Remuneration Committee Chairman's Statement

I would like to take this opportunity to review the key principles that continue to underpin our remuneration framework.

The Committee recognises that the Company continues to have a number of important, distinct characteristics that drive its success. The global nature of the business, plus its relentless focus on performance provides a clear context for the Remuneration Committee's discussions regarding executive remuneration.

I would also like to highlight some of the key decisions made by the Remuneration Committee during the year:

- There has been a rebalancing of the new CEO and CFO remuneration packages to reflect their background and experience in comparison to the previous incumbents, as well as some changes made to the overall remuneration arrangements. The overall effect of these changes is to reduce the level of target remuneration in comparison to the previous incumbents.
- The Committee has updated the CEO's termination provisions so they are now aligned with best practice and limited to a maximum of 12 months' base salary.
- The Committee has determined that the compensation clawback provision in the Company's Code of Conduct is consistent with best practice.

Further information on the above is provided in the relevant sections of this report.

Global Nature of the Business

- Reckitt Benckiser operates in over 60 countries and its brands are sold in almost 200 countries. 90% of its business is done outside the UK;
- A culture of global mobility has helped create a diverse management team. There are seven nationalities amongst the nine members of the Executive Committee, and 47 nationalities within the Top 400 executive group. Many Executives are not currently based in their country of origin;
- Global mobility helps ensure the Company's Powerbrands and functional strategies are consistently and properly implemented. The accumulated expertise helps identify market opportunities that differentiates performance from the competition; and
- The Company competes for management skills and talent in a global marketplace. Consequently, pay and performance are benchmarked against a peer group of global FMCG companies.

Focus on Performance

- Effective remuneration tools relentlessly drive above 'industry average' performance. The Company has an impressive track record of delivering on this;
- To reinforce the performance-led culture, the Company positions aggregate elements of fixed pay at or below median market levels;
- Significant opportunities exist for performance-contingent variable reward (over 85% of the total package), and the Company seeks to provide an overall opportunity exceeding that of its competitors – but only when financial performance, and the value delivered to Shareholders, exceeds that of its competitors; and
- Every Senior Executive in the Group is required to think as an owner and to act in the interests of Shareholders. Long-established personal shareholding requirements support this objective with senior individuals required to hold shares at a level that is meaningful in terms of their own net worth. For the CEO, CFO and other Executives, these shareholding requirements are significantly above the market norm (rising to around 24 x base salary). This provides a strong alignment between Executives and Shareholders and ensures that all Senior Executives have a significant interest in the long-term sustainability of the business.

This philosophy and practical approach has guided the Committee's deliberations during the year, in particular:

- The annual bonus targets are genuinely challenging and higher levels of payout are only received when the Group out-performs its competitors; and
- The targets for our long-term incentives are set by reference to industry benchmark performance. Full vesting is only achieved if the Company significantly out-performs the industry benchmark. This approach continues to deliver superior performance and has given the Company a track record for delivering above industry levels of performance on a number of financial metrics. This financial performance translates directly into substantial returns for Shareholders.

Remuneration Packages for the new CEO and CFO

During 2011, Liz Doherty succeeded Colin Day as CFO and Rakesh Kapoor succeeded Bart Becht as CEO. The remuneration packages of the new incumbents were informed by the Company's remuneration philosophy, current market benchmarks and the relative experience of the individuals.

The packages for the new incumbents have resulted in an overall reduction of around 27% of the target remuneration paid to the CEO and around 15% for the CFO, when compared to the previous incumbents' packages and taking into account the fact that they are new to the role. This has arisen from a combination of a reduction in base salary, an increase in the target annual bonus opportunity, and a reduction in the long-term incentive award. More information may be obtained on each of these components of the remuneration package in the relevant sections of this report.

We acknowledge that management has been well remunerated over recent years. This is entirely consistent with the high levels of performance that have been achieved. The majority of the value delivered to incentivise employees is a direct result of superior share price performance: when Reckitt Benckiser listed in December 1999, the share price was around £6. It now stands at £31.80 at the 2011 year end. This growth significantly exceeds that of the FTSE 100 index over the same period, benefiting Shareholders as a whole. It is driven by strong underlying corporate financial performance.

Executive remuneration continues to be an important topic for investors. As Chairman of the Remuneration Committee, I speak directly with a number of our key Shareholders through the year, and meet face to face with many at least annually.

The Company's approach to remuneration is a fundamental part of its performance-driven culture, and delivers benefits to all our Shareholders.

Remuneration Committee

The Remuneration Committee of the Board (the 'Committee') is responsible for determining and reviewing the terms of employment and remuneration of the Executive Directors and Senior Executives. The remuneration principles established for this senior group of employees provide the framework for the remuneration packages of all other Executives. The Committee also has responsibility for determining the remuneration of the Chairman.

The Committee meets as necessary. In 2011 there were five meetings including one held by written resolution and one held by telephone conference. The Committee comprised four members in 2011, of whom one, Adrian Bellamy, is not considered independent since he has served on the Board for more than ten years. In accordance with the UK Corporate Governance Code 2010, the Chairman is permitted to sit on the Remuneration Committee if he was independent upon appointment as Chairman. This was the case with Adrian Bellamy.

Judith Sprieser has served as Chairman of the Committee since June 2004. She joined the Committee in November 2003. Graham Mackay has served on the Committee since February 2005, Adrian Bellamy since 1999, and Richard Cousins since 2009.

As well as reviewing Executive Directors' and other Senior Executives' base salaries and benefits, the Committee determines the short-term and long-term incentive arrangements that will apply. It aims to set challenging and demanding performance targets and to ensure that annual cash bonus and long-term incentive awards fully reflect the Company's performance. In carrying out its duties, the Committee takes into account the pay and employment conditions of the wider employees in the Group. For example, base salary increases for Executive Directors are no more than received by the wider workforce. The Committee's terms of reference are available on the Company's website.

Policy on Remuneration

The Committee's overriding objective is to ensure that the Group's remuneration policy encourages, reinforces and rewards the delivery of Shareholder value. It has been a key ingredient in the Group's success. The graphs below show that the Company has out-performed both the UK FTSE 100 and the US remuneration peer group in terms of Total Shareholder Return (TSR) over the last five years. £100 invested on 31 December 2006 in Reckitt Benckiser would have resulted in a shareholding worth £157 on 31 December 2011, compared to £108 and £132 if invested in the FTSE 100 and peer group respectively.

The Company operates a global remuneration policy. The core principles upon which that policy is based are as follows: first, in order to attract and retain the best available people, the Committee has – and will continue to adopt – a policy of executive remuneration based on competitive practice. The Company competes for management skills and talent in the same international marketplace as its main competitors, the vast majority of which are based in the US. For this reason, total remuneration for Executive Directors and other Senior Executives will be benchmarked against the upper quartile of a peer group comprising Reckitt Benckiser's main competitors, together with a range of comparable companies in the US FMCG industry. The second principle is to align the interests of Executive Directors and Senior Executives with those of Shareholders through a variable performance based compensation policy, with a significant proportion of the total package delivered in Company shares (and the Company's share ownership policy).

Variable pay is, and will continue to be, the major element of the Company's current Executive Directors' and Senior Executives' total compensation package. Accordingly, the Executive Directors' compensation package comprises, in addition to base salary, an annual cash bonus and share based incentives. Highly leveraged annual cash bonuses, linked to the achievement of key business measures within the year, are designed to stimulate the achievement of outstanding annual results.

To balance the achievement of short-term and long-term business measures, the Committee believes that longer-term share based incentives are also appropriate. In broad terms, if the Group achieves its target levels of performance, the variable elements will amount to over 85% of Executive Directors' total remuneration. If performance is unsatisfactory, then no cash bonuses will be paid and long-term incentives will not vest. In addition, the Remuneration Committee believes that the share ownership program obviates the need for a balancing capital measure in setting annual and long-term targets since the proportion of personal net worth that the Senior Executives have at risk in Company shares motivates them to act in manners consistent with the best interests of the rest of the Company's Shareholders.

The Company believes that the remuneration package in place (with its mix of fixed and variable pay) meets these core principles. This market-driven approach to remuneration requires regular review of policies. Changes will be discussed with Shareholders as appropriate.

Base Salaries

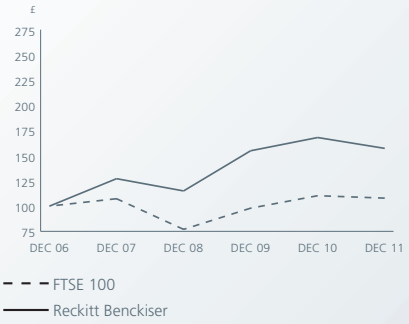
Base salaries are normally reviewed annually with effect from 1 January. Increases are determined by reference to competitive practice in the Company's remuneration peer group, individual performance and in the context of salary increases across the Group as a whole. The policy is that salaries for Executive Directors and other Executive Committee members should typically be at or below the median of competitor market practice.

The approach to reviewing the base salaries of Executive Directors is the same as that for other employees. Base pay increases for Executive Directors from 1 January 2011 were 2%, in line with typical base pay increases for Executives in Reckitt Benckiser. The base pay increase for Executive Directors from 1 January 2012 will once again be 2%, in line with typical base pay increases for the broader Senior Executive population. There is no base salary increase for Rakesh Kapoor from 1 January 2012, due to his relative tenure. Consequently, Rakesh Kapoor's base annual salary from 1 January 2012 will be £800,000 and Liz Doherty's will be £428,400.

As previously referenced, the base salaries set by the Committee for the new CEO and CFO are lower than that received by the previous incumbents as part of a broader review of the

Historical TSR performance

Growth in the value of a hypothetical £100 holding over five years. FTSE 100 comparison based on spot values.

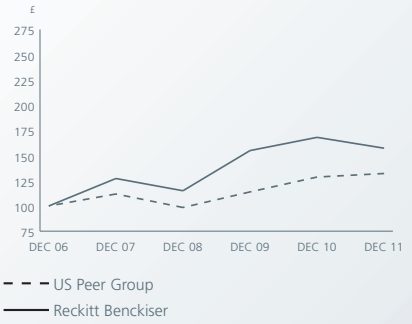


Notes

The graph above shows the performance of Reckitt Benckiser in terms of TSR performance against the UK FTSE 100 index over a five-year period and conforms to Schedule 8 of the Large and Medium sized Companies and Groups Regulations 2008. The index was selected on the basis of companies of a comparable size in the absence of an appropriate industry peer group in the UK.

Historical TSR performance

Growth in the value of a hypothetical £100 holding over five years. Peer group comparison based on spot values.



Notes

The graph above shows the performance of Reckitt Benckiser in terms of TSR performance against our current US remuneration peer group over a five year period. These companies include Church & Dwight, Clorox, Colgate-Palmolive, Johnson & Johnson, Sara Lee and Procter & Gamble.

remuneration package. The reduction was approximately 20% for the CEO position and approximately 5% for the CFO position.

Annual Cash Bonus

The annual cash bonus is closely linked to the achievement of demanding pre-determined targets geared to above-industry performance. The current performance measures are net revenue and net income growth. The Remuneration Committee sets performance standards each year, with reference to prevailing growth rates in the Company's peer group, and across the FMCG industry more broadly. Target bonus will only be earned where the Company's performance is above the industry median. Still more stretching percentage growth rates have been set above target, and the achievement of these delivers higher bonus payments for superior performance.

Based on the Company performance (when judged against the industry and the targets that were established at the start of the financial year), the Committee has decided to make an annual bonus award at 134% of base salary for the CEO and 101% of base salary for the CFO for 2011.

For 2012, as in 2011, the Executive Directors will participate in the annual cash bonus scheme under which they may receive 120% (CEO) and 90% (CFO) of base salary for achieving target performance. For the achievement of outstanding performance (which the Board sets at a level approximately double the industry median), the bonus potential is 428% (CEO) and 321% (CFO) of base salary. The bonus target opportunity for 2012 has been increased for the new incumbents as part of a broader change to the remuneration package which also sees a reduction in base salary and long-term incentive levels. The 2011 target annual bonus opportunity for the CEO was 100% of base salary, and 75% in the case of the CFO.

Similar incentive arrangements are used for other Executives worldwide. The terms and conditions of the annual cash bonus program afford the Company the right to seek redress and damages from an individual(s) who has been found to have breached the Company's Code of Business Conduct, irrespective of the position and location the individual(s) might hold, in or out of the Company, at the time the breach of the code of conduct comes to light. This includes the Company's right to require an individual to repay any costs incurred through a breach of the code of conduct from any bonus payment made in the year the breach/costs were incurred. Annual bonuses are not pensionable. The Committee also reserves the right, in exceptional circumstances, to make individual cash awards.

Long-term Incentives

The Committee believes that a significant element of share based remuneration makes sure the financial interests of the Executive Directors and other key Executives are aligned with those of Shareholders. This is underpinned by a significant share ownership requirement placed on Senior Executives, with penalties for non-compliance. This is described in more detail below.

Long-term incentives comprise a mix of share options and performance shares. Both the levels and combination of share options and performance shares are reviewed annually, with reference to competitive market data and the associated cost of share provision.

The Committee benchmarks total remuneration for Executives against the upper quartile of its peer group. This is then delivered through a combination of base salary, annual cash bonus and long-term incentives. The Company's long-term incentives (and those of the peer group) are valued using an expected value methodology (Black-Scholes). This is a widely accepted valuation and enables like-for-like comparisons.

As previously referenced, the Committee has reduced the 2012 award levels for the new incumbents in the positions of CEO and CFO. This will be reviewed annually and adjusted if appropriate in light of their performance and market place comparisons. The 2012 award level is around a third less in the case of the CEO position, and 25% less for the CFO position.

The use of performance conditions attached to the vesting of all long-term incentive awards is still a minority practice among Reckitt Benckiser's peer group. However, the Committee believes that the vesting of the Company's options and performance share awards should be subject to the satisfaction of appropriate performance conditions.

Long-term incentives will only vest subject to the achievement of earnings per share (EPS) growth targets that exceed industry benchmarks. EPS has been selected as the performance condition for three reasons:

- It focuses Executives on real profit growth;
- It provides the most appropriate measure of the Company's underlying financial performance; and
- It is a measure that the performance of the Executive Directors can directly impact.

EPS is measured on an adjusted diluted basis, as shown in the Company's reported accounts, as this provides an independently verifiable measure.

The vesting schedule for the options and performance shares rewards superior performance. For 2012, the Committee has set the same targets and levels of awards as in the previous year, due to: the industry context in which the Company operates; sensible expectations of what will constitute performance at the top of the peer group; and factors specific to the Company.

For the full vesting of options and performance shares, the Committee has set an exceptional performance target of an average EPS growth of 9% per year. This is equivalent to almost 30% over a three-year period. The threshold when options and shares start to vest is when EPS grows by an average of 6% per year. This is equivalent to 19% over a three-year period. The Committee considers that this exceeds the industry growth average, based on past and future expected performance.

Average EPS growth per year (%)	EPS growth over three years (%)	% of options and shares vesting
9	29.5	100
8	26.0	80
7	22.5	60
6	19.1	40

The Committee has decided that the performance target attached to the vesting of awards to Executive Directors, EVPs and other Senior Executives will not be subject to re-testing. This means if any target has not been met three years after the date of grant, any remaining shares which have not vested will lapse.

If the performance condition is met, then the option term is ten years from the date of grant. Awards under the long-term incentive plans are not pensionable.

Share Ownership Policy

Executive Directors and other Senior Executives are subject to a compulsory share ownership policy. This is to emphasize the alignment of Senior Executives to the Company and its business targets.

In order to fulfill the share ownership policy, Executive Directors and other Senior Executives must own the following number of shares:

Individual/Group	Share ownership requirement
CEO (1)	600,000
CFO/EVPs (6)	200,000
Other senior executives (29)	30 – 50,000

The total number of ordinary shares held by Rakesh Kapoor at 31 December 2011 was 244,875. The total number of ordinary shares held by Liz Doherty at 31 December 2011 was 7,000.

These shareholding requirements (equating to around seven times base salary, up to around 24 times in the case of the CEO) are significantly more stringent than market practice. Executives, including those newly-recruited or promoted into Senior Executive positions, are allowed eight years to reach these targets. Rakesh Kapoor and Liz Doherty have both exceeded their pro-rated target levels based on tenure.

If the Executive does not meet these requirements within the required time period, the Committee will not make any further option grants or awards of performance shares to the Executive until the targets have been met. Further, if, in the Committee's opinion, an Executive is not making sufficient progress towards satisfying the requirement, then the level of grants and awards will reduce, until improvement is demonstrated.

Long-term incentive awards and options that were outstanding at the end of the year are disclosed in Table 3 on page 34.

Pensions

In line with the Committee's emphasis on the importance of only rewarding the Executive Directors for creating Shareholder value, the Group operates a defined contribution pension plan: the Reckitt Benckiser Executive Pension Plan. Rakesh Kapoor and Liz Doherty are both members of this plan.

Rakesh Kapoor's Company pension contribution as CEO was 30% of pensionable pay during 2011. Liz Doherty's Company pension contribution was 17.5% of pensionable pay in 2011.

Following the introduction of the reduced Annual Allowance in the Finance Act 2011, contributions to the Plan are limited currently to £50,000 per annum, with the balance of the promised pension contribution being paid as a cash allowance in lieu.

Service Contracts

The service contract for the CEO, Rakesh Kapoor, is rolling and is terminable on 12 months' notice. The service contracts for the CFO is rolling and terminable on six months' notice. Termination payments may include payment in lieu of notice, and for Liz Doherty will provide liquidated damages of six months' base salary plus six months' bonus calculated as one half of the average of the actual bonus paid (if any) in the two years up to termination. The Committee is reviewing the CFO's contract with the objective in mind to bring it in line with the market best practices. Both contracts reflect change from the previous terms that applied to Bart Becht and Colin Day whose termination payments may include payment in lieu of notice and liquidated damages of six months' base salary plus 12 months' bonus calculated as the average of the annual bonus paid (if any) in the two years up to termination. The service contracts for current Executive Directors are detailed on Table 4 of the Directors' Remuneration Report.

Non-Executive Directors do not have service agreements, and have historically been subject to re-election by Shareholders every three years. In line with the new Governance Code guidelines, we are proposing that in future all Directors will be put up for re-election on an annual basis starting with the 2012 Annual General Meeting.

Remuneration policy for the Chairman and Non-Executive Directors

The Board, in the light of recommendations from the CEO, Rakesh Kapoor and the CFO, Liz Doherty determines the remuneration of the Non-Executive Directors.

Non-Executive Directors' remuneration consists of fees for their services in connection with Board and Board Committee meetings. It is the policy of the Board that Non-Executive Directors are not eligible for pension fund membership and will not participate in any of the Company's bonus, share option or long-term incentive schemes. There are no plans to change this policy.

The fee structure for 2011 is set out in Table 1 below. Fee levels are reviewed every two years, with external advice taken on best practice and competitive levels, taking into account the responsibilities and time commitment of each Non-Executive Director. The scheduled review during 2010 concluded the only change required for 2011 was to increase the fee for Chairmanship of the Audit Committee and Remuneration Committee from £15,000 to £20,000 with effect from 1 January 2011.

External Appointments

Rakesh Kapoor and Liz Doherty do not hold any external appointments.

The Process of the Committee

The Committee has formally appointed Deloitte LLP as its external and independent adviser and, during the year, they have provided advice to the Board on executive compensation levels, structure and design. Deloitte also provided the Group with international transfer tax compliance and global mobility services and ad-hoc advice on employment/share schemes matters during 2011. These services are provided under separate engagement terms and the Committee are satisfied that the provision of these services does not impair Deloitte's ability to advise the Committee independently.

Internal advisers include Rakesh Kapoor, CEO, and Simon Nash, SVP Human Resources. No individual is present when their own remuneration is being discussed. The Committee has the discretion to consider corporate performance on environmental, social and governance (ESG) issues when setting remuneration of Executive Directors; and has oversight that the incentive structure for senior management does not raise ESG risks by inadvertently motivating irresponsible behaviour. Throughout 2011, the Company complied with the relevant sections of the UK Corporate Governance Code.

The Directors' Remuneration Report has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and meets the relevant requirements of the Financial Services Authority's Listing Rules.

Approved by the Board on 9 March 2012 and signed on its behalf by:

Judith Sprieser
Chairman of the Remuneration Committee

The following information in tables 1 to 4 on pages 32 to 35 comprises the auditable disclosures of the Directors' Remuneration Report.

Table 1 – Chairman and Non-Executive Director fee structure for 2011

	Chairman £	Deputy Chairman £	Chairmen of Remuneration Committee and Audit Committee £	Senior Independent Director £	Other Non- Executive Directors £
Basic fee payable in cash	283,000	65,500	61,500	61,500	61,500
Basic fee payable in shares	62,000	14,500	13,500	13,500	13,500
Committee membership fee	–	10,000	–	10,000	10,000
Committee chairmanship fee	–	–	20,000	–	–
Senior Independent Director fee	–	–	–	7,000	–
Total	**345,000**	**90,000**	**95,000**	**92,000**	**85,000**

Table 2 – Remuneration disclosures

	Notes	Base salary and fees £000	Bonus £000	Benefits in kind £000	Other payments £000	Pension contri-butions £000	2011 Total £000	2010 Total £000
Chairman								
Adrian Bellamy	1	**345**					**345**	345
Executive Directors								
Rakesh Kapoor (appointed 1 September 2011)	2	**267**	**357**	**5**	**90**	**17**	**736**	–
Bart Becht (retired 1 September 2011)	2	**684**	**917**	**11**	**236**	**76**	**1,924**	4,178
Liz Doherty (appointed 8 February 2011)	2	**375**	**377**	**1**	**109**	**48**	**910**	–
Colin Day (left 8 February 2011)	2	**47**	**47**	**5**	**1,955**	**12**	**2,066**	1,473
Non-Executive Directors								
Richard Cousins	3	**85**					**85**	85
Peter Harf	3	**90**					**90**	90
Kenneth Hydon	3	**95**					**95**	90
André Lacroix	3	**85**					**85**	85
Graham Mackay	3	**92**					**92**	92
Judith Sprieser	3	**95**					**95**	90
Warren Tucker (appointed 24 February 2010)	3	**85**					**85**	70
Total		**2,345**	**1,698**	**22**	**2,390**	**153**	**6,608**	6,598

Notes

1. Adrian Bellamy's fees as Chairman for 2011 were £345,000. These fees include £62,000 (gross), the net amount of which was applied to buy ordinary shares in the Company. These shares must be retained by Adrian Bellamy while in office.
2. The remuneration reported under 'Other payments' in respect of Rakesh Kapoor comprises: car allowance, international transfer-related benefits and the balance of the promised pension contribution paid as cash. For Bart Becht, it comprises: car allowance, international transfer-related benefits and cash in lieu of participation in the pension plan from 1 April. For Liz Doherty it comprises: car allowance, relocation benefits, and the balance of the promised pension contribution paid as cash. For Colin Day it comprises: car allowance and payment in relation to the cessation of his employment with the Company based on his historical (2003) contractual terms and Company policy (the opportunity was taken to amend the termination terms for the current Executive Directors as referenced earlier in this report on page 30, and payment is now limited to 12 months base salary for the CEO and six months base salary in addition to half of the average past two years bonus for the CFO).
3. Non-Executive Director fees include £13,500 (gross), and £14,500 (gross) in the case of Peter Harf, the net amount of which was applied to buy ordinary shares in the Company. These shares must be retained by the Director while in office.
4. The total emoluments of the Directors of Reckitt Benckiser Group plc as defined by section 412 the Companies Act were £6,455,000 (2010: £6,168,000).
5. The aggregate gross gains made by the Directors on the exercise of share options and vesting of restricted shares during the year were £10,211,160 (2010: £18,811,782). The gains are calculated based on the market price at the date of exercise for share options and vesting of restricted shares, although the shares may have been retained and no gain realised.
6. The total emoluments of Rakesh Kapoor (excluding pension contributions) were £719,000. Total emoluments of Liz Doherty (excluding pension contributions) were £862,000.

Pensions

During 2011 Rakesh Kapoor and Liz Doherty were both members of the Reckitt Benckiser Executive Pension Plan. This is a defined contribution plan, with a standard company contribution rate of 30% of pensionable pay for Rakesh Kapoor as CEO and 17.5% for Liz Doherty as CFO. Following the introduction of the reduced Annual Allowance in the Finance Act 2011, contributions to the Plan are limited currently to £50,000 per annum, with the balance of the promised pension contribution being paid as a cash allowance in lieu.

Table 3 – Directors' options and restricted share awards

Table 3 sets out each Directors' options over or rights to ordinary shares of the Company under the Company's various long-term incentive plans. The middle market price of the ordinary shares at the year end was £31.80 and the range during the year was £30.15 to £36.17.

Long-term incentives	Notes	Grant date	Held on appointment	Granted subsequent to appointment	Exercised/ vested subsequent to appointment	At 31.12.11	Option price (£)	Market price at date of award (£)	Market price at date of exercise/ vesting (£)	Exercise/ vesting period
Liz Doherty (appointed 8.2.11)										
Options	1	5.12.11		90,000		90,000	32.09			May 15–Dec 21
Performance-based restricted shares	1	9.2.11		10,000		10,000		32.70		May 2014
	1	5.12.11		45,000		45,000		32.19		May 2015
Rakesh Kapoor (appointed 1.9.11)										
Options	1	11.12.07	120,000			120,000	29.44			May 11–Dec 17
	1	8.12.08	180,000			180,000	27.29			May 12–Dec 18
	1	7.12.09	180,000			180,000	31.65			May 13–Dec 19
	1	1.12.10	180,000			180,000	34.64			May 14–Dec 20
	1	5.12.11		400,000		400,000	32.09			May 15–Dec 21
Performance-based restricted shares	1	8.12.08	60,000			60,000		27.80		May 2012
	1	7.12.09	60,000			60,000		31.80		May 2013
	1	1.12.10	60,000			60,000		34.04		May 2014
	1	5.12.11		200,000		200,000		32.19		May 2015

Sharesave Scheme	Grant date	Held on appointment	Granted subsequent to appointment	Exercised subsequent to appointment	Lapsed subsequent to appointment	At 31.12.11	Option price (£)	Market price at exercise (£)	Exercise period
Liz Doherty (appointed 8.2.11)	26.8.11		327			327	27.57		Feb 15–July 15
Rakesh Kapoor (appointed 1.9.11)	8.9.08	796				796	21.92		Feb 16–July 16

Long-term incentives	Notes	Grant date	At 01.01.11	Granted prior to cessation of directorship	Lapsed prior to cessation of directorship	Exercised/ vested prior to cessation of directorship	At date of cessation of directorship	Option price (£)	Market price at date of award (£)	Market price at date of exercise/ vesting (£)	Exercise/ vesting period
Bart Becht (resigned 1.9.11)											
Options	1	8.12.06	800,000				800,000	22.57			Mar 10–Dec 16
	1	11.12.07	600,000				600,000	29.44			May 11–Dec 17
	1	8.12.08	600,000				600,000	27.29			May 12–Dec 18
	1	7.12.09	600,000				600,000	31.65			May 13–Dec 19
	1	1.12.10	600,000				600,000	34.64			May 14–Dec 20
Performance-based restricted shares	1	11.12.07	300,000			300,000			29.72	34.04	May 2011
	1	8.12.08	300,000				300,000		27.80		May 2012
	1	7.12.09	300,000				300,000		31.80		May 2013
	1	1.12.10	300,000				300,000		34.08		May 2014
Colin Day (resigned 8.2.11)											
Options	1, 3	11.12.07	120,000				120,000	29.44			May 11–Dec 17
	1	8.12.08	120,000				120,000	27.29			May 12–May 13
	1	7.12.09	120,000				120,000	31.65			May 12–May 13
Performance-based restricted shares	1	11.12.07	60,000				60,000		29.72		May 2011
	1	8.12.08	60,000				60,000		27.80		May 2012
	1	7.12.09	60,000				60,000		31.80		May 2012

Sharesave Scheme	Grant date	At 01.01.11	Granted during the year	Exercised during the year	Lapsed during the year	At date of cessation of directorship	Option price (£)	Market price at exercise (£)	Exercise period
Bart Becht (resigned 1.9.11)	4.9.06	1,011				1,011	16.90		Feb 14–July 14

Notes

1. Vesting of long-term incentives is subject to the achievement of the following compound average annual growth (CAAG) in earnings per share over a three year period.

				Proportion of grant vesting (%)
	40	60	80	100
CAAG for long-term incentives granted in December 07-11	6	7	8	9

2. The grant made in December 2007 vested in full in May 2011. The Company exceeded its target compound average actual growth (CAAG) in earnings per share over a three year period (2006-2009) of 9%.

3. Subsequent to leaving employment, 60,000 restricted shares vested and 120,000 options were exercised by Colin Day, both granted on 11 December 2007.

Table 4 – Service contracts for Executive Directors

	Date of original service contract	Dates of amendment	Notice period	Compensation for early termination
Rakesh Kapoor	14 April 2011	27 February 2012	12 months	1x base salary
Liz Doherty	16 November 2010	n/a	6 months	0.5x base salary and 0.5x average bonus in previous 2 years