

**RECKITT BENCKISER GROUP PLC**  
**ADOPTED BY RESOLUTION, 4 SEPTEMBER 2007**

**REMUNERATION COMMITTEE TERMS OF REFERENCE**

1. The Remuneration Committee shall exercise the following powers and discretions for the purpose of:
  - 1.1 making recommendations to the Board on the Company's framework for the remuneration of the Chairman, executive Directors and members of the Executive Committee;
  - 1.2 determining the specific remuneration packages (including pension rights) and compensation packages on employment or early termination of office for each of the executive Directors of the Company and members of the Executive Committee; and
  - 1.3 determining the general remuneration policy for senior executives.
2. The Remuneration Committee shall not discuss, or pass resolutions in respect of, the remuneration of, or the terms of any consultancy agreement with, any non-executive Director (which shall be a matter for the Board itself upon proposals from the Executive Directors).
3. The Remuneration Committee will not determine any matter which the Board shall advise the Remuneration Committee is reserved to be determined by the Board.
4. The quorum for decisions of the Remuneration Committee shall be any two members.
5. In carrying out its duties under these terms of reference the Remuneration Committee will have regard to the Combined Code on Corporate Governance.
6. The Remuneration Committee shall consist exclusively of non-executive Directors, the majority of whom will be independent in accordance with the Combined Code, with no personal financial interest other than as shareholders in the matters to be decided, no potential conflicts of interest arising from cross-directorships and no day-to-day involvement in running the business. The Company Secretary or the SVP Human Resources shall act as Secretary of the Remuneration Committee.
7. The members of the Remuneration Committee shall be listed each year in the Company's annual report..
8. There shall be a minimum of three members of the Remuneration Committee who will normally serve for a period of not less than three years unless determined otherwise with the agreement of the Board and subject to the normal periodic re-election of Directors. In appointing members of the Remuneration Committee the Board will consider the recommendations of the Combined Code.
9. Meetings of the Remuneration Committee shall be held as and when appropriate but at least twice a year, normally before or after regular meetings of the full Board but formal meetings may be held by telephone, and resolutions passed in writing subject to the provisions of the Articles of Association. The CEO will normally be invited to attend meetings of the Remuneration Committee but will not participate in discussions relating to his own remuneration.
10. The Secretary shall circulate the Minutes of the Remuneration Committee's meetings to all members of the Committee and, once agreed, unless a conflict of interest exists, to all members of the Board.
11. The Remuneration Committee in carrying out its duties under these terms of reference will aim to give the executive Directors every encouragement to enhance the Company's performance and to ensure that they are fairly, but responsibly, rewarded for their individual contributions.

Without prejudice to the generality of the terms of the Remuneration Committee set out above, the Remuneration Committee will:

- have regard to the Combined Code and the Listing Rules of the UK Listing Authority;
  - operate the Company's Long Term Incentive schemes, determine grants of options and restricted shares to be made to executive Directors, review and approve recommended grants to the members of the Executive Committee, senior executives and other employees and determine any performance conditions to apply to the vesting of awards;
  - review the terms of executive Directors' service agreements and those of members of the Executive Committee;
  - in considering specific remuneration packages for executive Directors and members of the Executive Committee, review and approve basic salary, any benefits in kind, any annual bonuses, participation in any long term incentive plans and any pension entitlement.
  - ensure that the chairman is available to answer questions on Remuneration Policy and practice at Annual General Meetings;
  - consult with the Chairman of the Company and the CEO in formulating the Remuneration Committee's remuneration policy and when determining specific remuneration packages (other than in respect of the Chairman and CEO);
  - prepare the Remuneration report to shareholders as required by the Combined Code and the Listings Rules of the UK Listing Authority for review and adoption by the Board prior to publication to shareholders;
  - ensure that the Company maintains a competitive level of executive reward whilst maintaining an appropriate level of individual incentivisation within each package to encourage maximum performance; and
  - keep the CEO fully informed of its actions.
12. All decisions of the Remuneration Committee in respect of the remuneration of the executive Directors and members of the Executive Committee shall be referred to the Board of Directors and shall take effect only upon approval thereof by resolution of a Board meeting, provided that the Board shall only have the power to approve without modification or reject the decisions of the Remuneration Committee. No Director shall be entitled to vote or be counted in the quorum in respect of any resolution relating to his own remuneration.
13. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.
14. The Board authorises the Remuneration Committee:
- 14.1 to investigate any matter within its terms of reference and seek any information it requires from any employee (all employees being directed to co-operate with any such request by the Committee);
  - 14.2 to obtain outside legal or other independent professional advice at the cost of the Company and to secure the attendance of outsiders with relevant experience and expertise if the Remuneration Committee considers this necessary.
  - 14.3 The Board authorises the chairman of the Remuneration Committee to attend the Annual General Meeting of the Company and respond to any questions from shareholders.

