effect from financial years starting on or after 1 January 2004.

Unilever's compliance at present with the Dutch Code should be considered in the light of the proposals that will be put to the NV shareholders for consideration and approval at the Annual General Meeting of 2004. Unilever has taken the Dutch Code into account when making the changes to its governance arrangements that will become effective, subject to shareholder approval, as from the NV Annual General Meeting of 2004. In this meeting we will discuss our corporate governance structure and arrangements with the NV shareholders. The notice for the Meeting will address Unilever's main departures from the Dutch Code.

As from the 2004 financial year onwards, Unilever will fully disclose in its Annual Report & Accounts and Form 20-F its compliance with the Dutch Code, as well as any non-application of provisions of the Dutch Code and an explanation. Unilever expects to comply with the Dutch Code to a substantial extent. However, due to our structure, we may have to depart in certain respects from the provisions of the Dutch Code. In line with the recommendation made in the Dutch Code, NV intends to discuss its compliance with the Dutch Code at the Annual General Meeting of 2005.

### Requirements – the United Kingdom

PLC is required, as a company that is incorporated in the United Kingdom and listed on the London Stock Exchange, to state how it has applied the principles and how far it has complied with the provisions set out in Section 1 of the Combined Code issued in 1998 ('the Combined Code') appended to the United Kingdom Listing Rules.

As already explained, the Boards exercise control through the Executive Committee. Responsibilities are shared by the Chairmen of NV and PLC, while the Advisory Directors perform many of the functions of the supervisory board members or non-executive directors, although they were not formally members of the Boards in 2003. For the purposes of the Combined Code, the Boards had not appointed a senior independent director during 2003, on the basis that issues for the Boards can be raised with whichever Advisory Director is the Chairman of the relevant Board Committee and the Advisory Directors are entitled to meet as a body and appoint a senior member as their spokesman. A senior independent director will be appointed as a consequence of the proposals put to the Annual General Meetings in 2004.

Unilever's remuneration policy is contained within the report on the directors' remuneration and interests on pages 54 to 68. This also deals with aspects of non-compliance with the Combined Code in this area. Members of the Audit, Remuneration and Nomination Committees will be available to answer questions at the Annual General Meetings of both NV and PLC. The members attending each meeting will not necessarily include the Chairman of the Committee, since these meetings take place at about the same time in Rotterdam and London respectively.

A description of Unilever's compliance with 'Internal Control – Guidance for Directors on the Combined Code' is given on page 71.

NV and PLC are separate legal entities, each subject to its own national traditions and practices and each with responsibilities to different sets of shareholders. Unilever has, since its inception, adopted the principle that it is good practice that the most senior roles in NV and PLC are shared and not concentrated in one person. As a consequence it is a principal tenet of its governance philosophy, which finds expression in two people who each combine the roles of Chairman and Chief Executive and who meet regularly for joint decision making. This carefully balanced arrangement has served Unilever's unique constitutional arrangements very well for many years and the Boards believe that to separate these roles would only introduce undesirable and unnecessary complexity.

In all other respects, PLC has complied with the Combined Code throughout 2003.

For Unilever, the revisions made to the Combined Code in 2003 apply as from 1 January 2004. Unilever has had the new requirements in mind in making the changes in its corporate governance arrangements that will, subject to shareholder approval, be effective from the Annual General Meetings in 2004. See page 47. It will therefore report formally on its compliance in next year's Annual Report & Accounts and Form 20-F. Before then, further information will be placed on Unilever's website [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

### Requirements – the United States

Both NV and PLC are listed on The New York Stock Exchange and must therefore comply with such of the requirements of US legislation, such as The Sarbanes-Oxley Act of 2002, SEC regulations and the Listing Rules of The New York Stock Exchange as are applicable to foreign listed companies. In some cases the requirements are mandatory and in other cases the obligation is to 'comply or explain'.

Unilever has complied with these requirements concerning corporate governance that were in force during 2003. Attention is drawn in particular to the Report of the Audit Committee on page 69. Actions taken to ensure compliance that are not specifically disclosed elsewhere or otherwise clear from reading this document include:

- the issue of a Code of Ethics for senior financial officers;
- the issue of instructions restricting the employment of former employees of the audit firm; and
- establishment of standards of professional conduct for US attorneys.

In each of these cases, existing practices have been revised and/or documented in such a way as to conform to the new requirements.

The Code of Ethics applies to the senior executive, financial and accounting officers and comprises the standards prescribed by the SEC, and a copy has been posted on Unilever's website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/). The Code of Ethics comprises an extract of the relevant provisions of Unilever's Code of Business Principles and the more detailed rules of conduct that implement it. The only amendment to these pre-existing provisions and rules that was made in preparing the Code of Ethics was made at the request of the Audit Committee and consisted of a strengthening of the explicit requirement to keep proper accounting records. No waiver from any provision of the Code of Ethics was granted to any of the persons falling within the scope of the SEC requirement in 2003.

Unilever has also taken into account the US requirements taking effect in 2004 and 2005 applicable to both foreign and US listed companies in preparing the changes in its corporate governance arrangements that will be effective from the NV and PLC Annual General Meetings on 12 May 2004. Further information will be placed on Unilever's website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/) following those meetings, and will be reported in the Annual Report & Accounts and Form 20-F for 2004.

### Auditors

Subject to the annual appointment of auditors by the shareholders and in addition to our ongoing process of monitoring the auditors' performance, we undertake a formal review every three years. The most recent review was completed in November 2002 and resulted in the re-appointment of PricewaterhouseCoopers. On the recommendation of the Audit Committee, the Directors will be proposing the re-appointment of PricewaterhouseCoopers at the Annual General Meetings on 12 May 2004 (see pages 148 and 151).

## Corporate governance

Both the Executive Committee and the auditors have for many years had safeguards to avoid the possibility that the auditors' objectivity and independence could be compromised. In overview, our procedures in respect of services provided by PricewaterhouseCoopers are:

- **Statutory audit** – Procedures in respect of statutory audit services are detailed on page 50. This category includes fees for the statutory audit of Unilever's financial statements and those of its subsidiaries.
- **Other audit services** – This is audit and similar work that regulations or agreements with third parties require the auditors to undertake. These services include formalities relating to borrowings, shareholder and other circulars and various other regulatory reports.
- **Audit-related services** – This is work that, in their position as the auditors, they are best placed to undertake. It includes internal control reviews, other reports and work in respect of acquisitions and disposals.
- **Tax services** – In cases where they are best suited, we use the auditors. All other significant tax consulting work is put to tender.
- **General consulting and other services** – Since early 2002, our policy has been that our external auditors may not tender for any new general consulting work. We use our auditors to perform a limited number of other services, including risk management advisory work and training, where these are compatible with their work and subject to the appropriate level of pre-approval.

The Audit Committee has approved a policy regarding the above three non-audit categories. This lists in detail the particular services which PricewaterhouseCoopers is and is not permitted to provide. In the case of the types of work which PricewaterhouseCoopers is allowed to perform, the policy provides that they are only appointed to an assignment if proper consideration has been given to other potential service providers, there must be bona fide advantages in using PricewaterhouseCoopers, and, in addition, if the fee is over €100 000, the engagement must be specifically approved in advance by the Chairman of the Audit Committee.

Potential engagements for any services not already covered by this policy must be referred to the Chairman of the Audit Committee for specific pre-approval (to be ratified at the next meeting of the Audit Committee) before PricewaterhouseCoopers can be appointed.

The policy is regularly reviewed and updated in the light of internal developments, external developments and best practice.

The external auditors report to the Directors and the Audit Committee on the actions they take to comply with the professional and regulatory requirements and best practice designed to ensure their independence from Unilever, including, for example, the periodic rotation of key team members. The lead partner in charge of the audit changed in 2001.

See note 2 on page 85 for the actual fees payable to PricewaterhouseCoopers.

### Relations with shareholders and other investors

We believe it is important both to explain the business developments and financial results to investors and to understand their objectives. Within the Executive Committee, the Financial Director has lead responsibility for investor relations, with the active involvement of the Chairmen. They are supported by an Investor Relations Department which organises presentations for analysts and investors. Such presentations are generally made available on our website. Briefings on quarterly results are given via teleconference and are accessible by telephone or via our website. For further information visit our website at [www.unilever.com/investorcentre/](http://www.unilever.com/investorcentre/).

Both NV and PLC communicate with their respective shareholders through the Annual General Meetings. At the Annual General Meetings, each Chairman gives a full account of the progress of the business over the last year and a review of the current issues. A summary of their addresses is published on our website and released to stock exchanges and media. Copies are freely available on request.

Our Chairmen, both in communications about the Annual General Meetings and at the actual meetings, encourage shareholders to attend and to ask questions. Question and answer sessions form an important part of the meetings in both the Netherlands and the United Kingdom. We are committed to efforts to establish more effective ways of shareholder communication. We actively participate in the Shareholders Communication Channel which facilitates proxy voting in the Netherlands and make CREST electronic proxy voting available to institutional shareholders in the UK.

Electronic communication is becoming an important medium for shareholders, providing ready access to shareholder information and reports, and for voting purposes. Shareholders of PLC in the United Kingdom can now choose to receive electronic notification that the Annual Review, Annual Report & Accounts and Form 20-F and Notice of Annual General Meeting have been published on our website, instead of receiving printed copies, and can also electronically appoint a proxy to vote on their behalf at the Annual General Meeting. Registration for electronic communication by shareholders of PLC can be made at [www.shareview.co.uk](http://www.shareview.co.uk).

We publish the proxy vote at the meetings and the outcome of the vote, including the proxy vote, on our website.

### Reporting to shareholders

The Directors' responsibilities are set out formally on page 71. The report to shareholders on Directors' remuneration and interests is set out on pages 54 to 68. The report of the Audit Committee is set out on page 69.

The responsibility of the auditors to report on these matters is set out on page 72.

## Biographical details:

### Directors

#### Antony Burgmans\*<sup>1</sup>

##### Chairman, Unilever N.V.

Nationality: Dutch. Aged 57. Chairman of Unilever N.V. and Vice-Chairman of Unilever PLC since 4 May 1999. Joined Unilever 1972. Appointed Director 8 May 1991. Previous posts include: Vice-Chairman of Unilever N.V. 1998. Business Group President, Ice Cream & Frozen Foods – Europe and Chairman of Unilever Europe Committee 96/98. Responsible for South European Foods business 94/96. Personal Products Co-ordinator 91/94. External appointments include: Member, Supervisory Board of ABN AMRO Bank N.V., Non-Executive Director of BP p.l.c. and Member, International Advisory Board of Allianz AG.

#### Niall FitzGerald KBE\*<sup>1</sup>

##### Chairman, Unilever PLC

Nationality: Irish. Aged 58. Chairman of Unilever PLC and Vice-Chairman of Unilever N.V. since 1 September 1996. Joined Unilever 1967. Appointed Director 20 May 1987. Previous posts include: Vice-Chairman of Unilever PLC 1994. Detergents Co-ordinator 91/95. Member, Foods Executive 89/91. Edible Fats & Dairy Co-ordinator 89/90. Financial Director 87/89. External appointments include: Non-Executive Director of Reuters Group PLC.

#### Clive Butler\*

##### Corporate Development Director

Nationality: British. Aged 57. Corporate Development Director since 1 January 2001. Joined Unilever 1970. Appointed Director 6 May 1992. Previous posts include: Category Director, Home & Personal Care 1996. Personnel Director 93/96. Corporate Development and IT Director 1992.

#### Patrick Cescau\*<sup>2</sup>

##### Foods Director

Nationality: French. Aged 55. Foods Director since 1 January 2001. Joined Unilever 1973. Appointed Director 4 May 1999. Previous posts include: Financial Director 1999. Controller and Deputy Financial Director 98/99. President, Lipton USA 97/98. President and CEO, Van den Bergh Foods USA 95/97. Chairman, Indonesia 91/95. External appointments include: Non-Executive Director of Pearson plc and Conseiller du Commerce Extérieur de la France in the Netherlands.

#### Keki Dadiseth\*<sup>2</sup>

##### Home & Personal Care Director

Nationality: Indian. Aged 58. Home & Personal Care Director since 1 January 2001. Joined Unilever 1973. Appointed Director 3 May 2000. Previous posts include: Hindustan Lever Chairman 1996, Vice-Chairman and Managing Director 95/96. External appointments include: Non-Executive Director of The Indian Hotels Company. Member, International Advisory Board of DaimlerChrysler AG.

#### André baron van Heemstra\*<sup>2</sup>

##### Personnel Director

Nationality: Dutch. Aged 58. Personnel Director since 3 May 2000. Joined Unilever 1970. Appointed Director 3 May 2000. Previous posts include: Business Group President, East Asia Pacific 1996. Chairman, Langnese-Iglo 92/96.

#### Rudy Markham\*<sup>3</sup>

##### Financial Director

Nationality: British. Aged 57. Financial Director since 4 August 2000. Joined Unilever 1968. Appointed Director 6 May 1998. Previous posts include: Strategy & Technology Director 1998. Business Group President, North East Asia 96/98. Chairman, Nippon Lever Japan 92/96. Chairman, Unilever Australasia 89/92. Group Treasurer 86/89. External appointments include: Non-Executive Director of Standard Chartered PLC.

#### Charles Strauss

##### President, Home & Personal Care North America and Global Prestige Business. Chairman, North America Committee

Nationality: American. Aged 61. Joined Unilever 1986 upon Unilever's acquisition of Ragú Foods. Appointed Director 3 May 2000. Previous posts include: Business Group President, Latin America 96/99. President, Lever Brothers USA 93/96. Chairman, Langnese-Iglo 89/92. External appointments include: Non-Executive Director of Hartford Financial Services Group, Inc. and Aegis Group PLC.

\* Member Executive Committee

<sup>1</sup> Member Nomination Committee

<sup>2</sup> Member Corporate Risk Committee

<sup>3</sup> Chairman Corporate Risk Committee

<sup>4</sup> Member External Affairs and Corporate Relations Committee

## Advisory Directors

#### The Rt Hon The Lord Brittan of Spennithorne QC, DL<sup>4</sup>

Nationality: British. Aged 64. Appointed 2000. Vice-Chairman of UBS Investment Bank and Chairman of UBS Limited. Member of the European Commission and Vice-President 89/99. Member of the UK Government 79/86. Home Secretary 83/85 and Secretary of State for Trade and Industry 85/86.

#### Baroness Chalker of Wallasey<sup>5</sup>

Nationality: British. Aged 61. Appointed 1998. Director of Freeplay Energy plc, Group 5 (Pty) Ltd and Ashanti Goldfields Company Ltd. Member, International Advisory Board of Lafarge et Cie. UK Minister of State at the Foreign and Commonwealth Office 86/97. Created Life Peer in 1992. Member of Parliament for Wallasey 74/92.

#### Bertrand Collomb<sup>6,7</sup>

Nationality: French. Aged 61. Appointed 1994. Chairman of Lafarge S.A. Director of Vivendi Universal, TotalFinaElf and Atco. Member, Supervisory Board of Allianz AG and Advisory Board of Banque de France.

#### Professor Wim Dik<sup>4</sup>

Nationality: Dutch. Aged 65. Appointed 2001. Professor at Delft University of Technology. Chairman, Supervisory Boards of Van Ganswinkel Groep, Holland Casino and N.V. Casema. Member, Supervisory Boards of ABN AMRO Bank N.V. and Tele Atlas N.V. Non-Executive Director of Aviva plc and LogicaCMG plc. Chairman and CEO of Koninklijke PTT Nederland (KPN) 88/98 and Koninklijke KPN N.V. (Royal Dutch Telecom) 98/00. Minister for Foreign Trade, Netherlands 81/82.

#### Oscar Fanjul<sup>8</sup>

Nationality: Spanish. Aged 54. Appointed 1996. Honorary Chairman of Repsol-YPF S.A. Director of Marsh & McLennan Companies, the London Stock Exchange, Acerinox S.A. and Técnicas Reunidas S.A. Member, International Advisory Boards of Marsh & McLennan Companies and Sviluppo Italia and of the European Advisory Board of the Carlyle Group. Chairman and CEO of Repsol 86/96.

#### Claudio X Gonzalez<sup>8</sup>

Nationality: Mexican. Aged 69. Appointed 1998. Chairman and CEO of Kimberly-Clark de Mexico S.A. Director of Kimberly-Clark Corporation, Kellogg Company, General Electric Company (USA), Grupo Carso S.A., Grupo Alfa, Grupo Mexico, Grupo Televisa, Fondo Mexico, Home Depot, America Movil and Investment Company of America. Member, International Advisory Council of JPMorgan Chase Bank. Special Advisor to the President of Mexico 88/94.

#### Hilmar Kopper<sup>9</sup>

Nationality: German. Aged 68. Appointed 1998. Chairman, Supervisory Board of DaimlerChrysler AG. Non-Executive Director of Xerox Corp. Former CEO and former Chairman of the Supervisory Board of Deutsche Bank AG.

#### Senator George J Mitchell<sup>4</sup>

Nationality: American. Aged 70. Appointed 1998. Partner of the law firm Piper Rudnik. Director of Walt Disney Company, Federal Express Corp., Starwood Hotels and Resorts and Staples Inc. Member, International Advisory Board of Thames Water Plc. Member of the US Senate 80/95 and Senate Majority Leader 88/95. Chairman of the Northern Ireland Peace Initiative 95/99.

#### The Lord Simon of Highbury CBE<sup>1,10</sup>

Nationality: British. Aged 64. Appointed 2000. Member, Advisory Board of LEK Consulting and International Advisory Council of Fortis. Non-Executive Director of Suez Group. Member, Supervisory Board of Volkswagen AG. Senior Advisor and Member, European Advisory Board of Morgan Stanley Dean Witter. UK Government Minister 97/99. Group Chief Executive of BP 92/95 and Chairman 95/97.

#### Jeroen van der Veer<sup>1,10</sup>

Nationality: Dutch. Aged 56. Appointed 2002. President of Royal Dutch Petroleum Company and Chairman of the Committee of Managing Directors of Royal Dutch/Shell Group of Companies. Member, Supervisory Board of De Nederlandsche Bank.

<sup>5</sup> Chairman External Affairs and Corporate Relations Committee

<sup>6</sup> Chairman Nomination Committee

<sup>7</sup> Chairman Remuneration Committee

<sup>8</sup> Member Audit Committee

<sup>9</sup> Chairman Audit Committee

<sup>10</sup> Member Remuneration Committee

## Corporate governance

### Business Presidents – Foods

#### Regions

**Manfred Stach, Europe, Chairman, Europe Committee** Aged 61. Joined Unilever 1970. Appointed Business President 1998. Previous position: Business Group President Africa.

**Kees van der Graaf, Ice Cream and Frozen Foods Europe** Aged 53. Joined Unilever 1976. Appointed Business President 2001. Previous position: Chief Executive Officer, Unilever Bestfoods Europe.

**John Rice, North America** Aged 52. Joined Unilever 1981. Appointed Business President 2001. Previous position: Business President Latin America.

**Rachid M Rachid, North Africa, Middle East and Turkey** Aged 49. Joined Unilever 1987. Appointed Business President 2001. (Also is a representative of the region for HPC). He is interested through family holdings in the partner that holds 40% of Unilever Mashreq, which comprises Unilever's operations in Egypt and the Levant.

**Tex Gunning, Asia** Aged 53. Joined Unilever 1982. Appointed Business President 2000. Previous position: Business Group President East Asia Pacific.

**Alberto Sobredo, Latin America** Aged 54. Joined Unilever 1998. Appointed Business President 2002. Previous position: Executive Vice-President, Latin America and Chairman, Unilever Chile.

#### Global Businesses

**Diego Bevilacqua, Foodsolutions** Aged 50. Joined Unilever 2000 upon Unilever's acquisition of Bestfoods. Appointed Business President 2001. Previous position: Vice-President Bestfoods and President Bestfoods, Asia.

**Robert Polet, Ice Cream and Frozen Foods Global** Aged 48. Joined Unilever 1978. Appointed Business President 1998. Previous position: Business Group President Ice Cream and Frozen Foods Europe.

**John Rice, Slim•Fast Worldwide** See above.

#### Function

**Anthony Simon, Marketing** Aged 58. Joined Unilever 2000 upon Unilever's acquisition of Bestfoods. Appointed Business President 2001. Previous position: Vice-President Strategies and Core Businesses Bestfoods.

### Business Presidents – Home & Personal Care

#### Regions

**Ralph Kugler, Europe** Aged 48. Joined Unilever 1979. Appointed Business President 1999. Previous position: Business Group President Latin America.

**Charles Strauss, North America** Unilever Director. See page 52.

**Anton Lenstra, Africa** Aged 55. Joined Unilever 1989. Appointed Business President 2000. (Also is a representative of the region for Foods). Previous position: Vice-President Home & Personal Care Europe.

**Jeff Fraser, Asia** Aged 60. Joined Unilever 1967. Appointed Business President 1996. Previous position: Business Group President Central Asia & Middle East.

**Harish Manwani, Latin America** Aged 50. Joined Unilever 1976. Appointed Business President 2001. Previous position: Senior Vice-President, Home & Personal Care Category Group.

#### Global Businesses

**Charles Strauss, Prestige** Unilever Director. See page 52.

#### Function

**Simon Clift, Marketing** Aged 45. Joined Unilever 1982. Appointed Business President 2001. Previous position: Chairman Personal Care Category Group, Latin America.

### Corporate Officers

**Jan van der Bijl, Joint Secretary and Head of Group Taxation** Aged 54. Appointed 1 July 2001. Years of service on 31 December 2003: 16 years.

**Stephen Williams,<sup>2</sup> Joint Secretary and General Counsel** Aged 56. Appointed 1 December 1986. Years of service on 31 December 2003: 17 years.

**John Bird,<sup>2</sup> Controller** Aged 50. Appointed 1 November 2003. Years of service on 31 December 2003: 28 years.

**Henning Rehder, Treasurer** Aged 50. Appointed 23 April 2002. Years of service on 31 December 2003: 23 years.

**James Duckworth,<sup>2</sup> Chief Auditor** Aged 59. Appointed 1 March 1999. Years of service on 31 December 2003: 35 years.

### Board changes

In February 2004 we announced that Niall FitzGerald would be retiring as a Director of NV and PLC on 30 September 2004. All his colleagues wish to record their sincere appreciation of his major contribution to the development of Unilever over 37 years of service, 17 of them as a Director and the last 8 as a Chairman. Patrick Cescau will succeed him as Chairman of PLC and Vice-Chairman of NV. Kees van der Graaf will succeed Patrick Cescau as Foods Director.

All Executive Directors held office throughout the year.

In accordance with the Articles of Association of NV and PLC, all existing Directors, with the exception of Charles Strauss, will retire from office at the Annual General Meetings on 12 May 2004 and, with the full support of the Nomination Committee, will offer themselves for re-election.

Charles Strauss and Senator George Mitchell will retire from office at these Annual General Meetings. Their colleagues wish to thank them for their contribution to Unilever.

Kees van der Graaf is nominated for election as a Director of NV and PLC at the 2004 AGMs. He is currently Business President for Ice Cream and Frozen Foods Europe. His biography is set out on this page.

Details of Executive Directors' service contracts are given on pages 58 and 67.

The Boards, in line with the recommendations of the Nomination Committee, have nominated Lord Brittan, Lady Chalker, Bertrand Collomb, Professor Dik, Oscar Fanjul, Claudio Gonzalez, Hilmar Kopper, Lord Simon and Jeroen van der Veer as candidates for election as Non-Executive Directors of NV and PLC at the Annual General Meetings on 12 May 2004. All were Advisory Directors in 2003 and their biographies are set out on page 52.

These nominations are subject to the approval by shareholders at those meetings of the related proposals to amend the Articles of Association of NV and PLC. Upon adoption of those amendments, the position of Advisory Director will cease.

As anticipated, Frits H Fentener van Vlissingen and Charles R Shoemate retired as Advisory Directors in 2003.

### Business President changes

John Rice, President Foods North America, will succeed Charles Strauss as Chairman of the North America Committee and Harish Manwani will succeed Charles Strauss as President Home & Personal Care North America and Prestige. Anton Lenstra, President Africa Business Group, will succeed Harish Manwani and Doug Baillie, Chairman Lever Ponds South Africa, will succeed Anton Lenstra. Robert Polet will take over Kees van der Graaf's responsibilities in addition to his current responsibility for Ice Cream and Frozen Foods Global.