

Directors and Officers



Peter Ellwood



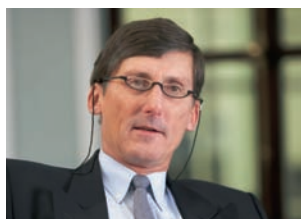
Michael Buzzacott



Noreen Doyle



John Langston



Wolfgang Meusburger



Jean-Pierre Rodier



Carl Symon



Leslie Van de Walle



Graham Chipchase



David Robbie



David Gibson

The Board considers that all the non executive directors are independent.

Chairman

Peter Ellwood (65)

Appointed to the Board as a non executive director on 1 February 2008 and as Chairman on 1 May 2008. Peter was Chairman of Imperial Chemical Industries PLC (ICI) until ICI was acquired by Akzo Nobel NV at the beginning of 2008. Prior to that, he was Group Chief Executive of Lloyds TSB Group plc. He is a member of the Supervisory Board of Akzo Nobel NV.

Non Executive Directors

Michael Buzzacott (61)

Appointed to the Board on 17 May 2000 and will retire from office at the conclusion of the AGM on 7 May 2009. Michael is currently a non executive director of Croda International Plc and Scapa Group plc. He held various senior international positions in BP p.l.c. until his retirement as Group Vice President, Petrochemicals in 2004.

Noreen Doyle (59)

Appointed to the Board on 22 March 2006. Noreen is currently a non executive director of Credit Suisse Group, Newmont Mining Corporation and QinetiQ Group PLC, and a member of the Advisory Panel for the Macquarie European Infrastructure Fund II. She held various senior operational positions at Bankers Trust Company and at the European Bank for Reconstruction & Development (EBRD) until her retirement as First Vice President of the EBRD in 2005.

John Langston (59)

Appointed to the Board on 30 October 2008. John, a chartered accountant, is currently Finance Director of Smiths Group plc. He joined the Board of Smiths Group in 2000 holding operational roles until he became Finance Director in 2006. Prior to its acquisition by Smiths Group, he was a Board member of TI Group plc.

Wolfgang Meusburger (55)

Appointed to the Board on 1 December 2006. Wolfgang currently sits on the board of a number of international consumer goods companies in Europe and an educational facility in Switzerland. He is Chairman of the non executive board of Schoellershammer and a non executive director of BS Group, CCT Reig Group, Chiquita Fruit Bar and Leysin American School. He has held various senior international positions in the consumer goods industry and was Chief Executive of Tchibo GmbH until 2001. He now acts as an advisor on management issues and business development.

Jean-Pierre Rodier (61)

Appointed to the Board on 7 June 2006. Jean-Pierre is currently an associate with Mediobanca Banca di Credito Finanziario. He is also Chairman of Enterprises et Personnel and an advisor to Corporate Value Associates. He was Chief Executive of Union Minière and Chairman and Chief Executive of MetalEurop France prior to his appointment as Chairman and Chief Executive of Pechiney until 2003 when Pechiney merged with Alcan.

Carl Symon (62)

Appointed to the Board on 17 July 2003 and as senior independent director on 8 February 2006. He is a non executive director of BT Group plc and BAE Systems plc and Chairman of Clearswift Systems Limited. He was previously a non executive director of Rolls-Royce Group plc and Chairman of HMV Group plc. He held senior executive positions with IBM Corp. in Canada, the US, Latin America, Asia and Europe and retired in 2001.

Executive Directors

Leslie Van de Walle (52)

Chief Executive Officer

Appointed to the Board on 17 January 2007 and as Chief Executive Officer on 1 February 2007. In January 2009 he assumed direct responsibility for the global Beverage Cans business. Until December 2006, Leslie was Executive Vice President of Global Retail of Royal Dutch Shell plc. Prior to joining Shell he held a number of senior international management positions with Cadbury Schweppes plc and was Chief Executive of United Biscuits plc. He is a non executive director of Aegis Group plc.

Graham Chipchase (46)

Group Director Plastic Packaging

Appointed to the Board on 10 February 2003 as Group Finance Director and became Group Director Plastic Packaging with overall responsibility for the Plastic Packaging business on 14 July 2005. Before joining Rexam, Graham was Finance Director of GKN plc's Aerospace Services business and, before that, held various positions within the BOC Group plc's US and European subsidiaries.

David Robbie (45)

Finance Director

Appointed to the Board on 3 October 2005. Before joining Rexam, David was Chief Financial Officer of Royal P&O Nedlloyd NV and, before that, Chief Financial Officer of CMG plc. He is a non executive director of the BBC and a trustee of Aldeburgh Music.

Company Secretary

David Gibson (46)

Changes to the Board

Rolf Börjesson retired as Chairman of the Company on 1 May 2008. Bill Barker, Group Director Beverage Cans, resigned as an executive director on 7 January 2009.

Senior Management

Together with the executive directors, the following are part of Rexam's senior management team. In addition to his Group Director role, Graham Chipchase has responsibility for the Plastic Packaging Healthcare division.

Tomas Sjölin, Beverage Can Europe & Asia

Harry Barto, Beverage Can North America

André Balbi, Beverage Can South America

Simon Chiu, Plastic Packaging Asia

David Beckmann, Plastic Packaging Closures

Misha Riveros-Jacobson, Plastic Packaging Personal Care

Jonathan Thornton, Communications

Roger Bellis, Human Resources

Paul Martin, Information Management

David Gibson, Legal

Directors' Report

The directors present their Report, the audited Group consolidated financial statements and the audited Company financial statements for the year ended 31 December 2008.

The Business Review, and all other sections of the Annual Report to which cross reference is made, are incorporated into this Directors' Report by reference.

Business Review

A review of the development and performance of the Group, including the financial performance during the year, can be found in the Business Review on pages 10 to 37. The principal activities and financial summary relating to the Group are set out on pages 1 to 3 with the key performance indicators on page 11. A description of the principal risks and uncertainties facing the Group is discussed on pages 22 to 25.

The Annual Report 2008 has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. This Annual Report 2008 contains statements which are not based on current or historical fact and which are forward looking in nature. These forward looking statements reflect knowledge and information available at the date of preparation of this Annual Report 2008 and the Company undertakes no obligation to update these forward looking statements. Such forward looking statements are subject to known and unknown risks and uncertainties facing the Group including, without limitation, those risks described in this Annual Report 2008, and other unknown future events and circumstances which can cause results and developments to differ materially from those anticipated. Nothing in this Annual Report 2008 should be construed as a profit forecast.

Dividends

Subject to shareholder approval, the directors have proposed a 2008 final dividend of 12.3p per ordinary share. The total dividend for the year ended 31 December 2008 is 21.0p per ordinary share (2007: 20.0p).

Dividends on ordinary shares

	Dividend per share (p)	Ex dividend date	Record date	Payment date
2008 interim	8.7	08.10.08	10.10.08	04.11.08
2008 proposed final	12.3	03.06.09	05.06.09	02.07.09

Principal acquisitions and disposals

As reported in the Annual Report 2007, Rexam completed the acquisition of Rostar, a Russian beverage can maker, on 31 January 2008 for a total cash consideration of £142m which includes borrowings assumed and as adjusted for net assets acquired.

There have been no significant disposals of Group businesses.

Directors

The Board of directors for the year ended 31 December 2008 and at the date of this Report are set out on page 39.

Peter Ellwood was appointed as a non executive director and Chairman Designate on 1 February 2008 and succeeded Rolf Börjesson as Chairman on 1 May 2008. Rolf Börjesson retired from the Board on 1 May 2008.

John Langston was appointed as a non executive director on 30 October 2008 and will become Audit Committee Chairman following Michael Buzzacott's retirement at the Annual General Meeting (AGM) 2009.

Bill Barker, an executive director and the Group Director Beverage Cans, resigned from the Board on 7 January 2009.

During 2008 and up to the date of this Report there have been no further changes to the Board.

As John Langston has been appointed to the Board since the date of the last AGM he is required to stand for election at the AGM 2009. In addition, Graham Chipchase and David Robbie, executive directors, and Noreen Doyle, a non executive director, will retire by rotation from the Board at the AGM 2009 and, being eligible, will offer themselves for re-election.

The Board's reasons for, and recommendations of, the election of John Langston and re-elections of Graham Chipchase, David Robbie and Noreen Doyle can be found on page 45 of the Corporate Governance Report and in the Notice of AGM 2009.

In accordance with section 992 of the Companies Act 2006, the directors disclose that the Company's Articles of Association (Articles) govern the appointment and replacement of directors. The powers given to the directors are contained in the Company's Memorandum of Association and Articles. The Articles give the directors powers, subject to relevant legislation, to authorise the issue and buy back of the Company's shares by the Company, subject to authority being given to the directors by shareholders in general meeting. The Company annually seeks the authority of shareholders for the exercise by the directors of these powers. The Company's current Articles, which may only be amended with shareholders' approval in accordance with relevant legislation, can be found at www.rexam.com.

The service contracts of the executive directors and the letters of appointment for the non executive directors are available for inspection at the registered office of the Company, and will be available at the AGM 2009, as specified in the Notice of AGM 2009.

Directors' interests

None of the directors had any interest during or at the end of the year in any contract of significance in relation to the business of the Company or its subsidiary undertakings.

Full details of the share interests in the ordinary share capital of the Company and other interests of those directors holding office on 31 December 2008, including any interest of a connected person, are set out in the Remuneration Report.

Substantial shareholdings

At the date of this Report, the Company had received notification from the following financial institutions of their and their clients' interests in the voting rights of the Company, in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority, and which are required to be disclosed under section 992 of the Companies Act 2006. The number of shares and percentage interests stated are as disclosed at the date on which the interests were notified.

Interests of 3% or more in issued ordinary share capital

	Shares	%
INVESCO Limited	70,705,962	10.99
Wellington Management Co LLP	31,313,624	4.88
Legal & General Group Plc	26,509,144	4.12

Information provided to Rexam pursuant to the DTR is publicly available via the Regulatory Information Services and on the Company's website, www.rexam.com.

Share capital

The Company had ordinary shares of 64²/₇p each in issue at 31 December 2008. Full details of the Company's authorised and issued share capital, together with details of the rights and restrictions attaching to the ordinary shares can be found in note 26 to the consolidated financial statements.

Significant agreements

Rexam has a number of relationships with suppliers and customers which are essential to the Group's business, as discussed in the Business Review on pages 22 to 25. Rexam has agreements with such suppliers and customers and arrangements are in place to secure the Group's business in the event of the unexpected termination of such agreements.

The Company is also required to disclose any significant agreements that take effect, alter or terminate on a change of control of the Company. The Company has committed debt facilities all of which are directly or indirectly subject to change of control provisions, albeit the facilities do not require mandatory prepayment on a change of control. At 31 December 2008 the facilities subject to these provisions are:

Debt facilities

	Notes	Amount	Maturity
Medium term notes	(i)	£370m	March 2009
		€700m	March 2013
Subordinated bond		€750m	June 2067
US bond		\$550m	June 2013
US private placement		\$225m	June 2013
Committed bank facilities	(ii)	£35m	August 2009
		\$80m	November 2010
		£913m	Between September 2010 and December 2012

(i) Medium term notes will be repaid through drawings from the committed bank facilities.

(ii) Since the balance sheet date, £480m of new committed bank facilities have been signed with maturities ranging between February 2011 and April 2011.

Details of the service contracts of the executive directors and the letters of appointment for the non executive directors together with the Company's policy on how a change of control will affect the service contracts are summarised in the Remuneration Report.

Qualifying pension scheme indemnity

The Company has granted a qualifying pension scheme indemnity in the form permitted by the Companies Act 2006 to the directors of Rexam Pension Trustees Limited, the Trustee to the Rexam Pension Plan. The indemnity is in force at the date of this Report.

Financial risk management

The financial risk management and objectives of the Group and the exposure of the Group to price, credit, liquidity and cash flow risk are set out in the Business Review and note 23 to the consolidated financial statements.

Research and development

The Group aims to keep in the forefront of all relevant product, process and system developments in the markets in which it operates. Rexam has internal and customer innovation programmes focused on creative packaging solutions and their successful implementation. These programmes have resulted in a number of new consumer packaging products which include Rexam's aluminium bottle, Fusion, which is fully recyclable and manufactured using the drawn wall ironed technology, liquid prescription oval containers made with 100% post-consumer recycled PET resin, and eco-friendly instant foam dispensing systems. Together with one of its customers, Rexam has also produced a new insulin injection pen. The Group's expenditure on research and development during the year amounted to £19m (2007: £14m).

Corporate responsibility

Information relating to the Company's policies towards environmental, social and governance areas of corporate responsibility (CR) can be found in the Corporate Responsibility section of the Business Review. Rexam has a CR section on its website, where policy documents, facts and figures underlining Rexam's involvement in and commitment to the environment, our people, the community, our suppliers, emerging markets and governance can be found.

Payments to suppliers

The Group's operating businesses are responsible for the terms and conditions under which they conduct business transactions with their suppliers. It is Group policy to agree the terms of payment and make payments to suppliers in accordance with those terms, provided that suppliers have complied with all relevant terms and conditions.

The Company had 17 days (2007: 10 days) purchases outstanding at 31 December 2008 based on the average daily amount invoiced by suppliers.

Donations

Charitable donations made by the Group in 2008 amounted to £597,000 as shown in the table. No donations were made for political purposes.

Charitable donations

	2008	2007
UK	£61,000	£48,000
Rest of world (excluding UK)	£536,000	£272,000

The UK businesses made donations in support of natural disasters programmes and charity sporting events.

Rest of world donations included sponsorship of local cultural initiatives and medical equipment for local hospitals in Russia, a donation to Camp Coca-Cola Foundation in the US and contributions to support charity sporting events around the world.

Employees

The Rexam Way culture continues as a fundamental characteristic of the Company's day to day activities and distinguishes the Company as a market leader and an employer of choice. Trust, Teamwork, Continuous Improvement, and Recognition are the core values that the Group has chosen and which involve, inform and motivate employees to work towards the vision of making Rexam the leading global consumer packaging company. In 2008 the Company introduced the Rexam Academy to facilitate performance and development management throughout the Group and also to strengthen succession planning. Other key programmes include the Talent Management and Horizon Programs whose aims are to raise overall employee performance and identify and systematically develop employee talent. Additionally, the Company launched an online integrated Performance Development System during 2008 which measures leadership practices and business objectives, as well as personal development and individual potential. Rexam people are regarded as one of the cornerstones in helping to deliver the Group's vision of profitable growth, operational excellence and satisfied customers.

Further information on the Group's training and development programmes can be found in the Business Review on page 29.

The Group has active policies of equal opportunity ranging from selection and recruitment to training and development which meet the needs of its operations around the world. Disabled people are given full consideration for employment and subsequent training (including, if needed, retraining for alternative work where employees have become disabled), career development and promotion on the basis of their aptitudes and abilities.

Communication with employees has an important focus through team briefings where employees can participate and give their views on any aspect of the Group's business. The Chief Executive Officer issues online updates to employees through the Group's intranet and answers questions asked by employees through his weblog. The Group's annual and interim results announcements are also presented on video made available via the intranet. At the subsequent team briefings employees are given the opportunity to comment on the financial and economic factors affecting the Group's performance. The Group's global intranet is an immediate source of information and knowledge. At regular intervals an electronic newsletter, Group News, is produced and distributed globally to employees, supplementing the monthly communications produced by the businesses to keep their employees informed of what is happening in and around their sector.

The Rexam European Forum (REF) is a joint employee representative and management body created for the exchange of information and dialogue concerning issues which may impact Rexam's employees within the European Economic Area. The REF holds an annual meeting attended by the Chief Executive Officer and other senior management. A smaller coordinating committee drawn from within the REF meets quarterly to discuss organisational issues as well as any exceptional business issues which may arise and which may have an impact on Rexam's European employees.

The Company has well established employee share schemes to promote share ownership, as described in the Remuneration Report. Competitive retirement and benefit packages are offered and, subject to the culture, market practices and regulations in the countries where we carry out our business, benefits may be provided in whole or in part by the government, private or supplementary Rexam sponsored programmes. Financial details of the Group's worldwide retirement benefit arrangements can be found in the Business Review and note 24 to the consolidated financial statements.

Annual General Meeting 2009

The AGM of the Company will be held at 11.00am on 7 May 2009 at Church House, Dean's Yard, London SW1, details of which can be found in the Notice of AGM 2009.

Purchase of own shares

At the AGM 2008, shareholders passed a special resolution renewing the authority to the Company, in accordance with the Articles, to purchase the maximum number of its own ordinary shares in the market.

No ordinary shares have been purchased in the market, nor has any contract been made to purchase ordinary shares under the previous or existing authorities from 1 January 2008 to the date of this Report. The directors are seeking to renew the authority at the AGM 2009. Further details can be found in the Notice of AGM 2009.

Share purchase authority

Number of shares	AGM 2009 Proposed	AGM 2008 Approved
10% of issued ordinary share capital	64.29m	64.26m

Directors' statement

Each person who is a director of the Company at the date of approval of this Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director individually has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with the recommendation of the Audit Committee, a resolution for the re-appointment of PricewaterhouseCoopers LLP will be proposed at the AGM 2009.

On behalf of the Board
David Gibson
Company Secretary
19 February 2009

Corporate Governance Report

Compliance

This Report has been prepared in accordance with the Combined Code on Corporate Governance issued in 2006 (the Code). This Report, together with the Directors' Report and the Remuneration Report, provides a summary of the Group's procedures for applying the principles of the Code and the extent to which such principles have been applied. The Company is committed to the highest standards of corporate governance and the Group's governance policies are monitored by the Board and kept under constant review.

Throughout the period 1 January to 1 May 2008, the Company complied with the provisions of the Code with the exception that the then Chairman, Rolf Börjesson, whose position was supported by the Company's major institutional shareholders, was not considered to be independent as he had previously been Chief Executive of the Company. Rolf Börjesson retired as Chairman on 1 May 2008 and was succeeded by Peter Ellwood. Since 1 May 2008 the Company has been fully compliant with the Code.

Directors

The Board

The Board's primary role is to provide entrepreneurial leadership and to develop and implement a coherent long term strategy for the Group. Its other roles are to supervise management, to oversee succession planning, to maintain control over the Group's assets and to establish high ethical standards of behaviour, while developing robust corporate governance and risk management practices and procedures.

The Board monitors the performance of management and aims to ensure that the strategy, policies and procedures adopted are not only in the long term interest of shareholders but also meet the needs of Rexam's customers, employees, suppliers and the local communities in which Rexam operates.

Matters referred to the Board are considered by the Board as a whole and no one individual has unrestricted powers of decision. There are well documented procedures and controls, including a formal schedule of matters that requires the Board's specific approval and is reviewed annually. This provides the framework for the decisions to be taken by the Board and those which can be delegated to committees of the Board or senior management.

Schedule of matters reserved for the Board

- Board appointments and removals.
- The appointment and removal of principal advisors and external auditors.
- Changes to the Group's management and control structure.
- The Group's strategy, including the acquisition and disposal of businesses.
- Matters relating to the Company's share listing.
- High level financial decisions.
- All capital expenditure projects over £10m or any capital expenditure project which, regardless of the amount, does not meet the Group's financial criteria.

Further details on internal control are set out on pages 46 and 47.

There were eight Board meetings during 2008. All directors were present at each meeting with the exception of Noreen Doyle who was unable to attend the February meeting and Jean-Pierre Rodier who was unable to attend the May meeting. Both directors received a copy of the agenda and the board papers for the meeting they were unable to attend and commented on the matters to be discussed in advance of the meetings.

The names of the members of the Board committees are set out on pages 50 and 51, together with a summary of each committee's terms of reference and details of the meetings held during the year. The Board committees have authority to make decisions according to their terms of reference which can be found online at www.rexam.com.

During the year Rolf Börjesson, together with the Chief Executive Officer, met with the non executive directors on one occasion to discuss Board related issues on a less formal basis. Following his appointment as Chairman, Peter Ellwood met with each director and also met separately with the non executive directors as a group to discuss Board related issues on a less formal basis. Their discussions covered areas including Group performance, strategy and succession planning.

The Group's global insurance programme is reviewed annually and appropriate insurance cover has been obtained to protect the directors and senior management in the event of a claim being brought against any of them in their capacity as directors or officers of the Company and its subsidiaries.

Chairman and Chief Executive Officer

Rexam has a non executive Chairman and a Chief Executive Officer. There is a clear division of responsibility between the positions, with the Chairman responsible for the running of the Board and the Chief Executive Officer responsible for the executive management of the Company and the running of the Group's businesses.

The written job specifications for the roles of Chairman and Chief Executive Officer, as well as that of the senior independent director, are reviewed annually by the Nomination Committee.

Rolf Börjesson retired as Chairman on 1 May 2008 and was succeeded by Peter Ellwood. Peter Ellwood was Chairman of Imperial Chemical Industries PLC (ICI) until ICI was acquired by Akzo Nobel NV at the beginning of 2008. Prior to that, he was Group Chief Executive of Lloyds TSB Group plc. Peter Ellwood has extensive experience of strategic business issues and is an experienced chairman with international business and leadership experience that the Board believes complements and further strengthens the Board.

Prior to his retirement, Rolf Börjesson spent, on average, two days per week in his role as Chairman. Peter Ellwood has spent, on average, two days per week in his role as Chairman and has visited the businesses and held individual meetings with senior management to familiarise himself with the Company's businesses and people. Peter Ellwood is also a Supervisory Board member of Akzo Nobel NV and, until November 2008, he was also Chairman of the Royal Parks Charitable Foundation. The Board considers that his external directorships do not make conflicting demands on his time as Chairman.

Carl Symon is the senior independent director and is available to talk to shareholders if they have any issues or concerns. Leslie Van de Walle is Chief Executive Officer and has meetings with institutional shareholders on a regular basis. Details of other external directorships held by Carl Symon and Leslie Van de Walle can be found on page 39 of the Annual Report 2008. The Board considers that these external directorships do not make conflicting demands on their time commitment to the Company as senior independent director and Chief Executive Officer, respectively.

Board balance and independence

Throughout the year the Company has had a majority of independent non executive directors on the Board and has therefore complied with the relevant provisions of the Code.

Peter Ellwood was independent on his appointment as a non executive director and Chairman Designate.

Board balance	31.12.08	19.02.09
Chairman (with no executive responsibilities)	1	1
Non executive directors (excluding Chairman)	6	6
Executive directors	4	3

Rexam has a Board which is diverse and cross cultural, representing the views and experience of a varied group of people. The Board works as a team but independence of thought and approach is encouraged. Directors of different nationalities with international business backgrounds have been appointed as a majority of Rexam's activities are overseas. Influence is balanced within the Board by virtue of Peter Ellwood who was independent on his appointment as Chairman, together with a non executive senior independent director and a further five non executive directors, all of whom the Board considers to be independent. Their professional skills and wide international business experience are invaluable in constructively challenging and developing the Group's strategy and direction. The Board is aware of the other commitments of the non executive directors and considers that these commitments do not conflict with their duties as directors of the Company.

A biography of each member of the Board and details of their other directorships are given on page 39.

The Board evaluates the membership of its individual Board committees on an annual basis and aims to ensure that the principal committees have different non executive directors as their chairman.

Appointments to the Board

Recommendations for appointments to the Board are the responsibility of the Nomination Committee. All of the current members of the Committee are independent non executive directors. The Committee regularly reviews and considers the ongoing membership of the Board, reviews job descriptions and objective criteria for Board and senior executive appointments and oversees talent management and succession planning. The terms of reference set out more fully the responsibilities of this Committee and can be found online at www.rexam.com.

All new Board appointment projects are conducted through a formal, rigorous and transparent procedure between the Nomination Committee and the Board. The Committee has responsibility for succession planning and, in doing so, identifies through the management review process any internal people whose skills, experience and contribution to the Group would potentially benefit the Board. The Nomination Committee reviews membership of the Board on a regular basis. If it is decided that an internal rather than an external appointment would be in the best interests of the Board, the Nomination Committee meets with the prospective candidates who are then considered and, if appropriate, recommendations are made to the Board for approval.

For the appointment of external candidates to the Board, the Nomination Committee instructs and works alongside recruitment consultants to evaluate and meet prospective candidates who are then considered and, if appropriate, recommended to the Board for approval. The process leading to the appointment of Peter Ellwood and John Langston during 2008 was conducted in this way.

Information and professional development

For each scheduled Board meeting the Chairman and the Company Secretary ensure that, during the week before the meeting, the directors receive a copy of the agenda for the meeting, Group and business financial and operating information so that they are properly informed of the Group's current performance and details of any other matter which is to be referred to the Board for consideration. The directors also have access to the Company Secretary for any further information they require. In the months where there is no scheduled Board meeting, the directors receive the prior month and cumulative Group and business financial and operating information. If there is any urgent business to be considered in these months and the subject of the business can be communicated by a written paper, the Board may be asked to give their approval using the written resolution procedure as permitted by the Company's Articles of Association (Articles).

All newly appointed directors participate in an extensive internal induction programme that introduces the director to the Group and includes visiting Group businesses. Newly appointed directors, in particular those who have not previously held a directorship in a UK listed company, are given training facilitated by an external consultant which focuses on their role on the Board. The Company Secretary gives guidance on Board procedures and corporate governance. All directors receive ongoing training and members of the Committees receive specific updates in matters that are relevant to their role. For example, members of the Board have received information on the new provisions in the Companies Act 2006 (2006 Act) relating to directors' conflicts of interest.

The Chairman arranges for the directors to visit at least one of the Group's business locations each year to ensure that their technical knowledge, skills and familiarity with the Group's businesses are updated and maintained. During 2008, the Board visited the Plastic Packaging businesses in Perrysburg, Constantine and Berlin in the US and the Beverage Cans business in Berlin, Germany. Additionally, members of the senior management team with responsibility for the Group's businesses make periodic presentations at Board meetings about their businesses, performance, suppliers, customers, markets and strategy. Periodic presentations are also made at Board meetings by members of the senior management team who have corporate or service centre functional responsibilities.

The Company Secretary, who is appointed by the Board, is responsible for ensuring compliance with Board procedures. This includes taking minutes of the Board meetings and the recording of any concerns relating to the running of the Company or proposed actions arising therefrom that are expressed by a director in a Board meeting. The Company Secretary is also secretary to the Audit, Nomination and Remuneration Committees. Under the direction of the Chairman, he is responsible for the communication of relevant information between the Board and the senior management team. The Company Secretary is available to give ongoing advice to all directors on Board procedures, corporate governance and regulatory compliance. Should a director reasonably request independent professional advice to carry out his or her duties, such advice is made available at the Company's expense.

Performance evaluation

All directors, including the Chairman, receive a formal performance evaluation to which all other members of the Board have an opportunity to contribute. The evaluations are led as indicated below.

Board member	Evaluation led by
Chairman	Senior Independent Director
Senior Independent Director and other non executive directors	Chairman
Chief Executive Officer	Chairman
Executive Directors	Chief Executive Officer

The Chairman and Chief Executive Officer meet twice a year with the non executive directors to discuss the evaluation of the Board and individual director's performance and succession plans. The Chairman and Chief Executive Officer absent themselves when their own performance is being assessed. Discussions are led by the Chairman (except in relation to his own performance and succession when the Senior Independent Director takes the chair) and feedback is provided.

In addition to the regular evaluations, an evaluation of the effectiveness of the Board and its principal Committees took place in 2008. The directors were asked to complete questionnaires and provide comments on Board and Committee procedures and effectiveness. The results of the evaluations were reviewed by the Chairman and the Company Secretary, prior to being presented to the Board. The collective view of the directors was that the Board and its Committees were operating effectively. Nonetheless, some areas for development were raised. It was agreed that the Chief Executive Officer would put forward proposals for the enhancement of the Board's involvement with the strategic planning process, Group risks and succession planning.

A full performance evaluation of the Board will continue to be conducted annually.

Election and re-election of directors

Article 56 of the Articles states that any director appointed to the Board since the date of the last AGM should be proposed for election at the first AGM after their appointment. Thereafter a director must be proposed for re-election at the third AGM following the AGM at which the director was last elected or re-elected. The Board ensures that each executive and non executive director be required to submit himself or herself for re-election by shareholders at least every three years.

Non executive directors serve the Company under letters of appointment which are generally for an initial three year term. On appointment, an undertaking is requested confirming that the non executive director has sufficient time to fulfil his or her role on the Board. Any non executive director who has served on the Board for a period in excess of nine years will be subject to annual re-election at the AGM. The non executive directors' letters of appointment are available for inspection at the Company's registered office and at the AGM.

The Board will only recommend to shareholders that executive and non executive directors be proposed for election or re-election at an AGM, in accordance with the Articles, after evaluating the performance of the individual director. At the AGM 2009, the following directors are being recommended by the Board and will be proposed for election or re-election:

Name	Director	AGM 2009
John Langston	Non executive	Election
Graham Chipchase	Executive	Re-election
Noreen Doyle	Non executive	Re-election
David Robbie	Executive	Re-election

John Langston is being recommended for election at the AGM 2009 as the Board believes that his international, commercial and financial experience will enable him to make an excellent contribution to the Board. As Finance Director of Smiths Group plc, John Langston has the relevant financial experience to be Chairman of the Audit Committee and, subject to his election as a non executive director at the AGM 2009, he will succeed Michael Buzzacott as Committee Chairman at the conclusion of the AGM 2009.

Graham Chipchase, Noreen Doyle and David Robbie are being recommended for re-election at the AGM 2009 following performance evaluations. The Board confirmed that Graham Chipchase has an in depth knowledge of the rigid plastic packaging industry and market and his leadership skills are driving the successful development of the Plastic Packaging business. Noreen Doyle's performance continues to be effective and demonstrates her commitment to the Board. In particular, her business experience and knowledge of the financial markets enable her to continue to provide valuable guidance to the Board. David Robbie's strong financial experience and his financial and strategic skills are important to the Board as it continues to build Rexam organically and, where appropriate in the current economic climate, through acquisition.

Remuneration

Level and make up of directors' remuneration

The following sections on directors' remuneration should be read in conjunction with the Remuneration Report. Information as to executive directors' basic salary, benefits in kind, short and long term incentive arrangements and retirement benefits, together with information on non executive directors' fees, is disclosed in the Remuneration Report.

Fees for non executive directors are determined having regard to current market practice and the time spent on Rexam's behalf. They do not participate in any incentive or share option schemes.

The Board recognises the importance of executive directors' remuneration and during 2008 commissioned a review of its policy not only for executive directors but also in the wider context within the Group and in comparable geographic and business areas.

Remuneration policy for executive directors and employees

- To make a significant portion of total remuneration performance based to align the interests of executive directors and senior executives with those of the shareholders.
- To incentivise and reward consistent and sustained performance delivery with a focus on profitable growth, margins and cash flow.
- To reward, retain and motivate a team of highly qualified executives to manage the business on an international basis.
- To reinforce the Rexam Way values and leadership behaviours.
- To provide greater transparency and simplicity.

In addition to basic salary, benefits in kind and retirement benefits, executive directors' remuneration is composed of both short term and long term elements that are related to Group and business performance.

There is also a requirement in accordance with their contracts of employment for executive directors to build up shareholdings in the Company following the exercise of share options to encourage them to align their interests with those of shareholders.

Procedure to approve directors' remuneration

The Remuneration Committee, which is chaired by the senior independent director, consists of independent non executive directors and determines remuneration levels and specific packages appropriate for each executive director, taking into account the Group's annual salary negotiations. No director is permitted to be present when his own remuneration is being discussed, nor to vote on his own remuneration. The Remuneration Committee considers that the procedures in place provide a level of remuneration for the directors which is both appropriate for the individuals concerned and in the best interests of shareholders.

The remuneration of the Chairman is determined by the Remuneration Committee (the Chairman absenting himself from the discussions and vote) and non executive directors' fees are recommended by the Chairman and Chief Executive Officer and approved by the executive directors.

Accountability and audit

Financial reporting

The Annual Report and the Interim Report seek to provide a clear assessment of the performance and prospects of the Group. The Company prepares an Annual Report, in which, following their annual audit, the Company's external auditor includes an independent report to members. The Interim Report includes a review report to the Company prepared by the Company's external auditor.

The Annual Report contains a Business Review which summarises the Group's business strategy, objectives, strategic risks and financial and non financial performance. The Business Review can be found on pages 10 to 37.

Internal control and risk management

There is an ongoing process for identifying, evaluating, managing, monitoring and reporting the risks faced by the Group. This formal process, managed through Audit and Risk Committee (ARC) meetings, is the responsibility of all of the Group's businesses and is overseen by the Finance Director and the Head of Internal Audit. Separate ARC meetings are held with senior management of each division as well as key group functions (including Treasury, Tax, Finance, IT, Legal and Supply Chain) to review the results of their internal risk assessments. These meetings are attended by the Finance Director and, in most instances, by the Chief Executive Officer and evaluate and develop the process for reviewing the effectiveness of the Group's system of internal control, including all aspects concerning financial, environmental, social and governance related matters. The ARC meetings also include a detailed review of the results of internal audit activity covering the financial controls and risks as well as the physical risks (health, safety and environment) of all businesses in the Group.

In addition to the ARC meetings, risks in relation to each division and business are reviewed at the quarterly business review meeting with senior management.

Risk register forms are used to provide detailed reporting of the methodology used to quantify the risks identified. Trend analysis and key performance indicators (KPIs) are used to help measure and assess the benefits of mitigation steps taken to minimise and manage the risks. The process continued to be refined in 2008 and the risk profile of the Group was reviewed in detail by senior management to assign specific responsibility for managing each of the identified risks and to ensure that risks were not just the product of a bottom up approach but were also examined from a top down perspective and closely aligned with the Group's strategy.

The Audit Committee carries out a detailed review of the Group's risk profile and as part of this process invites a Sector or functional manager to present their risk profile to the Committee, enabling it to assess at first hand whether the risks identified are being managed effectively and to challenge management on the mitigation measures being carried out. During 2008 presentations were made relating to the implementation of SAP in the recently acquired OI Plastics business, the risks associated with doing business in Russia following the Rostar acquisition and the risks related to the Beverage Can South American division.

The process will continue to be refined in 2009 to ensure that the Group maintains a robust, enterprise wide risk management process. The Company's risk management policy will also be reviewed, taking into account those aspects of the Risk Management standard (ISO 31000) scheduled to be published in 2009, that are relevant to the Group.

The results of the ARC process are reported to the Audit Committee by the Finance Director, Company Secretary and the Head of Internal Audit providing an opportunity for the Committee to discuss and analyse the risks reported. The process of internal risk monitoring is regularly reviewed by the Board, which has ultimate responsibility for the identification and management of risk, to ensure its continuing effectiveness. During 2008 the Head of Internal Audit presented details of the Group risks and ARC process to the Board.

Details of the main risks encountered by the Group are included in the Business Review.

All directors are responsible for ensuring the establishment and maintenance of an effective system of internal control. Whilst all elements of risk cannot be eliminated, the system aims to identify, assess, prioritise and, where possible, mitigate the Group's risks. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Board with reasonable assurance that assets are safeguarded, transactions are properly authorised and recorded and that material errors and irregularities are either prevented or detected within a timely period.

During 2008 the Group authority levels and related financial limits, which include information on those matters that are specifically reserved for the Board's consideration, were reviewed and updated as necessary.

The Board, after taking account of the detailed work of the Audit Committee, confirms that it carried out a review of the effectiveness of the system of internal control which operated within the Group during 2008 in accordance with the requirements of the Code and the revised guidance issued in October 2005 'Internal Control: Guidance for Directors on the Combined Code' (the Turnbull Report). This review covers all controls, namely financial, operational, compliance and risk management. In order to discharge its responsibilities in this regard the Board has established and regularly reviews the procedures necessary to implement the internal control requirements of the Code. The Committee also considered the revised Guidance on Audit Committees issued by the Financial Reporting Council in October 2008. No significant failings or weaknesses were identified in the review for the period since 1 January 2008. The Board is satisfied that, where areas for improvement were identified, processes are in place to ensure that the necessary action is taken and that progress is monitored. The Board will continue to carry out such reviews on an annual basis.

The framework which the Board has established with a view to providing effective internal control to both the Group and its joint venture partnerships is supported by the following key areas:

Financial reporting

The Group has a comprehensive system for reporting financial results to the Board. An annual budget and strategic review are prepared for each business and are consolidated for review by the Board before being formally adopted. During the year, monthly management accounts, including cash flow and capital expenditure reporting, are prepared with a comparison against budget and prior year. Forecasts are revised in the light of this comparison and also reviewed by the Board.

Responsibility

There are clearly defined lines of responsibility and levels of authority in operation throughout the Group, with specific matters reserved to the Board. Businesses are decentralised with operating autonomy and financial responsibility delegated to corporate and local management to the extent that they have approval to operate within defined levels of authority and risk.

Procedures and controls

There are formal written Group financial procedures and controls in operation, including specific procedures for treasury matters and the approval of significant contracts. Corporate and local management are required to complete bi-annual representation letters formally confirming that their businesses comply with the Group's financial reporting policies and other Group policies and procedures.

Internal audit

The internal audit function monitors the accounting and financial risks faced throughout the Group and the control systems in operation to manage these risks. Any significant internal audit findings are reported to the Audit Committee.

Physical risk management

The internal risk management function together with operational management are responsible for monitoring the processes within the Group which identify, evaluate and manage any significant health, safety and environmental risks faced by Group businesses. All businesses have adopted an externally verified system of auditing and assessing the ability of their operations to identify, measure, reduce, control and review these physical risks. The results of these audits are reported upon and reviewed by local and senior management in order to ensure that appropriate action plans are developed and implemented in a timely manner.

Audit Committee and Auditor

The objectives of the Committee are to assist the Board in meeting its responsibilities in ensuring an effective system of internal control and compliance, and accurate external financial reporting, thereby fulfilling the Board's obligations under law and the Code; and managing the relationship with the Company's external auditor.

The Committee members comprise independent non executive directors and the Committee meets at least four times a year. Michael Buzzacott is the current Committee Chairman and the Board is satisfied that, as a qualified accountant who has held a number of senior financial positions at BP p.l.c., he has recent and relevant financial experience to enable the duties of the Committee to be fully discharged. Michael Buzzacott will retire as a non executive director at the AGM 2009 and will be succeeded as Committee Chairman by John Langston. John Langston is the Finance Director of Smiths Group plc and has recent and relevant financial experience. Noreen Doyle, who is chairman of the Finance Committee, is also a member of the Audit Committee and has extensive financial experience gained from her role as First Vice President of the European Bank for Reconstruction & Development before her retirement in 2005 and her current non executive directorship of Credit Suisse Group. Should it be requested, the Committee has access to independent expert advice at the Company's expense.

The Committee approves the appointment of the Head of Internal Audit. The annual programme of internal audit assignments is reviewed and approved by the Committee which also ensures that the involvement of the internal and external auditors is co-ordinated.

In 2008 the internal audit function and its performance, effectiveness and relationship with the Company's external auditor was assessed by the Audit Committee and reported to the Board. This assessment included a survey of internal audit's performance carried out by both the Audit Committee and the businesses. The Head of Internal Audit will continue to review the role and focus of the internal audit function with the Audit Committee Chairman during 2009, looking for areas for further improvement and at the balance of internal audit's work in providing assurance to the Committee and Group management and overall support for the Group's businesses.

The Company's external auditor attends all Audit Committee meetings. The Chairman of the Board is invited to attend all Audit Committee meetings and, at the request of the Committee Chairman, the Chief Executive Officer, Finance Director and Head of Internal Audit attend each meeting. The Committee Chairman also has separate meetings with the Company's external auditor to discuss informally matters of interest and meets with the Head of Internal Audit without any other member of management being present.

The terms of reference of the Audit Committee, which are reviewed annually, set out more fully the responsibilities of the Committee and can be found online at www.rexam.com. The performance and effectiveness of the Committee is reviewed as part of the main performance appraisal of the Board and all its Committees.

The first meeting within the annual audit cycle is to consider the nature and scope of the audit and to consider any additional special reviews that may be necessary. Further meetings are held prior to the approval of the interim results and the final results to consider, as relevant, the audit conclusions, the results of any special reviews undertaken, the business risks facing the Group and the reports from the ARC meetings.

The Committee shares responsibility with the Board for reviewing in detail the Annual Report and Interim Report and all other published financial information for statutory and regulatory compliance with a view to their recommendation and submission to the Board. The Committee reports its findings on the audit process and on the wider aspects of internal control to the Board.

The Committee has primary responsibility and advises the Board on the appointment, re-appointment and the remuneration of the Company's external auditor. PricewaterhouseCoopers LLP (PwC) has been the Company's external auditor since 2003. The lead audit partner changed by rotation in 2008, the previous partner having been in the role since 2003. The new audit partner held meetings with senior management and the Audit Committee to ensure that he was familiar with the Group and its risks. During 2008, the Committee reviewed the effectiveness of the Company's external auditor and has recommended to the Board that a resolution to re-appoint PwC be proposed at the AGM 2009. A more detailed review of PwC's effectiveness will be held in 2009 following completion of the 2008 year end audit, including the transition to the new lead audit partner. This review process will be carried out as a joint exercise between PwC's client service review team, who are independent of the Group audit team, and the Head of Internal Audit on behalf of the Committee. The Committee will continue to keep under review the independence and objectivity of the Company's external auditor.

The policy on the provision of non audit services by the Company's external auditor determines the procedures for the pre-approval of such services and the fees paid for those services. The scope and extent of non audit work undertaken by the Company's external auditor is monitored by and, above certain thresholds, requires prior approval from the Committee to ensure that the provision of the non audit services does not impair the external auditor's independence or objectivity. The Company's external auditor is prohibited from providing services to the Company that would be considered to jeopardise its independence such as financial systems design and implementation, actuarial services, internal audit outsourcing services and investment services.

The Committee also reviews the Company's external auditor's reports on accounting and control matters, the Company's statement on internal control systems and, if requested to do so, the annual financial statements of certain Group pension plans.

Directors' situational conflicts of interest

Prior to the enactment of the new sections on directors' conflicts introduced by the 2006 Act, directors had a responsibility to report to the Board the nature of any direct or indirect interest in a transaction or arrangement with the Company. Directors are now also required to report other situations where the director has an interest that conflicts, or may possibly conflict, with the interests of the Company (situational conflicts).

The Company's Articles were amended to permit the Board, with effect from 1 October 2008, to consider and, if it sees fit, authorise situational conflicts. The Board has a formal system in place for directors to review regularly their interests and report any conflicts of interest to the Chairman and the Company Secretary. Any situational conflicts will be considered for authorisation by those directors who have no interest in the matter being considered. In deciding whether to authorise a situational conflict, the non conflicted directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company, and they may impose limits or conditions when giving the authorisation or subsequently if they think this is appropriate.

Any situational conflicts considered by the Board and any authorisations given will be recorded in the Board minutes and in a register of directors' conflicts which will be reviewed annually by the Board.

No director disclosed a situational conflict that had existed before 1 October 2008 and no situational conflicts have been reported to the Board since 1 October 2008 and up to the date of this Report.

Shareholder relations

Dialogue with private and institutional shareholders

The Board believes that it is a priority to communicate with shareholders and uses various methods of communication to communicate with as many shareholders as possible. There are programmes for the Chief Executive Officer, Finance Director and the Head of Investor Relations to meet with the Company's investors in the UK, US and Europe. Presentations are made on the operating and financial performance of the Group, including corporate governance related matters, and the Group's longer term strategy. Roadshows are held in the UK, US, Europe and Asia following the announcement of the final and interim results. If it is not possible to meet face to face, meetings are held by live webcast or telephone conference. The presentations made to representatives of the investment community following the announcement of the final and interim results are available online at www.rexam.com, as is a live webcast of the related results presentation.

The Company also hosts annual seminars for investors and representatives of the investment community which focus on Rexam's Beverage Can and Plastic Packaging businesses. The seminars are webcast live and a replay, together with presentation slides, are available online.

The non executive directors are given regular updates as to the views of institutional shareholders. A summary report on investor responses is prepared for the Board, normally by the Company's brokers, after the investor meetings held following the announcement of the final and interim results.

On his appointment as Chairman, Peter Ellwood wrote to the Company's top institutional shareholders inviting them to meet with him in person or by telephone at any present or future time to discuss matters concerning the Company. The senior independent director is also available to meet with institutional shareholders should there be unresolved matters that such shareholders believe should be brought to his attention. The non executive directors meet with shareholders at the AGM and may attend analyst presentations made by the Chief Executive Officer and Finance Director following the final and interim results announcements. Institutional shareholders can request an opportunity to meet with any of the executive and non executive directors.

During 2008, the Chairman of the Remuneration Committee consulted by letter with the Company's top twenty institutional shareholders to ascertain their views on the proposed changes to the Company's reward policy to be effective from 2009. A summary of the reward policy for 2009 can be found in the appropriate sections of the Remuneration Report. Some of the shareholders consulted took the opportunity to discuss the proposed reward policy with senior management but no shareholder raised any significant concerns.

The Board fully supports the principle of the Code which seeks to encourage more active interest and contribution from institutional shareholders.

Annual General Meeting

Communication with private shareholders is largely through the Annual Report and the AGM which is held at a central London location. The notice of the AGM is posted to shareholders with, if requested, the Annual Report and any related papers at least twenty working days before the date of the AGM to ensure that shareholders have sufficient time in which to consider the items of business to be voted upon. The majority of shareholders access shareholder documents online rather than receiving a paper copy by post.

A presentation is made at the AGM to facilitate awareness of the Group's activities. Shareholders are given the opportunity to ask questions of the Board and the Chairman of each Board committee during the AGM and meet all the directors informally after the AGM. Separate resolutions are proposed for each item of business and the 'for', 'against' and 'vote withheld' proxy votes cast in respect of each resolution proposed at the AGM are counted and announced after the shareholders present have voted on each resolution. A summary of the number of proxy votes cast in respect of each resolution is available to shareholders at the conclusion of the AGM and can be viewed online at www.rexam.com. Following the AGM 2008, a summary of the questions and answers raised at the Meeting was posted on the Company's website. An announcement confirming whether each resolution was passed at the AGM is made through the London Stock Exchange.

Financial and other information is available online in the Investors section at www.rexam.com. Shareholders can ask questions of the Company at any time by contacting the Company Secretary's department whose contact details are listed on the website at www.rexam.com and in the Shareholder information section in the Annual Report 2008.

American Depositary Receipts (ADR) Program

The Company's ADRs trade as a Level 1 ADR Over-the-Counter Program. JP Morgan Chase Bank N.A., the Depositary for the ADR Program had been in place for many years and during 2008 a review was undertaken to benchmark the services received from the Depositary. Consequently, a decision was made to change and The Bank of New York Mellon was appointed as the Depositary with responsibility for the ADR Program.

Rexam's ADR investors deal in the ADRs through standard broker channels. Further information on the ADR Program can be found on The Bank of New York Mellon's website, www.adrbnymellon.com or on the electronic trading market, Pink Sheets, at www.pinksheets.com.

Corporate responsibility

The Group has a Corporate Responsibility (CR) section on its website, www.rexam.com for the reporting of its environmental, social and governance policies and performance. The website gives access to policy documents and facts and figures underlining Rexam's involvement and commitment in this important area. The CR programme focuses on six main areas – the environment, our people, the community, our suppliers, emerging markets and governance.

Historically, and underpinning its approach to CR, Rexam has a longstanding set of environmental management programmes and policies in place and is committed to the protection of the environment and the minimisation of the environmental impact of its operations and products. Additionally, the social impacts of its business on employees, surrounding communities, suppliers, customers and other stakeholders, and its responsibilities towards society in general have the highest priority. The continuing focus by institutional investors, the Government, charitable institutions and the media on CR encompassing social, environmental and ethical issues is acknowledged by the Board.

Further information on the Group's initiatives and commitment to CR can be found in the Corporate Responsibility section of the Business Review and online in the CR section of the Rexam website, www.rexam.com.

Code of employee and business conduct

A worldwide code of conduct, which applies to all the Company's employees, has been agreed with the Board and provides a clear statement for the benefit of stakeholders involved with or impacted by Rexam's activities. The code of conduct continues to be communicated through the new employee induction process, as part of the team briefings in the Group's businesses, and on the Group's intranet and website. The Board is kept informed regarding the maintenance of the code of conduct.

Whistle blowing policy

Employees are encouraged to raise any concerns that they have directly with their local management and Rexam promotes an open culture whereby employees have an opportunity to discuss matters that are of concern. Rexam also recognises that there will be times when an employee might not be comfortable with raising concerns directly with local management and in such cases, communication with sector and Group management is encouraged.

Rexam operates a whistle blowing policy which is supported by an external confidential telephone helpline, available to all employees for the submission of any concerns, including those of a financial nature. The telephone helpline, known as Raise Your Concern, has been beneficial as an independent point of contact for employees and, if requested, the anonymity of the employee is maintained. During 2008 there were 64 concerns logged and investigated, raising matters, in the majority of cases, related to local business human resource issues and practices concerning the Group's code of conduct. Concerns were reported through the helpline resulting in the enquiry into two local level frauds which were investigated with the support of external advisors and corrective action has been taken.

All concerns reported are investigated at the earliest opportunity by the Head of Internal Audit, in conjunction with the Company Secretary and, if appropriate, by management of the respective business. The majority of all such calls received, due to their nature, are normally handled by sector HR management to investigate and resolve and the actions taken are reported to Group management. The Head of Internal Audit provides an update on all calls received, and the action taken to resolve them, to the Audit Committee on a quarterly basis. Any significant concerns would be reported directly to the Chairman of the Audit Committee as well as to senior management.

The Committee annually evaluates and reviews the whistle blowing policy and the Raise Your Concern process.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 10 to 37. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in the Business Review on pages 32 to 37. In addition, notes 22 and 23 to the consolidated financial statements include the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources, as detailed on pages 36 and 37 of the Business Review, together with established contracts with a number of customers and suppliers across different geographic areas and markets. As a consequence, the directors believe that the Group is well placed to manage its business despite the current economic outlook which increases risks and uncertainties.

The directors, having made appropriate enquiries, are satisfied that Rexam PLC and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated and Company financial statements.

Committees of the Board and main terms of reference

In addition to regular scheduled Board meetings, the Company operates through various Board committees. The Chief Executive Officer's Committee, whose members are the Chief Executive Officer and any two other directors, has responsibility to approve certain matters above established financial limits other than those specifically reserved for the Board. The other committees and their main terms of reference are set out below.

Membership of the Audit and Remuneration Committees is restricted to the independent non executive directors. Where applicable, the date during 2008 on which a member was appointed to or resigned from a committee is given.

Audit Committee	
Michael Buzzacott	Committee Chairman To retire 7 May 2009
Noreen Doyle	
John Langston	Appointed 30 October 2008
Carl Symon	

The main terms of reference of this Committee are set out in the section Audit Committee and Auditor on pages 47 and 48. The Committee met four times in 2008 and all members of the Committee in office at the date of each meeting were present with the exception of Carl Symon who was unable to attend the November meeting. He received a copy of the agenda and the papers for the meeting and commented in advance of the meeting. Subject to his election as a director at the AGM 2009, John Langston will succeed Michael Buzzacott as Committee Chairman on 7 May 2009.

Finance Committee	
Noreen Doyle	Committee Chairman
Rolf Börjesson	Retired 1 May 2008
Michael Buzzacott	To retire 7 May 2009
Jon Drown	Director Group Treasury
John Langston	Appointed 9 December 2008
David Robbie	
Leslie Van de Walle	

The main terms of reference of this Committee are to oversee and report to the Board on financial risk management strategy, policy and treasury transactional matters. Additionally, the Committee assists the Board in reviewing and approving major financial transactions, including currency exposures and interest rate management. The Committee holds at least two scheduled formal meetings each year with full attendance to discuss matters of policy. Additional meetings are held during the year as necessary for which the quorum is three members, one of whom must be either the Finance Director or the Director Group Treasury. In 2008, the Committee held five formal meetings and also met regularly during the year for routine business. All members of the Committee in office at the date of each formal meeting were present.

Nomination Committee	
Peter Ellwood	Committee Chairman Appointed 1 May 2008
Rolf Börjesson	Committee Chairman Retired 1 May 2008
Noreen Doyle	
Wolfgang Meusburger	
Jean-Pierre Rodier	
Carl Symon	

The main terms of reference of this Committee are to review regularly the structure, size and composition of the Board and make recommendations to the Board on the role and nomination of directors for appointment to the Board, Board committees and as holders of any executive office. The Committee is also responsible for assessing the role of the Chairman and making appropriate recommendations to the Board, and assisting the Chairman with the annual performance evaluation to assess the overall and individual performance and effectiveness of the Board and Board committees.

The Committee met five times in 2008 and all members of the Committee in office at the date of each meeting were present.

Remuneration Committee	
Carl Symon	Committee Chairman To retire 7 May 2009
Michael Buzzacott	
Wolfgang Meusburger	
Jean-Pierre Rodier	

The main terms of reference of this Committee are set out in the Remuneration Report on page 52. The Committee met seven times in 2008 and all members of the Committee in office at the date of each meeting were present.

Retirement Benefits Committee	
David Tucker	Committee Chairman
Bill Barker	Resigned 7 January 2009
Roger Bellis	Group Director, Human Resources
Frank Brown	Director of US Administration
David Robbie	

The main terms of reference of this Committee are to review and make recommendations to the Board on the Group's retirement and post retirement benefit arrangements including the control and funding of such arrangements. It considers and reviews external advice received in respect of investment strategy, global asset allocation and funding levels. The Committee met four times in 2008 and all members of the Committee in office at the date of each meeting were present. David Tucker has continued in his role as Committee Chairman following his retirement as a non executive director of Rexam PLC in May 2007.

Share Options Committee	
Any director	
David Gibson	Company Secretary
Jennifer Smith	Deputy Company Secretary

The main terms of reference of this Committee are to grant options to employees over ordinary shares in the Company under the savings related share option schemes and to allot shares under the savings related share option schemes and the executive share option schemes.

A Chairman is elected at each meeting and the quorum is two members, one of whom must be a director. The Committee met as necessary in 2008.

Remuneration Report

The Remuneration Report for the year ended 31 December 2008 is presented by the Remuneration Committee (the Committee) on behalf of the Board.

Compliance

The Remuneration Report has been prepared in accordance with the Listing Rules of the UK Listing Authority, the Combined Code on Corporate Governance, the Directors' Remuneration Report Regulations 2002 and Schedule 7A of the Companies Act 1985. Shareholders will be asked to approve the Remuneration Report at the AGM 2009.

PricewaterhouseCoopers LLP has audited the contents of the Remuneration Report that are specified for review by the UK Listing Authority and Schedule 7A of the Companies Act 1985. The sections of this report that are referred to in the Auditors' Report have been marked as audited information.

Membership and main responsibilities

The Board delegates responsibility for the Company's remuneration policy to the Committee. The relationship between the Board and the Committee is governed by formal terms of reference which are reviewed annually. A copy of the terms of reference is available on the Company's website, www.rexam.com, and on request from the Company Secretary.

The membership of the Committee is made up of independent non executive directors. Other than in respect of their shareholdings in Rexam, the members of the Committee have no personal financial interests in the matters to be decided and no potential conflicts arise from cross directorships or day to day involvement in the running of the Group that could materially affect their independent judgement.

Members of the Committee

Carl Symon	Committee Chairman
Michael Buzzacott	
Wolfgang Meusburger	
Jean-Pierre Rodier	

The Committee determines the policy for the remuneration and benefits of the Chairman of the Company, the executive directors and all executives remunerated under the Company's Band 1 remuneration scale.

In setting its remuneration policy, the Committee is aware of the social, ethical, environmental and governance issues that face the Group and the need to motivate and manage corporate performance without the risk of inadvertently motivating irresponsible behaviour. The Committee has the discretion to structure its remuneration policy for the executive directors and Band 1 executives to take account of these issues.

The Committee is also responsible for the following matters.

- Overview of the Group's remuneration practices and procedures.
- To review, on an annual basis, salary, short term and long term incentives and retirement benefit rights for each individual for whom the Committee is responsible.
- To review service contracts, joining and termination payments and the amount and conditions of any other payments made to executive directors and Band 1 executives.
- To grant share based incentives under the Company's share incentive schemes.
- To approve the performance targets for the Company's share based incentives, performance related pay schemes or other incentive plans and determine the extent to which they have been satisfied.
- To consider and approve any new incentive plan, significant rule changes for existing incentive plans and, where appropriate, recommend to shareholders for approval.
- To consult with shareholders on the Company's remuneration policy.

The Committee has instructed and received advice from external advisors. Towers Perrin and Watson Wyatt advised on the external market for non executive, executive and senior management compensation and benefit levels and policies. During the year, the Committee met independently with Towers Perrin for guidance relating to market trends for base salaries and incentive programmes which formed part of the 2008 reward strategy review which is explained in more detail throughout this Report. Mercer Limited gave professional services in respect of retirement benefit advice and executive directors' retirement benefit arrangements. Allen & Overy LLP advised on the Company's share incentive schemes and gave specialist legal advice relating to employment and pensions matters. Addleshaw Goddard LLP advised on the Company's existing and proposed executive share incentive schemes. Alithos Limited provided advice and comparator calculations on total shareholder return.

Certain external advisors also provide other professional services to the Group. Mercer Limited provides retirement benefit advice, consultancy services for some of the Group's main pension schemes and salary benchmark data for all levels within the organisation. Allen & Overy LLP provides legal advice to the Company and its subsidiaries in numerous European jurisdictions.

During 2008, the Committee consulted with Roger Bellis, the Group Director, Human Resources, in connection with salary, incentive plan and pension and benefit proposals; David Robbie, the Finance Director, on matters requiring financial and accounting interpretation and analysis; and David Gibson, Company Secretary and Group General Counsel, in connection with matters requiring a legal interpretation.

In addition to regular meetings, the Committee holds a strategy meeting once a year to review market comparisons and discuss specifically the Company's remuneration policy for the following financial year. The Committee met seven times in 2008 and all members of the Committee attended each meeting.

Remuneration policy

Rexam seeks to ensure that its remuneration policy is in line with best practice. During 2008 the Committee requested a comprehensive review of the Group's reward strategy for executive directors and all Band 1 to Band 3 employees (the Reward Review) to ensure that the Company is able to continue to attract, retain and motivate a team of highly qualified people who will create long term value for shareholders.

The Committee's objective in conducting the Reward Review was to create an integrated Group reward strategy across all management levels with a consistent, clear and transparent focus between business performance and shareholder value. The Committee believes that the reward strategy for 2009 and the foreseeable future will provide the clearest incentive for those best placed to deliver exceptional value for shareholders and be rewarded for sustained business performance improvement.

The Reward Review has resulted in the Committee approving changes to some of the elements of the reward package to ensure Rexam continues to be an employer of choice. The Company's remuneration policy and the elements comprising an executive director's reward package are summarised below. Details of the changes approved or proposed by the Reward Review, and those changes subject to shareholder approval at the AGM 2009, are summarised under the Reward Review headings in the respective sections of this Report.

The Reward Review included the Committee Chairman consulting by letter with the Company's top twenty institutional shareholders, the Association of British Insurers (ABI) and the National Association of Pension Funds (NAPF) to ascertain their views on the proposed changes to Rexam's reward policy. The ABI, NAPF and some of the shareholders consulted took the opportunity to discuss the proposed changes with Rexam's senior management although no significant concerns were raised.

The remuneration policy of the Committee during 2008, and for future financial years to the extent reasonably foreseeable, will continue to reflect the following principles.

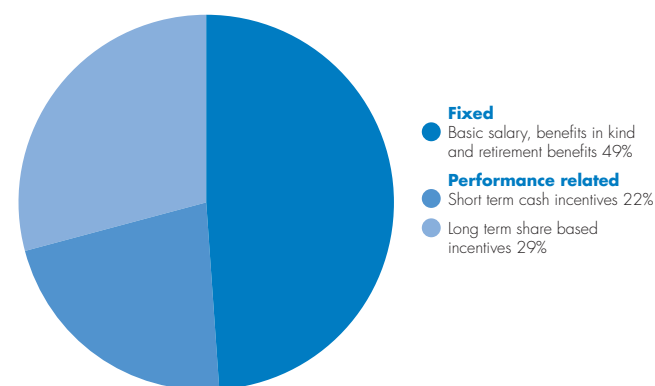
- To make a significant portion of total remuneration performance based to align the interests of executive directors and senior executives with those of the shareholders.
- To incentivise and reward consistent and sustained performance delivery with a focus on profitable growth, margins and cash flow.
- To reward, retain and motivate a team of highly qualified executives to manage the business on an international basis.
- To reinforce the Rexam Way values and leadership behaviours.
- To provide greater transparency and simplicity.

The main elements considered through the remuneration policy are:

- Basic salary and other benefits set around the median of the market.
- Short term and long term incentives which represent an earnings opportunity up to the upper quartile of the relevant market if stretching financial targets and personal objectives are achieved; and
- Retirement benefits generally set around the median of the market.

Based on achievement of target for the short term cash incentives and the expected value of share options vesting, the estimated percentage value of an annual remuneration package for an executive director is:

Annual remuneration package for an executive director



Source: Towers Perrin

The value placed on performance related incentives is an estimate of the expected value. It cannot be accurately quantified until the extent to which performance targets are met is known and the incentives crystallise. If the respective minimum performance targets are not achieved, then the incentive has no value. In addition, for share based incentives that vest, a longer term view must be taken as value is dependent on executive directors having the opportunity to exercise share incentives and the fact that, once vested, the Company's share price at the time of exercise has a considerable influence on the value of long term share based incentives.

It is not expected that the fixed and the performance related values of an annual remuneration package for a current executive director will change significantly as a result of the Reward Review.

Base salary

The current practice for executive directors and Band 1 executives sets base salary at around the median of the market. Annual reviews up to and including 2008 have awarded inflation increases with marginal differentiation around individual performance. Based on the Towers Perrin Review of Senior Executive Compensation, executive directors, with the exception of Leslie Van de Walle who received an increase in his short term cash incentive rather than a salary increase, received increases aligned with the market median for their respective position and experience.

Reward Review

For 2009, base salaries for executive directors and Band 1 executives will continue to be set by reference to the market median. Annual salary reviews will not follow an inflationary increase structure but will be based on contribution and performance as well as alignment with the market median for the position and experience of the executive.

The Committee refers to the Towers Perrin General Industry Survey when setting levels of base salary and incentive earnings opportunity and, additionally, will refer to the Watson Wyatt salary review data.

Short term cash incentives

The current short term annual cash incentive scheme for executive directors depends upon the realisation of demanding Group profit before tax and free cash flow targets. For those Band 1 executives with specific responsibility for Group businesses they must achieve their relevant business operating profit, cash flow and working capital targets. If targets are met, a bonus equal to 60% of basic salary can be achieved. The bonus can increase up to a maximum of a further 60% of basic salary relative to the extent that such targets are exceeded.

For 2008, Leslie Van de Walle's short term cash incentive was increased to 75% of basic salary if targets are met and up to a maximum of a further 75% of basic salary if targets are exceeded.

Reward Review

For 2009, targets will be based upon the realisation of demanding Group profit before tax and free cash flow targets. Based on the Towers Perrin General Industry Survey, attainment of targets will result in a bonus payment set at market median with upper quartile opportunity for top individual performers. The level of bonus for the Chief Executive Officer will remain unchanged at 75% of basic salary. The level of bonus for the other executive directors will be increased to 75% of basic salary to bring them in line with the median for the market. The bonus for the Chief Executive Officer and other executive directors can increase up to a maximum of a further 75% of basic salary for the Chief Executive Officer and other executive directors relative to the extent that such targets are exceeded. The level of bonus for Band 1 executives will remain unchanged at 60% of basic salary with the potential for the bonus to increase up to a maximum of a further 60% of basic salary relative to the extent that targets are exceeded.

Further, if targets are achieved, the level of bonus can be increased or decreased to reflect personal performance. An executive director's and a Band 1 executive's personal performance is measured against results, objectives and leadership behaviours. An executive director and Band 1 executive can receive an additional 20% of their bonus (not of their basic salary) if their performance is outstanding and exceeds expectations. In highly exceptional cases of outstanding performance, this can be 40%. An executive director and a Band 1 executive whose performance is below expectations may have their bonus reduced by 25%.

Long term share based incentives

Deferred Bonus Incentive Scheme

The deferred bonus incentive awarded to Graham Chipchase in 2007 vested in 2008 as to 56.1% of the shares granted. In accordance with the terms of the incentive, Graham Chipchase is entitled to exercise the option and acquire 51,477 shares for £1 during a three month exercise period commencing on 1 January 2010, subject to him being an employee of the Group at that time. The exercise of the option will be satisfied from shares which the Rexam Employee Share Trust has purchased or will purchase in the market. No further awards were made through this incentive arrangement during 2008.

Details of the grant currently held by Graham Chipchase is shown on page 65.

Share incentive schemes

At the AGM 2007, shareholders approved new share incentive schemes which were very similar to the Company's previous incentive schemes which expired on their tenth anniversary date. The Executive Share Option Scheme 2007 (2007 ESOS) replaced the Executive Share Option Scheme 1997 (1997 ESOS) and the Savings Related Share Option Scheme 2007 (2007 SAYE) replaced the Savings Related Share Option Scheme 1997 for UK employees (1997 SAYE). The Long Term Incentive Scheme (LTIS) and the Savings Related Share Option Scheme 2002 (Republic of Ireland) for Irish employees (2002 SAYE Ireland) were not due to expire but were reviewed in line with the other share incentive arrangements and were replaced by the Long Term Incentive Plan 2007 (2007 LTIP) and the Savings Related Share Option Scheme 2007 (Republic of Ireland) (2007 SAYE Ireland) respectively.

Options granted in years prior to 2008 remain outstanding through the LTIS, the 1997 ESOS, the 1997 SAYE and the 2002 SAYE Ireland.

There is no requirement for a payment to be made on the granting of an option under any of the share incentive schemes. Performance targets are applied to the grants made under the LTIS, the 2007 LTIP and the 1997 ESOS. As the executive directors and Band 1 executives did not participate in the 2007 ESOS, performance targets have not been applied to the grants made in 2007 and 2008.

The Company's savings related share option schemes for UK and Irish employees are not subject to performance targets since they are all employee schemes and all eligible employees participate on the same terms.

The Company measures Rexam's performance using relative total shareholder return (TSR) for the LTIS and 2007 LTIP and economic profit growth for the 1997 ESOS. The performance targets applicable to the grants under each Scheme are summarised in the relevant sections of this report and are the same for each executive director and Band 1 executive. There is no retesting of performance targets.

During the year, the Company remained within the headroom limits as set out in the rules of its share incentive schemes for the issue of new shares. At 31 December 2008, the position under the 5% in 10 years limit for discretionary share option schemes was that shares equivalent to 3.0% (2007: 3.2%) of the issued ordinary share capital had been allocated, whilst under the 10% in 10 years limit for all share option schemes, the equivalent number of shares allocated was 3.6% (2007: 4.1%).

The exercise of options granted under the LTIS and 2007 LTIP will be satisfied from Rexam ordinary shares that the Rexam Employee Share Trust has purchased or will purchase in the market and the cost will normally be met by each participant's employing company. The exercise of options granted under the 1997 ESOS, 2007 ESOS, 1997 SAYE, 2007 SAYE, 2002 SAYE Ireland and 2007 SAYE Ireland will be satisfied from the allotment of new ordinary shares.

Long Term Incentive Scheme and Long Term Incentive Plan 2007

Grants were made under the LTIS until 2006. In 2007 and 2008 grants have been made to executive directors and Band 1 executives under the 2007 LTIP. No further options will be granted under the LTIS.

Annual grants of options over ordinary shares were made to the executive directors and Band 1 executives at the discretion of the Committee and were structured as options to allow the participants to choose when to exercise and thereby crystallise a gain, subject to the option having vested. Options are granted over a number of shares calculated by dividing a multiple of basic salary by the average ordinary share price for the preceding calendar year. Subject to vesting, the options may be exercised on or after the third anniversary of the commencement of the measurement period at a nominal cost to the participant and are generally exercisable from their third anniversary for a period of six years and eleven months from the date of grant.

TSR has been chosen as the method for evaluating Rexam's performance because it is robust and focuses on comparative performance. By averaging the share prices of the members of the comparator group, abnormal share price movements do not significantly affect the calculation. The calculation compares the TSR received by a shareholder investing in Rexam with the TSR that would have been obtained by investing in each of the companies comprising the comparator group.

TSR is calculated by external advisors as the internal rate of return of the series of cash flows that result from share ownership. The share is assumed to be bought at the beginning of the measurement period at the average price over the previous calendar year and sold at the end of the measurement period at the average price over the final calendar year of that period. Dividends are treated as cash receipts and fund raisings, such as rights issues, as cash payments.

The performance targets determining the levels of vesting for each grant have been chosen to strongly incentivise executive directors and Band 1 executives to achieve the highest levels of TSR, thereby rewarding outstanding performance. The number of shares which actually vest is dependent upon the Company's comparative TSR over a three year measurement period, commencing on 1 January of the year in which the option is granted.

The Committee considers and determines the performance targets and comparator group at the beginning of each measurement period for the grants to be made in that year. The comparator groups for options granted between 2005 and 2008 are international groups of companies of similar size, complexity and international reach.

The performance percentiles and vesting rates, as set out below, are calculated using the TSR for the companies in the respective comparator group for those grants.

TSR performance percentile within comparator group for 2005 and 2006 LTIS grants	Vesting %
Below median	None
Between median and tenth	8.3 – 66.6
Between tenth and fifth	66.6 – 100
Above fifth	100

Between the median and the tenth percentile, and the tenth and fifth percentile, vesting will be calculated on a straight line basis. If Rexam's performance is below the median at the end of the respective measurement period the options will lapse.

TSR performance percentile within comparator group for 2007 LTIP grant	Vesting %
Below median	None
Between median and twenty fifth	8.3 – 60
Between twenty fifth and tenth	60 – 100
Above tenth	100

Between the median and the twenty fifth percentile and the twenty fifth and tenth percentile, vesting will be calculated on a straight line basis. If Rexam's performance is below the median at the end of the measurement period the options will lapse.

TSR performance percentile within comparator group for 2008 LTIP grant	Vesting %
Below median	None
Between median and thirtieth	30 – 90
Between thirtieth and tenth	90 – 100
Above tenth	100

Between the median and the thirtieth percentile and the thirtieth and tenth percentile, vesting will be calculated on a straight line basis. If Rexam's performance is below the median at the end of the measurement period the options will lapse.

2005 LTIS grant

The three year measurement period closed on 31 December 2007 and Rexam ranked twenty sixth which fell below the median percentile of its 2005 comparator group. As a result, none of the shares under option vested and all outstanding options lapsed on 1 January 2008.

2006 LTIS grant

The 2006 options were granted through the LTIS to executive directors and Band 1 executives based on the multiple of 3.5 times annual basic salary. The measurement period closed on 31 December 2008 and Rexam ranked thirty second which fell below the median percentile of its 2006 comparator group. As a result, none of the shares under option vested and all outstanding options lapsed on 1 January 2009.

2007 LTIP grant

The 2007 options were granted through the 2007 LTIP to executive directors and Band 1 executives based on the multiple of 3.5 times annual basic salary. The measurement period is 1 January 2007 to 31 December 2009. Performance will be measured against the 2007 comparator group.

2008 LTIP grant

The 2008 options were granted through the 2007 LTIP to executive directors and Band 1 executives based on the multiple of 2.75 times annual basic salary. The Committee changed the grant multiples and vesting schedule to provide a greater incentive to the participants to achieve performance between median and the upper decile whilst retaining the same expected value of the option as in previous years. The measurement period is 1 January 2008 to 31 December 2010. Performance will be measured against the 2008 comparator group.

Comparator groups

The following companies, quoted on a number of the world's major stock exchanges, comprise the comparator groups. Where companies are delisted within the performance period, they remain in their respective comparator group for the duration of the measurement period and the TSR is calculated by combining the return obtained prior to delisting with the return on the cash, equity or other instruments received in exchange for the original share for the balance of the measurement period.

2005 and 2006 comparator groups

Aga Foodservice Group	Heineken
Alcan	Huhtamäki
Alcoa	ICI
Amcor	InBev
Anheuser-Busch	Kidde (2005) ¹
Associated British Foods	Nestlé
Ball	Norsk Hydro
Baxter International	Northern Foods
Bemis	Owens-Illinois
Cadbury Schweppes	Pactiv
Carlsberg	Reckitt Benckiser
Coca-Cola Co	Rexam
Corus	SAB Miller
Crown Holdings	Scottish & Newcastle
Dairy Crest	Sealed Air
Diageo	Smith & Nephew
Dow Chemical	Sonoco Products
Eastman Kodak	Toyo Seikan
Geest (2005) ¹	Unilever
Group Danone	

¹ Geest and Kidde were omitted from the 2006 comparator group as they were subject to successful takeover offers in 2005.

2007 and 2008 comparator group

Alcan (2007) ¹	L'Oréal
Alcoa	Nestlé
Amcor	Norsk Hydro
Anheuser-Busch ³	Northern Foods
Aptar Group	Owens-Illinois
Associated British Foods	Pactiv
Azko Nobel (2008) ²	Pepsico (2008) ²
Ball	Procter & Gamble
Bemis	Reckitt Benckiser
Cadbury Schweppes	Rentokil Initial
Capita Group	Rexam
Carlsberg	SABMiller
Coca-Cola Co	Scottish & Newcastle (2007) ¹
Crown Holdings	Sealed Air
Dairy Crest	Silgan Holdings
Diageo	Smith & Nephew
Dow Chemical	Smiths Group
Group Danone	Smurfit-Stone
Heineken	Sonoco Products
Huhtamäki	Tate & Lyle
ICI (2007) ¹	Toyo Seikan
InBev	Unilever
Johnson Matthey	

¹ Alcan, ICI and Scottish & Newcastle were omitted from the 2008 comparator group as they were subject to successful takeover offers in 2007.

² Akzo Nobel and Pepsico were not in the 2007 comparator group but replaced ICI and Scottish and Newcastle respectively in the 2008 comparator group. Alcan was not replaced in the 2008 comparator group.

³ Anheuser-Busch was delisted in 2008.

Details of the grants currently held by directors are shown on page 64.

Reward Review**Long Term Incentive Plan 2009**

The Committee's objective when reviewing the long term share based incentives was to have one long term incentive structure for the executive directors, Band 1 executives and other senior management (Bands 2 and 3) with dual performance targets providing a clearly understood focus on business performance (earnings per share) and shareholder value (TSR). The Committee acknowledges the need to set challenging performance targets taking account of the circumstances prevailing at the date of grant and having regard to the best practice expectations of shareholders and shareholder representative bodies.

The Committee is proposing that, subject to shareholder approval at the AGM 2009, the 2007 LTIP and the 2007 ESOS be replaced by a new Long Term Incentive Plan 2009 (2009 LTIP). The 2009 LTIP is in many respects comparable with the 2007 LTIP. Performance targets will be measured over a three year period and there will be no discretion for re-testing of performance targets for executive directors or Band 1 executives.

In certain early leaver situations, the Committee has discretion as to whether awards can be exercised and, if so, to determine the achievement of performance targets. Leaver provisions remain similar to those in the 2007 LTIP save that participants who leave the Group with a right to exercise awards under the rules of the LTIP 2009 must normally wait until the end of the measurement period. If the award vests, the participant will receive an entitlement which will be time apportioned for the period from the start of the performance period to the date on which employment ended.

Similarly, on takeover or change of control of the Company, vesting will be determined by the Committee according to the achievement of performance targets and the resulting entitlement will normally be time apportioned for the period from the start of the performance period to the date on which the takeover or change of control is confirmed.

Provided that the 2009 LTIP is approved at the AGM 2009, the Committee has recommended that the 2009 awards be made through the 2009 LTIP to the executive directors, Band 1 executives, and to Bands 2 and 3 senior management. It is proposed that the 2009 awards be structured in the following way for executive directors and Band 1 executives.

- The awards will be conditional and granted in respect of Rexam ordinary shares to be settled by the Rexam Employee Share Trust using shares purchased in the market.
- Executive directors and Band 1 executives who have previously participated in the 2007 LTIP at a multiple of 2.75 times annual basic salary will participate in the 2009 LTIP at a multiple of 2.2 times and 2 times annual basic salary, respectively. Awards will be granted over a number of shares calculated by dividing the multiple of basic salary by the mid market ordinary share price for the preceding day or, if the Committee determines, by the average ordinary share price for the preceding five days.
- Performance targets will be set by the Committee and will link 40% of the award to Rexam's TSR and the remaining 60% of the award to Rexam's underlying earnings per share (EPS). The rationale for a combined TSR and EPS approach is to maximise alignment with shareholder interests together with a clear line of sight between management action and sustained business performance. The Committee believes that the dual performance targets provide an appropriate incentive to focus on the shorter and longer term drivers of shareholder value.
- Rexam's TSR will be compared with the TSRs of a comparator group comprising the largest 150 companies by market capitalisation within the FTSE All Share index. Investment Trusts are excluded from this comparator group. This comparator group includes approximately equal numbers of companies that are larger and smaller than Rexam. TSR has been chosen as it is an external, verifiable measurement target that provides a robust and comparative indicator of the Company's performance against other UK listed companies.
- TSR performance will be measured over a three year period and if Rexam achieves median position within the comparator group, 10% of the total award will vest. Between the median and twenty fifth percentile vesting will be calculated on a straight line basis with 40% of the total award vesting if Rexam achieves the twenty fifth percentile or higher in the comparator group.

TSR performance percentile within comparator group	Vesting of total award %
Below median	None
Between median and twenty fifth	10 – 40
Above twenty fifth	40

- EPS performance will be measured by compound annual growth in underlying earnings per share. EPS is a visible and recognised indicator by both participants and shareholders of the Company's financial returns. For the awards to be granted in 2009, the Committee has targeted EPS performance in a range between 3% and 12%.
- EPS performance will be measured over a three year period and if the minimum EPS growth target is achieved, 15% of the total award will vest. Between the minimum and maximum growth targets, vesting will be calculated on a straight line basis with 60% of the total award vesting if Rexam achieves the maximum EPS target.

EPS performance	Vesting of total award %
Below minimum growth	None
Between minimum and maximum growth	15 – 60
Above maximum growth	60

It is proposed that Band 2 and 3 senior management will also participate in the 2009 LTIP on a similar basis. Performance targets will be based on EPS and cumulative Group profit before tax/cumulative business operating profit measures, thereby providing a balance of shareholder and business alignment.

Full details of the proposal to shareholders to approve the 2009 LTIP can be found in the Notice of AGM 2009.

Executive Share Option Schemes

Grants were made under the 1997 ESOS until 2006 and, for 2007 and 2008 have been made under the 2007 ESOS. The 1997 ESOS expired in 2007 on its tenth anniversary date and no further options can be granted under this Scheme.

Since 2005, executive directors and Band 1 executives have not participated in the 1997 ESOS or 2007 ESOS.

Up until and including 2008, the Committee's policy was that grants of options be made annually to participants based on different multiples of annual basic salary according to Band with a value normally not exceeding the participant's annual basic salary at the date of grant. The acquisition price was set at market value at the date of grant using a mid market price of a Rexam ordinary share. Subject to vesting, options are exercisable from their third anniversary for a period of seven years.

For grants made prior to 2007, the performance target for each annual grant was determined by the Committee and measured over a three year period commencing on 1 January of the year of grant. Performance targets were based on economic profit growth. Economic profit is the Group's operating profit less a capital charge on net assets which, for the 2001 to 2005 grants, was 12% pa and for the 2006 grant, 11% pa. The target was calculated by increasing the economic profit for the year prior to the year of grant over the three year measurement period at an annual growth rate, 4% pa for the 2001 to 2005 grants and 5% pa for the 2006 grant. All shares will vest if the actual aggregate economic profit is at or above the performance target.

The performance target for the 2005 grant was not achieved and all outstanding options lapsed on 1 April 2008 or 14 September 2008, depending on the date of grant.

The performance target for the 2006 grant was not achieved and all outstanding options will lapse on 30 March 2009 or 12 September 2009, depending on the date of grant.

Grants of options under the 2007 ESOS were made in 2007 and 2008 in accordance with the Committee's policy and, as the executive directors and Band 1 executives did not participate in the grants, the Committee determined that no performance targets should be applied. All options will vest on the third anniversary of the date of grant subject to the rules of the 2007 ESOS.

The directors no longer hold any grants under the 1997 ESOS.

Reward Review

It has been proposed for 2009 that Bands 2 and 3 senior management who would normally receive share incentives through the 2007 ESOS should participate in the 2009 LTIP. A summary of the Committee's proposals is included under the section for the Reward Review 2009 LTIP. It is not expected that any grants will be made in 2009 through the 2007 ESOS.

Savings Related Share Option Schemes

Grants were made under the 1997 SAYE and 2002 SAYE Ireland until 2006 and under the 2007 SAYE and 2007 SAYE Ireland from 2007.

The Company's savings related share option schemes are open to all eligible employees in the UK and the Republic of Ireland. HM Revenue & Customs in the UK (HMRC) and the Revenue Commissioners in the Republic of Ireland (Revenue Commissioners) determine the maximum savings period and the amount that can be saved per month. Options are granted to acquire, on the date when the contract matures, the number of shares that the total savings will buy at the acquisition price set at the date of grant. Eligible executive directors and Band 1 executives are permitted to participate in the savings related share option schemes.

Details of the grants currently held by directors are shown on page 65.

Retirement benefits

Executive directors based in the UK are offered membership of the career average revalued earnings defined benefit Rexam Pension Plan (the Plan). A flat rate pension supplement is paid to executive directors where the Plan is not appropriate for them or in respect of any part of an executive director's basic salary which is not pensionable under the Plan.

Details of the executive directors' individual entitlements under the defined benefit arrangements provided by the Group during 2008 are shown on page 63 and their retirement benefit arrangements are summarised below.

Bill Barker is not a member of the Plan and receives a pension supplement equivalent to 60% of his basic salary which he has elected to receive as pay. Bill Barker resigned as an executive director on 7 January 2009 and his employment with the Group will terminate on 28 February 2009. Bill Barker has accrued defined benefit retirement entitlements in respect of his employment in the US prior to his appointment to the Board.

Graham Chipchase, David Robbie and Leslie Van de Walle are members of the Plan. Their pensionable pay is in effect their basic salary. Each year they individually earn a pension entitlement equal to 1/30th of their pensionable pay in that year which is then revalued to age 60, which is their expected retirement age under the Plan.

Executive directors approaching the Annual Allowance or Lifetime Allowance may elect for a smaller pensionable salary and a corresponding pension supplement based on the reduction in pensionable salary. During 2008, Leslie Van de Walle elected to take a smaller pensionable salary and received a corresponding pension supplement as shown in the table on page 62.

For those current members of the Plan, on death in service with dependants before reaching age 60, an age related amount of between 12 and 15 times salary is provided, with any amount not paid as a lump sum to beneficiaries converted into dependants' pensions. With the agreement of the Plan Trustee and the employer, early retirement benefits can be taken on cessation of employment after attainment of age 50 with accrued benefits reduced by 3% pa before age 60. On retirement, the member can elect to convert some of the pension into a tax free lump sum payment and, accordingly, take a smaller monthly pension. Pensions in payment are increased annually in line with the retail price index, subject to certain provisions. There are no allowances for discretionary increases in cash equivalent transfer value calculations.

Reward Review

Following the Reward Review, the Committee approved changes to the Plan to bring it more in line with the market. From 2009, for new executive appointments, the accrual rate will be 1/45th for each year of service. The normal retirement age will be 65 and the reduction for early retirement is based on cost neutral terms. The contingent dependants' benefits will be between 8 and 12 times salary with any amount not paid as a lump sum to beneficiaries converted into dependants' pensions. Alternatively, executive directors and new executive appointments can choose to receive a 25% salary supplement rather than membership of the Plan.

Shareholding requirement

In order to forge a closer community of interest with shareholders, executive directors and Band 1 executives are required to accumulate a shareholding over time from ordinary shares acquired on the exercise of their share options. The requirement was reviewed during 2008 and the Committee believes that the number of shares that each executive is required to accumulate remains appropriate and in line with the market.

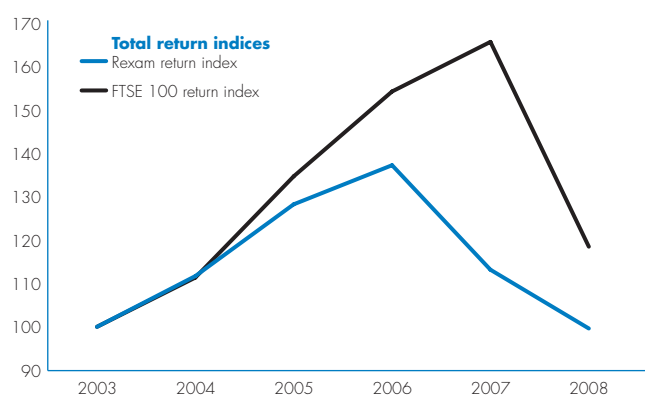
The number of shares to be held varies according to the seniority of the director or executive. The Chief Executive Officer is required to accumulate 125,000 ordinary shares, the executive directors 75,000 ordinary shares each and Band 1 executives 50,000 ordinary shares each. The shareholding must be retained until at least age 55 or age 60 as specified at the time an individual is appointed, after which the individual is no longer subject to the shareholding requirement and may reduce the shareholding to facilitate retirement planning.

During 2008 all the executive directors and Band 1 executives subject to the shareholding requirement and who have exercised share options, have either met and maintained their shareholding requirement level or, where the shareholding requirement level has not yet been met, have increased their shareholding.

Share performance

The graph below illustrates the Company's share performance over the past five years in terms of total shareholder return compared with that of the companies comprising the FTSE 100 index of which the Company is a constituent. This index has been selected as it is considered to be the best broad equity market index against which the Group's performance should be measured as it provides a cross section of other leading UK listed companies. The graph shows the cumulative TSR for the five year period ended 31 December 2008 based on the value of £100 invested in Rexam ordinary shares on 31 December 2003 compared with the value of £100 invested over the same period in the FTSE 100 share index.

Comparison of five year cumulative total shareholder return



Source: Alithos Limited

Points on this graph show the value of an investment on the last trading day of each year.

Contracts of employment

The executive directors' contracts of employment and the non executive directors' letters of appointment are available for inspection by any shareholder of the Company during normal business hours at the registered office of the Company on Monday to Friday (public holidays excepted).

Duration of contracts

The Company's current policy is that all executive directors serve under contracts terminable on one year's notice. However, in exceptional circumstances, the policy allows for an externally recruited executive director to be offered a contract terminable by the Company on two years' notice if terminated in the first year of appointment. Thereafter, the contract becomes terminable on one year's notice. No two year notice period exists for any current executive director.

Executive directors' contracts continue until the director reaches the retirement age specified in the contract of employment (or such other date as agreed between the director and the Company). The contract can also be terminated by either party before the retirement age, subject to required notice.

Termination of contracts

The Company's policy in relation to termination payments under executive directors' contracts is that the contract may be terminated without notice and without payment of compensation on the occurrence of certain events, such as gross misconduct. If the Company terminates a UK based executive director's contract without cause and in breach of the notice requirement, it will make a monthly payment in lieu of notice comprising salary, short term bonus at target and benefits until the earlier of the director commencing in a new position or the notice period expiring. The executive director has a duty to mitigate his loss of office and actively seek to secure alternative comparable employment at the earliest opportunity thereby reducing his need for compensation. Pensionable service does not accrue during the period of notice.

Following a streamlining of the global Beverage Can leadership, Bill Barker resigned from the Board on 7 January 2009. His contract has been terminated without cause and his termination arrangements have been agreed in accordance with the Company's policy. Details of Bill Barker's termination arrangements are summarised on page 61.

Change of control

If there is a change of control of the Company and, at any time within one year following that event, an executive director's employment is terminated without cause, the executive director will be entitled to compensation equal to an amount in lieu of notice but with no requirement to mitigate. If there is a change of control, an executive director retains the right to share based entitlements, including those which are still within the measurement period. All entitlements may be exercised within a predetermined time frame in accordance with the respective scheme rules and, if appropriate, the structure of any general offer to acquire the Company's ordinary shares.

Share based entitlements

Any share based rights granted to an executive director will be determined at the discretion of the Committee, as permitted by the rules of the respective scheme. An executive director will not retain his right to acquire shares under options granted to him if he resigns from employment or is dismissed for gross misconduct.

Non executive directors

Non executive directors serve under letters of appointment and are generally appointed for an initial three year term renewable thereafter, at the discretion of the Board, for a maximum of two further three year terms. They are subject to election by shareholders at the first AGM following their appointment and to re-election at least once every three years thereafter. Appointments of non executive directors are terminable without payment or compensation by either the Company or the director giving written notice.

The non executive directors receive an annual fee with an additional fee if they serve as chairman of a Board committee. The fees of the Chairman, the senior independent director and the other non executive directors are set in line with current market practice.

Peter Ellwood's letter of appointment

Peter Ellwood has a letter of appointment which reflects the Company's policy and is for an initial three year term. It is expected that Peter Ellwood will spend, on average, two days per week in his role as Rexam's Chairman. His fee for the period 1 February 2008 to 1 May 2008, when he was a non executive director, was £45,000 pa. On his appointment as Chairman of the Board on 1 May 2008, his fee increased to £300,000 pa which is subject to periodic review by the Board. He is not eligible to participate in the short term cash incentive scheme or receive long term incentives.

John Langston's letter of appointment

John Langston has a letter of appointment which reflects the Company's policy and is for an initial three year term. His fees are in accordance with the fees received by the other non executive directors.

External directorships

The Company's policy on executive directors having non executive directorships with other companies is that such appointments are permitted, subject to the approval of the Chairman of the Board.

Any fees payable will be retained by the executive director unless otherwise agreed. David Robbie is a non executive director of the BBC and a trustee of Aldeburgh Music, and Leslie Van de Walle is a non executive director of Aegis Group plc.

The table on page 61 shows details of the directors' contracts and letters of appointment.

Directors' contracts

Executive director	Notes	Date of appointment	Date of contract	Expected retirement age	Notice period (Company)	Compensation on early termination
Bill Barker	(i)	21 January 2005	3 December 2004	60	1 year	As policy
Graham Chipchase		10 February 2003	1 October 2002	60	1 year	As policy
David Robbie		3 October 2005	24 August 2005	60	1 year	As policy
Leslie Van de Walle		17 January 2007	11 September 2006	60	1 year	As policy

Non executive director	Notes	Date of appointment	Date of original letter of appointment	Effective date of latest revised letter of appointment	Expiry of term
Michael Buzzacott	(ii)	17 May 2000	5 April 2000	20 March 2006	7 May 2009
Noreen Doyle	(iii)	22 March 2006	20 March 2006	22 March 2009	21 March 2012
Peter Ellwood	(iv)	1 February 2008	17 January 2008	–	31 January 2011
John Langston		30 October 2008	30 October 2008	–	29 October 2011
Wolfgang Meusburger		1 December 2006	26 October 2006	–	30 November 2009
Jean-Pierre Rodier		7 June 2006	6 June 2006	–	6 June 2009
Carl Symon		17 July 2003	16 July 2003	17 July 2006	16 July 2009

(i) Bill Barker's employment contract as Group Director Beverage Cans was not replaced on his appointment as an executive director of the Company on 21 January 2005. He resigned as an executive director on 7 January 2009 and his contract as an employee of the Group is to cease on 28 February 2009. An amount of US\$1,383,596 will be paid to Bill Barker by an instalment of US\$156,136 followed by 10 monthly instalments of US\$122,746 beginning in March 2009 pursuant to his contract in respect of pay in lieu of notice, pension supplement, medical coverage and 2009 short term bonus at target. He will also be entitled to relocation costs, outplacement fees and other professional fees and services which will be paid as they fall due. The monthly payments will continue until the earlier of him commencing in a new position at a comparable executive level and the expiry of his notice period on 27 January 2010. Should Bill Barker secure new employment at a lower salary during his period of notice, he will be entitled to receive from Rexam, for the unexpired notice period, a monthly payment based on the difference between the payment he is receiving from Rexam and his new salary. He will receive no further awards under the Company's share incentive arrangements and, subject to the further consideration of the Committee at the time vesting is determined, he may receive, if the award vests, the value of any outstanding award granted under the LTIS and 2007 LTIP pro-rated to 28 February 2009.

(ii) Michael Buzzacott will retire from the Board at the conclusion of the AGM on 7 May 2009.

(iii) Noreen Doyle's appointment has been renewed for a further three year period to commence on 22 March 2009, subject to her re-election as a director at the AGM 2009.

(iv) Peter Ellwood was appointed a non executive director on 1 February 2008 and succeeded Rolf Börjesson as Chairman of the Company on 1 May 2008.

Directors' emoluments (audited information)

	Notes	2008 Fees/salary £000	2008 Benefits in kind £000	2008 Pension supplement £000	2008 Bonus £000	2008 Payment for incentives foregone £000	2008 Total £000	2007 Total £000
Chairman								
Rolf Börjesson	(retired 01.05.2008)	93					93	256
Peter Ellwood	(appointed 01.02.2008) (i)	211	2				213	–
Non executive directors								
Michael Buzzacott		55					55	55
Noreen Doyle		55					55	52
John Langston	(appointed 30.10.2008)	8					8	–
Wolfgang Meusburger		45					45	45
Jean-Pierre Rodier		45					45	45
Carl Symon		60					60	60
David Tucker	(retired 03.05.2007) (ii)	–					–	25
		572	2	–	–	–	574	538
Executive directors								
Bill Barker	(resigned 07.01.2009) (iii)	493	27	252	186		958	902
Graham Chipchase		420	11		183		614	582
Lars Emilson	(retired 01.02.2007)	–	–		–		–	98
David Robbie		410	1		179		590	563
Leslie Van de Walle	(appointed 17.01.2007) (iv)	750	32	23	410		1,215	2,660
		2,073	71	275	958	–	3,377	4,805
2008 Total		2,645	73	275	958	–	3,951	
2007 Total		2,700	116	269	916	1,342		5,343

(i) Peter Ellwood was appointed a non executive director on 1 February 2008 and succeeded Rolf Börjesson as Chairman of the Company on 1 May 2008.

(ii) Following his retirement from the Board on 3 May 2007, David Tucker continued as chairman of the Rexam Retirement Benefits Committee. He received fees of £10,000 (2007: £6,603) from the Company in respect of this chairmanship which are not included in the table.

(iii) Bill Barker received a housing allowance of £73,077 (2007: £75,000) which is included as salary in the table. Housing allowances are excluded for the purpose of calculating pension or incentive entitlements. The amounts in the table are in respect of the 2008 and 2007 financial years and do not include any payments to be made in accordance with the termination provisions of Bill Barker's contract of employment.

(iv) The total emoluments in 2007 included a payment of Euro 2m (£1,342,372) to Leslie Van de Walle to compensate him for the loss of incentive payments from his previous employer when he became Chief Executive Officer and a disturbance allowance of £127,110 to assist with his relocation.

The benefits in kind provided to directors comprise one or more of private healthcare, relocation expenses, accommodation and the payment of certain professional fees. Executive directors are offered membership of a Company pension scheme, which includes life assurance protection. Achievement against targets for 2008 resulted in an average short term bonus of 48% (2007: 48%) of basic salary for executive directors.

The total amount of fees earned by executive directors in respect of external non executive directorships, not included in the above table, in the financial year to 31 December 2008 was £40,000 (2007: £40,000) by David Robbie and £42,083 (2007: £40,000) by Leslie Van de Walle.

No amounts were paid to third parties in respect of any executive director's services to the Company and no termination payments were made to any past directors during the year.

Details of each director's share incentives can be found on pages 64 and 65.

Retirement benefits (audited information)

The following directors were members of defined benefit arrangements provided by the Company during the year. Entitlements and corresponding transfer values are shown in the table below.

	(1) Gross increase in accrued pension per annum £000	(2) Increase in accrued pension excluding inflation per annum £000	(3) Total accrued pension 31.12.08 per annum £000	(4) Transfer value of net increase in accrual over period £000	(5) Change in transfer value during period £000	(6) Transfer value of accrued pension at 31.12.08 £000	(7) Transfer value of accrued pension at 31.12.07 £000
Graham Chipchase	16	14	51	112	96	523	399
Lars Emilson	7	1	252	9	(148)	612	760
David Robbie	15	13	39	87	74	390	267
Leslie Van de Walle	19	18	48	256	249	681	432

	Gross increase in accrued entitlement £000	Increase in accrued entitlement excluding inflation £000	Total accrued entitlement 31.12.08 £000	Transfer value of net increase in accrual over period £000	Change in transfer value during period £000	Transfer value of accrued entitlement at 31.12.08 £000	Transfer value of accrued entitlement at 31.12.07 £000
Bill Barker	14	7	385	9	112	385	273

(i) Based on service to 31 December 2008, pension accruals shown are the amounts which would be paid annually on retirement and, for Bill Barker, the entitlement is in respect of a cash balance.

(ii) Transfer values (columns 4, 6 and 7) have been calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1996.

(iii) The value of net increase in accrual (column 4) represents the incremental value to the director of his service during the year, calculated on the assumption that service terminated at 31 December 2008. It is based on the increase in accrued pension (column 2) after deducting contributions made by the director.

(iv) The change in the transfer value (column 5) includes the effect of fluctuations in the transfer value due to factors beyond the control of the Company or the director, such as long term interest rate and exchange rate movements. It is calculated after deducting contributions made by the director.

(v) Voluntary contributions paid by directors and resulting benefits are not shown within the table.

(vi) Lars Emilson, who retired as Chief Executive on 1 February 2007, was not a member of the Rexam Pension Plan and received a pension supplement equivalent to 65% of his basic salary. Through Swedish pension arrangements, Lars Emilson receives a lifetime pension from age 65 and a supplemental pension payable from age 65 to age 75. Following his retirement from employment with the Company on 3 February 2007, the Group is providing him with a pension of 70% of his Swedish notional salary for a period of 48 months, the value of this pension being part of his accrued pension disclosed in column 3 above.

(vii) Following the termination of his employment on 28 February 2009, Bill Barker will retain the accrued defined benefit retirement entitlements in respect of his employment in the US.

There were no pension contributions paid by any Group employer in respect of defined contribution schemes in 2008 or 2007.

Share options (audited information)

The interests of the directors in the shares of the Company through the Company's share option schemes are disclosed in the tables below. There is no requirement for an executive director to make a payment on the granting of an option under any of the schemes. The performance conditions applicable to the LTIS and 2007 LTIP are based on Rexam's relative TSR performance against a specified comparator group of companies and, for the 1997 ESOS, are based on Rexam's economic profit growth. A summary of the performance conditions that apply to each scheme can be found on pages 54 to 58. No variations were made during the year to the terms and conditions of any options.

The ordinary shares purchased to satisfy in part the vesting obligations for the LTIS and the 2007 LTIP are held to the order of the Rexam Employee Share Trust, a discretionary trust resident in Jersey, Channel Islands.

Long Term Incentive Scheme and Long Term Incentive Plan

The options granted on 5 April 2005 did not vest and the respective number of shares under option lapsed on 1 January 2008. The options granted on 16 May 2006 and 20 March 2007 have not vested and the respective number of shares under option lapsed on 1 January 2009. The maximum number of ordinary shares to which the participant is entitled is reflected in the 'Granted' columns of the table. Options that vest are generally exercisable between the vesting date and six years and eleven months from the grant date. Directors and former directors held the following options over ordinary shares through the LTIS and the 2007 LTIP.

	Note	Scheme Note (i)	Grant date	Exercise price per share pence	Exercise price per holding £	First exercise date Note (ii)	Expiry date Note (ii)	Granted 1.1.08 number	Granted during the year number	Lapsed during the year number	Granted 31.12.08 number
Bill Barker	(iii)	LTIS	05.04.05	0.1		01.01.08	04.03.12	219,500		219,500	–
	(iv)	LTIS	16.05.06	0.1		01.01.09	15.04.13	245,300			245,300
		LTIP	10.05.07		1	01.01.10	09.04.14	257,400			257,400
		LTIP	26.03.08		1	01.01.11	25.02.15	–	223,000		223,000
								722,200	223,000	219,500	725,700
Graham Chipchase	(iii)	LTIS	05.04.05	0.1		01.01.08	04.03.12	223,000		223,000	–
	(iv)	LTIS	16.05.06	0.1		01.01.09	15.04.13	270,600			270,600
		LTIP	10.05.07		1	01.01.10	09.04.14	257,400			257,400
		LTIP	26.03.08		1	01.01.11	25.02.15	–	223,000		223,000
							751,000	223,000	223,000	751,000	
Lars Emilson	(v)	LTIS	05.04.05	0.1		01.01.08	04.03.12	377,300		377,300	–
David Robbie	(iv)	LTIS	16.05.06	0.1		01.01.09	15.04.13	260,500			260,500
		LTIP	10.05.07		1	01.01.10	09.04.14	250,800			250,800
		LTIP	26.03.08		1	01.01.11	25.02.15	–	217,700		217,700
							511,300	217,700		729,000	
Leslie Van de Walle	(iv)	LTIS	20.03.07	0.1		01.01.09	15.04.13	695,876			695,876
		LTIP	10.05.07		1	01.01.10	09.04.14	494,900			494,900
		LTIP	26.03.08		1	01.01.11	25.02.15	–	398,200		398,200
							1,190,776	398,200		1,588,976	

(i) Options granted under the Long Term Incentive Scheme are shown as LTIS and options granted under the 2007 LTIP as LTIP.

(ii) The first exercise date and the expiry date are dependent upon the options vesting but the final expiry date must be no later than six years and eleven months from the grant date.

(iii) Options lapsed on 1 January 2008 as the performance target had not been achieved.

(iv) Options lapsed on 1 January 2009 as the performance target had not been achieved.

(v) Option granted on 5 April 2005 and held by Lars Emilson as at 1 February 2007, the date of his retirement as a director, with an entitlement to exercise the option if it vests. The option lapsed on 1 January 2008 as the performance target had not been achieved.

(vi) No options vested or were exercised during the year.

(vii) The market value of an ordinary share on 26 March 2008, the date of grant for the 2008 LTIP options, was £4.285 per share.

Deferred Bonus Incentive Scheme

Following the acquisition of OI Plastics in August 2007, Graham Chipchase was awarded a deferred bonus incentive over ordinary shares. The target achievement was 56.1% and the option vested in 2008 in respect of 51,477 ordinary shares. Subject to Graham Chipchase being an employee of the Group at the date of exercise, the option is exercisable between the 1 January 2010 and 31 March 2010.

	Grant date	Exercise price £	First exercise date	Expiry date	Granted 1.1.08 number	Lapsed during the year number	Granted 31.12.08 number
Graham Chipchase	24.12.07	1	01.01.10	31.03.10	91,760	40,283	51,477

(i) No options were granted or exercised during the year.

Executive Share Option Scheme

Eligible directors held the following options over ordinary shares through the 1997 ESOS. Options are generally exercisable between the vesting date and ten years from the grant date. The performance target for the options granted on 1 April 2005 was not achieved and therefore the options lapsed on 1 April 2008.

	Notes	Grant date	Exercise price per share £	First exercise date Note (i)	Expiry date Note (i)	Granted 1.1.08 number	Lapsed during the year number	Granted 31.12.08 number
Bill Barker	(ii)	01.04.05	4.757	01.04.08	01.04.15	67,269	67,269	–
Graham Chipchase	(ii)	01.04.05	4.757	01.04.08	01.04.15	68,320	68,320	–
Lars Emilson	(iii)	01.04.05	4.757	01.04.08	01.04.15	115,619	115,619	–

(i) The first exercise date and the expiry date are dependent upon the options vesting but the final expiry date must be no later than ten years from the grant date.

(ii) Options lapsed on 1 April 2008 as the performance target had not been achieved.

(iii) Option granted on 1 April 2005 and held by Lars Emilson as at 1 February 2007, the date of his retirement as a director, with an entitlement to exercise the option if it vests. The option lapsed on 1 April 2008 as the performance target had not been achieved.

(iv) No options were granted, and no options vested or were exercised during the year.

(v) As at the date of this report neither David Robbie nor Leslie Van de Walle has received a grant of options under the 1997 ESOS or the 2007 ESOS.

Savings Related Share Option Scheme

Executive directors held the following options over ordinary shares under the 2007 SAYE.

	Grant date	Exercise price per share £	Exercise period commences	Expiry date	Granted 1.1.08 number Note (i)	Granted during the year number	Lapsed during the year number Note (ii)	Granted 31.12.08 number
Graham Chipchase	05.09.08	3.27	01.12.13	31.05.14	–	4,977	–	4,977
David Robbie	31.08.07	4.10	01.12.12	31.05.13	3,993	–	3,993	–
	05.09.08	3.27	01.12.11	31.05.12	–	2,874	–	2,874
					3,993	2,874	3,993	2,874
Leslie Van de Walle	31.08.07	4.10	01.12.12	31.05.13	3,993	–	3,993	–
	05.09.08	3.27	01.12.11	31.05.12	–	2,874	–	2,874
					3,993	2,874	3,993	2,874

(i) No options granted to executive directors under any of the savings related share option schemes were exercised during the year.

(ii) David Robbie and Leslie Van de Walle chose to cancel the savings contracts for the options granted to them on 31 August 2007 and the related shares granted under option therefore lapsed. David Robbie and Leslie Van de Walle applied for and were granted options on 5 September 2008 through the 2007 SAYE.

The mid market price of a Rexam PLC ordinary share at 31 December 2008 was £3.51 and the range during 2008 was £2.9625 to £4.80. The aggregate gain on the exercise of directors' share options during 2008 through all share option schemes was £nil (2007: £3,000).

Directors' interests in Rexam ordinary shares

		At 31.12.08	At 1.1.08 Note (i)
Bill Barker	(resigned 7 January 2009)	199,118	170,394
Michael Buzzacott		18,317	18,317
Graham Chipchase		58,052	55,360
Noreen Doyle		4,131	4,131
Peter Ellwood	(appointed 1 February 2008)	30,437	10,000
John Langston	(appointed 30 October 2008)	–	–
Wolfgang Meusbürger		9,000	9,000
David Robbie		16,523	15,735
Jean-Pierre Rodier		6,000	6,000
Carl Symon		15,500	15,500
Leslie Van de Walle		56,173	56,173

(i) Or date of appointment, if later.

Leslie Van de Walle acquired 701,000 units (Bond Units) of the Company's 6.75% Capital Securities due 2067 (Subordinated Bond) during 2008 with a value on maturity of Euro 701,000. The Bond Units and his ordinary shareholding were included as security against an overdraft facility arranged to fund the purchase of the Bond Units. Further general details of the Subordinated Bond can be found in note 22 to the consolidated financial statements.

The above interests in ordinary shares, options over ordinary shares and the Bond Units as at 31 December 2008 remain unchanged as at the date of this Report, with the exception that the options granted on 16 May 2006 and 20 March 2007 under the LTIS lapsed in full on 1 January 2009.

On behalf of the Board
David Gibson
Company Secretary
19 February 2009