

PANEL CHARGES

The Act gives the Panel power to impose charges for the purpose of defraying the expenses incurred by it in performing its functions. The headings under which charges may be made are set out in section 16 of the Act, and the rates at which charges are levied are subject to the consent of the Minister.

Five categories of charges are made, as set out below:

1. Annual charge payable by relevant companies.

This charge is payable annually by every company which is a relevant company for any part of the charging year, which commences on July 1. The charge is based on a scale of payments related to the market capitalisation of each relevant company on the last business day of June. The applicable scale, details of which are obtainable from the Panel, is notified to each relevant company annually, together with its individual assessment which is payable upon being invoiced following the commencement of the charging year.

For the purpose of this charge, the Panel will determine an appropriate notional capitalisation for relevant companies whose securities have not been dealt in during the previous charging year. In such cases, where the securities of the company concerned have been traded on the Stock Exchange, the annual charge will not exceed that which would be payable if the company's market capitalisation reflected the last quoted price for its voting securities. An offeree which becomes a relevant company under section 2(b) of the Act will be subject to a charge equal to the annual charge corresponding to its capitalisation by reference to the relevant offer.

In the case of companies which are granted a quotation in the course of the charging year, the amount of the first year charge will be based on the initial market capitalisation at the time of commencement of dealings, pro-rated to take account of the months of the charging year elapsed.

2. Charge on offerors which are not relevant companies.

An offeror which is not a relevant company is liable to a charge, in addition to the charge under paragraph 4 below, when it makes an offer for securities of a relevant company. The amount of the charge will be equal to the annual charge for a relevant company, corresponding to the capitalisation of the offeree company by reference to the highest value of the relevant offer. Where such an offer is not all in cash, the Panel will determine its value for the purpose of establishing the appropriate charge. The Panel will waive this charge where the offeror is a wholly owned subsidiary of a relevant company, or is owned exclusively by more than one relevant company.

Liability for this charge arises upon the making of the relevant offer and, in

the case of any incremental liability arising in the course of the offer, upon the making of a revised offer or, where the increment does not arise as a result of a revision, upon the offer becoming unconditional as to acceptances or lapsing.

3. Charge on dealings in the securities of relevant companies.

A charge of €1.25 is levied on each contract note in respect of dealings in quoted securities of relevant companies, where the consideration (net of transaction costs) on the individual contract is more than €12,500. This charge is collected by the respective brokers to the parties to each transaction, and remitted by them to the Panel.

4. Document charges - offers.

Every offeror which posts an offer in respect of the securities of a relevant company (including an offeror liable to a charge under paragraph 2 above) is liable to pay a document charge on a scale based on the value of the offer as follows:

<i>Value of the offer € million</i>	<i>Charge €</i>
<i>Under 5</i>	<i>2,500</i>
<i>5 - 15</i>	<i>10,000</i>
<i>15 - 35</i>	<i>17,500</i>
<i>35 - 65</i>	<i>35,000</i>
<i>65 - 125</i>	<i>50,000</i>
<i>Over 125</i>	<i>62,500</i>

In the case where the value of an offer varies during the course of the offer, the charge is based on the highest value of the offer prior to the time when it goes unconditional as to acceptances or lapses. In the case where part or all of the consideration is not in cash, the value for the purposes of this charge will be determined by the Panel.

In the case of a merger which is effected by a bidding company making offers for two existing companies, the document charge is based on the value of the lower of the two offers, unless only one of the offerees involved is a relevant company, in which case it will be based on the value of the offer for that company.

A charge will also be imposed under this heading on a relevant company which issues a document to its shareholders in connection with the convening of a general meeting to approve an issue of new securities, and to obtain the endorsement of the shareholders for an application to the Panel for a waiver of an obligation on the part of some or all of the recipients of the new shares to make a mandatory offer, a process known as a "whitewash." The charge in each such case is €2,500.

Liability for charges under this heading arises when the relevant document is sent to shareholders. Any incremental liability is payable as described in paragraph 2 above.

5. Document charges - hearings.

The Panel imposes document charges in respect of documents furnished to the Panel by a person in relation to hearings of the Panel conducted under section 11 of the Act. This charge is an amount of up to €900 in respect of any such document, but the Panel may impose a reduced charge or a nominal charge in certain cases, having regard to the status of the person's involvement in the hearings, the circumstances giving rise to the hearing and the need, where appropriate, for the avoidance of multiple charges on any person submitting a number of documents in relation to the same hearing.

General

Financial advisers should ensure that their clients are aware of the charges imposed by the Panel, and should submit a computation of the appropriate charge to the Panel promptly following the making of an offer, or other event giving rise to a charge. Persons who wish to obtain further information on the Panel's charges should consult the Panel.