Note: This agenda is a convenience document for English speaking shareholders. The official agenda has been drawn up in the Dutch language and shall be governed and construed in accordance with the laws of The Netherlands. This English translation has been made with due care but the translation of certain Dutch terms and notions may not be fully or adequately understood in translation. For that reason in case of differences the official Dutch language document shall prevail and will determine the legal position of the Company.

Reed Elsevier
NV

Reed Elsevier NV

Agenda

Annual General Shareholders' Meeting 2013

Wednesday, 24 April 2013 at 1.00 pm CET
Hotel Okura
Ferdinand Bolstraat 333
1072 LH Amsterdam
The Netherlands

To the shareholders of Reed Elsevier NV

Amsterdam, 12 March 2013

Annual General Meeting 2013

Dear shareholder,

I am pleased to invite you to the Annual General Meeting (***AGM***) of Reed Elsevier NV (the ***Company***). The AGM will be held at Hotel Okura, Ferdinand Bolstraat 333 in Amsterdam on Wednesday 24 April 2013 at 1.00 pm CET.

Sir David Reid and Mark Elliott will, after having both served on the Supervisory Board for ten years, be retiring at the conclusion of the meeting, and will not be seeking re-appointment.

On 28 February 2013 we announced our intention to appoint Dr Wolfhart Hauser as a member of the Supervisory Board of the Company and as a member of the Board of Reed Elsevier PLC and Reed Elsevier Group plc.

Subject to the approval of shareholders I am delighted to welcome Dr Hauser to Reed Elsevier. Dr Hauser has been the Chief Executive Officer of Intertek Group plc since 2005, after serving as a non-executive director since 2002. With more than 30 years' service in executive and non-executive positions in international technology and services businesses and his background in science and medicine, Dr Hauser will bring highly relevant experience to our board discussions and he will ideally complement the skills within the Supervisory Board of the Company.

The boards of Reed Elsevier PLC and Reed Elsevier Group plc are one-tier boards. In view of the legislation to formalize the one-tier board model in the Netherlands Civil Code that was enacted with effect from 1 January 2013, the Combined Board has resolved to take the necessary steps to establish a one-tier board governance structure at the Company. For this purpose the articles of association of the Company require to be amended and therefore a proposal for the one-tier governance structure will be put to the General Meeting of Shareholders.

We have reviewed our executive compensation programmes and have been involved in extensive consultation with major shareholders and shareholder representative bodies in the Netherlands, UK and US concerning the design of the new long-term incentive plan and the renewal of the executive share option scheme. This resulted in the formulation of a set of proposals for new arrangements, for which we are seeking shareholder approval at the AGM. These plans will replace the existing long-term share incentive plan and the existing executive share option scheme and we believe these plans will support the Company's strategy and drive sustainable long-term performance. For further information, see the explanatory notes to the agenda.

The rest of the formal agenda will be generally familiar to you and further explanation is provided in the enclosed agenda and the explanatory notes to the agenda. You will find the Reed Elsevier Annual Reports and Financial Statements 2012 on Reed Elsevier's website. www.reedelsevier.com.

Reed Elsevier welcomes active participation of shareholders at the AGM, both through questions and through voting.
If you wish to attend the meeting, you can register in the manner described in the explanatory notes to the agenda or on

the website of Reed Elsevier. A proxy form has been sent to those shareholders that are registered in the shareholders' register of the Company. There will be electronic voting at the AGM. For that purpose proxy holders representing different shareholders who have received voting instructions such that they cannot vote all the shares which they are representing in the same manner (for, against, abstention) for each individual agenda item, will need to contact the Secretariat of the Company (see contact details at the end of this letter) no later than **Wednesday 17 April 2013, 5.00 pm CET**, to enable appropriate processing of those instructions.

I look forward to meeting you on 24 April 2013.

Yours sincerely,

Anthony Habgood
Chairman of the Supervisory Board

Secretariat of Reed Elsevier NV
PO Box 470
1000 AL Amsterdam
Phone +31 (0)20 485 2906
Fax +31 (0)20 485 2032
email RENVsecretariat@reedelsevier.com

AGENDA
Annual General Meeting of Shareholders
of Reed Elsevier NV (*the Company*)
to be held on Wednesday, 24 April 2013 at 1.00 pm CET
at Hotel Okura, Ferdinand Bolstraat 333, Amsterdam, the Netherlands

1. Opening

2. Annual Report 2012 (discussion)

3. Adoption of the 2012 Annual Financial Statements (resolution)

4. Release from liability of the members of the Executive Board and the Supervisory Board
a. Release from liability of the members of the Executive Board (resolution)
b. Release from liability of the members of the Supervisory Board (resolution)

5. Determination and distribution of dividend (resolution)

6. Appointment of external auditors (resolution)

7. Composition of the Supervisory Board
a. Appointment of Dr Wolfhart Hauser (resolution)
b. Re-appointment of Anthony Habgood (resolution)
c. Re-appointment of Adrian Hennah (resolution)
d. Re-appointment of Lisa Hook (resolution)
e. Re-appointment of Marike van Lier Lels (resolution)
f. Re-appointment of Robert Polet (resolution)
g. Re-appointment of Linda S. Sanford (resolution)
h. Re-appointment of Ben van der Veer (resolution)

8. Composition of the Executive Board
a. Re-appointment of Erik Engstrom (resolution)
b. Re-appointment of Duncan Palmer (resolution)

9. Implementation of the one-tier board structure at the Company
Proposal to amend the articles of association of the Company to implement the one-tier board structure and, subject to implementation of the one-tier board structure, determine that Executive Board members will be executive directors and Supervisory Board members will be non-executive directors (resolution)

10. Amendments to the remuneration policy and proposals for new long-term incentive arrangements
a. Amendment to the remuneration policy (resolution)
b. Proposal for a new long-term incentive plan (***LTIP***) (resolution)
c. Proposal for renewal of the executive share option scheme (***ESOS***) (resolution)

11. Delegation to the (Executive) Board of the authority to acquire shares in the Company (resolution)

12. Designation of the (Combined) Board as authorised body to issue shares, to grant options and to restrict pre-emptive rights
a. Designation of the (Combined) Board as authorised body to issue shares and to grant rights to acquire shares in the capital of the Company (resolution)
b. Extension of the designation of the (Combined) Board as authorised body to limit or exclude pre-emptive rights to the issuance of shares (resolution)

13. Any other business

14. Close of meeting

Explanatory notes to the Agenda

Item 2: Annual Report 2012 (discussion)

Mr Erik Engstrom, Reed Elsevier's Chief Executive Officer, will give a presentation of the development of the business and results achieved in 2012. Further, the Report of the Supervisory Board and the Executive Board will be discussed, for which reference is made to page 172 and onwards of the Reed Elsevier Annual Reports and Financial Statements 2012.

Item 3: Discussion and adoption of the 2012 Annual Financial Statements (resolution)

The Company's 2012 Annual Financial Statements are included in and constituted by the Reed Elsevier Annual Reports and Financial Statements 2012. These have been drawn up by the Executive Board and audited by Deloitte Accountants B.V., who have issued an unqualified opinion. The auditor will be present during the meeting to answer questions. It is proposed that the 2012 Annual Financial Statements are adopted by the Annual General Shareholders' Meeting.

Item 4: Release from liability of the members of the Executive Board and the Supervisory Board

4a. Release from liability of the members of the Executive Board (resolution)

In accordance with article 31 under 2 of the articles of association, the General Meeting of Shareholders is requested to release the members of the Executive Board from liability for their management insofar as such management is apparent from the financial statements or otherwise disclosed to the general meeting prior to the adoption of the annual accounts.

4b. Release from liability of the members of the Supervisory Board (resolution)

In accordance with article 31 under 2 of the articles of association, the General Meeting of Shareholders is requested to release the members of the Supervisory Board from liability for their supervision insofar as such supervision is apparent from the financial statements or otherwise disclosed to the general meeting prior to the adoption of the annual accounts.

Item 5: Determination and distribution of dividend (resolution)

Subject to the adoption of the 2012 Annual Financial Statements by the General Meeting of Shareholders and in accordance with article 33 under 1 of the articles of association, the Combined Board recommends a final dividend of € 0.337 per ordinary share of €0.07 nominal value. Taking into account the €0.130 interim dividend per ordinary share that was paid on 31 August 2012, this means that the 2012 total dividend per ordinary share amounts to € 0.467. The final dividend will be payable on 23 May 2013 and the ordinary shares will trade ex-(final) dividend from 30 April 2013.

Item 6: Appointment of external auditors (resolution)

In accordance with article 30 under 6 of the articles of association, the General Meeting of Shareholders has the authority to appoint the external auditor that will conduct the audit of the financial statements. The Audit Committee has conducted a formal review of the performance of the external auditors and the effectiveness of the audit. Based on this review, and on their subsequent observations on the planning and execution of the external audit for the financial year ended on 31 December 2012, the Audit Committee has recommended the re-appointment of Deloitte Accountants B.V. as external auditors of the Company until the Annual General Meeting of Shareholders in 2014. The Supervisory Board follows this recommendation with the support of the Executive Board. The terms and conditions applicable to this re-appointment will be determined by the Supervisory Board. Reference is made to the Audit Committees report on pages 91 and 92 of the Reed Elsevier Annual Reports and Financial Statements 2012.

Item 7: Composition of the Supervisory Board

7a. Appointment of Dr Wolfhart Hauser (resolution)
7b. Re-appointment of Anthony Habgood (resolution)
7c. Re-appointment of Adrian Hennah (resolution)
7d. Re-appointment of Lisa Hook (resolution)
7e. Re-appointment of Marike van Lier Lels (resolution)
7f. Re-appointment of Robert Polet (resolution)
7g. Re-appointment of Linda S. Sanford (resolution)
7h. Re-appointment of Ben van der Veer (resolution)

Sir David Reid and Mark Elliott, having both served for ten years on the Supervisory Board of the Company, will both retire at the conclusion of the AGM and will not be seeking re-appointment. They will also retire from the Board of Reed Elsevier PLC at its 2013 Annual General Meeting and from the Board of Reed Elsevier Group plc.

A recruitment search has been conducted for a suitable candidate to join the Supervisory Board. This has resulted in the Nominations Committee recommending to the Combined Board the appointment of Dr Wolfhart Hauser as a member of the Supervisory Board and as a non-executive director to the board of Reed Elsevier PLC. Dr Hauser has been the Chief Executive Officer of Intertek Group plc since 2005, after serving as a non-executive director of that company since 2002. He was also a non-executive director of Logica plc from 2007 to 2012. With more than 30 years' service in executive and non-executive positions in international technology and services businesses and his background in science and medicine, Dr Hauser will bring highly relevant experience to our board discussions and he will ideally complement the skills within the Supervisory Board of Reed Elsevier.

It is the intention of the Combined Board to have Dr Hauser appointed as member of the Supervisory Board with effect from the conclusion of the AGM. This was announced by Reed Elsevier on 28 February 2013. To facilitate that appointment, it is necessary that the General Meeting of Shareholders appoints Dr Hauser as a member of the Supervisory Board.

The Nominations Committee recommends the appointment of Dr Hauser as a member of the Supervisory Board and the appointment is in accordance with the profile for that board which is available from the Reed Elsevier website (www.reedelsevier.com). In accordance with the recommendation of the Nominations Committee and article 21 under 3 of the articles of association, the Combined Board recommends the appointment of Dr Hauser as a member of the Supervisory Board.

Biographical information as referred to in article 21 under 4 of the articles of association is included in these explanatory notes to the agenda.

In accordance with the recommendation contained in the UK Corporate Governance Code 2010 relating to annual re-election of directors, all other directors of the Board of Reed Elsevier PLC will retire from the board of Reed Elsevier PLC at the 2013 Annual General Meeting and they each offer themselves for re-election. In accordance with Reed Elsevier's governance arrangements, where possible each member of the Boards should stand for re-appointment by the shareholders of the respective parent companies at the same time. In accordance with these governance arrangements, all members of the Supervisory Board of the Company shall stand down at the conclusion of the AGM and will also stand for re-appointment as members of the Supervisory Board with the exception of Sir David Reid and Mark Elliott. All members are eligible and have stated their willingness to accept re-appointment, with the exception of Sir David Reid and Mark Elliott.

During 2012 the Corporate Governance Committee conducted an internal review of the functioning and constitution of the Reed Elsevier Boards and their committees, and also undertook a board effectiveness review. Based on these assessments, the Nominations Committee believes that the contribution and performance of each board member seeking re-appointment at the AGM continues to be valuable and effective, and that they each demonstrate commitment to their respective roles in Reed Elsevier. Accordingly, the Nominations Committee recommends the re-appointment of each board member, with the exception of Sir David Reid and Mark Elliott.

In accordance with recommendations of the Nominations Committee and article 21 under 3 of the articles of association, it is recommended by the Combined Board that Messrs Anthony Habgood, Adrian Hennah, Robert Polet and Ben van der Veer and Ms Lisa Hook, Ms Marike van Lier Lels and Ms Linda S. Sanford are re-appointed as members of the Supervisory Board.

Biographical information as referred to in article 21 under 4 of the articles of association in relation to the members of the Supervisory Board recommended for re-appointment is included in these explanatory notes to the agenda. Appointments to the Supervisory Board are made in accordance with the profile for that board which is available on the Reed Elsevier website (www.reedelsevier.com).

Subject to implementation of the one-tier board structure and assuming the proposal to implement the one-tier board structure will be adopted, the (re-)appointed members of the Supervisory Board will be designated as non-executive directors.

Item 8: Composition of the Executive Board

8a. Re-appointment of Erik Engstrom (resolution)
8b. Re-appointment of Duncan Palmer (resolution)

In accordance with the recommendation contained in the UK Corporate Governance Code 2010 all executive directors of the Board of Reed Elsevier PLC will retire from the board of Reed Elsevier PLC at the 2013 Annual General Meeting and they each offer themselves for re-election. In accordance with Reed Elsevier's governance arrangements, where possible each member of the Boards should stand for re-appointment by the shareholders of the respective parent companies at the same time. In accordance with these governance arrangements, both members of the Executive Board of the Company shall stand down at the close of the AGM and will also stand for re-appointment as members of the Executive Board. Both members are eligible and have stated their willingness to accept a re-appointment.

Erik Engstrom, who was appointed as a member of the Executive Board and CEO of the Elsevier division in 2004, was appointed Chief Executive Officer of Reed Elsevier in November 2009. Duncan Palmer was appointed in 2012 as a member of the Executive Board of Reed Elsevier NV and as Chief Financial Officer.

During 2012 the Corporate Governance Committee conducted an internal review of the functioning and constitution of the Reed Elsevier Boards and their committees, and also undertook a board effectiveness review. Based on these assessments, the Nominations Committee believes that the contribution and performance of both board members seeking re-appointment at the Annual General Meeting continues to be effective, and that they each demonstrate commitment to their respective roles in Reed Elsevier.

Accordingly, the Nominations Committee recommends the re-appointment of both board members. The Combined Board recommends in accordance with article 15 under 2 of the articles of association to re-appoint Erik Engstrom and Duncan Palmer as members of the Executive Board. The relevant biographical details of Messrs Engstrom and Palmer are included in these explanatory notes to the agenda.

Subject to implementation of the one-tier board structure and assuming the proposal to implement the one-tier board structure will be adopted, the re-appointed members of the Executive Board will be designated as executive directors.

Item 9: Proposal to implement the one-tier board structure at the Company

Proposal to partially amend the articles of association of the Company to implement the one-tier board structure and, subject to implementation of the one-tier board structure, determination that Executive Board members will be executive directors and Supervisory Board members will be non-executive directors (resolution)

The boards of Reed Elsevier PLC and Reed Elsevier Group plc are one-tier boards. In view of the legislation to formalize the one-tier board model in the Netherlands Civil Code that was enacted with effect from 1 January 2013, the Combined Board has resolved to take the necessary steps to establish a one-tier board governance structure at the Company. For this purpose the articles of association of the Company require to be amended and therefore a proposal for the one-tier governance structure will be put to the Annual General Meeting for approval.

The proposed changes to the articles of association primarily relate to the introduction of the one-tier Board, comprising both executive and non-executive board members. As a result hereof, all references to the Combined Board and the Supervisory Board will be removed from the articles of association. The introduction of the one-tier Board leads to a substantial number of mostly technical changes, changes in defined terms and the re-numbering of articles. In addition, a number of provisions will be updated to reflect recent changes in law. For a more detailed explanation, please see the right column of the text proposal.

The verbatim text of the proposed amendment in Dutch (the official version) and a translation in English are available on the Reed Elsevier website (www.reedelsevier.com) and at the offices of the Company.

Adoption of the proposal implies that each member of the Executive Board and the Company Secretary will be authorised to implement the proposed amendment of the articles of association and to represent the Company before a civil law notary.

Following on the implementation of the one-tier board structure and assuming the proposal to implement the one-tier board structure will be adopted, the members of the Executive Board at the time of implementation will be designated as executive directors and members of the Supervisory Board at the time of implementation will be designated as non-executive directors.

Item 10: Amendments to the remuneration policy and proposals for new long-term incentive arrangements

10a. Amendment to the remuneration policy (resolution)

Since Erik Engstrom's appointment in late 2009, the Company has made good progress financially and strategically by systematically transforming the business, primarily through organic development and increased focus. The performance related components of the executive directors' remuneration arrangements in place since 2010, including the one-off Growth Plan, were a carefully constructed balance of measures of performance put in place three years ago after extensive shareholder consultation. We believe they have supported both our strategy and our improving performance by focussing on return on capital, returns to shareholders and sustained earnings growth.

The Remuneration Committee (the ***Committee***) spent much of its time in 2012 considering alternatives for new multi-year incentives. This was necessitated by the need to replace the one-off Reed Elsevier Growth Plan (the ***Growth Plan***) for directors with a more regular long-term incentive plan and the expiry of our existing executive share option scheme in April 2013. The Committee considered quantum, metrics and the structure of these plans as they relate to supporting the execution of business strategy.

Given the steady improvement in our performance and given our belief that stability, retention and continuous improvement are now of paramount importance, the Committee decided to propose to introduce a new three year rolling LTIP for executive directors and approximately 100 senior executives similar in structure to the plans introduced in 2010 after extensive shareholder consultation at that time. We also decided to propose to renew the current executive share option scheme which has been in place since 2003 for approximately 1,000 employees globally. We believe that each of these schemes has contributed positively to the current performance in a different way and our proposals will minimise disruption and maximise stability in our most senior executive population.

Earlier this year, we consulted with around 30 major shareholders and shareholder representative bodies in the Netherlands, the UK and the US on the proposed new Reed Elsevier Group plc Long-Term Incentive Plan (***LTIP***) and the renewal of the Reed Elsevier Group plc Executive Share Option Scheme (***ESOS***). Feedback received during the process shaped the design of the plans, for which we are now seeking shareholder approval and which are described in detail below.

In accordance with the Dutch Civil Code, the Supervisory Board seeks the approval of the Annual General Shareholders' Meeting to approve the amendments of Reed Elsevier's remuneration policy regarding members of the Executive Board/ executive directors.

*10b. Proposal for a new long-term incentive plan (**LTIP**) (resolution)*
*10c. Proposal for renewal of the executive share option scheme (**ESOS**) (resolution)*

A plan similar to the proposed LTIP has been in place since 2010 for our most senior 100 executives, excluding executive directors, and the current ESOS has been in place since 2003 for around 1,000 executives in more than 20 countries. We believe they have both helped contribute to our current performance, each in a different way. Not to renew one of these plans at this stage would cause disruption to the steady improvement in our performance at a time when we consider stability, retention and continuous improvement to be of paramount importance.

For executive directors, the proposed LTIP represents a return to a more normal annual long-term incentive plan with a 3-year performance period, following the operation of the Growth Plan, which was approved by shareholders in 2010. It retains the careful balance of measures of performance constructed after extensive shareholder consultation three years ago. The ESOS replaces the existing executive share option scheme, approved by shareholders in 2003, for which shareholder authority expires in April 2013.

Performance under the proposed LTIP is measured by reference to Return on Invested Capital (***ROIC***), Earnings per Share (***EPS***) and relative Total Shareholder Return (***TSR***). The first vesting of the new LTIP will be in 2016, which is the year after the vesting of the second and final tranche of the Growth Plan for the CEO, so there will be no overlapping payouts.

Under the renewed ESOS, the vesting of options for the executive directors only will be subject to an EPS vesting scale measured over three years.

The CEO and the CFO are subject to shareholding requirements.The CEO's requirement is to hold shares equal to three times his salary. He currently holds shares worth more than five times his salary. The CFO's requirement is two times salary and he has until 31 December 2015 to meet this. The CFO must retain any net shares earned from Reed Elsevier share plans until he meets his requirement. Once met, the minimum shareholding requirement must be maintained.

The targets under both plans have been set with regard to the company's 2012 annual results, as well as internal and external forecasts for 2013 and beyond. The targets for awards and options to be granted in 2013 are considered stretching and are designed to provide exceptional reward for exceptional performance whilst providing participants with a reasonable expectation that reward at the lower end of the scale is attainable subject to robust performance.

The overall incentive opportunity for executive directors under the multi-year plans remains within the parameters previously approved by shareholders.

In determining the level of vesting under the LTIP, and under the ESOS for executive directors, the Committee will take into account Reed Elsevier's overall business performance over the relevant period and any other factors appropriate. The Committee will have discretion to adjust the vesting levels of awards if it believes such an adjustment would result in a fairer outcome. In exercising any such discretion, the Committee will have due regard for the value created for shareholders and the underlying business performance. The Committee will be open and transparent about its use of this discretion and will explain in the Remuneration Report the extent to which the discretion has been exercised and the reasons for doing so.

The plans are described in Annex I to these explanatory notes to the agenda.

The Supervisory Board seeks the approval of the Annual General Shareholders' Meeting to approve the new long-term incentive plan under item 10b (LTIP) and the Executive Share Option Scheme under item 10c (ESOS) for members of the Executive Board/executive directors.

Item 11: Delegation to the (Executive) Board of the authority to acquire shares in the Company (resolution)

The General Shareholders' Meeting granted the Executive Board the authority to acquire own shares of the Company on 24 April 2012 for a period up to and including 23 October 2013.

In accordance with article 9 of the articles of association, it is proposed to again grant the (Executive) Board the authority to acquire own shares of the Company through stock exchange trading or otherwise, for a period of 18 months from the date of the AGM and therefore up to and including 23 October 2014. Subject to this authority being granted in accordance with this proposal, the previous grant of authority will lapse.

The delegation of authority relates to the maximum number of shares mentioned in article 9 under 2(b) of the articles of association, for prices not below the nominal value and not exceeding the higher of (a) 105% of the average market price of the Company's ordinary shares on NYSE Euronext Amsterdam during the five trading days immediately preceding the date of the re-purchase, (b) the price of the last independent trade of an ordinary share of the Company on NYSE Euronext Amsterdam or (c) the then current independent bid for an ordinary share of the Company on NYSE Euronext Amsterdam.

If the re-purchase concerns R shares, the price shall not be lower than the nominal value and not higher than if calculated on the basis of the price of the ordinary shares in which they can be converted.

Subject to the implementation of the one-tier board structure and with effect from that moment, the delegation of the authority to acquire shares in the Company will accrue to the Board, in accordance with article 9 of the articles of association as amended.

Item 12: Designation of the (Combined) Board as authorised body to issue shares, to grant options and to restrict pre-emptive rights (resolution)

12a. Designation of the (Combined) Board as authorised body to issue shares and to grant rights to acquire shares in the capital of the Company (resolution)

Pursuant to a resolution passed by the General Shareholders' Meeting on 24 April 2012, the designation of the Combined Board as authorised body to issue shares and to grant rights to subscribe for shares as referred to in article 6 of the articles of association was extended for a period expiring on 23 October 2013.

The Combined Board recommends and proposes to the General Shareholders' Meeting, for a period of 18 months from the date of the AGM and therefore up to and including 23 October 2014, in accordance with and within the limits of article 6.2 of the articles of association, to designate the (Combined) Board as authorised body:

(i) to issue shares and grant rights to acquire shares in the capital of the Company, provided this authority shall be limited to 10% of the issued share capital of the Company at close of trading on NYSE Euronext Amsterdam on 24 April 2013, plus an additional 10% of the issued share capital of the Company as per the same date in relation to mergers or acquisitions; furthermore and without application of the 10% limitation,

(ii) to issue shares in the capital of the Company in so far as this would be done to meet obligations resulting from the exercise of rights to acquire shares under approved share (option) schemes, it being understood that the authority under (i) and (ii) shall be restricted by the limitations provided in article 6.2 of the articles of association.

Subject to the approval of the designation of the (Combined) Board being approved in accordance with this proposal, the current designation of the Combined Board as authorized body to issue shares and to grant rights to acquire shares in the Company will lapse.

Subject to the implementation of the one-tier board structure and with effect from that moment, the designation of the Combined Board as authorised body issue of shares and to grant rights to acquire shares in the capital of the Company will accrue to the Board, in accordance with article 6 of the articles of association as amended.

12b. Extension of the designation of the (Combined) Board as authorised body to limit or exclude statutory pre-emptive rights to the issuance of shares (resolution)

The Combined Board recommends and proposes to the General Shareholders' Meeting, for a period of 18 months from the date of the AGM and therefore up to and including 23 October 2014, in accordance with and within the limits of article 7.4 of the articles of association, to extend the current designation of the Combined Board as authorised body to limit or exclude the statutory pre-emptive rights of shareholders at an issue of shares or a grant of rights to acquire shares in the capital of the Company, which is resolved upon by the Combined Board pursuant to item 12a.

Subject to the extension of the designation of the (Combined) Board as authorized body being approved in accordance with this proposal, the current designation of the Combined Board as authorized body to limit or exclude the statutory pre-emptive rights of shareholders at an issue of shares or a grant of rights to acquire shares in the capital of the Company will lapse.

Subject to the implementation of the one-tier board structure and with effect from that moment, the designation of the Combined Board as authorised body to limit or exclude statutory pre-emptive rights to the issuance of shares will accrue to the Board, in accordance with article 7 of the articles of association as amended.

Biographical information

As referred to in article 15 under 3 of the articles of association, concerning members of the Executive Board seeking re-appointment at the 2013 Annual General Shareholders' Meeting.

Erik Engstrom (49)
(Swedish)
Chief Executive Officer since November 2009. Joined Reed Elsevier as Chief Executive Officer of Elsevier in 2004. Prior to joining Reed Elsevier was a partner at General Atlantic Partners. Before that was president and chief operating officer of Random House Inc and, before its merger with Random House, president and chief executive officer of Bantam Doubleday Dell, North America. Began his career as a consultant with McKinsey and served as a non-executive director of Eniro AB and Svenska Cellulosa Aktiebolaget SCA. Holds a BSc from Stockholm School of Economics, a MSc from the Royal Institute of Technology in Stockholm, and gained an MBA from Harvard Business School as a Fulbright Scholar.

Number of securities held in the Company: 509,556

Duncan Palmer (47)
(British and American)
Chief Financial Officer since November 2012. Joined Reed Elsevier in August 2012. Non-executive director of Oshkosh Corporation since July 2011. Prior to joining Reed Elsevier was chief financial officer and senior vice president of Owens Corning Inc. from 2007 having previously held various senior finance positions within Royal Dutch Shell for 20 years in the UK, the Netherlands and the US. Holds an MBA from Stanford University, an MA in Mathematics from Cambridge University and UK-qualified as a Chartered Management Accountant.

Number of securities held in the Company: 126

As referred to in article 21 under 4 of the articles of association, concerning members of the Supervisory Board seeking appointment at the 2013 Annual General Shareholders' Meeting.

Dr Wolfhart Hauser (63)
(German)
To be recommended for appointment as a member of the Supervisory Board at the 2013 AGM. Dr Hauser is Chief Executive Officer of Intertek Group plc, a FTSE 100 company and a provider of quality solutions to a wide range of industries around the world. He has held that position since 2005 after serving as a non-executive director since 2002. He was Chairman of Dragenopharm GmbH & Co AG from 2002 to 2006, CEO of TÜV Süddeutschland AG from 1998 to 2002, CEO of TÜV Product Services GmbH for 10 years, non-executive director of Logica plc from 2007 to 2012. He started his career as a scientist in pharmacology and ergonomics, was a successful inventor, has over 50 publications to his name and has established and led a broad range of successful international service businesses for more than 30 years.

Number of securities held in the Company: none

As referred to in article 21 under 4 of the articles of association, concerning members of the Supervisory Board seeking re-appointment at the 2013 Annual General Shareholders' Meeting.

Anthony Habgood (66) [R, N,C]
(British)
Chairman since 2009. Chairman of the Nominations and Corporate Governance Committees. Chairman of Whitbread plc and of Preqin Holding Limited. Was chairman of Bunzl plc and of Mölnlycke Health Care Limited and served as chief executive of Bunzl plc, chief executive of Tootal Group plc and a director of The Boston Consulting Group Inc. Previously served as a non-executive director of Geest plc; Marks and Spencer plc; National Westminster Bank plc; Powergen plc; and SVG Capital plc. Holds an MA in Economics from Cambridge University and an MS in Industrial Administration from Carnegie Mellon University. He is a visiting Fellow at Oxford University.

Number of securities held in the Company: 25,000

Adrian Hennah (55) [A,C]
(British)
Member of the Supervisory Board since April 2011. Chief financial officer of Reckitt Benckiser Group plc, having been chief financial officer of Smith & Nephew plc from 2006 to 2012. Before that was chief financial officer of Invensys plc, having previously held various senior finance and management positions within GlaxoSmithKline for 18 years.

Number of securities held in the Company: none

Lisa Hook (55) R,N,C
(American)
Member of the Supervisory Board since 2006. President and Chief Executive Officer of Neustar Inc. A director of The Ocean Foundation. Was President and Chief Executive Officer at Sun Rocket Inc. Before that was President of AOL Broadband, Premium and Developer Services. Prior to joining AOL, was a founding partner at Brera Capital Partners LLC. Previously was chief operating officer of Time Warner Telecommunications. Has served as senior advisor to the Federal Communications Commission Chairman and a senior counsel to Viacom Cable.

Number of securities held in the Company: 4,800

Marike van Lier Lels (53) C
(Dutch)
Member of the Supervisory Board since 2010. Member of the Corporate Governance Committee. Currently holds supervisory board positions with Royal KPN N.V., USG People N.V. and TKH Group N.V. She is also a member of the Advisory Council for the Ministry of Infrastructure and the Environment, of the Advisory Council for Science and Technology Policy and of the Central Plan Committee of the Netherlands Bureau for Economic Policy Analysis. Member of the Supervisory Board of Maersk B.V. until March 2012. Was executive vice president and chief operating officer of the Schiphol Group. Prior to joining Schiphol Group, was a member of the executive board of Deutsche Post Euro Express and held various senior positions with Nedlloyd.

Number of securities held in the Company: none

Robert Polet (57) R,C
(Dutch)
Member of the Supervisory Board since 2007. Chairman of Safilo Group S.p.A. and non-executive director of Philip Morris International Inc., William Grant & Sons Limited and Crown Topco Limited, parent company of Vertu. Member of the Supervisory Board of Nyenrode Foundation. Was president and chief executive officer of Gucci Group from 2004 to 2011, having previously spent 26 years at Unilever working in a variety of marketing and senior executive positions throughout the world including President of Unilever's Worldwide Ice Cream and Frozen Foods division.Formerly a non-executive director of Wilderness Holdings Limited from 2010 to 2012.

Number of securities held in the Company: none

Linda S. Sanford (60) A,C
(American)
Member of the Supervisory Board since December 2012. Senior Vice President, Enterprise Transformation, IBM Corporation. Non-executive director of ITT Corporation until May 2013. She serves on the boards of The Business Council of New York State and the Partnership for New York City. She also serves on the board of trustees of the State University of New York, St. John's University and Rensselaer Polytechnic Institute.

Number of securities held in the Company: none

Ben van der Veer (61) A,N,C
(Dutch)
Member of the Supervisory Board since 2009. Chairman of the Audit Committees. Member of the supervisory boards of AEGON NV, TomTom NV, Siemens Nederland NV and Koninklijke FrieslandCampina NV. Was chairman of the executive board of KPMG in the Netherlands and a member of the management committee of the KPMG International board until his retirement in 2008, having joined in 1976.

Number of securities held in the Company: 5,000

Board Committee Membership
A. Audit Committees: Reed Elsevier Group plc, Reed Elsevier PLC and Reed Elsevier NV
R. Remuneration Committee: Reed Elsevier Group plc
N. Nominations Committee: joint Reed Elsevier PLC and Reed Elsevier NV
C. Corporate Governance Committee: joint Reed Elsevier PLC and Reed Elsevier NV

Reed Elsevier NV Annual General Meeting of Shareholders 24 April 2013

Record date and notification

The Executive Board has determined that for this meeting the persons who will be considered as entitled to vote and/or attend the meeting, are those persons who are registered as such in a (sub)register designated by the Executive Board on **Wednesday 27 March 2013** (***Record Date***), after processing of all settlements on that date and who have made a notification in the manner set out below. The (sub)registers which have been designated as such are the records as at the Record Date of intermediaries within the meaning of the Dutch Giro Act (***Wet giraal effectenverkeer***). For holders of shares which are not administered via an intermediary, the designated (sub)register is the Company's register of shareholders.

Holders of shares and holders of a right of pledge or a right of usufruct on such shares with voting rights administered via an intermediary who wish to attend the meeting in person or appoint a representative, must notify ABN AMRO Bank N.V. (***ABN AMRO***) via the intermediary in which administration their relevant shares are registered. Intermediaries must submit to ABN AMRO by **Wednesday 17 April 2013 at 5.00 pm CET** at the latest, for each shareholder concerned (or person entitled to vote) a statement that it wishes to attend the meeting including the number of shares notified for registration and held by the relevant shareholder at the Record Date. The shareholder will receive a confirmation of its notification for the meeting, including the number of shares registered for the meeting. This will serve as an admission certificate and upon submission thereof prior to the AGM on 24 April 2013, the shareholder, respectively its representative will be given access to the meeting.

Holders of registered shares and holders of a right of pledge or a right of usufruct on such shares with voting rights who are registered in person in the register of shareholders of the Company at 5.00 pm CET as of the Record Date who wish to attend the meeting in person or appoint a representative, will be entitled to attend the AGM if they have notified the Executive Board of the Company by **Wednesday 17 April 2013 at 5.00 pm CET** in writing or electronically (see contact details below) of their attendance. They will receive confirmation of their notification from the Company. This will serve as admission certificate and upon submission thereof prior to the AGM on 24 April 2013, the shareholder or respectively its representative will be given access to the meeting.

Representation by proxy

Subject to compliance with the above provisions, shareholders can attend and vote at the AGM in person or by proxy. Proxies need to be in writing (form available free of charge on www.reedelsevier.com) and should at the discretion of the Company sufficiently identify the shareholder and the proxy holder and the number of shares for which the proxy holder will represent the shareholder at the AGM. In order to give proxy and voting instructions, the shareholder (a) must have registered its shares as set out above and (b) must ensure that the proxy will be received by the Company (see contact details below) no later than **Wednesday 17 April 2013 at 5.00 pm CET**.

Proxy holders representing multiple shareholders whose voting instructions require that they cannot vote individual agenda items similarly for all shares which they represent (for, against, abstain), shall need to contact the Company Secretariat (see contact details below) no later than **Wednesday 17 April 2013 at 5.00 pm CET**, in order to procure appropriate processing of their instructions at the AGM. Holders of shares who will not be attending the meeting in person may also give proxy to the Company Secretary or cast their votes on-line via the ABN AMRO e-voting system up until **Wednesday 17 April 2013 at 5.00 pm CET**. For further information, please visit www.abnamro.com/evoting.

Persons without a valid admission certificate will not be given access to the meeting. Attendees may be asked for identification prior to being admitted.

Amsterdam, 12 March 2013 Executive Board

Communication with the Company regarding the above information through:
Company Secretariat Reed Elsevier NV
Telephone +31 (0)20 485 2906
Fax +31 (0)20 485 2032
P.O. Box 470
1000 AL Amsterdam
The Netherlands
RENVsecretariat@reedelsevier.com

Travel directions Hotel Okura

Hotel Okura is easy to reach by public transport.

By public transport:

From Amsterdam Central Station by tram
tram 25 – stop Cornelis Troostplein

From Amsterdam Zuid/WTC Station:
bus 65 – (direction KNSM eiland) stop Scheldestraat

From Amstel Station:
tram 12 – stop Cornelis Troostplein
bus 15 – stop Scheldestraat

From RAI Station:
10 – 15 minutes' walk to Hotel Okura

By car:
From all directions follow Ring road A10. Exit RAI (S109) and at lights turn right direction RAI/Centrum (S109). Follow road signs direction Zuid (S109). Drive straight on, past the RAI, follow the right lane into Scheldestraat. At lights, crossing Churchilllaan, go straight on. Across the bridge you will see Hotel Okura at your right.

Shuttle service from Station Zuid/WTC
Reed Elsevier has arranged for a shuttle service from Station Zuid/WTC. Left from the exit of the railway station at the WTC side you will find a shuttle bus at the loading and unloading location to take you to Hotel Okura.

Parking at Hotel Okura
There is limited availability of parking space at Hotel Okura: 40 spaces above ground and 100 spaces below ground. Unfortunately, parking space at the hotel cannot be guaranteed.

Paid parking is available in the neighbourhood of Hotel Okura.

Annex I to the explanatory notes to the agenda

Proposals for new long-term incentive arrangements

Agenda item 10b: Proposal for a new long-term incentive plan (***LTIP***) (resolution)
Agenda item 10c: Proposal for renewal of the executive share option scheme [***ESOS***] (resolution)

Background
Since Erik Engstrom's appointment in late 2009, the Company has made good progress financially and strategically by systematically transforming the business, primarily through organic development and increased focus. The performance related components of the executive directors' remuneration arrangements in place since 2010, including the one-off Reed Elsevier Growth Plan, were a carefully constructed balance of measures of performance put in place three years ago after extensive shareholder consultation. We believe they have supported both our strategy and our improving performance by focusing on return on capital, returns to shareholders and sustained earnings growth.

The Remuneration Committee (the ***Committee***) spent much of its time in 2012 considering alternatives for new multi-year incentives. This was necessitated by the need to replace the one-off Growth Plan for directors with a more regular long-term incentive plan and the expiry of our existing executive share option scheme in April 2013. The Committee considered quantum, metrics and the structure of these plans as they relate to supporting the execution of business strategy.

Given the steady improvement in our performance and given our belief that stability, retention and continuous improvement are now of paramount importance, the Committee decided to propose to introduce a new three year rolling LTIP for directors and approximately 100 senior executives similar in structure to the plans introduced in 2010 after extensive shareholder consultation at that time. We also decided to propose to renew the current executive share option scheme which has been in place since 2003 for approximately 1,000 employees globally. We believe that each of these schemes has contributed positively to the current performance in a different way and our proposals will minimise disruption and maximise stability in our most senior executive population.

Earlier this year, we consulted with around 30 major shareholders and shareholder representative bodies in the Netherlands, the UK and the US on the proposed new long-term incentive plan (***LTIP***) and the renewal of the executive share option scheme (***ESOS***). Feedback received during the process shaped the design of the plans, for which we are now seeking shareholder approval and which are described in detail below.

Performance under the proposed LTIP is measured by reference to Return on Invested Capital (***ROIC***), Earnings per Share (***EPS***) and relative Total Shareholder Return (***TSR***). The first vesting of the new LTIP will be in 2016, which is the year after the vesting of the second and final tranche of the Growth Plan for the CEO, so there will be no overlapping payouts.

Under the renewed ESOS, the vesting of options for the executive directors only will be subject to an EPS vesting scale measured over three years.

The CEO and the CFO are subject to shareholding requirements. The CEO's requirement is to hold shares equal to three times his salary. He currently holds shares worth more than five times his salary. The CFO's requirement is two times salary and he has until 31 December 2015 to meet this. The CFO must retain any net shares earned from Reed Elsevier share plans until he meets this requirement. Once met, the minimum shareholding requirement must be maintained.

The targets under both plans have been set with regard to the company's 2012 annual results, as well as internal and external forecasts for 2013 and beyond. The targets for awards and options to be granted in 2013 are considered stretching and are designed to provide exceptional reward for exceptional performance whilst providing participants with a reasonable expectation that reward at the lower end of the scale is attainable, subject to robust performance.

The overall income opportunity for executive directors under the multi-year plans remains within the parameters previously approved by shareholders.

In determining the level of vesting under the LTIP, and under the ESOS for executive directors, the Committee will take into account Reed Elsevier's overall business performance over the relevant period and any other factors as appropriate. The Committee will have discretion to adjust the vesting levels of awards if it believes such an adjustment would result in a fairer outcome. In exercising any such discretion, the Committee will have due regard for the value created for shareholders and the underlying business performance. The Committee will be open and transparent about its use of this discretion and will explain in the Remuneration Report the extent to which the discretion has been exercised and the reasons for doing so.

The plans are described below in sections 1 and 2. The features which are common to both plans are described in section 3.

1. LTIP

Form of Awards

1.1 The LTIP provides that awards may be granted as performance share awards or nil-cost options over Reed Elsevier PLC and Reed Elsevier NV shares, but it is currently intended to only grant performance share awards. References to "awards" in this summary include both performance share awards and nil-cost options, except as otherwise specified.

Individual Limits

1.2 Awards levels will be determined each year by the Committee. The maximum face value of an award on the date of grant which may be granted under the plan in any year is up to 250% of base salary for the Chief Executive Officer and up to 200% of base salary for other executives.

Dividend Equivalents

1.3 Participants will be eligible to receive dividend equivalents on vested shares to reflect ordinary dividends which would have been payable on to those shares during the performance period. It is intended that dividend equivalents will be paid shortly following the vesting date in cash, although they may also be paid in shares.

Cessation of Employment

1.4 A participant must generally remain employed by Reed Elsevier in order for any awards to vest. If a participant gives or receives notice of termination of employment, or otherwise ceases to be an employee for any reason other than those listed below, his awards will lapse in full on the date when notice is given or received.

1.5 A participant who ceases to be an employee of Reed Elsevier for any of the reasons below is referred to as an ***'Approved Leaver'***:
a) injury, disability or ill-health;
b) redundancy;
c) retirement with Reed Elsevier consent;
d) death;
e) sale of the company or business in which the participant is employed
f) any other reason which the Committee, in its absolute discretion, determines.

1.6 An award held by an Approved Leaver (or the personal representatives of a deceased participant) will continue and performance will be measured at the end of the relevant performance period. The award will vest over the resulting shares subject to pro-rating for service. However, the Committee has discretion to allow an award to vest as at the date of cessation of employment, subject to performance (assessed based on progress against targets at the date of cessation) and pro-rating for service. The Committee also has the discretion, if it considers it appropriate in particular circumstances, to determine that an award will vest on some other basis.

1.7 Where an award has been granted as a nil-cost option, the Committee will determine the period during which an Approved Leaver, or the personal representatives of a deceased participant, may exercise the nil-cost option.

Performance Measures

1.8 The vesting of awards granted to all participants under the plan is subject to meeting performance measures which are aligned to the strategic objectives of the Reed Elsevier Group plc. The measures and targets will be set every year and will be stretching, having regard to the Company's most recent results, as well as internal and external forecasts.

1.9 For awards granted in 2013, vesting will be dependent upon three separate performance measures of equal weighting: a TSR measure, a ROIC measure and an EPS measure. Further detail on each of these performance conditions is set out below.

The TSR Measure

1.10 The vesting of one third of the 2013 award will be subject to the TSR ranking of Reed Elsevier measured over the three financial years ending 31 December 2015. The portion of an award subject to the TSR Measure is referred to as the ***TSR Tranche***.

1.11 As Reed Elsevier accesses equity capital markets through three exchanges – London, Amsterdam and New York – in three separate currency zones, three distinct comparator groups will be used – a Sterling Comparator Group, a Euro Comparator Group and a US Dollar Comparator Group. The TSR performance of Reed Elsevier PLC ordinary shares (based on the London listing) will be measured against the Sterling Comparator Group, the TSR performance of Reed Elsevier NV ordinary shares (based on the Amsterdam listing) will be measured against the Euro Comparator Group; and the TSR performance of Reed Elsevier PLC ADRs and Reed Elsevier NV ADRs (based on the New York listing) will be measured against the US Dollar Comparator Group. The TSR performance will be measured separately against each comparator group and each ranking achieved will produce a payout, if any, in respect of one third of the TSR Tranche. The proportion of the TSR Tranche that vests will be the sum of the payouts achieved against the three comparator groups.

1.12 Each comparator group comprises approximately 40 companies. The companies in each comparator group for 2013 were selected on the following basis:

a) they were included in a relevant market index or are the largest listed companies on relevant exchanges as at 31 December 2012 – the FTSE100 for the Sterling Comparator Group; AEX, NYSE Euronext and the Frankfurt Stock Exchange for the Euro Comparator Group; and the S&P500 for the US Dollar Comparator Group;

b) certain companies were then excluded:

- companies with mainly domestic revenues (as they do not reflect the global nature of our customer base);
- those engaged in extractive industries (as they are exposed to commodity cycles); and
- financial services companies (as they have a different risk/reward profile).

c) the remaining companies were then ranked by market capitalisation and for each comparator group the 20 companies above and below Reed Elsevier were taken; and

d) relevant listed global peers operating in businesses similar to those of Reed Elsevier not otherwise included were added to the relevant comparator group.

Details of the companies in each group are set out in Schedule 1.

The Committee retains discretion as to how to deal with changes to the comparator groups as a result of mergers, demergers, de-listings or other corporate events over the performance period and applies its policy in this regard in an appropriate manner.

1.13 The number of shares in each third of the TSR Tranche which are capable of vesting will be calculated as follows and will be added together to determine the total number of shares which are capable of vesting:

TSR ranking within the relevant TSR comparator group	**Vesting percentage of each third of the TSR Tranche**
Below Median	0%
Median	30%
60 th percentile	58%
Upper quartile (≥75th percentile)	100%

Vesting is on a straight line basis for TSR ranking between median and upper quartile.

1.14 In accordance with the approach applied to the measurement of TSR under the previous long-term incentive plan and the Growth Plan, the averaging period applied for TSR measurement purposes is the six months before the start of the financial year in which the award is granted and the last six months of the third financial year of the performance period.

The ROIC Measure

1.15 The vesting of one third of the 2013 award will relate to the percentage return on invested capital of Reed Elsevier PLC and Reed Elsevier NV. The vesting of the award relates to the percentage ROIC for the financial year ending 31 December 2015. The portion of an award subject to the ROIC Measure is referred to as the ***ROIC Tranche***.

1.16 The following definitions are relevant for ROIC:

- Invested capital = arithmetic average of the opening and closing capital employed for the financial year with all cumulative amortisation and impairment charges for acquired intangible assets and goodwill added back and excluding all the gross up to goodwill in respect of deferred tax liabilities established on the acquisition of intangible assets. In addition, any exceptional restructuring and acquisition integration charges (net of tax) are capitalised for these purposes and changes in exchange rates and movements in pension deficits are excluded.

- Return = adjusted operating profit for Reed Elsevier PLC and Reed Elsevier NV before amortisation and impairment of acquired intangible assets and goodwill, exceptional restructuring and acquisition integration charges after applying the effective rate of tax used for adjusted earnings calculations and using exchange rates to match those used in the calculation of invested capital.

In order to ensure that the performance score achieved is a fair reflection of underlying business performance, the Committee retains discretion to determine the treatment of major disposals and acquisitions which require Board approval. Any significant adjustments made to the final performance score will be disclosed to shareholders.

1.17 The number of shares comprised in the ROIC Tranche which are capable of vesting will be determined as follows:

Percentage ROIC for financial year ending 31 December 2015	Vesting percentage of ROIC Tranche
<11.2%	0%
11.2%	33%
11.45%	52.5%
11.7%	65%
11.95%	75%
12.2%	85%
12.45%	92.5%
≥12.7%	100%

1.18 Vesting is on a straight line basis for performance between the stated ROIC percentages.

The EPS Measure

1.19 The vesting of one third of the 2013 award relates to the average growth in adjusted Earnings per Share (EPS) per annum at constant currencies of Reed Elsevier PLC and Reed Elsevier NV over the three financial years ending 31 December 2015. The portion of an award subject to the EPS Measure is referred to as the ***EPS Tranche***.

1.20 The following definitions are relevant for EPS:

- Earnings = adjusted reported earnings measured at constant currencies. Adjustments include amortisation and impairment of acquired intangible assets and goodwill, exceptional restructuring and acquisition integration charges, gains/losses on business disposals and other non-operating items and tax rate anomalies (principally deferred tax); and

- Number of shares = weighted average number of shares in issue excluding shares held in treasury.

1.21 The number of shares in the EPS Tranche which are capable of vesting will be determined as follows:

Average EPS Growth	Vesting percentage of EPS Tranche
<5%	0%
5%	33%
6%	52.5%
7%	65%
8%	75%
9%	85%
10%	92.5%
≥11%	100%

Vesting is on a straight line basis for performance between the stated average adjusted EPS Growth percentages.

2. ESOS

Form of Grants

2.1 Participants in ESOS will be granted market value options, providing them with the opportunity to acquire shares in both Reed Elsevier PLC and Reed Elsevier NV in the future at their market value at the time of grant.

2.2 Participants other than the executive directors may choose whether to accept a grant of an option under the ESOS or an award of restricted shares under a separate plan or 50:50 options:restricted shares. The Committee determines the ratio for options to restricted shares annually. It is currently 5 options:1 restricted share. Restricted shares are granted under the terms of a separate plan and may only be satisfied with shares purchased on a recognised exchange.

Individual Limits

2.3 Award levels will be determined each year by the Committee. The maximum face value of an option on the date of grant which may be granted under the plan in any year is up to 250% of base salary for the Chief Executive Officer and up to 200% of base salary for other executives.

Cessation of Employment

2.4 A participant must generally remain employed by Reed Elsevier in order for any options to vest or to be exercisable. If a participant gives or receives notice of termination of employment, or otherwise ceases to be an employee for any reason other than those listed below, all his unexercised options (whether vested or unvested at that time) will lapse in full on the date when notice is given or received.

2.5 A participant who ceases to be an employee of Reed Elsevier for any of the reasons below is referred to as an ***Approved Leaver***:
a) injury, disability or ill-health;
b) redundancy;
c) retirement with Reed Elsevier consent;
d) death;
e) sale of the company or business in which the participant is employed
f) any other reason which the Committee, in its absolute discretion, determines.

2.6 In respect of an option which is granted subject to performance measures, an Approved Leaver's unvested option will continue and performance will be measured at the end of the relevant performance period. The option will vest over the resulting shares subject to pro-rating for service. However, the Committee has discretion to allow an option to vest as at the date of cessation of employment subject to performance (assessed based on progress against targets at the date of cessation) and pro-rating for service. The Committee also has the discretion, if it considers it appropriate in the particular circumstances, to determine that an option will vest on some other basis. An Approved Leaver (or the personal representatives of a deceased participant) may exercise his unexercised options at any time in the period of two years following the later of cessation of employment or vesting of the option.

2.7 In respect of an option which is not granted subject to performance measures, an Approved Leaver's unvested option will vest at the date of cessation of employment, subject to pro-rating for service. The Committee also has the discretion, if it considers it appropriate in the particular circumstances, to determine that an option will vest on some other basis. An Approved Leaver (or the personal respresentatives of a deceased participant) may exercise his unexercised options at any time in the period of two years following the later of cessation of employment and vesting of the option.

2.8 The Committee has discretion to extend the two year exercise period for Approved Leavers and personal representatives of participants who have died referred to above to up to 42 months.

Performance Measures

2.9 ESOS 2003 included a fixed formula relating to adjusted EPS which determined the aggregate grant pool (effectively a pre-grant performance measure). The new ESOS does not include such a fixed formula. Instead, the Committee will exert a similar level of prudence and financial discipline as it does currently in determining overall grant levels under the ESOS, but will be able to have regard to a broader range of factors and have greater flexibility to take account of changing circumstances.

2.10 The vesting of options granted to executive directors only is subject to the achievement of a performance measure relating to the average adjusted EPS growth per annum at constant currencies of Reed Elsevier PLC and Reed Elsevier NV. EPS will be calculated in the same way as for the EPS Tranche of the LTIP described above. For 2013, the number of shares under option which are capable of vesting will be determined as follows in respect of the executive directors:

Average Adjusted EPS Growth over the 3-year performance period	**Vesting level as a percentage of options granted**
<4%	0%
4%	33%
6%	80%
≥8%	100%

Vesting is on a straight line basis for performance between the stated average adjusted EPS growth percentages.

3. Features common to the LTIP and the ESOS

Eligibility

Participation in the plans is at the discretion of the Committee.

Timing of Grants

3.1 Awards and options can be granted within 42 days of any of the following: the 2013 Annual General Meetings at which the LTIP and ESOS are approved by shareholders; the announcement of Reed Elsevier's results for any period; the release of any trading update; in the case of tax favoured options under the HMRC approved appendix to the ESOS, the date HMRC approves the appendix or any amendments to it; the occurrence of circumstances which the Committee considers justify the grant of awards or options outside these timeframes (for example, on a senior executive joining Reed Elsevier); or the lifting of dealing restrictions which prevented the grant of an award/option during the periods referred to above.

Conditions of grant/vesting

3.2 The Committee may impose any conditions on the grant or vesting of an award or option as it considers appropriate, including requiring a participant to comply with any one or more of the following: post-employment restrictive covenants; meeting shareholding requirements and post-vesting or post-exercise sale restrictions.

Performance Measures

3.3 The 2013 performance measures applicable to LTIP awards and ESOS options for executive directors are set out above. The Committee can set different performance measures for awards and options granted in different years (both as to the type of measure, the weighting given to that measure and the targets set under that measure) provided that, in the opinion of the Committee, the measures used are relevant in the context of the Company's strategic objectives and the targets set are suitably stretching and appropriate in the circumstances.

3.4 There will be no retesting of any performance measures.

3.5 The TSR and EPS performance measures will be assessed over the three financial years commencing on 1 January 2013 and ROIC will be measured at the end of the last year of the performance period, i.e., at the end of 2015.

3.6 The Committee may vary the performance measures applying to existing awards and/or options if an event occurs or there are circumstances which mean that the measures are no longer a fair measure of performance provided that, in the reasonable opinion of the Committee, the new measures are not materially less or more challenging than the original measures would have been but for the event or circumstances in question.

3.7 In determining the level of vesting, the Committee will take into account Reed Elsevier's overall business performance over the relevant period and may also take into account such other factors or matters as it considers appropriate. The Committee will have discretion to adjust the vesting levels of awards and/or options if it believes such an adjustment would result in a fairer outcome. In exercising any such discretion, the Committee will have due regard to the value created for shareholders and the underlying business performance. The Committee will be open and transparent about its use of this discretion and will explain in the Remuneration Report the extent to which the discretion has been exercised and the reasons for doing so.

Claw-back

3.8 If a participant, who ceases employment with Reed Elsevier, breaches any aspect of his restrictive covenant agreement (such breach to be determined by the Committee), the Committee may require him to repay to Reed Elsevier an amount equal to his gain arising from the vesting of any award or exercise of any option under the plans in the period from six months prior to his termination date to the date any post-employment restrictive covenants to which he may be subject expire.

3.9 In circumstances where the Committee considers in good faith that the vesting of an award or option (or the grant of an option under the ESOS) was determined on the basis of materially misstated financial or other data, it shall take such steps as it considers appropriate to recover the difference in value between the incorrect award or option and the award or option that would have vested had the correct data been used including scaling back outstanding unvested awards and options.

Change of control

3.10 On a change of control of either Reed Elsevier PLC or Reed Elsevier NV, awards and options granted over shares in that company will vest. The vesting of awards and options will be subject to time pro-rating and performance conditions will continue to apply where applicable. Performance will be assessed based on progress made against targets as at the date of the change of control.

3.11 Alternatively, the Committee may determine that awards and options will not vest and that they will instead be exchanged for equivalent awards over shares in the new holding company or companies as applicable.

3.12 Where the purpose or effect of a change of control of Reed Elsevier PLC and/or Reed Elsevier NV is to create a new holding company or companies, such that Reed Elsevier Group plc has substantially the same ultimate shareholders, awards and options will not vest but will be exchanged for equivalent awards/options over shares in the new holding company or companies as applicable.

Variation of Share Capital

3.13 In the event of any variation of the share capital or reserves of Reed Elsevier PLC and/or Reed Elsevier NV, including but not limited to any capitalisation, rights issue, any consolidation, sub-division or reduction of their share capital, the number of shares comprised in awards and options will be adjusted by the Committee to reflect the variation.

Satisfaction of Options and Awards

3.14 Options and awards may be satisfied with new issue shares, a transfer of treasury shares or shares purchased in the market. The Committee currently intends to continue its existing practice of satisfying grants under the LTIP with shares purchased on the market and of satisfying ESOS options with new issue shares.

Limits on the Issue of Shares

3.15 In any ten-year period, Reed Elsevier PLC may not grant options or awards under the ESOS or LTIP or any other discretionary share plan (i.e. a plan where participation is by Committee selection) or all-employee share plan adopted by Reed Elsevier if such grant would cause the number of shares issued or issuable under the plans to exceed 10% of Reed Elsevier PLC's issued ordinary share capital at the proposed date of grant.

3.16 In addition, in any ten-year period, Reed Elsevier PLC may not grant options or awards under the ESOS or LTIP or any other discretionary share plan adopted by Reed Elsevier if such grant would cause the number of ordinary shares issued or issuable under the plans to exceed 5% of Reed Elsevier PLC's issued ordinary share capital at the proposed date of grant.

3.17 The same limits will apply in respect of Reed Elsevier NV.

3.18 The plans allow for options/awards to be satisfied by transferring shares from treasury which have been set aside for use in the plans. Any such satisfaction of options/awards with treasury shares will be treated as an issue of ordinary shares for the purposes of the above limits for so long as institutional shareholder guidelines recommend this. If awards are satisfied by a transfer of existing ordinary shares, the percentage limits stated above will not apply.

Rights Attaching to Shares

3.19 A participant will not have any voting or dividend rights before the vesting of an award or exercise of an option. All shares allotted under the plans will carry the same rights as any other shares in Reed Elsevier PLC or Reed Elsevier NV as applicable.

3.20 Benefits received under the plans are not pensionable and may not be assigned or transferred without the consent of the Committee, except on a participant's death.

Plan Schedules

3.21 Where an award or option over shares is not appropriate for legal, regulatory or tax reasons, a cash-based award/option may be granted. This will deliver a cash payment equivalent to the net benefit a participant would have derived from the vesting/exercise of a share based award/option. In certain circumstances, awards/options granted over shares may be satisfied in cash.

3.22 The Committee may make appropriate amendments to the plans and/or establish additional schedules to the plans for the purpose of granting awards or options to employees which modify such terms of the plans as may be necessary or desirable to take account of applicable local tax exchange control or securities laws.

Amendments

3.23 The Committee will have authority to amend the rules of the plans, provided that no amendment to the advantage of participants or eligible employees may be made to provisions relating to the key features of the plans without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment either for participants or Reed Elsevier. Key features are: who can be a participant, the individual and plan limits on the number of shares which can be awarded under the plans, the basis for determining a participant's entitlement to shares and the terms on which they can be acquired, and the provisions relating to adjustments in the event of a variation in the Reed Elsevier PLC's or Reed Elsevier NV's share capital.

Duration of the Plans

3.24 The LTIP and the ESOS will terminate on the tenth anniversary of their approval by shareholders, and no further awards or options may be granted after that date, but the rights of existing participants under the plans will not be affected.

Copies of the following rules will be available for inspection at the registered offices of the Company during normal business hours until the date of the AGM and at the meeting venue from at least 15 minutes prior to the AGM until its conclusion:

- Rules of the Reed Elsevier Group plc Long-Term Incentive Plan 2013; and
- Rules of the Reed Elsevier Group plc Executive Option Scheme 2013.

These documents will only be available in the English language and the official English document will determine the legal position of the Company.

Schedule 1 – TSR Comparator Groups newly set at 31.12.12

Sterling	Euro	Dollar
VODAFONE GROUP	LVMH	EBAY
GLAXOSMITHKLINE	BASF	3M
BRITISH AMERICAN TOBACCO	L'OREAL	CATERPILLAR
SABMILLER	BAYER	COLGATE-PALM.
DIAGEO	UNILEVER CERTS.	ACCENTURE
ASTRAZENECA	DAIMLER	MONDELEZ INTERNATIONAL CL.A
UNILEVER (UK)	BMW	E I DU PONT DE NEMOURS
RECKITT BENCKISER GROUP	GDF SUEZ	DOW CHEMICAL
NATIONAL GRID	DEUTSCHE TELEKOM	DANAHER
IMPERIAL TOBACCO GP.	SCHNEIDER ELECTRIC	EMERSON ELECTRIC
ROLLS-ROYCE HOLDINGS	AIR LIQUIDE	NIKE 'B'
COMPASS GROUP	VOLKSWAGEN PREF.	BAXTER INTL.
ASSOCIATED BRIT.FOODS	HEINEKEN	TEXAS INSTS.
WPP	LINDE	LYONDELLBASELL INDS.CL.A
BAE SYSTEMS	EADS	PRAXAIR
SHIRE	PERNOD-RICARD	PRICELINE.COM
EXPERIAN	FRANCE TELECOM	YUM! BRANDS
PEARSON	ASML HOLDING	ILLINOIS TOOL WORKS
CRH	DEUTSCHE POST	HEWLETT-PACKARD
WOLSELEY	PHILIPS ELTN.KONINKLIJKE	EATON
KINGFISHER	CONTINENTAL	THOMSON REUTERS (NYS)
SMITH & NEPHEW	SAINT GOBAIN	CARNIVAL
BURBERRY GROUP	ESSILOR INTL.	JOHNSON CONTROLS
INTERTEK GROUP	ADIDAS	PPG INDUSTRIES
JOHNSON MATTHEY	LAFARGE	CUMMINS
SMITHS GROUP	CARREFOUR	ADOBE SYSTEMS
AGGREKO	SAFRAN	CORNING
ICTL.HTLS.GP.	MICHELIN	HJ HEINZ
CARNIVAL	FRESENIUS	ALEXION PHARMS.
WEIR GROUP	RENAULT	SPECTRA ENERGY
REXAM	AKZO NOBEL	DELL
GKN	HENKEL PREF.	AIR PRDS.& CHEMS.
G4S	AHOLD KON.	BROADCOM 'A'
TATE & LYLE	DASSAULT SYSTEMES	MOSAIC
IMI	SODEXO	PACCAR
INTL.CONS.AIRL.GP.(CDI)	PUBLICIS GROUPE	TE CONNECTIVITY
BUNZL	BUREAU VERITAS INTL.	BECTON DICKINSON
CRODA INTERNATIONAL	ALSTOM	MCGRAW-HILL
TUI TRAVEL	SOLVAY	AGILENT TECHS.
MEGGITT	WOLTERS KLUWER	ESTEE LAUDER COS.'A'
INFORMA	LAGARDERE GROUPE	APPLIED MATS.
DAILY MAIL 'A'		TYCO INTERNATIONAL
UBM		DUN & BRADSTREET DEL.
		WILEY JOHN & SONS 'A'
		FAIR ISAAC