

THE TAKEOVERS AND MERGERS PANEL

Terms of Reference

1. Establishment

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

2. Purpose and functions of the Panel

- 2.1 The SFC has delegated to the Panel the functions specified in the Codes on Takeovers and Mergers and Share Buy-backs (“Codes”) including:
- a) hearing any matter referred to it by the Executive which, in the opinion of the Executive, involves a novel, important or difficult issue;
 - b) reviewing rulings made by the Executive at the request of any party dissatisfied with such a ruling;
 - c) hearing disciplinary matters in the first instance; and
 - d) reviewing, from time to time upon request by the SFC, the provisions of the Codes and the Rules of Procedure and making recommendations to the SFC as to any necessary or appropriate amendments to the Codes and the Rules of Procedure.

3. Membership of the Panel

- 3.1 The Panel consists of up to 40 members, (excluding members of the Disciplinary Chair Committee), drawn from the financial and investment community, at least one of whom should be a non-executive director of the SFC. No Executive Directors or staff of the SFC may be members of the Panel.
- 3.2 The Panel will have a Chairman, and one or more Deputy Chairmen.
- 3.3 The validity of any acts or proceedings of the Panel shall not be affected by any vacancy among the membership of the Panel or by any defect in the appointment of any Panel member.
- 3.4 The membership of the Panel will be made available on the SFC website.

4. Term of appointment

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

THE TAKEOVERS AND MERGERS PANEL

Terms of Reference

5. Hearings of the Panel

- 5.1 The Panel will conduct all hearings in accordance with the provisions of 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.

6. Conflicts of interest

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