

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

- 2.1 The purpose and functions of the Committee are:
 - (a) 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;
 - (b) in particular, to consider and determine the remuneration (including, without limitation, the salary or fees and other benefits) of:
 - (i) the Chairman of the Panel;
 - (ii) the Deputy Chairmen of the Panel;
 - (iii) the members of the Panel referred to in paragraph 4(a)(iii) of the Introduction to the City Code on Takeovers and Mergers and designated as members of the Hearings Committee;
 - (iv) the Director General of the Panel Executive; and
 - (v) the Deputy Directors General of the Panel Executive;

- (c) in arriving at its determinations, to ensure that members of the Panel, and the Director General and the Deputy Directors General, are rewarded fairly, but responsibly, for their individual contributions and, where appropriate, in their capacity as members of any committees of the Panel;
- (d) to report its determinations to the Panel, in such a manner as may be agreed with the Panel;
- (e) to work with the Nomination Committee of the Panel, in particular in relation to the terms of standard letters of appointment incorporating terms of service and confidentiality undertakings; and
- (f) to consider such other matters in relation to the remuneration of the members of Panel, the Director General and the Deputy Directors General 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 include the Chairman of the Panel and/or one or more of the Deputy Chairmen of the Panel.
- 3.2 The chairman and members of the Committee shall be appointed by the Panel, upon the recommendation of 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 Appointments to the Committee shall be for a period of up to three years extendable by no more than an additional two periods. In exceptional

circumstances the Panel may grant further extensions on the recommendation of the Nomination Committee.

- 3.5 The Chief Operating Officer of the Panel shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

4. Meetings

- 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 The Committee shall meet at least once a year and otherwise as required.
- 4.3 A meeting of the Committee may be called by any member of the Committee.
- 4.4 The quorum for transaction of business at a meeting of the Committee shall be three.
- 4.5 All decisions and resolutions of the Committee shall be made by a majority vote of those members entitled to vote and present at a meeting of the Committee. In the event of a deadlock, the chairman of the meeting shall have a casting vote.
- 4.6 A resolution or decision in writing signed or approved by letter or electronic communication by or on 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 or agreed via electronic communication by one or more of the members.
- 4.7 Appropriate minutes of all meetings of the Committee, recommendations made and resolutions passed shall be kept.

- 4.8 Copies of the minutes of the meetings shall be circulated by the secretary 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.
- 4.9 No member of the Committee shall be either present during or involved in the determination of his or her own remuneration and/or fees.

5. Authority

- 5.1 The Committee and the chairman of the Committee are hereby authorised by the Panel to do anything it or (s)he considers necessary or expedient for the purposes of, or in connection with, its functions.
- 5.2 The Committee and the chairman of the Committee are 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 (s)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, including members of the Panel Executive, with the relevant experience and expertise if it considers this to be necessary for the fulfilment of its duties, at the Panel's expense.

6. Other matters

- 6.1 The Committee shall arrange for periodic reviews of its terms of reference and constitution, at least every three years, and recommend any changes it considers necessary to the Panel for approval.

Adopted by the Panel on 14 January 2015