

NOMINATIONS COMMITTEE

Terms of Reference

1 Establishment

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

2 Purpose and functions of the Nominations Committee

- 2.1 The SFC has delegated to the Nominations Committee the function of nominating members of the Takeovers and Mergers Panel ("Panel"), the Disciplinary Chair Committee ("DCC") and the Takeovers Appeal Committee ("Appeal Committee"). In performing this function, the Nominations Committee will:

- a) monitor the size, composition, experience and balance of the Panel, the DCC and the Appeal Committee;
- b) oversee the selection and appointment process and the renewal of appointments process in relation to members of the Panel, the DCC and the Appeal Committee and make recommendations to the SFC in connection with those processes;
- c) in particular, make recommendations to the SFC in relation to the appointment (and any renewal of appointment) of the following persons:
 - (i) the Chairman of the Panel;
 - (ii) the Deputy Chairmen of the Panel; and
 - (iii) the members of the Panel and the DCC.

3 Membership of the Nominations Committee

- 3.1 The Nominations Committee will comprise five members and include:
- a) the Chief Executive Officer of the SFC;
 - b) the Executive Director of the Corporate Finance Division of the SFC;
 - c) the Chairman of the Panel, and if he is unavailable, one of the Deputy Chairmen of the Panel; and
 - d) two members who are not executive staff of the SFC (of whom one shall be a non-executive director of the SFC).

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- 3.2 The Chairman of the Committee shall be a non-executive director of the SFC.
- 3.3 The validity of any acts or proceedings of the Nominations Committee shall not be affected by any vacancy among the membership of the Nominations Committee or by any defect in the appointment of a Nominations Committee member.
- 3.4 The membership of the Nominations Committee will be made available on the SFC website.

4 Term of appointment

- 4.1 Each member of the Nominations Committee will normally hold office until resignation or upon ceasing to hold the position of Chief Executive Officer of the SFC or the Executive Director of the Corporate Finance Division of the SFC or the Chairman or the Deputy Chairmen of the Panel, whichever is earlier. The remaining two members who are not executive staff of the SFC will normally hold office for a two-year term and will be eligible for re-appointment at the end of each term.

5 Meetings

- 5.1 The Chairman of the Nominations Committee may, at his discretion, convene meetings of the members of the Committee at such time and in such manner as he or she considers appropriate in order to conduct any matters that fall within its functions. The Chairman of the Committee shall determine, from time to time, the applicable procedures by which the business of the Committee shall be conducted.
- 5.2 Any member of the Committee may request that the Chairman of the Committee call a meeting of the Committee.
- 5.3 The quorum for a meeting of the Committee shall be three.
- 5.4 All decisions and resolutions of the Committee shall be made by a majority vote of those members present at a meeting of the Committee. In the event of equality of votes the Chairman will have a casting vote.
- 5.5 The Chairman or the Deputy Chairmen of the Panel, will not, in their capacity as members of the Committee, be involved in any determination relating to his or her appointment, re-appointment or renewal of appointment.