

EXTRACT TO THE LBMA PLATINUM AND LBMA PALLADIUM PRICES REGULATIONS

("LPP PRICES REGULATIONS")

Consultation for Material Changes

19.3 A "**Material Change**" to the LPP Price Discovery Process shall comprise any change to the LPP Price Discovery Process that:

- (a) significantly increases the operational burdens imposed on Participants;
- (b) significantly changes the timescales within which the LPP Prices Discovery Process will be conducted;
- (c) significantly changes the methodology for the determination of the LPP Prices; or
- (d) imposes what the LME deems in its absolute discretion to be a significant cost on a Participant or on the LME,

where in each case, the LME shall (acting reasonably) in its absolute discretion determine what shall constitute "significant" in (a) to (d) above.

19.4 In the event that the LME determines to make a Material Change, it shall consult with Participants and, where required, with users of the LPP Prices, in accordance with the following process:

- (a) LME shall give notice of such consultation by sending written notice to Member Participants and Client Participants who have direct access to LMEbullion, and shall make such notice public on the LME website;
- (b) such notice shall:
 - (i) describe the proposed Material Change and the key elements of the LPP Price Discovery Process that will be affected by the change;
 - (ii) set out the rationale for the proposed Material Change; and
 - (iii) specify the period within which feedback may be provided to the LME on the proposed Material Change and the mechanism by which feedback may be provided;
- (c) LME shall allow a reasonable period for Participants and other interested parties to analyse and comment on the proposed Material Change, having regard to the nature of the proposal and its potential impact on Participants and on users of the LPP Prices, which period shall ordinarily be not less than 45 (forty-five) days unless LME, acting in good faith, considers there to be reasonable grounds for imposing a shorter period;
- (d) LME shall give due consideration to feedback before adopting the proposed Material Change;
- (e) following closure of the consultation period:
 - (i) LME shall make publicly available the comments that it has received on the proposed Material Change, and the LME's responses to such comments, except where and to the extent that any respondent has requested that its comments be treated as confidential and not published, even without attribution; and

- (ii) LME shall provide notice of the final form of the Material Change that shall be implemented by giving written notice of an amendment in accordance with Regulation 19.1 (save that the notice to be provided of such amendment shall be 14 days instead of 60 days) and, where applicable, by publishing such written notice on the LME website.
- 19.5 All amendments in accordance with Regulation 19.1 shall apply and be available equally to all Participants as appropriate (unless this is not possible for legal or regulatory reasons).
- 19.6 In the event that LME proposes amendments in accordance with Regulation 19.1 (including any Material Change on which LME has consulted pursuant to Regulation 19.4), the Participant shall be deemed to have accepted such amendments unless the Participant objects in writing within thirty (30) days from the date of notification of such amendments. If the Participant does not accept the proposed amendments, the Participant shall Terminate on the date the proposed changes are implemented by LME (subject to the survival of certain provisions in accordance with Regulation 23.4).
- 19.7 Participants acknowledge the possibility that various factors, including external factors beyond the control of LME, might necessitate material changes to the LPP Prices Discovery Process.