

RIO TINTO PLC

AGM - 14 APRIL 2011

STATEMENT BY STANDARD LIFE INVESTMENTS¹

Standard Life Investments manages over 30 million shares in Rio Tinto PLC. Our clients have been shareholders for very many years and have supported the Board by providing the company with capital, most recently in the rights issue of 2007.

From a strategic standpoint, we believe that at this stage in the cycle it becomes more difficult for Rio Tinto to create value for its shareholders through acquisitions, although we acknowledge there may be some bolt-on opportunities. Therefore, we welcome the focus on organic growth referred to in the Chief Executive's statement.

We also welcome the commitment to efficient capital management, which is referred to in the Chairman's statement. Naturally, we are pleased by the dividend increase and the share buyback intentions. That said, the Company has very strong cash flow prospects and we trust the Board will give positive consideration to making additional returns of excess capital, above and beyond the current intentions, consistent with its commitment.

Turning to directors' remuneration. Standard Life Investments has not been supportive of remuneration policies and practices. We have engaged many times over many years to encourage improvements - particularly with regard to the vesting arrangements for the long term incentives. In our opinion, these arrangements have the potential to provide executive directors with significant rewards for achieving unchallenging performance conditions. We have communicated our views very clearly but the Remuneration Committee has consistently failed to address them. It had been our understanding that a full scale review of remuneration would be conducted during 2010 but this has not come to pass. Instead, we are asked to approve a Remuneration Report that refers to significant salary increases and proposals to increase the level of grants under the Performance Share Plan. Therefore, I have come here today to leave the Board and its Remuneration Committee in no doubt that we regard Rio Tinto's pay arrangements as in need of a major overhaul. We note the Remuneration Committee is proposing to review the LTIPs before the plans expire in 2014. From our standpoint this proposal is insufficient and unacceptable in terms of its scope and timeframe. We should like to see a full review of remuneration policies conducted over the coming year, with appropriate recommendations being made to shareholders at next year's AGM.

Against this background, and to reinforce our views we have instructed our proxy to vote against the re-election of Andrew Gould, who is both Chair of the Remuneration Committee and the Senior Independent Director. This is in addition to voting against the resolutions to approve the Remuneration Report and the increased level of Performance Share Plan participation. Our proxy has been instructed to support the Board's recommendations on all the other resolutions.

¹ Presented by Guy R Jubb, Head of Governance and Stewardship, Standard Life Investments Limited

To close, Mr Chairman, I should like to ask for your assurance on two counts. First, that our views on returns of excess capital to shareholders will be noted by your Board. Second, that your Board will reflect further on our long-standing concerns regarding pay arrangements and ask its Remuneration Committee to consider undertaking a full review of pay policies and practices with a view to submitting acceptable recommendations at next year's AGM.