

NOTICE

of the Annual General Meeting

Notice is hereby given that the 79th Annual General Meeting of Hindustan Unilever Limited will be held on Monday, 23rd July, 2012 at 10.30 a.m. at the Registered Office of the Company at Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai 400 099, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a Final Dividend on Equity Shares for the financial year ended 31st March, 2012.
3. To elect and appoint Directors in place of the Directors retiring by rotation.
4. To appoint M/s. Lovelock & Lewes, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2013.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. O. P. Bhatt, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation, in terms of the provisions of the Articles of Association of the Company."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such consents and permissions as may be required, approval be and is hereby accorded to the re-appointment of Mr. Nitin Paranjpe as Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years commencing from 4th April, 2013.

RESOLVED FURTHER THAT subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, Mr. Nitin Paranjpe, as Managing Director and CEO of the Company, be paid such remuneration comprising salary, performance linked bonus, commission on profits and perquisites / benefits, as may be determined by the Board or duly constituted Committee thereof, from time to time, within the maximum limits approved by the Members of the Company."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approval of the Central Government or any statutory authorities, as may be required and in partial modification of the Special Resolution passed at the Annual General Meeting held on 4th April, 2008, consent be and is hereby accorded to increase the maximum limit of salary payable to the Managing Director(s) of the Company from the existing Rs. 180 lakhs per annum to Rs. 290 lakhs per annum effective 1st April, 2013 and the Board and / or a duly constituted Committee thereof are hereby authorised to pay remuneration to Managing Director(s), from time to time, within the above mentioned limits.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in terms of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in partial modification of the resolutions adopted by the Members at the Annual General Meetings held on 22nd June, 2001 and 29th May, 2006, approving the '2001 HLL Stock Option Plan' and '2006 HLL Performance Share Scheme', respectively, the approval be and is hereby granted for adoption of the revised '2012 HUL Performance Share Scheme' (the 'Scheme') tabled at the meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT '2012 HUL Performance Share Scheme' be operated by the Board and / or the Compensation Committee such that the total number of shares to be issued pursuant to '2001 HLL Stock Option Plan', '2006 HLL Performance Share Scheme' and '2012 HUL Performance Share Scheme' in the aggregate shall not exceed 2,00,00,000 (Two Crores) shares of face value of Re. 1/- each.

RESOLVED FURTHER THAT the said securities may be allotted in accordance with the Scheme directly to such employees by the Company or through a Trust, which may be set up in any permissible manner, to enable the employees/trust to acquire, purchase or subscribe to the securities of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board and the Compensation Committee be and are hereby authorised to do all such acts, deeds, matters and things and to execute all such documents, instruments and writings as it may, in its absolute discretion, deem necessary or desirable.

RESOLVED FURTHER THAT the Board and / or the Compensation Committee be and are hereby authorised to settle all the questions, difficulties or doubts that may arise in relation to the implementation of the Scheme (including to amend or modify any of the terms thereof) and shares issued therein, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that the Members shall be deemed to have given their approval thereto expressly by authority of this resolution.

RESOLVED FURTHER THAT the provision of this resolution shall operate in addition to and not in derogation of the Special Resolution dated 4th April, 2008 and any amendment thereof dealing with managerial remuneration."

Notes:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 6th July, 2012 to Friday, 20th July, 2012 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. The final dividend for the financial year ended 31st March, 2012 as recommended by the Board, if approved at the meeting, will be paid on or after Friday, 27th July, 2012 to those Members whose names appear in the Company's Register of Members as on the book closure dates.
5. In accordance with the Articles of Association of the Company, all Directors (except Mr. Nitin Paranjpe, who has been elected as the Managing Director for a term of 5 years effective 4th April, 2008), retire every year and, if eligible, offer themselves for re-appointment at the Annual General Meeting. The relevant details of Directors seeking re-appointment under item no. 3 of the notice, are provided at page nos. 26-29 of this annual report.
6. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 and the Certificate from Auditors of the Company certifying that the '2001 HLL Stock Option Plan' and '2006 HLL Performance Share Scheme' are being implemented in accordance with The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, will be available for inspection at the Annual General Meeting.
7. Members holding shares in demat / electronic form are hereby informed that bank particulars registered with their respective depository participants will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat / electronic form for

any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

8. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. Karvy Computershare Private Limited / Investor Service Department of the Company.
9. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. Further, in line with recent circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' attached at the end of this Report (also available on our website www.hul.co.in), to M/s. Karvy Computershare Private Limited/ Investor Service Department of the Company. Members can use postage prepaid envelope enclosed with this Report for sending duly filled-in form to the Company. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.
10. Members are requested to share their valuable feedback by filling 'Shareholders' Satisfaction Survey' given at the end of this report and send it back in the postage prepaid envelope enclosed with this Annual Report. This will help to improve Shareholder Service Standards of the Company.
11. Members are requested to note that dividends not encashed / claimed within seven years from the date of declaration of dividend will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

The status of the dividends remaining unclaimed / unpaid with the respective due dates of transfer to IEPF is provided at page no. 60 of this annual report. Members are requested to contact M/s. Karvy Computershare Private Limited / Investor Service Department of the Company for encashing

the unclaimed dividend standing to the credit of their account.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited / Investor Service Department of the Company.
13. For the convenience of Members and for proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip, which is enclosed with the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
14. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Registered Office:
Unilever House,
B. D. Sawant Marg,
Chakala, Andheri East,
Mumbai 400 099

By Order of the Board



Dev Bajpai
Executive Director – Legal
and Company Secretary

Mumbai : 1st May, 2012

EXPLANATORY STATEMENT

Item No. 5

The Board of Directors of the Company had appointed Mr. O. P. Bhatt as an Additional Director of the Company with effect from 20th December, 2011. As per the provisions of Section 260 of the Companies Act, 1956, Mr. O. P. Bhatt will hold office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director.

The Company has received notices under Section 257 of the Companies Act, 1956 from certain Members of the Company along with the requisite amount, proposing appointment of Mr. O. P. Bhatt as Director of the Company liable to retire by rotation.

A brief resume of Mr. O. P. Bhatt including nature of his expertise is provided at page no. 29 of this annual report.

Mr. O. P. Bhatt may be deemed to be concerned or interested in the resolution relating to his appointment.

The copy of relevant resolution of the Board with respect to appointment of Mr. O. P. Bhatt is available for inspection by Members at the Registered Office of the Company during business hours on any working day till the date of the forthcoming Annual General Meeting.

The Board accordingly commends the Ordinary Resolution set out at item no. 5 of the accompanying Notice for approval of the Members.

Item Nos. 6 & 7

The Members of the Company, in the Extraordinary General Meeting held on 4th April, 2008, had appointed Mr. Nitin Paranjpe as Managing Director and CEO of the Company for a period of five years, with effect from 4th April, 2008. The current term of office of Mr. Nitin Paranjpe as a Managing Director and CEO of the Company is due to expire on 3rd April, 2013.

Under the able leadership of Mr. Nitin Paranjpe, the business of your Company has seen new heights of growth since the year 2008. In view of the vast experience and valuable contribution made by Mr. Nitin Paranjpe towards the growth of the Company, it is now proposed to re-appoint Mr. Nitin Paranjpe as the Managing Director and CEO of the Company for a further period of five years commencing from 4th April, 2013. The Board of Directors, in their meeting held on 1st May 2012, has approved the proposal for re-appointment of Mr. Nitin Paranjpe as Managing Director and CEO of the Company.

A brief resume of Mr. Nitin Paranjpe including nature of his expertise is provided at page no. 26 of this annual report.

The Members of the Company in the Annual General Meeting held on 4th April, 2008 had also approved the overall limits of remuneration for the Managing / Wholetime Director(s) of the Company. In view of the proposed re-appointment of Mr. Nitin Paranjpe as a Managing Director and CEO of the Company for a further period of five years, it is proposed to modify the maximum limits of remuneration for Managing Director(s) from existing maximum salary of Rs. 180 lakhs per annum to Rs. 290 lakhs per annum.

All other terms and conditions with respect to the overall limits of remuneration of Managing / Wholetime Director(s) including performance linked bonus / commission on profits and perquisites / benefits as approved by Members in the Annual General Meeting held on 4th April, 2008 shall remain unchanged.

The proposed revised limit of basic salary is the maximum limit and the Board and / or Committee thereof are authorised to fix remuneration for Managing Director(s) within the limits stipulated in the resolution. The actual salary increase shall be proposed based on the performance of the incumbent, market trends for salaries to such executive and the performance of the Company during the year and shall be approved by the Board

or duly appointed Committee thereof. The resolution is, thus, enabling in nature and character.

This may also be treated as the abstract and memorandum of interest for variation of the contract already in existence under Section 302 of the Companies Act, 1956.

Mr. Nitin Paranjpe may be deemed to be concerned or interested in the said resolutions. The Board commends the Special Resolution at item nos. 6 & 7 of the accompanying Notice for approval of the Members.

Item No. 8

The Members of the Company at the Annual General Meeting held on 22nd June, 2001 had approved the '2001 HLL Stock Option Plan'. This Stock Option Plan was modified and the revised '2006 HLL Performance Share Scheme' was adopted and approved by the Members of the Company at the Annual General Meeting held on 29th May, 2006. Accordingly, the Company has been granting stock options to the eligible employees under the '2006 HLL Performance Share Scheme'.

It is proposed to modify the '2006 HLL Performance Share Scheme' adopted by the Members at the Annual General Meeting held on 29th May, 2006, by adoption of '2012 HLL Performance Share Scheme' and for this purpose a draft Scheme setting out the revised terms and conditions was presented to the Remuneration and Compensation Committee and the same was approved at its meeting held on 6th February, 2012.

Under the '2006 HLL Performance Share Scheme', eligible employees were given conditional rights to receive shares in the Company, at the end of 3-year performance period. The performance measures under the '2006 HLL Performance Share Scheme' were Group underlying sales growth and free cash flow over a period of three years or any other performance condition as deemed appropriate by the Board. The Scheme also provided for 'Par Awards' for the managers at different work levels.

The '2006 HLL Performance Share Scheme' was introduced as a measure to reward and motivate employees as also to attract talent and retain key employees. On a review of the operating experience of the said Scheme and bearing in mind the changes in the global trends on management rewards, it is proposed to revise the approach of award of share options under the Scheme. Under the proposed Scheme, the Board and / or Compensation Committee shall approve an overall value for each Work Level of managers based on market study and comparison vis-à-vis other comparator companies at the end of every year. The eligible managers will be granted shares equivalent to the value approved by the Board and/ or Compensation Committee, based on the share price on the date of grant. The Awards granted shall vest on completion of 3-year period based on the Group's achievement on the performance conditions. The revised Scheme, therefore, seeks to protect the eligible managers from

share price volatility at the time of the award of shares under the Scheme.

The revised Scheme envisages the following benefits:

- Commitment of a total reward value to ensure market competitiveness.
- Protection of total reward opportunity to managers by ensuring a standard value at the time of grant.

The '2006 HLL Performance Share Scheme' inter alia, provides the maximum aggregate number of shares that can be granted to the management employees of the Company under the Scheme as 1,50,00,000 (One Crore and Fifty Lakhs) shares of face value Re. 1/- each. In order to enable the grant of stock options under the '2012 HUL Performance Share Scheme', it is proposed to amend the overall limit for maximum number of shares from 1,50,00,000 (One Crore and Fifty Lakhs) shares of face value of Re. 1/- each to 2,00,00,000 (Two Cores) shares of face value of Re. 1/- each. The proposed revised limits are the maximum limits and the Board and Committee thereof are authorised to grant share options in accordance with the terms of the '2012 HUL Performance Share Scheme' within the overall limits. The number of shares that can be granted under the proposed Scheme will be within the aforesaid limit after accounting for the Stock Options exercised under the '2001 HLL Stock Option Plan' and '2006 HLL Performance Share Scheme'. The proposed increase in the overall limit is, thus, enabling in nature and character and actual number of shares to be awarded will depend upon the eligibility criteria, including performance of the employees, share price of the Company, etc.

The broad terms of the Scheme are as follows:

Eligibility

The present as well as future employees in the management cadre of the Company including those on deputation / secondment at the instance of the Company will be entitled to participate in the Scheme subject to the applicable regulatory requirements and guidelines issued by SEBI. Managing Director(s) and Wholetime Director(s), being management employees of the Company, are also proposed to be covered by the Scheme.

Performance Targets

The number of shares which participants receive at the end of the performance period will depend upon the satisfaction of Unilever performance targets. The performance measures will be underlying sales growth, core operating margin improvement and operating cash flow. There will be a minimum and maximum range for each of these measures, with performance determined against each range over whole of the 3-year performance period.

The performance levels will be reviewed for each subsequent grant with a view to reflect market conditions and internal financing planning.

Vesting

Participants will only be entitled to receive shares subject to awards after the performance targets have been measured at the end of the performance period and on the basis determined by the Company. Participants have no rights in respect of shares subject to awards before vesting.

Amendment

The rules governing the Scheme can be amended by the Company as it deems fit. However, the provisions relating to the eligibility of employees, the Scheme limits, the individual limit for each participant's rights attached to awards of shares, the adjustment of awards in the event of a variation of share capital and the amendment powers cannot be altered to the advantage of participants without the prior approval of Members. However, if the amendments are minor and are designed to benefit the administration of the Scheme, to comply with legislation or changes thereto, then Members' approval is not required.

General

Awards granted under the Scheme are not transferable.

Termination

The Scheme will terminate on the tenth anniversary of the date of approval by shareholders, but the Company can terminate the Scheme at any time before that date.

Disclosure and Accounting policies

The Company shall comply with the disclosure and accounting policies prescribed by SEBI and any other appropriate authorities.

Since the shares under the '2012 HUL Performance Share Scheme' could be issued to the Managing / Wholetime Director(s) of the Company, Mr. Nitin Paranjpe, Mr. Sridhar Ramamurthy and Mr. Pradeep Banerjee, may be deemed to be concerned and interested in this resolution.

The Board has approved the proposed revised Scheme at its meeting held on 1st May, 2012, subject to approval of Members. The Board accordingly commends the Special Resolution set out at item no. 8 of the accompanying Notice for approval of the Members.

A copy of the '2012 HUL Performance Share Scheme' will be available for inspection by the Members on any working day from 2nd July, 2012 to 20th July, 2012 between 11.00 a.m. and 1.00 p.m.

Registered Office:
Unilever House,
B. D. Sawant Marg,
Chakala, Andheri East,
Mumbai 400 099

By Order of the Board



Dev Bajpai
Executive Director – Legal
and Company Secretary

Mumbai : 1st May, 2012