

THE TAKEOVER PANEL

REMUNERATION COMMITTEE

Terms of Reference

1. Establishment

- 1.1 The Panel on Takeovers and Mergers (the “Panel”) hereby establishes a committee of the Panel, to be known as the Remuneration Committee (the “Committee”).
- 1.2 The Panel hereby delegates certain functions (as set out in paragraph 2. below) to the Committee.

2. Purpose and functions of the Committee

The purpose and functions conferred by the Panel on the Committee are as follows:

- 2.1 to establish and apply a formal and transparent procedure for determining the salary or fees payable to and policy on reimbursement of expenses of members of the Panel;
- 2.2 in particular, to consider and determine the remuneration (including, without limitation, the salary or fees and other benefits) of:
 - (A) the Chairman of the Panel;
 - (B) the Deputy Chairmen of the Panel;
 - (C) the independent members of the Panel; and
 - (D) the Director-General of the Panel Executive.

- 2.3 in arriving at its determinations, to ensure that members of the Panel are rewarded fairly, but responsibly, for their individual contributions, in particular in their capacity as members of any committees of the Panel;
- 2.4 to report its determinations to the Panel, in such a manner as may be agreed with the Panel;
- 2.5 to work with the Nomination Committee of the Panel (once established by the Panel), in particular in relation to the terms of a standard letter of appointment incorporating terms of service and confidentiality undertakings; and
- 2.6 to consider such other matters in relation to the remuneration of the Members of Panel as may from time to time be referred to the Committee by the Panel.

3. Composition of the Committee

- 3.1 Membership of the Committee shall comprise persons drawn from the membership of the Panel and, if determined by the Panel, other individuals who need not be members of the Panel. Such other individuals may include persons who are also designated alternates for members of the Panel, but who, if appointed as members of the Committee, shall be members of the Committee in their own right. The Committee may also include the Chairman of the Panel or, failing that, one of the Deputy Chairmen of the Panel.
- 3.2 Members of the Committee shall be appointed by the Nomination Committee.

- 3.3 The number of members of the Committee shall be determined by the Panel from time to time, provided that at no time shall there be less than four members of the Committee.
- 3.4 The members of the Committee shall appoint the chair of the Committee.
- 3.5 Members of the Committee shall serve until resignation or, if earlier, (i) until ceasing to be a member of the Panel or (ii) in the case of any member of the Committee who is not a member of the Panel, until the appointment is terminated by the Panel.

4. Meetings of the Committee

- 4.1 All business of the Committee shall be transacted at duly convened meetings of the Committee or by way of written resolution. Meetings may be held by telephone or audio-visual communication.
- 4.2 A meeting of the Committee may be called by any member of the Committee.
- 4.3 The quorum for transaction of business at a meeting of the Committee shall be three.
- 4.4 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 deadlock, the chairman of the meeting shall have a casting vote.
- 4.5 A resolution or decision in writing signed or approved by letter, facsimile, telegram, telex or e-mail by or own behalf of a majority of the members of the Committee, shall be as valid and effectual as if it had been passed at a quorate meeting of the Committee duly convened and held. Any such resolution may be contained in one document or in

several documents in the same terms each signed by one or more of the members.

- 4.6 Appropriate records of all meetings of the Committee as well as minutes of the proceedings, recommendations made and resolutions passed shall be kept.
- 4.7 Copies of the minutes of the meetings shall be circulated to all members of the Committee and to the Chairman of the Panel. Any member of the Panel may, so long as there is no conflict of interest (actual or potential), obtain copies of the Committee's agenda and minutes.
- 4.8 No member of the Committee shall be involved in the determination of his or her own remuneration and/or fees.

5. Authority

- 5.1 The Committee or the Chairman of the Committee is hereby authorised by the Panel to do anything it considers necessary or expedient for the purposes of, or in connection with its functions.
- 5.2 The Committee or the Chairman of the Committee is hereby authorised by the Panel to establish procedures for the performance of its functions and to vary or amend such procedures from time to time, as it or he sees fit.
- 5.3 The Committee is hereby authorised by the Panel to obtain external legal or other independent professional advice and to secure the attendance at its meetings of third parties with the relevant experience and expertise if it considers this to be necessary for the fulfilment of its duties, at the Panel's expense.

Adopted by the Panel on 13 July 2005

Amended by the Panel on 15 April 2009