

TAKEOVERS APPEAL COMMITTEE

Terms of Reference

1. Establishment

- 1.1 The Securities and Futures Commission (“SFC”) has established the Takeovers Appeal Committee (“Appeal Committee”) and appointed members of the Appeal Committee under section 8(1) of the Securities and Futures Ordinance (Cap. 571).

2. Purpose and functions of the Appeal Committee

- 2.1 The SFC has delegated to the Appeal Committee the functions specified in Codes on Takeovers and Mergers and Share Buy-backs (“Codes”) of reviewing disciplinary rulings of the Takeovers and Mergers Panel (“Panel”) at the request of an aggrieved party for the sole purpose of determining whether a sanction imposed by the Panel is unfair or excessive based on the Panel’s finding of facts.

3. Membership of the Appeal Committee

- 3.1 The Appeal Committee comprises a Chairman who is selected from the Disciplinary Chair Committee (“DCC”) and other members of the Panel who are selected on a case-by case basis.
- 3.2 No member of the Panel may participate in a hearing of the Appeal Committee if he had participated in the disciplinary proceedings in question.
- 3.3 The validity of any acts or proceedings of the Appeal Committee shall not be affected by any vacancy among the membership of the Appeal Committee or by any defect in the appointment of any member of the Appeal Committee.
- 3.4 The membership of the DCC and the Panel will be made available on the SFC website.

4. Term of appointment

- 4.1 Each member of the DCC and the Panel who comprises the Appeal Committee will normally hold office for a two-year term and will be eligible for re-appointment at the end of each term.

5. Hearings of the Appeal Committee

- 5.1 The Appeal Committee will conduct all hearings in accordance with the Introduction to the Codes and the Rules of Procedure which are issued by the SFC from time to time. The Codes and the Rules of Procedure are available on the SFC website.

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6. Conflicts of interest

- 6.1 Members are required to comply with the applicable Conflicts of Interest Guidelines for the Panel and the Appeal Committee issued by the SFC from time to time.