

## INTRODUCTION

### 4 THE PANEL AND ITS COMMITTEES

Save for section 4(d) (which sets out a rule), this section gives an overview of the membership, functions, responsibilities and general activities of the Panel and certain of its Committees.

Details of various other Committees of the Panel are available on the Panel's website.

#### (a) The Panel

The Panel assumes overall responsibility for the policy, financing and administration of the Panel's functions and for the functioning and operation of the Code. The Panel operates through a number of Committees and is directly responsible for those matters which are not dealt with through one of its Committees.

The Panel comprises up to 34 members:

- (i) the Chair, who is appointed by the Panel;
- (ii) up to three Deputy Chairs, who are appointed by the Panel;
- (iii) up to twenty other members, who are appointed by the Panel; and
- (iv) individuals appointed by each of the following bodies:

The Association for Financial Markets in Europe

The Association of British Insurers

The Association of Investment Companies

The Confederation of British Industry

The Institute of Chartered Accountants in England and Wales

The Investment Association

The Personal Investment Management and Financial Advice Association

The Quoted Companies Alliance

UK Finance (with a separate appointee also for its Corporate Finance Committee).

Appointments of members to the Panel are for a period of up to three years extendable by no more than an additional two periods of up to three years each. In exceptional circumstances the Panel may, as appropriate, grant or agree to further extensions at the request of the Nomination Committee.

The Chair and at least one Deputy Chair are designated as members of the Hearings Committee. Each other Panel member appointed by the Panel under paragraphs (ii) and (iii) above is designated upon appointment to act as a member of either the Panel's Code Committee or its Hearings Committee.

Up to twelve Panel members appointed by the Panel under paragraph (iii) above are designated as members of the Code Committee.

Up to eight Panel members appointed by the Panel under paragraph (iii) above are designated as members of the Hearings Committee. The Panel may appoint designated alternates for such members of the Hearings Committee. One designated alternate may act as a member of the Panel (or the Hearings Committee) in a relevant member's place when he or she is unavailable.

The Panel members appointed by the bodies under paragraph (iv) above become members of the Panel's Hearings Committee without further designation by the Panel. Each of these bodies may appoint designated alternates for its appointees. One designated alternate may act as a member of the Panel (or the Hearings Committee) in the relevant member's place when he or she is unavailable. In performing their functions on the Hearings Committee, these members (and their alternates) act independently of the body which has appointed them (and not as that body's agent or delegate) and exercise their own judgment as to how to perform their functions and how to vote.

The Chair and the Deputy Chairs do not have alternates.

Details of the Panel and its Committees, and the names of members of the Panel and the designated alternates, are available on the Panel's website.

#### **(b) The Code Committee**

The Code Committee is drawn from a spread of shareholder, corporate, practitioner and other interests within the Panel's regulated community. Its membership from time to time, its Terms of Reference and the Procedures for Amending the Takeover Code are available on the Panel's website.

The Code Committee carries out the rule-making functions of the Panel and is solely responsible for keeping the Code (other than the matters set out in sections 1, 2(a) and (b), 4(a), (b) and (c), 5, 7, 8, 13, 14, 15 and 16 of the Introduction) under review and for proposing, consulting on, making and issuing amendments to those parts of the Code. The Code Committee is also responsible, in consultation with the Hearings Committee, for proposing, consulting on and adopting the Rules of Procedure of the Hearings Committee. The Code Committee's consultation procedures are set out in its Procedures for Amending the Takeover Code. Amendments to the matters set out in sections 1, 2(a) and (b), 4(a), (b) and (c), 5, 7, 13, 14, 15 and 16 of the Introduction are the responsibility of and will be made by the Panel. Amendments to the matters set out in section 8 of the Introduction will be agreed by the Takeover Appeal Board (the "Board") and made by the Panel.

#### **(c) The Hearings Committee**

The principal function of the Hearings Committee is to review rulings of the Executive. The Hearings Committee also hears disciplinary proceedings instituted by the Executive when the Executive considers that there has been a breach of the Code (see section 11 below). The Hearings Committee may

also be convened for hearings in certain other circumstances. Its membership from time to time and Terms of Reference are available on the Panel's website. The Rules of Procedure of the Hearings Committee are set out in Appendix 9.

**(d) Membership and representation restrictions**

No person who is or has been a member of the Code Committee may simultaneously or subsequently be a member (or an alternate of a member) of the Hearings Committee or the Board.

When acting in relation to any proceedings before the Hearings Committee or the Board, the Panel shall do so only by an officer or member of staff (or a person acting as such) who must not be a member of the Code Committee, the Hearings Committee or the Board.