



## FACTSHEET #1: CEO Employment Contract

**When Susan Ivey was appointed CEO of the newly formed Reynolds American she was given an employment CONTRACT. This contract with Reynolds' Board of Directors guarantees her salary, benefits, and retirement packages. She is also guaranteed a severance package and special compensation if she is unjustly terminated.**

*Please see details below.*

### SUSAN IVEY'S EMPLOYMENT CONTRACT

- Annual base salary of a minimum of **\$1,000,000**
- Annual target bonus incentive of **100% of base pay**
- Stock grant (under LTIP) worth **\$4,000,000**
- Annual payment of **\$79,000** (in lieu of former exec perq program)
- Upon retirement, **\$12,000** for tax preparation and financial planning
- Vest in non-contributory B&W Salaried **Health Care Plan**

### SUSAN IVEY'S SEVERANCE PACKAGE

- Three years base salary
- Three years target bonus
- Benefit continuation for three years  
*(Source: 2005 Proxy Statement)*



### SUSAN IVEY'S RETIREMENT

*(Source: 2005 Proxy Statement)*

Note: The Named Executive Officers participate in certain noncontributory **defined benefit retirement plans** maintained by RAI. Ivey currently has 19 years of credited service.

Plan Type	15 Years (and over)	20 Years (and over)
Annual Retirement Benefits <i>(No social security offset)</i>	<b>\$585,635 per year</b>	<b>\$732,109 per year</b>

### SUSAN IVEY'S 2005 COMPENSATION

*(Source: 2005 Proxy Statement)*

<b>SALARY</b>	<b>\$1,033,750</b>
<b>BONUS</b>	<b>\$1,568,000</b>
<b>OTHER (MOVING EXPENSES)</b>	<b>\$84,579</b>
<b>LTIP PAYOUTS</b>	<b>\$1,030,783</b>
<b>OTHER COMPENSATION</b>	<b>\$45,292</b>