

## Share options

Options to subscribe for ordinary shares of 25p each in the company granted to, and exercised by, directors during the year to 31 December 2007 are included in the table below. Options held at 1 January 2007 and the related option price have been restated to reflect the bonus issue of ordinary shares in May 2007.

	Options held at 1 January 2007	Options granted in 2007	Options exercised in 2007		Options held at 31 December 2007	
			Number	Market price at date of exercise £	Option price £	Number
Sir Fred Goodwin	493,713		493,713	5.32	2.92	—
	8,889				3.73	8,889
	81,918				3.99	81,918
	460,944				2.60	460,944
	131,100				5.73	131,100
	123,900				6.06	123,900
	218,400				4.12	218,400
	432,525				5.78	432,525
	477,153				5.76	477,153
	485,961				6.17	485,961
	3,801				4.35	3,801
		695,188			5.61	695,188
	2,918,304					3,119,779
Mr Cameron	57,582				3.73	57,582
	115,233				2.60	115,233
	450		450	6.77	5.21	—
	78,600				5.73	78,600
	95,400				6.06	95,400
	157,800				4.12	157,800
	151,383				5.78	151,383
	5,595		5,595	5.24	3.28	—
	242,916				5.76	242,916
	255,129				6.17	255,129
		374,332			5.61	374,332
	1,160,088					1,528,375
Mr Fish	323,631				3.11	323,631
	112,809				5.76	112,809
	333,387				6.17	333,387
		523,640			5.61	523,640
	769,827					1,293,467
Mr Fisher	42,843				3.08	42,843
	99,873				2.60	99,873
	65,400				5.73	65,400
	68,100				6.06	68,100
	121,500				4.12	121,500
	118,944				5.78	118,944
	182,187				5.76	182,187
	933		933	5.24	4.03	—
	435				4.35	435
	184,260				6.17	184,260
		262,033			5.61	262,033
		1,611			4.69	1,611
	884,475					1,147,186
Mr Pell	153,648		153,648	4.40	2.60	—
	87,300				5.73	87,300
	82,800				6.06	82,800
	149,400				4.12	149,400
	141,651				5.78	141,651
	151,821				5.76	151,821
	187,095				6.17	187,095
		259,894			5.61	259,894
	953,715					1,059,961
Mr Whittaker	170,085				6.17	170,085
	3,705				4.61	3,705
		280,749			5.61	280,749
	173,790					454,539

Note:

(1) Options held under the sharesave schemes, which are not subject to performance conditions.

The performance conditions for options granted in 2007 are detailed on page 107.

## Directors' remuneration report continued

No options had their terms and conditions varied during the accounting period to 31 December 2007. No payment is required on the award of an option.

The performance condition applying to executive share options granted in 2007 and exercisable in August 2010 is outlined on page 107.

For executive share options where the first exercisable date is between March 2002 and March 2009 inclusive, options are exercisable only if, over a three year period, the growth in the company's EPS has exceeded the growth in the Retail Prices Index (RPI) plus 9%. In respect of executive share options

exercisable before March 2002, the performance condition is that the growth in the company's EPS over three years has exceeded the growth in the RPI plus 6%.

The market price of the company's ordinary shares at 31 December 2007 was £4.44 and the range during the year to 31 December 2007 was £3.97 to £7.20.

In the ten year period to 31 December 2007, awards made that could require new issue shares under the company's share plans represented 5.5% of the company's issued ordinary share capital, leaving an available dilution headroom of 4.5%.

### Medium Term Performance Plan

Scheme interests at 1 January 2007 and the related market price on award in the table below have been restated to reflect the bonus issue of ordinary shares in May 2007.

	Scheme interests (share equivalents) at 1 January 2007	Awards granted in 2007	Market price on award £	Awards vested in 2007 <sup>(1)</sup>	Awards exercised in 2007	Share interest (share equivalents) at 31 December 2007	End of period for qualifying conditions to be fulfilled
Sir Fred Goodwin	279,120		5.45			279,120	vested 31.12.03
	101,565		6.20			101,565	vested 31.12.04
	286,293		5.76	Nil		—	lapsed 31.12.07
	291,579		6.17			291,579	31.12.08
		278,970	6.99			278,970	31.12.09
	958,557					951,234	
Mr Cameron	167,472		5.45			167,472	vested 31.12.03
	66,234		6.20			66,234	vested 31.12.04
	138,810		5.76	Nil		—	lapsed 31.12.07
	145,791		6.17			145,791	31.12.08
		143,064	6.99			143,064	31.12.09
	518,307					522,561	
Mr Fish	31,485		5.76	Nil		—	lapsed 31.12.07
	93,351		6.17			93,351	31.12.08
		85,905	6.99			85,905	31.12.09
	124,836					179,256	
Mr Fisher	60,000		5.45			60,000	vested 31.12.03
	24,000		6.20			24,000	vested 31.12.04
	104,109		5.76	Nil		—	lapsed 31.12.07
	105,294		6.17			105,294	31.12.08
		100,146	6.99			100,146	31.12.09
	293,403					289,440	
Mr Pell	121,458		5.76	Nil		—	lapsed 31.12.07
	124,731		6.17			124,731	31.12.08
		115,881	6.99			115,881	31.12.09
	246,189					240,612	
Mr Whittaker	113,391		6.17			113,391	31.12.08
		107,298	6.99			107,298	31.12.09
	113,391					220,689	

Note:

(1) Awards were granted on 28 April 2005 and these awards have now lapsed.

For any awards that have vested, participants holding option-based awards can exercise their right over the underlying share equivalents at any time up to ten years from the date of grant.

No variation was made to any of the terms of the plan during the year. The performance measures are detailed on pages 106 and 107.