

LIBERTY INTERNATIONAL PLC

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. CONSTITUTION

The original terms of reference were adopted by resolution of the Board dated 22 February 1993. The terms were revised in October 2000 and adopted by the Board by resolution dated 11 December 2000. Subsequently, minor amendments were approved by the Board on 19 May 2003. Further amendments were made in September 2003 to reflect the Higgs guidance which formed part of the revised Combined Code. The changes were approved by the Board on 17 November 2003. Minor amendments were approved by the Board on 14 November 2005 to reflect the Committee's membership. An additional minor amendment was approved by the Board on 20 November 2006.

The Remuneration Committee is a committee of the Board of Directors of Liberty International PLC ("Liberty International") and answerable to the Board. The meetings and proceedings of the Committee shall be governed by the appropriate clauses of Liberty International's Articles of Association.

2. MEMBERSHIP AND ATTENDANCE

The members of the Committee are, for the time being, Mr R.W.T. Buchanan (Chairman of the Committee), Mr D.P.H. Burgess, Mr I.J. Henderson and Mrs L. James. The quorum shall be two members.

Members of the Remuneration Committee will be appointed by the Board and shall comprise the Chairman of the Committee and a minimum of two non-Executive Directors.

The Committee will be chaired by its Chairman, who shall be a non-Executive Director of Liberty International appointed by the Board of Liberty International, or, in his absence, by another non-Executive Director.

Other Directors may attend meetings by invitation of the Chairman or a majority of the Committee.

The Chief Executive will attend meetings when the Committee considers any matter relating to Executive Directors (other than himself), or to Directors of a subsidiary company, or other remuneration issues where the Committee requests his advice or input.

3. FREQUENCY OF MEETINGS

- (a) For the purpose of approving the Directors' Remuneration Report in the company's Annual Report, once annually in the period of two months prior to the date of signing the company's Annual Report;
- (b) As appropriate on each occasion, in the month prior to the granting of share options or any share or profit related benefits; and
- (c) Additionally, as requested from time to time by the Chairman or a member of the Committee, in order to consider and to determine remuneration issues as set out in 4 hereunder.

4. DUTIES AND RESPONSIBILITIES

4.1 The Committee will:

- (i) determine and agree with the Board the framework or broad policy for the remuneration of the Chief Executive, the Chairman of the company and such other members of the executive management as it is designated to consider;
- (ii) determine targets for any performance-related pay schemes operated by the company;
- (iii) determine the policy for and scope of pension arrangements for each Executive Director;
- (iv) ensure that contractual terms on termination, and any payments made, are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (v) within the terms of the agreed policy, determine the total individual remuneration package of each Executive Director including, where appropriate, bonuses, incentive payments and share options;
- (vi) in determining such packages and arrangements, give due regard to the contents of the Combined Code as well as the UK Listing Authority's Listing Rules and associated guidance;
- (vii) be aware of, and advise on, any major changes in employee benefit structures throughout the company or group;
- (viii) agree the policy for authorising claims for expenses from the Chief Executive and the Chairman;
- (ix) ensure that provisions regarding disclosure of remuneration, including pensions as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code, are fulfilled;
- (x) be responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (xi) report the frequency of, and attendance by members at, remuneration committee meetings in the company's annual reports; and
- (xii) make available to the public, on the Company's website, the Committee's terms of reference. These will be reviewed annually and, where necessary, updated, with the approval of the Board.

4.2 The remuneration of non-Executive Directors will be a matter for determination by the Chairman and Executive members of the Board.

4.3 No Director or manager should be involved in any decisions as to their own remuneration.

November 2006