

Remuneration report

This Remuneration report forms part of the Directors' report and covers the following information:

- description of the *Remuneration committee* and its duties;
- description of the policy on directors', executives' and the company secretaries' remuneration;
- summary of the terms of executives' service contracts and non executive directors' letters of appointment;
- details of each executive's remuneration and awards under long term incentive plans and the link to corporate performance;
- details of executives' interests in Rio Tinto shares; and
- graphs illustrating Group performance, including relative to the HSBC Global Mining Index.

INTRODUCTION

Rapid change characterised the environment faced by Rio Tinto in 2008. While focused work continued throughout the year on the integration of Alcan, and the industry experienced strong commodity prices well into the third quarter, the sharp global and industry downturn in the fourth quarter necessitated quick action to compensate for the sharp change in revenues and significant fixed costs. The year also proved challenging due to the unsolicited pre-conditional offer from BHP Billiton, which occupied eleven months of the year and created significant uncertainty for employees. It also constrained Rio Tinto's ability to take actions to enhance the alignment between the remuneration structure and business and people priorities, which are key to shareholder value creation.

Rio Tinto has pursued a divestment strategy during 2008 which was hampered by the global credit crisis. A significant number of employees are in businesses that have been identified for divestment, which presents a unique human resources challenge when the divestment process is extended over many months.

As announced at the end of 2008, Rio Tinto is continuing to rationalise its workforce and its assets in response to the downturn, and to use cash flows to repay the existing level of debt. In close collaboration with management, Rio Tinto is working to establish the delicate balance that is required between the needs of Rio Tinto employees and their families, the communities in which its people and assets are located, and its shareholders. Rio Tinto continues to believe that our people are amongst its most important assets, and to treat them with respect is in the best interests of everyone and consistent with its profile as a world class organisation.

Consistent with the challenging economic environment, the Company took steps to conserve cash in 2009 including granting no increases in salary at the

executive director and product group chief executive level and minimal increases below this level. Despite the economic conditions, the Company achieved near target earnings for 2008. To enhance alignment of executives with shareholders and to support retention in the current environment, the committee introduced a 100 per cent mandatory deferral of any bonus payable into shares at the product group chief executive level and above and a 50 per cent deferral for other senior executives.

Remuneration committee

The following independent, non executive directors were members of the committee during 2008:

- Andrew Gould (chairman from 24 April 2008)
- Sir Richard Sykes (chairman until 24 April 2008)
- Sir David Clementi
- Michael Fitzpatrick
- Richard Goodmans
- Paul Tellier

The committee met seven times during 2008 and members' attendance is set out on page 160. The committee's responsibilities are set out in its terms of reference which have been approved by the Board and may be viewed in the corporate governance section of the website. They include:

- recommending executive remuneration policy to the board;
- reviewing and determining the terms of service, including remuneration and any termination arrangements, for the chairman, executive directors, product group chief executives and the company secretary of Rio Tinto plc;
- reviewing and confirming the remuneration and conditions of employment strategy for other senior managers;
- recommending share-based long term incentive plans to the board; and
- monitoring the effectiveness and appropriateness of executive remuneration policy and practice.

The global head of Human Resources, Hugo Bague, and Jane Craighead, global practice leader, Total Rewards attended committee meetings in an advisory capacity. The chairman, Paul Skinner and the chief executive, Tom Albanese, participated in meetings at the invitation of the committee during 2008, but were not present when their own individual remuneration was discussed. Ben Mathews, the company secretary of Rio Tinto plc, acts as secretary to the committee, but was not present when his own remuneration was discussed.

The committee appointed Deloitte LLP in 2008 to provide it with independent advice on executive remuneration matters. Deloitte LLP also provides taxation advice to the Group mainly related to Rio Tinto's share plans as well as providing unrelated taxation

and consulting advice. To carry out its duties in accordance with its terms of reference, the committee monitors global remuneration trends and developments and draws on a range of external sources of data, in addition to that supplied by Deloitte LLP, including publications by other remuneration consultants such as Towers Perrin, Hay Group, Mercer and Watson Wyatt.

Corporate governance

The committee reviewed its terms of reference in 2008 and concluded that, in the course of its business, it had covered the duties set out in the Combined Code on Corporate Governance, published by the UK Financial Reporting Council (the Code), complied with Principle 8 of the revised Australian Securities Exchange Corporate Governance Principles and Recommendations (the ASX Principles), and was constituted in accordance with the requirements of the Code and the ASX Principles. The performance of the committee was evaluated in 2008 which confirmed that it had satisfactorily performed the duties set out in its terms of reference.

EXECUTIVE REMUNERATION

Rio Tinto is subject to a number of different reporting requirements for the contents of this Remuneration report. Whilst UK disclosure requirements relate to the directors, the Australian Corporations Act and regulations both require disclosures for "key management personnel". The Australian Corporations Act also requires disclosures in respect of the five highest paid executives below board level.

The board has considered the definition of "key management personnel" and has decided that, in addition to the executive and non executive directors, they comprise the product group chief executives and the Group executive Business Resources.

The board also considered the definition of five highest paid executives below board level and has decided that, based on the criteria to determine this group of senior management, these executives will be selected from a population comprising key management personnel and members of the Rio Tinto executive committee. In addition to the key management personnel, the following members of senior management are therefore included in this report: Hugo Bague, global head of Human Resources, Debra Valentine, global head of Legal and Grant Thorne, Group executive Technology and Innovation.

Throughout this report, the executive directors, product group chief executives, Group executive Business Resources and the five highest paid executives below board level will collectively be referred to as the "executives".

This represents a change to the normal ranking of remuneration observed in prior years in which the product group chief

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executives and Group executive Business Resources were both the key management personnel and the five highest paid executives below board level. 2008 was an unusual year in that the fall in the share price since November 2008 resulted in a negative adjustment to the IAS 24 values for share awards under the Mining Companies Comparative Plan (MCCP). The most senior executives experienced the largest negative accounting adjustment thereby resulting in a re-ordering of the senior executives in terms of total remuneration based on the IAS 24 valuation.

During the period since year end, Rio Tinto has announced senior management changes which affect the executive group defined above. On 12 January 2009, Dick Evans, executive director and chief executive Rio Tinto Alcan, indicated his intention to retire on 20 April 2009. He will continue to act as an adviser to the Company for the remainder of his contract to 31 December 2009 and to assist with the transition and integration of Rio Tinto Alcan. Jacynthe Côté was named as chief executive, Rio Tinto Alcan on 1 February 2009. In addition, from 1 February 2009, the responsibilities of the Business Resources function were incorporated into other functions and the Group executive Business Resources, Keith Johnson will be leaving the Group.

Board policy

Rio Tinto operates in global, as well as local markets, where it competes for a limited resource of talented executives. It recognises that, to achieve its business objectives, the Group needs high quality, committed people. Rio Tinto has therefore designed an executive remuneration policy to support its business goals by enabling it to attract, retain and appropriately reward executives of the calibre necessary to deliver very high levels of performance. This policy is regularly reviewed to take account of changing market, industry and economic circumstances, as well as developing Group requirements. The main principles of the Group's executive remuneration policy are:

- to provide total remuneration which is competitive in structure and quantum with Global comparator companies' practices;
- to achieve clear alignment between total remuneration and delivered business and personal performance, with particular emphasis on both short term business performance and long term shareholder value creation and performance relating to health, safety and the environment;
- to link variable elements of remuneration to the achievement of challenging performance criteria that are consistent with the best interests of the Group and shareholders over the short, medium and long term;
- to provide an appropriate balance of fixed and variable remuneration; and
- to provide internal equity between

executives within Rio Tinto and to facilitate the movement of executives within Rio Tinto to meet the needs of the Group.

Consistent with the Company's business strategy to have high quality long term mining assets, the Company seeks to achieve a remuneration mix which best reflects the long term nature of the business. Rio Tinto aims to move towards a greater portion of remuneration being in long term incentives. The Company deferred bringing a proposal to shareholders to enhance the variable components of pay as a percentage of total remuneration due to the economic environment and the challenges facing the mining industry in particular, and implemented a bonus deferral programme instead. The Company will continue to review the remuneration structure to improve its alignment with the business strategy.

The composition of total remuneration packages is designed to provide an appropriate balance between fixed and variable components. This is in line with Rio Tinto's objective of aligning total remuneration with personal and business performance. Details of the executives' remuneration are set out in Table 1 on pages 152 and 153. The Group's return to shareholders over the last five years is set out in the table on page 147.

Remuneration components

Base salary

Base salaries are reviewed annually against a global comparator group for the most senior executives and adjusted as appropriate, taking into account the nature of the individual executive's role, external market trends and business and personal performance. The committee uses a range of international companies of a similar size, global reach and complexity to make this comparison. As stated above, the committee has agreed that for 2009 there would be no increase in the base salaries of the executive directors and product group chief executives with minimal increases below this level.

Executive remuneration is explicitly related to business performance through the following long and short term arrangements:

Short term incentive plan (STIP)

STIP is an annual bonus plan, designed to support overall remuneration policy by:

- focusing participants on achieving calendar year performance goals which contribute to sustainable shareholder value; and
- providing significant bonus differential based on performance against challenging personal, business, and other targets, including safety.

The committee reviews and approves the individual performance of executives against relevant targets and objectives at the end of each year. STIP payments to executive directors, the Group executive Business

Resources, the global head of Human Resources, and the global head of Legal are linked to three performance criteria: Group financial performance, Group safety performance and personal performance. In the case of Dick Evans, the applicable criteria are product group financial performance, Group and product group safety performance as well as personal performance. STIP payments for the other product group chief executives and the Group executive of Technology and Innovation are linked to Group and product or business support group financial and safety performance, as appropriate, as well as personal performance.

The target level of annual bonus for executive directors, product group chief executives and group executives for 2009 is 60 per cent of salary, the same as 2008. The targets for the global head of Human Resources and the global head of Legal are 50 per cent and 55 per cent respectively in 2008. Executives may receive up to twice their target (eg up to 120 per cent of base salary in the case of the executive directors and product group executives) for outstanding performance against all criteria. Rio Tinto applies the following guidelines in the calibration of threshold (90 per cent probability of achievement), target (70 per cent probability of achievement) and outstanding (20 per cent probability of achievement).

Details relating to STIP awards for 2008 are on pages 146 to 149.

Long term incentives

Shareholders approved two long term incentive plans at the annual general meetings in 2004, the Share Option Plan and the Mining Companies Comparative Plan. These plans are intended to provide the committee with a means of linking executives' rewards to Group performance. Total shareholder return (TSR) was, at the time of their introduction, considered the most appropriate measure of company performance and continues to be used for 2008. Long term incentives are not pensionable.

Share Option Plan (SOP)

Each year, the committee considers whether a grant of options should be made under the SOP and, if so, at what level. In arriving at a decision, the committee takes into consideration the personal performance of each executive as well as competitive benchmarking. The maximum face value grant under the SOP is three times the base salary of the executive. Under the SOP, options are granted to purchase shares at an exercise price based on the share price at time of grant. No options are granted at a discount and no amount is paid or payable by the recipient upon grant of the options. Grants made to executives are set out in Table 5 on page 157.

No options will become exercisable unless the Group has met stretching TSR

performance conditions. In addition, before approving any vesting and regardless of performance against the respective performance conditions, the committee retains discretion to satisfy itself that the TSR performance is a genuine reflection of the value available to shareholders.

Under the SOP, vesting is subject to Rio Tinto's TSR equalling or outperforming the HSBC Global Mining Index over a three year performance period. Rio Tinto's TSR is calculated as a weighted average of the TSR of Rio Tinto plc and Rio Tinto Limited. If TSR performance equals the index, the higher of one third of the actual grant or 20,000 options may vest. The full grant may vest if the TSR performance is equal to or greater than the HSBC Global Mining Index plus five per cent per annum. Between these points, options may vest on a sliding scale, with no options becoming exercisable for a three year TSR performance below the index.

Options granted under the 2004 SOP before 31 December 2006 are subject to a single fixed base re-test five years after grant if they do not vest after the initial three year performance period. Options granted after 31 December 2006 are not subject to any re-test and will lapse if they do not vest at the conclusion of the initial three year performance period. There are no outstanding options that are subject to a retest of performance.

Prior to any options vesting (subject to the committee's discretion described above), the Group's TSR performance against the criteria relevant to the SOP is calculated independently by Watson Wyatt.

If Rio Tinto were subject to a change of control or a company restructuring, options would vest subject to the satisfaction of the performance condition at the time of the change of control or restructuring.

Depending on the circumstances, the

committee has the discretion to adjust the performance condition to ensure a fair measure of performance and to consider the impact of a potentially truncated performance period or other factors on the validity of the original performance condition. The committee may at its discretion, and with the agreement of participants, determine that options will be replaced by equivalent new options over shares of the acquiring company. If a performance period is deemed to end during the first 12 months after the conditional award is made, that award will be reduced pro-rata.

Options may, upon exercise, be satisfied by treasury shares, the issue of new shares or the purchase of shares in the market. Currently it is Rio Tinto plc's intention to satisfy exercises by issuing new shares and Rio Tinto Limited's intention to satisfy exercises by way of the transfer of existing shares purchased on the open market.

Mining Companies Comparative Plan (MCCP)

Rio Tinto's performance share plan, the MCCP, provides participants with a conditional right to receive shares. The maximum face value conditional award under the MCCP is two times the base salary of individual participants. Awards made to executives are set out in Table 4 on page 156.

The conditional awards will only vest if the performance condition set by the committee is satisfied. Prior to the vesting of conditional awards, the Group's TSR performance against the performance condition contained in the MCCP is calculated independently by Watson Wyatt. In addition, the committee retains discretion to satisfy itself that performance is a genuine reflection of the value available to

shareholders and adjust vesting levels accordingly.

In the event of a change of control or a company restructure, the awards would only vest subject to the satisfaction of the performance condition measured at the time of the change of control or restructure. Depending on the circumstances, the committee has the discretion to adjust the performance condition to ensure a fair measure of performance and to consider the impact of a potentially truncated performance period or other factors on the validity of the original performance condition. If a performance period is deemed to end during the first 12 months after the conditional award is made, the award will be reduced pro-rata.

The performance condition compares Rio Tinto's TSR with the TSR of a comparator group of other international mining companies over the same four year period. The composition of this comparator group is reviewed regularly by the committee to ensure that it continues to be relevant in a consolidating sector. The comparator group for the 2005 conditional award (which vests in 2009) contains ten companies: Alcoa, Anglo American, Barrick Gold, BHP Billiton, Freeport-McMoRan Copper & Gold, Grupo Mexico, Newmont, Rio Tinto, Teck Cominco and Xstrata. The size and nature of the comparator group is largely the same for the 2006, 2007, 2008 and 2009 awards.

The following table shows the percentage of each conditional award made in 2005 which will be received by those participants who were in executive director and product group chief executive roles at the date of grant. The vesting is based on Rio Tinto's four year TSR performance relative to the comparator group for conditional awards made in 2005:

Ranking in the remaining ten company comparator group

	1st	2nd	3rd	4th	5th	6th-10th
Percentage vesting	150	121.3	92.5	63.8	35	0

The historical ranking of Rio Tinto in relation to the relevant comparator group for each four year period (based on the calendar year) is reflected in the table below.

The members of the comparator group for each conditional award are determined by the committee prior to making the conditional award. Comparator companies

for the 2008 conditional award at time of grant were: Alcoa, Anglo American, Barrick Gold, BHP Billiton, Freeport-McMoRan Copper & Gold, Newmont, Rio Tinto, Vale and Xstrata

Awards are released to participants as either Rio Tinto plc or Rio Tinto Limited shares or as an equivalent amount in cash.

In addition, for conditional awards made after 1 January 2004, a cash payment equivalent to the dividends that would have accrued on the vested number of shares over the four year period is made to those participants who were in executive director and product group chief executive roles at the date of grant.

Ranking of Rio Tinto versus comparator companies

Period	Ranking	Period	Ranking
1994 – 97	4 out of 16	2000 – 03	7 out of 16
1995 – 98	4 out of 16	2001 – 04	11 out of 16
1996 – 99	2 out of 16	2002 – 05	10 out of 16
1997 – 00	2 out of 16	2003 – 06	10 out of 16
1998 – 01	2 out of 16	2004 – 07	5 out of 10
1999 – 02	3 out of 16	2005 – 08	3 out of 10

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Awards may, upon vesting, be satisfied by treasury shares, the issue of new shares or the purchase of shares in the market. Currently it is Rio Tinto plc's intention to satisfy exercises by issuing new shares and Rio Tinto Limited's intention to satisfy exercises by way of the transfer of existing shares purchased on the open market.

Management Share Plan (MSP)

The Company also has the Management Share Plan, which was created in 2007. Directors are not eligible to participate in the MSP. This plan is designed to support the Group's ability to attract and retain key staff in an increasingly tight and competitive labour market. Under the MSP, certain senior management may receive a conditional award of shares which is subject to service-based and/or performance-based vesting condition(s) depending upon the nature of the award. Shares to satisfy the awards are purchased in the market and no new shares will be issued to satisfy awards under this plan. Where applicable, participants are allocated shares to approximate the cash amount of dividends that would have been received had the recipient owned the shares between the grant date and the vesting date.

In the case of a change of control, awards vest on the date of the change of control but, in the case of an award which is subject to a performance condition, only to the extent that the performance condition has been satisfied. Depending on the circumstances, the committee has the discretion to adjust the performance condition to ensure a fair measure of performance and to consider the impact of a potentially truncated performance period or other factors on the validity of the original performance condition. The directors may decide that the award is reduced pro rata to reflect the acceleration of vesting. Awards made to executives are set out in Table 4 on page 156.

Post employment benefits – executive directors

Executives may participate in post employment benefit arrangements offered by the Group. No post employment benefits are provided to non executive directors. Guy Elliott and Tom Albanese participate in the UK non contributory Rio Tinto Pension Fund (the "Fund"), a funded occupational pension plan approved by HM Revenue & Customs. The Fund provides both defined benefit and defined contribution benefits. In April 2005, the defined benefit section of the Fund was closed to new participants.

Members of the defined benefit section of the Fund who retire early may draw a pension reduced by approximately four per cent a year for each year of early payment. Executives can take their pension benefits unreduced for early payment from the age of 60. Spouse and dependants' pensions are also provided. Pensions paid from this

section are guaranteed to increase annually in line with increases in the UK Retail Price Index subject to a maximum of ten per cent per annum. Increases above this level are discretionary.

During 2008, there was no requirement for company cash contributions to be paid into the Rio Tinto Pension Fund, although cash contributions are required if the Company wishes to enhance the benefits for any individual member. Company contributions to the Rio Tinto Pension Fund will recommence from 1 January 2009.

Rio Tinto reviewed its pension policy in light of the legislative changes introduced from April 2006. The Rio Tinto Pension Fund was amended to incorporate a fund specific limit to pensionable salary equivalent to the statutory earnings cap for all members previously affected; unfunded benefits continue to be provided, where already promised, on pensionable salary above the fund specific limit.

Guy Elliott is accruing a pension of 2.3 per cent of basic salary for each year of service with the Company to age 60. The unfunded arrangements described above will be utilised to deliver this promise to the extent not provided by the Fund.

Tom Albanese is accruing a pension payable from normal retirement age of 60 of two thirds of basic salary, subject to completion of 20 years' service with the Group, inclusive of benefits accrued under the US pension arrangements. Proportionally lower benefits are payable for shorter service or, if having attained 20 years' service, retirement is taken prior to the age of 60. His benefits under the Rio Tinto Pension Fund are restricted to the fund specific limit, with the balance provided through unfunded arrangements.

Dick Evans was offered membership in the Rio Tinto International Pension Fund, a funded occupational pension plan based in the UK. His membership was to be effective from the commencement of his employment on 25 October 2007. Subsequent to this offer, and prior to Dick Evans joining the Fund, it was identified that the proposed arrangement would not comply with the requirements of US Internal Revenue Code. As a result, the same retirement benefit was delivered at no additional expense to the Company in the form of an annuity to be purchased with an external third party at the time of his retirement. As a result, no contributions were paid to the Rio Tinto International Pension Fund in Dick Evans' respect.

Dick Evans also participates in the Alcan Employee Savings Plan (Canada). This Plan comprises two types of plans: the Registered Retirement Savings Plan, a tax sheltered arrangement up to prescribed legal limits, and the Employee Profit Sharing Plan. The Company pays a contribution of 50 per cent, 60 per cent or 70 per cent, determined by credited service with the Company, of any regular contribution of up to four per cent of

basic salary paid by the employee. The Company percentage in respect of Dick Evans is 60 per cent. The Company's contribution is paid into the Employee Profit Sharing Plan and vests immediately. Employees may request lump sum withdrawals in cash at any time. On termination of employment or retirement employees may request one or more of a lump sum payment in cash, a transfer of tax sheltered amounts to another registered plan or the purchase of a qualified annuity with the tax sheltered amounts.

Details of executive directors' pension entitlements are set out in Table 2 on page 154.

Performance and non performance related remuneration

Total remuneration is a combination of fixed and performance related elements, each of which is described in this report. In addition, some executives have specific arrangements for remuneration outside these core elements and which are detailed in the service contracts table on page 145. The total remuneration for executives shown in Table 1 includes these non performance related items, which are specific to the circumstances of each executive, as well as one-time special bonuses or awards, such as engagement awards.

The performance related, or variable, elements are the short and long term incentive plans which are linked to achievement of business and personal performance goals and are, therefore, "at risk". The rest of the elements of the package are "fixed" and are not at risk. Excluding post employment benefits, non-monetary benefits and other cash-based benefits, the proportion of total direct remuneration provided by way of variable components, assuming target levels of performance is set out in the table on the next page. Fixed pay is represented by base salary and the values of the share based awards not related to company performance including the Management Share Plan (MSP). Variable components comprise the Short Term Incentive Plan, the Share Option Plan and the Mining Companies Comparative Plan (STIP, SOP, and M CCP respectively). One time awards have been excluded from the estimation of remuneration mix to provide a better representation of the balance between fixed and variable in the regular remuneration package. The next table demonstrates the significant emphasis that is placed on at-risk versus fixed remuneration as a percentage of total direct remuneration.

Table showing remuneration mix

Executive	Fixed as % of 2008 total	At-risk as % of 2008 total	Options as % of total
Tom Albanese	32	68	16
Guy Elliott	37	63	13
Dick Evans	32	68	16
Hugo Bague	52	48	0
Preston Chiaro	32	68	16
Bret Clayton	32	68	16
Keith Johnson	37	63	13
Grant Thorne	48	52	0
Debra Valentine	50	50	0
Sam Walsh	37	63	13

Share based remuneration not dependent on performance

In 2008, the Company made use of the MSP (in conjunction with the MCCP) as a component of the annual grant for all executives below the product group chief executive level. Grants of conditional shares vest based on service on 31 December 2010 and subject to the committee approving the vesting. These grants for the relevant executives are disclosed in Table 1 and their holdings in Table 4.

In August 2007, Hugo Bague received a one time grant of 20,000 Rio Tinto plc shares as part of the terms of his engagement and related to remuneration that was forfeited at resignation from his previous employer. The first half of these shares vested, based on service, 12 months after his commencement date. The second half will vest, also based on service, 24 months after the commencement date. In January 2008, Debra Valentine received a one time grant of 10,000 Rio Tinto plc shares as a part of the terms of

her engagement and to establish retention during a period of high uncertainty due to the unsolicited pre-conditional bid from BHP Billiton. Half of the shares vest on the third anniversary of her employment and the remainder vest on the fourth anniversary.

Executives may participate in share and share option plans that are available to all employees at particular locations and for which neither grant nor vesting is subject to the satisfaction of a performance condition. These plans are consistent with standard

Service contracts

The following table details the key aspects of each executive's employment contract.

	T Albanese	G Elliott	D Evans	H Bague	B Clayton	P Chiaro	K Johnson	G Thorne	D Valentine	S Walsh
2008 roles held and role commencement date	Group CEO (1/5/07)	Finance director (19/6/02)	ED & CEO Rio Tinto Alcan (25/10/07)	Global head of Human Resources (1/8/07)	CEO Copper & Diamonds (15/11/07)	CEO Energy & Minerals (15/11/07)	Group executive Business Resources (1/6/07)	Group executive Technology & Innovation (1/6/07)	Global Head of Legal (15/1/08)	CEO Iron Ore (1/11/04)
Contract date (current contact)	1/5/07 (Contract disclosed 8/5/07)	19/6/02	25/10/07	25/3/07	1/6/06	30/9/03	12/3/04	25/5/06	12/11/07	3/8/04
Years of service completed	27	28	1	1	14	17	17	33	1	17
Standard contract conditions	Pension or superannuation fund participation. Salary subject to annual review. Eligible for Rio Tinto Long Term Incentive Plans (LTIP). Eligible for employee car scheme in accordance with policy applicable in country of assignment. Eligible for medical benefits programmes applicable to employees generally in country of origin. Where applicable, receives expatriate secondment packages which may include a housing benefit, repatriation and tax equalization.									
Term	It is the Group's policy that executives' service contracts generally have no fixed term, but are capable of termination giving no less than the notice set out below. Dick Evans' contract has a term of 27 months (not 24 months as incorrectly stated in 2007) and ends on 31 December 2009.									
Notice	12 months	12 months	12 months or remaining term after 31/12/08	12 months	12 months	12 months	12 months	6 months	12 months	12 months
Resignation	Outstanding Long Term Incentive awards under the SOP, MCCP and MSP are forfeited as is any pro-rata STIP.									
Retirement	Pro-rata STIP paid based on portion of performance period worked. LTIPs subject to performance test at completion of normal performance period and options or performance shares may vest at that time to the extent provided by the performance condition. Options or performance shares held for less than 12 months at date of termination are reduced pro-rata. MSP awards vest pro-rata upon retirement.									
Termination by company – general including redundancy	Rio Tinto has retained the right to pay executives in lieu of notice. Given the wide variety of circumstances leading to early termination, the executive's service contracts do not provide explicitly for compensation but, in the event of early termination, including redundancy, it is the Group's policy to act fairly in all circumstances. Pre-existing entitlements may apply under redundancy policies generally applicable to employees in particular regions. Notice may be worked or fully or partly paid in lieu, at Company discretion, and additional capped service-related payments may apply. Compensation would not provide reward for poor performance. In the event of termination except for cause, STIP would be paid based on the portion of the performance period worked. LTIPs would be subject to a performance test at completion of the normal performance period. Options and performance shares may vest at that time to the extent provided by the performance condition. Options or performance shares that have been held for less than 12 months at the date of termination would be reduced pro-rata. MSP awards vest pro-rata upon termination for reasons other than cause.									
Termination for cause	Employment may be terminated by the Company without notice and without payment of any salary or compensation in lieu of notice. Outstanding awards under the SOP, MCCP and MSP are forfeited as is any pro-rata STIP.									
Change of control	Contractual entitlements to severance are not triggered by a change of control. LTIP rules in the event of a change of control apply to all plan participants and are set out in the sections of the report on pages 142 to 144 that deal with each LTIP vehicle including the SOP, MCCP and MSP.									

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remuneration practice whereby employees are offered participation in such plans as part of their employment to encourage alignment with the long term performance of the Company.

Executives employed in the Rio Tinto plc part of the Group may participate in the Rio Tinto plc Share Savings Plan, a savings-related share option plan which is open to employees in the UK and elsewhere. Under the plan, participants can save up to £250 per month, or equivalent in local currency, for a maximum of five years. At the end of the savings period participants may exercise an option over shares granted at a discount of up to 20 per cent to the market value at the time of grant. The number of options to which participants are entitled is determined by the option price, the savings amount and the length of the savings contract. No consideration is paid or payable by the participant on receipt of the options. The UK section of this plan is approved by HM Revenue & Customs (HMRC). Grants made to executives are set out in Table 5 on page 157.

Eligible UK employees, including some of the executives, may also participate in the Rio Tinto Share Ownership Plan, an HMRC approved share incentive plan which was introduced in 2002. Under this plan, eligible employees may receive an annual award of shares up to a maximum of five per cent of their salary, subject to a cap of £3,000. For the 2008 awards to be settled in 2009, in recognition of the challenging economic environment, the Company has reduced the annual award of shares up to a maximum of two and a half per cent of salary, subject to a cap of £1,500. In addition, participating employees can save up to £125 per month, which the plan administrator invests in Rio Tinto plc shares. The Company matches these purchases on a one for one basis. The Rio Tinto Share Ownership Plan includes restrictions on transfer of shares while the shares are subject to the plan.

Executives employed in the Rio Tinto Limited part of the Group may elect to participate in the Rio Tinto Limited Share Savings Plan, introduced in 2001, which is similar to the Rio Tinto plc Share Savings Plan. Grants made to executives are set out in Table 5 on page 157.

Executives, other than executive directors, may be eligible to participate in the MSP as described on page 144. The terms of each award are set by the committee at the time of grant. Awards may be service based and/or performance based depending on the nature of the award. Specific non performance based awards are described on page 145.

Where, under an employee share plan operated by the Company, participants are the beneficial owners of the shares, but not the registered owner, the voting rights are normally exercised by the registered owner at the direction of the participant.

Performance evaluation

Rio Tinto conducts an annual performance management, development and evaluation process for all of its senior executives. In the case of members of the executive committee, the chief executive conducts the review. In the case of the chief executive, the chairman of the committee conducts the review in conjunction with the chairman of the board. The key objectives of the performance process are to:

- Improve organisational effectiveness by creating alignment between the executives' objectives and Rio Tinto's business strategy.
- Provide a consistent, transparent and balanced approach to measure, recognise and reward executive performance.
- Engage executives through regular two way communication on their performance.
- Build further capability through aligning development decisions with business and employee needs.

There is a three-step annual cycle conducted according to the following schedule:

- i) Set annual performance objectives as part of the annual planning process at the end and into the beginning of the new calendar year;
- ii) Interim review – completed by end of August; and
- iii) Annual performance review – completed during early January of the following year.

All executives were evaluated according to this process in 2008. The results related to individual and business performance are detailed on pages 148 to 149.

Remuneration paid in 2008

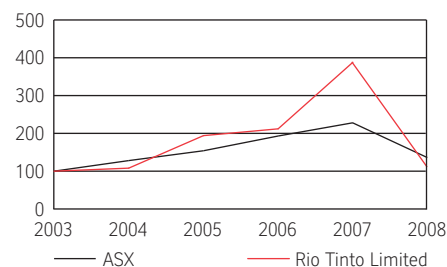
Performance of Rio Tinto and individual executives

The Company experienced strong share price performance for the duration of 2008 with the exception of performance in the fourth quarter when commodity prices dropped sharply. This was reflected in the share price. 2008 earnings are in line with stretching targets approved by the board earlier in the year, despite the drop in commodity prices and the relatively fixed nature of Rio Tinto's costs making it difficult to realise significant reductions in costs within a short window of a few months. To illustrate the performance of the Company's share price relative to markets, graphs showing the performance of Rio Tinto plc in terms of TSR over the last five years, compared to the FTSE 100 Index and Rio Tinto Limited compared to the ASX All Ordinaries Index are reproduced above. A graph showing Rio Tinto's performance relative to the HSBC Global Mining Index is also included to illustrate the performance of Rio Tinto relative to other mining companies.

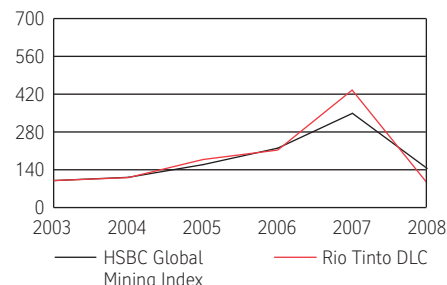
TSR (£) – Rio Tinto plc vs FTSE 100
Total return basis Index 2003 = 100



TSR (A\$) – Rio Tinto Limited vs ASX All Share
Total return basis Index 2003 = 100



TSR (US\$) – Rio Tinto Group vs HSBC Global Mining Index
Total return basis Index 2003 = 100



The effect of this performance on shareholder wealth, as measured by TSR, is detailed in the table on the next page. The relationship between TSR and executive remuneration is discussed in the Executive remuneration and Remuneration components sections appearing earlier in the report. TSR on an annual basis is based on a comparison of the opening and closing share prices plus dividends. Given this methodology, even though the share price exceeded the market average for over 11 months in 2008, it would not be reflected in the TSR calculation due to the sudden decline in share price in the last month of the year.

Rio Tinto shareholder return 2004-2008

Year	Dividends per share paid during the year	Share price – Rio Tinto plc		Share price – Rio Tinto Limited		Total shareholder return (TSR)		
		£ (pence)		A\$		plc %	Ltd %	Group %
		1 Jan	31 Dec	1 Jan	31 Dec			
2008	152.0	5,317	1,490	133.95	38.00	(71.5)	(71.1)	(71.3)
2007	116.0	2,718	5,317	74.30	133.95	99.5	82.9	91.8
2006	191.5	2,655	2,718	69.00	74.30	6.3	12.2	7.6
2005	83.5	1,533	2,655	39.12	69.00	77.5	81.3	78.4
2004	66.0	1,543	1,533	37.54	39.12	1.7	7.4	3.0

Rio Tinto Group and product group performance during 2008, and over the performance periods of the long term incentive plans which ended on 31 December 2008, affected executives' remuneration as follows:

Share based awards

- SOP – Rio Tinto TSR growth over the three years ending 31 December 2008 achieved the level required by the applicable performance condition for the 2006 award to vest 100 per cent. In addition, TSR performance for the five year period ending 31 December 2008 for the 2004 option re-test achieved the level required to vest 100 per cent. The vesting of the last option grant subject to a re-test provision will occur in March 2009 based on performance for the performance period ending 31 December 2008. Outstanding awards do not have a re-test provision and there is no provision in the plan currently for a re-test on future awards.
- MCCP – Rio Tinto ranked third in the ten company comparator group at the completion of the four year performance period ending 31 December 2008, resulting in 92.5 per cent vesting of the conditional award made (61.6 per cent of the maximum opportunity) to executives who were directors or product group chief executives at the date of the conditional award. This group included Tom Albanese, Guy Elliott, Preston Chiaro, Keith Johnson and Sam Walsh. The vesting shown in Table 4 on page 156, is in accordance with the performance condition applicable to the 2005 award and represents 92.5 per cent of

the original awards for those who were in executive director or product group chief executive roles at the time of grant of the conditional award.

Annual bonus (STIP)

STIPs have been determined for 2008 awards based on business performance, safety and the achievement of personal performance objectives. The committee determined that in order to conserve cash and to create alignment between management and shareholders, a 100 per cent bonus deferral for the executive directors and product group chief executives and a 50 per cent bonus deferral for the other executives would be implemented for any bonus due in respect of 2008. All bonus deferrals are into Rio Tinto shares valued on the date of grant. In the case of the executive directors and product group chief executives, the shares vest 100 per cent on the basis of service at the end of 2011. In the case of the other executives, an amount equal to 25 per cent of salary has been added to the amount of the bonus deferral to provide enhanced retention in a challenging period. The shares vest on the basis of service with 50 per cent vesting at the end of 2010 and the remaining 50 per cent at the end of 2011. Executives who leave due to retirement with the Company's consent or are deemed redundant will receive their bonus deferral at departure and, for those below product group chief executive level, pro rata vesting based on time of the 25 per cent of salary portion that has been contributed by the company. Consistent with the retention aspect of the deferral, executives who resign prior to

vesting will forfeit the bonus deferral as well as the 25 per cent of salary portion, if applicable.

2008 STIP amounts are set out in Table 1 on page 152. The deferred portion (either 100 per cent or 50 per cent) appears in the deferred share column. The 50 per cent of the bonus that is not deferred and paid in cash to executives below the product group chief executives appears in the cash bonus column.

Financial performance was assessed against underlying earnings targets for the Group and product groups, as relevant, and established by the committee earlier in the year. The potential impact of fluctuations in exchange rates and some prices are outside the control of the Group. The Committee therefore compares, on an equal weighting basis, both actual results (unflexed) and underlying performance flexed for prices and exchange rates. The Committee retains discretion to consider underlying business performance in deciding STIP awards. The committee did not exercise its discretion to offset the effect of the sharp decline in performance late in the fourth quarter.

Safety measures included Group or relevant product group safety. The 25 per cent weighting comprises 15 per cent allocated to improving the All injury frequency rate (AIFR) and ten per cent allocated to a reduction in critical risk scores as determined by the application of the Semi-quantitative risk assessment (SQRA) approach. Threshold, target and outstanding measures were set relative to previous year's performance according to the following:

Performance level	Threshold	Target	Outstanding
Excellent	No AIFR deterioration +SQRA complete	5% AIFR Improvement + zero fatalities + 10% reduction in critical risk score	10% AIFR Improvement + zero fatalities + 20% reduction in critical risk score
Good	No AIFR deterioration +SQRA complete	10% AIFR Improvement + zero fatalities + 10% reduction in critical risk score	20% AIFR Improvement + zero fatalities + 20% reduction in critical risk score
Fair	No AIFR deterioration +SQRA complete	20% AIFR improvement + zero fatalities + 10% reduction in critical risk score	40% AIFR improvement + zero fatalities + 20% reduction in critical risk score

Remuneration report continued

These measures reflect the number one priority of safety at all Rio Tinto operations including corporate offices. Corporate offices receive a safety score based on the combined safety scores of the product groups. Safety scores are subject to additional adjustment downward should a significant number of incidents, especially the incidence of fatalities, occur during the year. In 2008, Rio Tinto experienced eight fatal incidents globally resulting in 18 deaths. Discretion

was exercised to further adjust the scores downward to recognize the magnitude of the loss of life in accidents in 2008.

Personal performance targets and objectives were established for each executive at the start of the performance period. These comprise a balanced set of measures for each individual (as discussed in the following section) that reflect current operational performance, as well as progress on initiatives and projects designed to align

with the business priorities of each business, product group and Rio Tinto.

To achieve a strong linkage between business/financial and personal performance and remuneration, the business/financial performance factor is multiplied by the personal factor as set out below and applied to the target STIP percentage, which ranges from 50 to 60 per cent of salary depending on the executive:

	Business/financial threshold 67%, target 100%, outstanding 133%		Personal threshold 25%, target 100%, outstanding 150%	
	Group financial	Product group financial	Group/PG safety	Personal performance objectives*
Executive directors**, Group executives, global heads	50% flexed earnings 50% unflexed earnings	–	25%	75%
Product group CEO	20% flexed earnings 20% unflexed earnings	30% flexed earnings 30% unflexed earnings	25%	75%

*Personal contribution to key business performance drivers

** Dick Evans' STIP reflects that of a product group chief executive

The only exceptions to this template are for Rio Tinto Alcan where the business performance metrics for the product group chief executive were driven by 80 per cent upstream earnings (50 per cent flexed/ 50 per cent unflexed) and 20 per cent downstream EVA per the former Alcan bonus plan, and in the case of the Group executive Technology & Innovation (T&I), where safety reflects measures applicable to T&I led projects and Group safety performance.

Strong markets for much of the year followed by a severe global downturn during the fourth quarter made 2008 an unusual year. The impact of the downturn on earnings was further exacerbated by a simultaneous increase in the costs of many inputs. Earnings performance for the Group as a whole measured against stretching targets resulted in a STIP score of 87 per cent of target for business performance. Product group performance varied from zero (Copper & Diamonds) to 109 per cent of target (Energy & Minerals). The committee did not exercise its discretion to adjust for the sharp downturn in commodity prices at the end of the year and the impact this had on performance.

Group safety performance resulted in the committee approving a score of 49 per cent of target. Product group safety varied with scores ranging from 18 per cent of target (Copper & Diamonds) to 89 per cent of target (Rio Tinto Alcan).

Consequently, total STIP awards for executives, including personal STIP scores detailed below, ranged from 29 per cent to 107 per cent of target (14 per cent to 53 per cent of maximum), or a range of 17 per cent to 64 per cent of salary, depending upon the executive. The executive directors, product group chief executives and Group executives have target STIP awards of 60 per cent of salary. Target STIP is 55 and 50 per cent of

salary for Debra Valentine and Hugo Bague, respectively.

Tom Albanese

Based on record earnings in a challenging year overall, the committee assessed personal performance including Group safety as 99 per cent of target. The overall STIP award is 86 per cent of target (43 per cent of maximum) which is 52 per cent of salary (43 per cent of maximum). 100 per cent of the bonus payment has been deferred into Rio Tinto shares.

Guy Elliott

Based on personal performance targets related to work occasioned by the unsolicited pre-conditional offer by BHP Billiton, the divestments programme, the efficiency and effectiveness of the finance function and the additional portfolio responsibilities taken in the second half of 2008 for the management of the downstream aluminium businesses, the committee assessed personal performance including Group safety as 87 per cent of target. The overall STIP award is 76 per cent of target (38 per cent of maximum) which is 46 per cent of salary. 100 per cent of the bonus payment has been deferred into Rio Tinto shares.

Dick Evans

Based on personal performance targets related to on-time and on-budget completion of the Sohar Aluminium smelter, progress with the Gove and Yarwun II construction projects, the development of feasibility studies for new and expansion projects, leadership of the Rio Tinto Alcan integration programme, work occasioned by the unsolicited pre-conditional offer by BHP Billiton, business sustainability and the environment and succession planning, the

committee assessed personal performance including product group safety as 89 per cent of target. The overall STIP award is 62 per cent of target (31 per cent of maximum) which is 37 per cent of salary. 100 per cent of the bonus payment has been deferred into Rio Tinto shares until his retirement on 31 December 2009.

Hugo Bague

Based on personal performance targets related to human resources transformation projects, Rio Tinto Alcan integration and leadership of the human resources function including work occasioned by the unsolicited pre-conditional offer from BHP Billiton, the committee assessed personal performance including Group safety as 98 per cent of target. The overall STIP award is 85 per cent of target (43 per cent of maximum) which is 43 per cent of salary. 50 per cent of the bonus payment has been deferred into Rio Tinto shares.

Preston Chiaro

Based on personal performance targets related to growth projects, particularly the progression of feasibility studies for thermal coal and uranium projects, support to the divestment processes, significant supply chain improvements in the Hunter Valley, Australia, and initiatives related to climate change, the committee assessed personal performance including product group safety as 101 per cent of target. The overall STIP award is 102 per cent of target (51 per cent of maximum) which is 60 per cent of salary. 100 per cent of the bonus payment has been deferred into Rio Tinto shares.

Bret Clayton

Based on personal performance targets related to both the Diavik and Argyle expansion projects, the progression of

pre-feasibility studies and feasibility studies on new projects including Oyu Tolgoi, La Granja, Resolution and Sulawesi, and business sustainability including talent development and joint venture management, the committee assessed personal performance including product group safety as 82 per cent of target. The overall STIP award is 29 per cent of target (14 per cent of maximum) which is 17 per cent of salary. 100 per cent of the bonus payment has been deferred into Rio Tinto shares.

Keith Johnson

Based on the progress of the *One Rio Tinto* project including the continued roll-out of the 'Aligning Business Systems' project, the achievement of objectives set within each of the Business Resources Areas including Exploration, Marine, Rio Tinto Procurement, Business Services and the global marketing centre, and Rio Tinto Alcan integration, the committee assessed personal performance including Group safety as 100 per cent of target. The overall STIP is 87 per cent of target (44 per cent of maximum) which is 52 per cent of salary. Keith Johnson's bonus payment has not been deferred as he is leaving the Group on 31 July 2009.

Grant Thorne

Based on the progress of the expansion projects under the management of Technology & Innovation including Argyle, Kestrel, Clermont and QIT Madagascar Minerals, progress on key technology initiatives (including Autonomous trucks and underground development), Rio Tinto Alcan integration and leadership of the Technology & Innovation group, the committee assessed personal performance including T&I safety as 110 per cent of target. The overall STIP award is 96 per cent of target (48 per cent of maximum) which is 56 per cent of salary. 50 per cent of the bonus payment has been deferred into Rio Tinto shares.

Debra Valentine

Based on leadership of the legal function including establishment of a global legal function, and significant contribution to the unsolicited pre-conditional offer by BHP

Billiton, the committee assessed personal performance including Group safety as 107 per cent of target. The overall STIP award is 93 per cent of target (47 per cent of maximum) which is 51 per cent of salary. 50 per cent of the bonus payment has been deferred into Rio Tinto shares.

Sam Walsh

Based on personal performance related to on-time and on-budget completion of key expansion projects in the Pilbara, the progression of feasibility studies for global projects including Corumba, IOC and Simandou, business sustainability items related to technology development including progress on the automated trains and automated drills, marketing effectiveness and work occasioned by the unsolicited pre-conditional offer by BHP Billiton, the committee assessed personal performance including product group safety as 107 per cent of target. The overall STIP award is 107 per cent of target (53 per cent of maximum) which is 64 per cent of salary. 100 per cent of the bonus payment has been deferred into Rio Tinto shares.

Other payments during 2008 Retention

In 2007, Rio Tinto introduced a retention programme for certain senior Rio Tinto employees, with the exception of the executive directors and the product group chief executives. The programme was designed to further support the Group's ability to retain key staff in a competitive labour market and during a period of significant uncertainty due to the unsolicited pre-conditional offer from BHP Billiton. This uncertainty combined with a buoyant market for senior professionals in the resources sector in the early part of 2008 magnified the risk to Rio Tinto of losing key senior employees with direct impacts on business performance. On 1 December 2008, Hugo Bague received a retention award equal to US\$350,000 under this programme.

Integration bonus

Dick Evans received an integration bonus of US\$1,350,000 (68 per cent of target; 45 per cent of maximum) based on a maximum

integration bonus of US\$2,992,500 as set out in the 2007 *Remuneration report*. The bonus was based on actual performance against plan, where plan was the achievement of explicit integration synergy targets in 2008, the establishment of Rio Tinto Alcan within the wider Rio Tinto Group (including adoption of the *One Rio Tinto* model) and the readiness of a successor for Rio Tinto Alcan by the end of 2009.

Dick Evans is eligible for a Rio Tinto Alcan integration bonus in 2009 of 426 per cent of salary (US\$6,397,500) at target and 640 per cent of salary (US\$9,596,250) at maximum. Again for 2009, this bonus will be payable based on the achievement of synergy targets and the integration of Rio Tinto Alcan.

The integration bonus potential in both 2008 and 2009 was provided as part of his remuneration arrangements to maintain the remuneration he was entitled to at Alcan at the time of the acquisition.

Long term incentives granted in 2008

Options over either Rio Tinto plc or Rio Tinto Limited shares, as appropriate, were granted to each executive under the SOP on 10 March 2008. The committee reviewed the performance condition applicable to this grant and confirmed that vesting will be dependent on Rio Tinto's TSR relative to the HSBC Global Mining Index over a three year performance period. Details of all options outstanding under the SOP are included in Table 5 on page 157.

A conditional award of performance shares in either Rio Tinto plc or Rio Tinto Limited shares was made to each executive under the MCCP on 10 March 2008. The committee reviewed the performance condition applicable to the conditional award and determined that vesting will be dependent on Rio Tinto's TSR relative to eight other mining companies.

For retention reasons, the MSP awards were used broadly as part of the 2008 long term incentive programme for executives below product group chief executive level. The awards are service-based and vest subject to continuous employment on 31 December 2010.

Remuneration report continued

Bonuses and grants

The percentages of maximum bonuses made to executives in respect of 2008 and long term incentive grants vested in respect of performance periods which ended on

31 December 2008, as well as the percentages forfeited because the relevant company or individual did not meet the performance criteria required for full vesting, are as follows:

Bonuses and grants made during or in respect of 2008

	Bonus ¹		SOP Options ²		MCCP Shares ³		MSP Shares	
	% of maximum vested	% of maximum forfeited	% vested	% forfeited	% vested	% forfeited	% vested	% forfeited
Tom Albanese	42.9	57.1	100	–	92.5	7.5	N/A	
Guy Elliott	38.1	61.9	100	–	92.5	7.5	N/A	
Dick Evans	48.9	51.1	N/A		N/A		N/A	
Hugo Bague	42.6	57.4	N/A		N/A		100	–
Preston Chiaro	50.8	49.2	100	–	92.5	7.5	N/A	
Bret Clayton	14.3	85.7	100	–	83.3	16.7	N/A	
Keith Johnson	43.5	56.5	100	–	92.5	7.5	N/A	
Grant Thorne	47.9	52.1	100	–	83.3	16.7	N/A	
Debra Valentine	46.7	53.3	N/A		N/A		N/A	
Sam Walsh	53.3	46.7	100	–	92.5	7.5	N/A	

Notes

1. Cash paid and deferred shares granted in March 2009 in respect of 2008, including STIP and integration bonus

2. Vesting of the 2004 and 2006 SOP options in April and March 2009 respectively for the performance period ending 31 December 2008.

3. Vesting of 2005 conditional award in February 2009 for the performance period ending 31 December 2008.

OTHER DISCLOSURES

Significant award to a former director

In accordance with Schedule 7A (14) of the UK Companies Act 1985, the Company is required to disclose details of any significant award made in respect of loss of office to former directors. Oscar Groeneveld, a director of Rio Tinto between 1998 and 2004, left employment during 2008 after 34 years service with the Group in a range of senior positions. He received a A\$4.045m redundancy payment during 2008.

Shareholding policy for executives

The Company recognises the importance of aligning directors' and executives' interests with those of shareholders and they are therefore expected to build up a shareholding. The committee determined that executive directors should aim to reach a holding equivalent in value to two times their base salary over three years and product group chief executives should aim to achieve this over five years. Details of executives' share interests in the Group are set out in Table 3 on page 155.

Share dealing policy

Executives participate in long term incentive plans which involve the awarding of Rio Tinto securities at a future date. The board has a policy prohibiting an executive from limiting his or her exposure to risk in relation to the securities. This is contained in the "Rules for dealing in Rio Tinto securities" which is available in the corporate governance section of the website. All employees subject to the Rules receive regular training and information about this

prohibition. The grants of shares and options under the plans are conditional upon compliance with the Rules.

Executives' external and other appointments

Executives may be invited to become non executive directors of other companies. It is Rio Tinto's policy that such appointments can broaden their experience and knowledge, to the benefit of the Group. This policy limits each executives' external directorships to one FTSE 100 company or equivalent and they are not allowed to take on the chairmanship of another FTSE 100 company or equivalent. Consequently, where there is no likelihood that such directorships will give rise to a conflict of interest, the board will normally give consent to the appointment. The executive is permitted to retain the fees earned. In the course of the year the following executives received fees from external appointments: Guy Elliott received US\$89,000 (2007: US\$47,000), Dick Evans US\$120,000, and Sam Walsh A\$10,000 in respect of their non Rio Tinto related directorships.

Company secretary remuneration

The remuneration policy described above applies to the company secretary of each of Rio Tinto plc and Rio Tinto Limited. They participate in the same performance based remuneration arrangements as the executives. The individual performance measures for the Company secretaries' STIP comprise Group and personal measures. Their personal measures reflect the key responsibilities of the company secretarial

role and include ensuring compliance with regulatory requirements, oversight of good corporate governance practice and the provision of corporate secretarial services.

CHAIRMAN AND NON EXECUTIVE DIRECTOR REMUNERATION

Remuneration policy

Remuneration for non executive directors is structured with a fixed fee component, details of which are set out on the next page and in the table on page 145. The board as a whole determines non executive directors' fees, although non executive directors do not vote on any changes to their own fees. Fees reflect the responsibilities and time spent by the directors on the affairs of Rio Tinto. Current fee levels are set out in the table on the page opposite.

It is Rio Tinto's policy that the chairman should be remunerated on a competitive basis and at a level which reflects his contribution to the Group, as assessed by the board. The chairman is not present at any discussion regarding his own remuneration and he does not participate in the Group's incentive plans or pension arrangements.

Letters of appointment

Non executive directors have formal letters of appointment setting out their duties and responsibilities. These letters are available for inspection at Rio Tinto plc's registered office, prior to the annual general meeting and at the meeting itself. Each non executive director is appointed subject to subsequent election and periodic re-election by shareholders as detailed on page 159. There are no provisions for compensation

payable on termination of any non executive director's appointment.

The chairman's letter of appointment summarises his duties as chairman of the Group and was agreed by the committee. It stipulates that he is expected to dedicate three days per week on average to carry out his duties, including attending all board and committee meetings. The chairman receives a base fee and no additional committee or attendance fees. He is provided with private medical insurance and participates in the Rio Tinto accident policy which are disclosed in Table 1 on page 152.

The board announced on 14 January 2009 that Paul Skinner had expressed a preference to retire on 20 April 2009. Following the resignation of the chairman designate, Jim Leng, on 9 February 2009, he agreed to remain as chairman until mid 2009, by which time it is anticipated that a successor will be appointed. The terms of his existing letter of appointment will remain in place over that period.

Shareholding policy

In 2006, the board recommended that non executive directors be encouraged to build up a shareholding equal in value to one year of the director base fee within three years of their appointment. To help facilitate this, the Group put in place a non executive directors' share purchase plan through which non executive directors could elect to invest a proportion of their fees net of tax on a regular basis to acquire shares on the open

market. During the year no directors purchased shares using these arrangements as purchases were suspended following the unsolicited pre-conditional offer from BHP Billiton. This suspension was lifted following the announcement of the 2008 annual results and the strategic partnership with Chinalco.

Remuneration components

The following table sets out the annual fees payable to the chairman and the non executive directors in £/A\$, as appropriate. These are unchanged from 31 December 2007.

Rio Tinto does not pay retirement benefits or allowances to the chairman or non executive directors, nor do any of them participate in any of the Group's incentive plans. Where the payment of statutory minimum superannuation contributions for Australian non executive directors is required by the Australian superannuation guarantee legislation, these contributions are deducted from the directors' overall fee entitlements.

Remuneration paid during 2008

Details of each element of remuneration paid to the chairman and non executive directors during 2008 is set out in Table 1 on page 152. No post employment, long term or termination payments were paid and no share based payments made.

Auditable information

Under Part 3 of Schedule 7A to the UK Companies Act 1985, the information included in respect of the non executive directors and the directors' short term employee benefits and termination benefits in Table 1, and the information included in respect of the directors accrued benefits, transfer values and defined contribution pension in Table 2, Table 4 and Table 5 are all auditable.

The Australian Securities Investment Commission issued an order dated 27 January 2006 (and amended on 22 December 2006) under which the information included in the Remuneration report to comply with paragraph 25 of Australian Accounting Standard AASB 124 "Related Party Disclosures" (relating to "key management personnel" compensation) is also auditable. This information comprises Tables 1, 3, 4 and 5 and the disclosures provided under the headings Executive remuneration and chairman and non executive director remuneration.

Annual general meetings

Shareholders will be asked to vote on this Remuneration report at the Companies' 2009 annual general meetings.

By order of the Board

Ben Mathews

Secretary
Remuneration committee
6 March 2009

	As at 31 Dec 2008
Base fees:	
Chairman	£693,000
Other directors	£70,000/A\$160,000
Additional fees:	
Senior independent director	£35,000
Audit committee chairman	£30,000
Audit committee member	£15,000/A\$37,500
Remuneration committee chairman	£20,000
Remuneration committee member	£10,000/A\$25,000
Nominations committee member ¹	£7,500
Committee on social and environmental accountability chairman	£20,000
Committee on social and environmental accountability member	£7,500/A\$18,750
Overseas meeting allowances:	
Long distance (flights over 10 hours per journey)	£4,000/A\$10,000
Medium distance (flights of 5-10 hours per journey)	£2,000/A\$5,000

Notes

1. No additional fee is payable to the chairman of the *Nominations committee*.

Remuneration report continued

Table 1 – Executives' and non executive directors' remuneration

		Short term employee benefits				Total short term benefits ⁷	Other long term benefits	Long term employee benefits				
		Base salary	Cash bonus ⁴	Other cash based benefits ⁵	Non monetary benefits ⁶			Deferred shares ⁹	Value of share based awards ⁸	MCCP ¹⁰	MSP ¹¹	SOP ¹²
Stated in US\$'000¹												
Chairman												
Paul Skinner ²	2008	1,310	–	31	197	1,538	–	–	–	–	–	–
	2007	1,282	–	34	236	1,552	–	–	–	–	–	–
Non executive directors												
Ashton Calvert	2007	121	–	42	26	189	–	–	–	–	–	–
Sir David Clementi	2008	196	–	7	2	205	–	–	–	–	–	–
	2007	174	–	16	–	190	–	–	–	–	–	–
Vivienne Cox	2008	158	–	7	21	186	–	–	–	–	–	–
	2007	154	–	16	–	170	–	–	–	–	–	–
Jan du Plessis ¹⁵	2008	53	–	–	–	53	–	–	–	–	–	–
Sir Rod Eddington	2008	155	–	24	11	190	–	–	–	–	–	–
	2007	133	–	15	2	150	–	–	–	–	–	–
Michael Fitzpatrick	2008	175	–	24	2	201	–	–	–	–	–	–
	2007	164	–	46	12	222	–	–	–	–	–	–
Yves Fortier	2008	158	–	26	37	221	–	–	–	–	–	–
	2007	32	–	–	–	32	–	–	–	–	–	–
Richard Goodmanson	2008	186	–	26	15	227	–	–	–	–	–	–
	2007	184	–	28	–	212	–	–	–	–	–	–
Andrew Gould	2008	231	–	11	–	242	–	–	–	–	–	–
	2007	204	–	8	–	212	–	–	–	–	–	–
Lord Kerr	2008	200	–	11	54	265	–	–	–	–	–	–
	2007	174	–	8	–	182	–	–	–	–	–	–
David Mayhew ¹⁶	2008	158	–	7	26	191	–	–	–	–	–	–
	2007	150	–	8	–	158	–	–	–	–	–	–
Sir Richard Sykes	2008	99	–	4	54	157	–	–	–	–	–	–
	2007	236	–	24	25	285	–	–	–	–	–	–
Paul Tellier	2008	177	–	22	41	240	–	–	–	–	–	–
	2007	35	–	–	–	35	–	–	–	–	–	–
Executive directors												
Tom Albanese ³	2008	1,664	–	10	329	2,003	–	169	(2,837)	–	1,327	5
	2007	1,494	1,277	49	314	3,134	477	–	6,556	–	758	8
Leigh Clifford	2007	1,401	1,008	718	608	3,735	1,582	–	103	–	911	3
Guy Elliott	2008	1,239	–	28	166	1,433	–	111	(2,518)	–	840	9
	2007	1,213	1,005	30	52	2,300	–	–	5,855	–	625	13
Dick Evans	2008	1,500	1,350	–	413	3,263	–	139	48	–	621	–
	2007	281	–	25	54	360	–	–	–	–	–	–
Other key management personnel												
Hugo Bague	2008	663	462	107	216	1,448	–	32	8	835	44	3
Preston Chiaro	2008	714	–	21	693	1,428	–	110	(2,092)	–	717	2
	2007	650	422	21	536	1,629	–	–	5,015	–	557	2
Bret Clayton	2008	680	–	–	651	1,331	–	30	(698)	–	484	1
	2007	570	541	–	1,075	2,186	–	–	1,583	–	199	–
Oscar Groeneveld	2007	1,261	877	–	86	2,224	478	–	5,292	–	528	4
Keith Johnson	2008	774	317	24	30	1,145	–	–	(1,655)	–	551	8
	2007	781	558	33	23	1,395	–	–	3,730	–	423	11
Andrew MacKenzie ¹⁷	2007	861	111	12	28	1,012	–	–	3,575	–	436	13
Grant Thorne	2008	773	178	4	1	956	–	52	(763)	125	136	3
Debra Valentine	2008	548	146	–	721	1,415	–	43	18	281	–	–
Sam Walsh	2008	1,245	–	77	37	1,359	–	163	(2,434)	–	718	4
	2007	1,108	894	–	83	2,085	–	–	4,816	–	491	4

Notes to Table 1

1. The total remuneration is reported in US dollars. The amounts, with the exception of the annual cash bonus, can be converted into sterling at the rate of US\$1 = £0.5370 or alternatively into Australian dollars at the rate of US\$1 = A\$1.1680, each being the average exchange rate for 2008. The annual cash bonus is payable under the STIP and this may be converted at the 2008 year end exchange rate of US\$1 = £0.6923 to ascertain the sterling equivalent

or alternatively, US\$1 = A\$1.4469 to calculate the Australian dollar value.

- 2008 base fees for Paul Skinner includes two months of backdated pay increase for November and December 2007.
- Tom Albanese was appointed chief executive with effect from May 2007. The base salary paid to him in 2008 reflects his first full year in that role.
- 'Cash bonus' includes STIP and other special one-

off bonuses as described on page 149. The Committee has approved a 100 per cent bonus deferral for the executive directors and product group chief executives and a 50 per cent bonus deferral for the other executives. All bonus deferrals are in the form of Rio Tinto shares and are disclosed under 'Deferred Shares'. In the case of Keith Johnson, who leaves the Group on 31 July 2009, bonus deferral did not apply and his STIP

Table 1 – Executives' and non executive directors' remuneration continued

Stated in US\$'000	Post employment benefits ¹⁴		Termination benefits	Total remuneration	Currency of actual payment
	Pension and superannuation	Other post employment benefits			
Chairman					
Paul Skinner ¹³	–	–	–	1,538	£
	–	–	–	1,552	£
Non executive directors					
Ashton Calvert	–	–	–	189	A\$
Sir David Clementi	–	–	–	205	£
	–	–	–	190	£
Vivienne Cox	–	–	–	186	£
	–	–	–	170	£
Jan du Plessis ¹⁴	–	–	–	53	£
Sir Rod Eddington	–	–	–	190	A\$
	–	–	–	150	A\$
Michael Fitzpatrick	–	–	–	201	A\$
	–	–	–	222	A\$
Yves Fortier	–	–	–	221	£
	–	–	–	32	£
Richard Goodmanson	–	–	–	227	£
	–	–	–	212	£
Andrew Gould	–	–	–	242	£
	–	–	–	212	£
Lord Kerr	–	–	–	265	£
	–	–	–	182	£
David Mayhew ¹⁵	–	–	–	191	£
	–	–	–	158	£
Sir Richard Sykes	–	–	–	157	£
	–	–	–	285	£
Paul Tellier	–	–	–	240	£
	–	–	–	35	£
Executive directors					
Tom Albanese	1,443	–	–	2,110	£
	1,706	–	–	12,639	£
Leigh Clifford	364	–	817	7,515	£
Guy Elliott	534	–	–	409	£
	560	–	–	9,353	£
Dick Evans	338	–	–	4,409	US\$
	63	–	–	423	US\$
Other key management personnel					
Hugo Bague	46	–	–	2,416	£
Preston Chiaro	177	8	–	350	US\$
	190	7	–	7,400	US\$
Bret Clayton	79	2	–	1,229	US\$
	82	3	–	4,053	US\$
Oscar Groeneveld	281	–	–	8,807	A\$
Keith Johnson	384	–	–	433	£
	422	–	–	5,981	£
Andrew MacKenzie	518	–	–	5,554	£
Grant Thorne	195	–	–	704	A\$
Debra Valentine	123	8	–	1,888	US\$
Sam Walsh	327	–	–	137	A\$
	290	–	–	7,686	A\$

was paid in cash.

5. The 'Other cash based benefits' for non executive directors comprise overseas meeting allowances only. 'Other cash based benefits' for executives include cash in lieu of a car and fuel. For Hugo Bague only, it also includes a cash supplement equal to 20 per cent of the amount by which his 'Contributory Salary' exceeds the 'Earning Cap' as defined in the Rio Tinto Pension Fund.

6. 'Non monetary benefits' includes for executives, as applicable, healthcare, the provision of a car, and secondment costs, comprising housing, education, professional advice, tax equalisation and relocation payments. For executives and non executive directors it also includes the cost of accompanied travel in 2008 and the comparative figures for 2007 which have been restated. In the cases of Tom Albanese, Paul Skinner and Guy Elliott, it also

includes the proportionate value of company provided transport. In the case of Sir Richard Sykes, it includes the value of a retirement gift. For Guy Elliott, it includes the value of personal tax advice received. For Paul Skinner, it includes medical insurance premiums. Rio Tinto provides accident cover for employee members of the Rio Tinto Pension Fund. Some of the executive directors and key management personnel are members of the

Remuneration report continued

Notes to Table 1 (and continued from page 153)

- Rio Tinto Pension Fund, the total premium paid in 2008 was £7,000. Rio Tinto plc provides accident cover for non executive directors; the total premium paid in 2008 was £3,000.
- 'Total short term benefits' represents the short term benefits total required under schedule 7A of the UK Companies Act 1985 (UK) and total remuneration under the Australian Corporations Act 2001 and applicable accounting standards.
 - The value of share based awards has been determined in accordance with the recognition and measurement requirements of IFRS2 "Share based Payment". The fair value of awards granted under the Share Option Plan (SOP), the Management Share Plan (MSP) and the Share Savings Plan (SSP) have been calculated at their dates of grant using an independent lattice based option valuation model provided by external consultants, Lane Clark and Peacock LLP. Some of these awards will be settled in cash, rather than the transfer of shares, and so the fair value of these cash settled awards has been calculated based on Rio Tinto's share price at 31 December 2008. The fair value of awards granted under the Mining Companies Comparative Plan (the MCCP) has been calculated using a Monte Carlo valuation model based on the market price of shares and their relative TSR performance at 31 December 2008. Over 2008, the fall in Rio Tinto's share price combined with a reduction in Rio Tinto's TSR performance relative to the comparator group has led to a significant decrease in the value attached to the MCCP under the IFRS2 accounting standard. The decrease in the fair values from 1 January to 31 December 2008 has contributed to the negative MCCP compensation amounts arising for certain individuals. Further details of the valuation methods and assumptions used for these awards are included in note 48 (Share Based Payments) in the 2008 *Full financial statements*. The fair value of other share based awards is measured at the purchase cost of the shares from the market. The non executive directors do not participate in the long term incentive plans.
 - 'Deferred shares' represents the deferral of the 2008 bonus under STIP into Rio Tinto shares.
 - The number of conditional shares awarded to executives under the MCCP for the twelve month period ending 31 December 2008 is shown in Table 4 of this report. Other long term employee benefits in 2007 have been restated to exclude company contributions under the 401k arrangements for Preston Chiaro and Bret Clayton. This was already included in 'Pension and superannuation'.
 - MSP values include regular awards and engagement awards made to Hugo Bague and Debra Valentine as described on page 145.
 - The award of options to executives under the SOP during the twelve month period up to 31 December 2008 is shown in Table 5 of this report.
 - Under the Share Ownership Plan UK executives are beneficiaries of free shares up to a maximum value of £3,000 (US\$5,587) and may also contribute to purchase additional shares where the Company will match their personal contributions up to a maximum of £1,500 (US\$2,793) per annum. Under these plans, Guy Elliott and Keith Johnson each received a total of £4,500 (US\$8,380) and Tom Albanese a total of £3,000 (US\$5,587).
 - The costs shown for defined benefit pension plans and post retirement medical benefits are the service costs attributable to the individual, calculated in accordance with IAS19. The cost for defined contribution plans is the amount, or notional amount for Dick Evans, contributed in the year by the Company. The 2007 cost for Dick Evans has been restated to include the Alcan Employee Savings Plan. American product group chief executives enjoy a Company matching of personal contribution for shares under the 401K arrangements up to a maximum of US\$13,800. The Company matched personal contributions to the following values: Preston Chiaro US\$13,800 and Bret Clayton US\$13,800.
 - Jan du Plessis was appointed director with effect from 1 September 2008.
 - David Mayhew's fees for the full year were paid to JPMorgan Cazenove. The fees disclosed above include £15,000 (US\$27,935) paid to JPMorgan Cazenove for David Mayhew's attendance at *Audit committee* meetings in his capacity as adviser.
 - Andrew Mackenzie commenced his notice period on 15 November 2007 and ceased employment on 15 November 2008.

Table 2 – Directors' pension entitlements (as at 31 December 2008)

Defined Benefit pensions			Accrued benefits				Transfer values ²			
	Age	Years of service completed	At 31 December 2007	At 31 December 2008	Change in accrued benefits during the year ended 31 December 2008	Change in accrued benefit net of inflation ¹	At 31 December 2007	At 31 December 2008	Change, net of personal contributions	Transfer value of change in accrued benefit net of inflation ¹
			£'000 pa pension	£'000 pa pension	£'000 pa pension	£'000 pa pension	£'000	£'000	£'000	£'000
UK directors										
Tom Albanese ^{2,3}	51	27	183	286	103	102	1,634	2,836	1,202	1,496
Guy Elliott ²	53	28	381	434	53	49	5,602	6,728	1,126	764
Defined Contribution pension										
	Age	Years of service completed	Company contributions							
			Year to 31 December 2007	Year to 31 December 2008						
			US\$'000	US\$'000						
UK director										
Dick Evans ⁴	61	1	63	338						

Notes to Table 2

- Price inflation is calculated as the increase in the relevant retail or consumer price index over the year to 31 December 2008.
- Transfer values are calculated in a manner consistent with "Retirement Benefit Schemes – Transfer Values (GN11)" published by the Institute of Actuaries and the Faculty of Actuaries.
- Tom Albanese became a director of Rio Tinto plc and Rio Tinto Limited with effect from 7 March 2006. He accrued pension benefits in the US plans for service up to 30 June 2006, and in the UK fund for subsequent service. The transfer value of his benefits in the US plans is represented by the Accumulated Benefit Obligation calculated on the accounting assumptions used for the Group's post-retirement benefits disclosures.
- Dick Evans became a director of Rio Tinto plc and Rio Tinto Limited with effect from 25 October 2007 and has an unfunded notional defined contribution benefit. The 2007 company contributions have been restated to include the Alcan Employee Saving Plan.

Table 3 – Executives' beneficial interests in Rio Tinto shares

	Rio Tinto plc			Rio Tinto Limited			Movement		
	1 Jan 2008 ¹	31 Dec 2008 ²	26 Feb ² 2009	1 Jan 2008 ¹	31 Dec 2008 ²	26 Feb ² 2009	Exercise of options ³	Compensation ⁴	Other ⁵
Directors									
Tom Albanese ⁶	44,970	57,079	88,469	–	–	–	–	43,125	374
Sir David Clementi	454	454	454	–	–	–	–	–	–
Vivienne Cox	826	826	826	–	–	–	–	–	–
Jan du Plessis	–	–	5,000	–	–	–	–	–	5,000
Sir Rod Eddington	–	–	–	–	–	–	–	–	–
Guy Elliott	49,024	60,719	62,178	–	–	–	1,431	10,790	933
Dick Evans	–	–	40,000	–	–	–	–	–	40,000
Michael Fitzpatrick	–	–	–	2,100	2,100	4,100	–	–	2,000
Yves Fortier	–	–	–	–	–	–	–	–	–
Richard Goodmanson	2,307	2,307	2,307	–	–	–	–	–	–
Andrew Gould	1,000	1,000	1,000	–	–	–	–	–	–
Lord Kerr	3,000	3,000	7,000	–	–	–	–	–	4,000
David Mayhew	2,500	2,500	2,500	–	–	–	–	–	–
Paul Skinner	5,696	5,795	9,795	–	–	–	–	–	4,099
Sir Richard Sykes	2,614	2,632	N/A	–	–	–	–	–	18
Paul Tellier	–	–	6,000	–	–	–	–	–	6,000
Executives									
Hugo Bague	–	5,900	5,900	–	–	–	–	–	5,900
Preston Chiaro ^{6,7}	64,755	64,849	64,910	–	–	–	–	–	155
Bret Clayton ⁶	8,096	8,502	11,798	–	–	–	–	–	3,702
Keith Johnson	18,924	25,330	25,346	–	–	–	–	6,422	–
Grant Thorne	–	–	–	–	7,213	16,096	1,875	14,114	107
Debra Valentine	–	–	–	–	–	–	–	–	–
Sam Walsh	–	–	–	42,814	43,033	43,033	–	–	219

Notes to Table 3

1. Or date of appointment if later.
2. Or date of retirement, or resignation, if earlier.
3. Shares obtained through the exercise of options under the Rio Tinto Share Savings Plan or the Rio Tinto Share Option Plan. The number of shares retained may differ from the number of options exercised.
4. Shares obtained through the Rio Tinto Share Ownership Plan and/or vesting of awards under the Mining Companies Comparative Plan.

5. Share movements due to sale or purchase of shares, shares received under the Dividend Reinvestment Plan, shares purchased/sold through the Rio Tinto America Savings Plan or non executive directors share purchase plan.
6. The shareholdings of Tom Albanese, Preston Chiaro and Bret Clayton include Rio Tinto plc ADRs held through the Rio Tinto America Savings Plan.

7. Preston Chiaro's 31 December 2007 balance was understated in the 2007 Remuneration report by 2,170 Rio Tinto plc shares.
8. Trading restrictions due to close periods, the unsolicited pre-conditional offer from BHP Billiton and the Chinalco strategic partnership have prevented executives from dealing for most of 2008 and 2009.

Notes to Table 4

1. Or the date of retirement or resignation if earlier.
2. Awards denominated in sterling were for Rio Tinto plc ordinary shares of 10p each and awards denominated in Australian Dollars were for Rio Tinto Limited ordinary shares.
3. The weighted average fair value of conditional awards under the Mining Companies Comparative Plan granted in 2008 was £48.07 for Rio Tinto plc and A\$107.04 for Rio Tinto Limited. The weighted average fair value of conditional awards under the Management Share Plan granted in 2008 was £55.15 for Rio Tinto plc and A\$129.37 for Rio Tinto Limited.

4. Conditional awards are awarded at no cost to the recipient and no amount remains unpaid on any shares granted.
5. The value of the vested awards have been based on share prices, being the respective closing share prices for Rio Tinto plc and Rio Tinto Limited ordinary shares on the day of vesting. The value of Guy Elliott's vested award has been based on a share price of £18.01 being the closing price for Rio Tinto plc shares on 27 February, the latest practicable date prior to the publication of this report.

6. The amount in US dollars has been converted from sterling at the rate of 1US\$ = £0.6923 and Australian dollars at the rate of 1US\$ = A\$1.4469, being the year end exchange rate used elsewhere in the annual report.

Remuneration report continued

Table 4 – Executives' awards under long term incentive plans

	Conditional award granted	Market price at award ²	1 Jan 2008	Awarded	Lapsed/cancelled	Vested	31 Dec 2008 ¹	Plan terms and conditions			
								Performance period concludes	Date of vesting	Market price at vesting	Monetary value of vested award US\$'000
Rio Tinto plc Mining Companies Comparative Plan											
Tom Albanese	09-Mar-05	£18.39	55,951	–	4,197	51,754	–	31-Dec-08	17-Feb-09	£18.97	1,418
	07-Mar-06	£26.30	45,007	–	–	–	45,007	31-Dec-09			
	13-Mar-07	£26.81	44,124	–	–	–	44,124	31-Dec-10			
	10-Mar-08	£52.58	–	49,040	–	–	49,040	31-Dec-11			
			145,082	49,040	4,197	51,754	138,171				
Hugo Bague	13-Mar-07	£26.81	6,035	–	–	–	6,035	31-Dec-10			
	10-Mar-08	£52.58	–	11,672	–	–	11,672	31-Dec-11			
			6,035	11,672	–	–	17,707				
Preston Chiaro	09-Mar-05	£18.39	42,351	–	3,177	39,174	–	31-Dec-08	19-Feb-09	£20.00	1,132
	07-Mar-06	£26.30	34,182	–	–	–	34,182	31-Dec-09			
	13-Mar-07	£26.81	25,679	–	–	–	25,679	31-Dec-10			
	10-Mar-08	£52.58	–	19,569	–	–	19,569	31-Dec-11			
			102,212	19,569	3,177	39,174	79,430				
Bret Clayton	09-Mar-05	£18.39	11,539	–	1,928	9,611	–	31-Dec-08	17-Feb-09	£18.97	263
	07-Mar-06	£26.30	10,767	–	–	–	10,767	31-Dec-09			
	13-Mar-07	£26.81	22,566	–	–	–	22,566	31-Dec-10			
	10-Mar-08	£52.58	–	18,894	–	–	18,894	31-Dec-11			
			44,872	18,894	1,928	9,611	52,227				
Guy Elliott	09-Mar-05	£18.39	51,081	–	3,832	47,249	–	31-Dec-08	27-Feb-09	£18.01	1,229
	07-Mar-06	£26.30	40,670	–	–	–	40,670	31-Dec-09			
	13-Mar-07	£26.81	30,837	–	–	–	30,837	31-Dec-10			
	10-Mar-08	£52.58	–	25,552	–	–	25,552	31-Dec-11			
			122,588	25,552	3,832	47,249	97,059				
Dick Evans	10-Mar-08	£52.58	–	40,489	–	–	40,489	31-Dec-11			
			0	40,489	–	–	40,489				
Keith Johnson	09-Mar-05	£18.39	33,556	–	2,517	31,039	–	31-Dec-08	16-Feb-09	£19.25	863
	07-Mar-06	£26.30	26,508	–	–	–	26,508	31-Dec-09			
	13-Mar-07	£26.81	19,805	–	–	–	19,805	31-Dec-10			
	10-Mar-08	£52.58	–	15,887	–	–	15,887	31-Dec-11			
			79,869	15,887	2,517	31,039	62,200				
Debra Valentine	10-Mar-08	£52.58	–	11,539	–	–	11,539	31-Dec-11			
			–	11,539	–	–	11,539				
Rio Tinto Limited Mining Companies Comparative Plan											
Grant Thorne	09-Mar-05	A\$47.39	10,665	–	1,782	8,883	–	31-Dec-08	16-Feb-09	A\$50.80	312
	07-Mar-06	A\$69.60	14,568	–	–	–	14,568	31-Dec-09			
	13-Mar-07	A\$134.00	13,037	–	–	–	13,037	31-Dec-10			
	10-Mar-08	A\$126.48	–	16,658	–	–	16,658	31-Dec-11			
			38,270	16,658	1,782	8,883	44,263				
Sam Walsh	09-Mar-05	A\$47.39	41,176	–	3,089	38,087	–	31-Dec-08	17-Feb-09	A\$50.07	1,318
	07-Mar-06	A\$69.60	33,655	–	–	–	33,655	31-Dec-09			
	13-Mar-07	A\$134.00	25,103	–	–	–	25,103	31-Dec-10			
	10-Mar-08	A\$126.48	–	21,366	–	–	21,366	31-Dec-11			
			99,934	21,366	3,089	38,087	80,124				
Rio Tinto plc Management Share Plan											
Hugo Bague	09-Sep-07	£26.81	10,000	–	–	10,000	–	31-Jul-08	1-Aug-08	£50.47	729
	09-Sep-07	£26.81	10,000	–	–	–	10,000	31-Jul-09			
	10-Mar-08	£52.58	–	1,509	–	–	1,509	31-Dec-10			
			20,000	1,509	–	10,000	11,509				
Debra Valentine	10-Mar-08	£52.58	–	1,504	–	–	1,504	31-Dec-10			
	10-Mar-08	£52.58	–	5,000	–	–	5,000	15-Jan-11			
	10-Mar-08	£52.58	–	5,000	–	–	5,000	15-Jan-12			
			–	11,504	–	–	11,504				
Rio Tinto Limited Management Share Plan											
Grant Thorne	10-Mar-07	A\$134.00	2,750	–	–	–	2,750	31-Dec-09			
	10-Mar-08	A\$126.48	–	2,056	–	–	2,056	31-Dec-10			
			2,750	2,056	–	–	4,806				

Notes to Table 5

- Or at date of retirement or resignation if earlier.
- All options granted over ordinary shares. Rio Tinto plc – ordinary shares of 10p each stated in sterling; Rio Tinto Limited ordinary shares – stated in Australian dollars. Each option is granted over one share. The date of grant was 10 March 2008. The performance conditions for the SOP are detailed on page 142 to 143.
- The closing price of Rio Tinto plc ordinary shares at 31 December 2008 was £14.90 (2007: £53.17) and the closing price of Rio Tinto Limited shares at 31 December 2008 was A\$38.00 (2007: A\$133.95). The high and low prices during 2008 of Rio Tinto plc and Rio Tinto Limited shares were £70.78 and £10.49 and A\$156.00 and A\$32.00 respectively.
- The option price represents the exercise price payable on the options. No amounts are unpaid on any shares allocated on the exercise of the options.
- Under the plans no options would be vested and unexercisable at the reporting date. The exercise of options is subject to restrictions contained in the 'Rules for dealing in Rio Tinto Securities'. Trading restrictions due to close periods, the unsolicited pre-conditional offer from BHP Billiton and the Chinalco strategic partnership have prevented executives from dealing for most of 2008 and 2009.

Table 5 – Executives' options to acquire Rio Tinto plc and Rio Tinto Limited shares

	1 Jan 2008	Granted ^{2,6}	Vested during 2008	Exercised	Lapsed/ cancelled	Vested and exercisable on 31 Dec 2008 ⁸	31 Dec 2008 ⁸	Option price ¹	Value of options exercised during 2008	Market price on date of exercise	Date from which first exercisable	Expiry date
Rio Tinto plc Share Savings Plan												
Tom Albanese	791	–	–	–	–	–	791	£20.68	–	–	1 Jan 2012	30 Jun 2012
Hugo Bague	–	238	–	–	–	–	238	£32.17	–	–	1 Jan 2012	30 Jun 2012
Preston Chiaro	298	–	–	–	–	–	298	£20.88	–	–	1 Jan 2009	6 Jan 2009
	–	304	–	–	–	–	304	£20.50	–	–	1 Jan 2011	16 Jan 2011
Bret Clayton	163	–	–	–	–	–	163	£35.57	–	–	1 Jan 2010	5 Jan 2010
Guy Elliott	1,431	–	–	–	–	–	1,431	£11.07	–	–	1 Jan 2009	30 Jun 2009
	–	520	–	–	–	–	520	£32.17	–	–	1 Jan 2014	30 Jun 2014
Dick Evans	–	–	–	–	–	–	–	–	–	–	–	–
Keith Johnson	456	–	–	–	–	–	456	£20.68	–	–	1 Aug 2009	31 Jan 2010
Debra Valentine	–	304	–	–	–	–	304	£20.50	–	–	1 Jan 2011	17 Jan 2011
Rio Tinto plc Share Option Plan												
Tom Albanese	102,718	–	–	–	–	102,718	102,718	£12.656	–	–	6 Mar 2005	6 Mar 2011
	125,336	–	–	–	–	125,336	125,336	£14.586	–	–	13 Mar 2005	13 Mar 2012
	139,165	–	–	–	–	139,165	139,165	£12.630	–	–	7 Mar 2006	7 Mar 2013
	84,020	–	–	–	–	84,020	84,020	£13.290	–	–	22 Apr 2009	22 Apr 2014
	83,926	–	83,926	–	–	83,926	83,926	£18.262	–	–	9 Mar 2008	9 Mar 2015
	67,511	–	–	–	–	67,511	67,511	£27.112	–	–	7 Mar 2009	7 Mar 2016
	66,186	–	–	–	–	66,186	66,186	£27.012	–	–	13 Mar 2010	13 Mar 2017
	–	73,561	–	–	–	73,561	73,561	£57.232	–	–	10 Mar 2011	10 Mar 2018
Hugo Bague	8,835	–	–	–	–	–	8,835	£34.506	–	–	9 Sep 2010	9 Sep 2017
Preston Chiaro	37,160	–	–	–	–	37,160	37,160	£12.630	–	–	7 Mar 2006	7 Mar 2013
	70,490	–	–	–	–	70,490	70,490	£13.290	–	–	22 Apr 2009	22 Apr 2014
	63,527	–	63,527	–	–	63,527	63,527	£18.262	–	–	9 Mar 2008	9 Mar 2015
	51,274	–	–	–	–	51,274	51,274	£27.112	–	–	7 Mar 2009	7 Mar 2016
	38,519	–	–	–	–	38,519	38,519	£27.012	–	–	13 Mar 2010	13 Mar 2017
	–	29,354	–	–	–	29,354	29,354	£57.232	–	–	10 Mar 2011	10 Mar 2018
Bret Clayton	13,315	–	–	–	–	–	13,315	£13.290	–	–	22 Apr 2009	22 Apr 2014
	11,539	–	11,539	–	–	11,539	11,539	£18.262	–	–	9 Mar 2008	9 Mar 2015
	10,767	–	–	–	–	–	10,767	£27.112	–	–	7 Mar 2009	7 Mar 2016
	33,850	–	–	–	–	–	33,850	£27.012	–	–	13 Mar 2010	13 Mar 2017
	–	28,342	–	–	–	–	28,342	£57.232	–	–	10 Mar 2011	10 Mar 2018
Guy Elliott	61,703	–	–	–	–	61,703	61,703	£14.586	–	–	13 Mar 2005	13 Mar 2012
	97,387	–	–	–	–	97,387	97,387	£12.630	–	–	7 Mar 2006	7 Mar 2013
	73,700	–	–	–	–	73,700	73,700	£13.290	–	–	22 Apr 2009	22 Apr 2014
	72,972	–	72,972	–	–	72,972	72,972	£18.262	–	–	9 Mar 2008	9 Mar 2015
	58,100	–	–	–	–	58,100	58,100	£27.112	–	–	7 Mar 2009	7 Mar 2016
	44,052	–	–	–	–	44,052	44,052	£27.012	–	–	13 Mar 2010	13 Mar 2017
	–	36,503	–	–	–	–	36,503	£57.232	–	–	10 Mar 2011	10 Mar 2018
Dick Evans	–	60,733	–	–	–	–	60,733	£57.232	–	–	10 Mar 2011	10 Mar 2018
Keith Johnson	43,500	–	–	–	–	43,500	43,500	£13.290	–	–	22 Apr 2009	31 July 2010
	47,937	–	47,937	–	–	47,937	47,937	£18.262	–	–	9 Mar 2008	31 July 2010
	37,869	–	–	–	–	–	37,869	£27.112	–	–	7 Mar 2009	31 July 2010
	28,294	–	–	–	–	–	28,294	£27.012	–	–	13 Mar 2010	13 Mar 2011
	–	22,696	–	–	–	–	22,696	£57.232	–	–	10 Mar 2011	10 Mar 2012
Debra Valentine	–	–	–	–	–	–	–	–	–	–	–	–
Rio Tinto Limited Share Savings Plan												
Grant Thorne	1,875	–	1,875	1,875	–	–	–	A\$25.57	A\$203,306.25	A\$134.00	1 Jan 2008	30 Jun 2008
	567	–	–	–	–	–	567	A\$79.27	–	–	1 Jan 2013	30 Jun 2013
Sam Walsh	601	–	–	–	–	–	601	A\$40.92	–	–	1 Jan 2009	30 Jun 2009
	–	505	–	–	–	–	505	A\$82.19	–	–	1 Jan 2014	30 Jun 2014
Rio Tinto Limited Share Option Plan												
Grant Thorne	939	–	–	–	–	–	939	A\$39.8708	–	–	13 Mar 2005	13 Mar 2012
	11,159	–	–	–	–	–	11,159	A\$33.3360	–	–	7 Mar 2006	7 Mar 2013
	10,462	–	–	–	–	–	10,462	A\$34.4060	–	–	22 Apr 2009	22 Apr 2014
	10,665	–	10,665	–	–	10,665	10,665	A\$47.0420	–	–	9 Mar 2008	9 Mar 2015
	14,568	–	–	–	–	–	14,568	A\$71.0600	–	–	7 Mar 2009	7 Mar 2016
	13,037	–	–	–	–	–	13,037	A\$74.5880	–	–	13 Mar 2010	13 Mar 2017
Sam Walsh	54,400	–	–	–	–	54,400	54,400	A\$34.4060	–	–	22 Apr 2009	22 Apr 2014
	58,823	–	58,823	–	–	58,823	58,823	A\$47.0420	–	–	9 Mar 2008	9 Mar 2015
	48,079	–	–	–	–	–	48,079	A\$71.0600	–	–	7 Mar 2009	7 Mar 2016
	35,861	–	–	–	–	–	35,861	A\$74.5880	–	–	13 Mar 2010	13 Mar 2017
	–	30,523	–	–	–	–	30,523	A\$134.1760	–	–	10 Mar 2011	10 Mar 2018

6. The fair value per option, granted during 2008, at date of grant was as follows: Rio Tinto plc Share Savings Plan two year contract £3.46; three year contract 94p; four year contract £1.92 and five year contract 90p; Rio Tinto Limited Share Savings Plan

three year contract A\$5.14 and five year contract A\$5.17. Rio Tinto plc Share Option Plan £20.63; Rio Tinto Limited Share Option Plan A\$44.04.

7. The value of options exercised during 2008 is calculated by multiplying the number of options

exercised by the difference between the market price and the option price on date of exercise.

8. No options lapsed for failure to satisfy a performance condition.