



Executive Committee

Terms of Reference



1 Purpose

The Executive Committee (the “**ExCom**”) is a sub-committee of the board (the “**Board**”) of LME Clear Limited (the “**Company**”) to which the Board has delegated the powers set out in paragraph 3 below.

2 Administrative Structure

Composition

- 2.1 ExCom members will be recommended by the Chief Executive Officer (the “**CEO**”) subject to approval by the Board.
- 2.2 Only members of the ExCom have a right to attend meetings; however the chairman of ExCom may invite appropriate non-members to attend, as appropriate.

Chairman

- 2.3 The chairman of the ExCom will be the CEO. In the absence of the chairman at any meeting, the Chief Operating Officer (“**COO**”) will act as chairman.

Reporting Procedures and Frequency of Meetings

- 2.4 The secretary (who shall be the company secretary of the Company) shall make the minutes of the ExCom meetings available to the directors of the Company on a periodical basis. The ExCom shall aim to meet at least twice monthly, with ad hoc meetings as required.
- 2.5 Meetings can be convened by the secretary of the ExCom at the request of any of the ExCom members.

Quorum

- 2.6 Three members of the ExCom, one of whom must be either the CEO or the COO, shall constitute a quorum.

Voting

- 2.7 Decisions shall be determined by simple majority. In the event of a tie, the chairman shall have the casting vote.

3 Authority

ExCom shall be responsible for the day to day management of the Company. The Board has delegated the following matters to the ExCom:



Area of Duty/ Responsibility	ExCom
Strategy	<ul style="list-style-type: none"> - Making recommendations to the Board in respect of strategy (taking into account HKEX Group strategy). - Implementation of the Board's approved strategies and policies. - Ensuring consistency of the Company's activities with the objectives and strategy of the Company as determined by the Board. - Control over marketing strategy, procurement, external relations, staffing matters and internal organisation and communication, within any budget or strategic considerations set by the Board.
Oversight of Management and Operations	<ul style="list-style-type: none"> - All management of the Company not specifically reserved to the Board, within any limits set by the Board. - Tracking the apportionment of resources as between the Company and The London Metal Exchange ("LME") through the any intra-group services agreement in place from time to time and ensuring that the Company has sufficient resources to perform its regulatory obligations and its obligations under such agreement. - Making any necessary amendments to any intra-group services agreement in place from time to time. - Management of the Business Continuity Plan in accordance with the Business Continuity Policy and Plan. - Recruitment of staff within budget in accordance with the Group Expenditure Authorisation and Control Policy as amended from time to time.
Structure & Capital	<ul style="list-style-type: none"> - Recommending any changes to the Company's capital structure / shares / corporate structure / management and control structure or incorporation of any subsidiary and change of the Company's name or trading name.
Financial	<ul style="list-style-type: none"> - Endorsing annual report and accounts for consideration by the Board. - Making recommendations on dividend policy for consideration by the Board. - Making recommendations for interim and final dividends for consideration by the Board. - Making recommendations for changes in accounting policies and practices for consideration by the Board. - Making recommendations on the Company's budget for consideration by the Board. - Review of management accounts each month. - Achievement of planned financial and operating results and explanation of variances. - Approval of expenditure within budget in accordance with the Group Expenditure Authorisation and Control Policy as amended from time to time. - Approval of items of unbudgeted expenditure within the Group Expenditure Authorisation and Control Policy as amended from time to time. - Financial performance of the investment activities. - Approval of all fees not explicitly reserved to the Board. - Management of banking arrangements, loans and facility



	<p>agreements not explicitly reserved to the Board.</p>
Risk, Compliance & Internal Controls	<ul style="list-style-type: none"> - Designing and establishing compliance and internal control procedures that mitigate risks to a level within the agreed risk appetite. - Ensuring that risks posed to the Company are duly addressed and that all decisions are taken in line with the Risk Appetite Statement. - Subjecting the internal control procedures to regular review and testing. - Ensuring that sufficient resources are devoted to risk management and compliance. - Day-to-day oversight of the risk control process in line with the Risk Appetite Statement. - Receiving and considering reports and recommendations from the Executive Risk Committee and ensuring implementation of relevant recommendations. - Receiving and considering reports and recommendations from the Board Risk Committee (“BRC”) and ensuring implementation of recommendations made by the BRC (subject to approval of the Board). - Responsibility for identifying material risks facing the Company, for ensuring that appropriate arrangements are in place to control & mitigate those risks effectively and for presenting a profile of the Company’s key risks and associated controls to the Board. - Report to the Board on the identification and mitigation of risks at each Board meeting. - Report immediately to the Board breaches of the Risk Appetite Statement which are of strategic importance. - Making recommendations on Risk Appetite Statement for consideration by the Board. - Making recommendations on procedures for the detection of fraud and the prevention of bribery for consideration by the Board.
Policies	<ul style="list-style-type: none"> - Responsibility for recommending to the Board amendments to policies which are reserved for the approval of the Board from time to time, as set out in the Appendix. - Responsibility for approving all policies reserved for approval to the ExCom from time to time, as set out in the Appendix.
Contracts	<ul style="list-style-type: none"> - Responsibility for all matters relating to contracts and outsourcing arrangements not explicitly reserved to the Board. - Individual members of ExCom have responsibility for approval of all expenditures and contracts within limits as set out in the Group Expenditure Authorisation and Control Policy as amended from time to time, in accordance with any strategy set by the Board.
Regulation	<ul style="list-style-type: none"> - Ensuring and overseeing the compliance with all statutory duties imposed on the Company under all applicable laws and regulatory requirements, including supporting the Board in the discharge of its responsibilities. - Overseeing the liaison with all regulatory authorities and organisations on all matters relating to the Company. - Reporting to the Board on compliance with regulatory



	requirements.
Board Composition & Appointments	<ul style="list-style-type: none"> - Making a recommendation to the Board in respect of the appointment of a Company Secretary. - Making a recommendation to the Audit Committee in respect of the appointment, reappointment or removal of the external auditor.
Remuneration	<ul style="list-style-type: none"> - Implementation of the Remuneration Policy.
Authority	<ul style="list-style-type: none"> - Making recommendations in respect of the matters reserved for consideration by the Board.
Delegation of Authority	<ul style="list-style-type: none"> - Acting within the agreed delegation limits and escalating to the Board matters which exceed the agreed delegation levels.
Corporate Governance Matters	<ul style="list-style-type: none"> - All matters of corporate governance not specifically reserved to the Board.
Rules and Procedures	<ul style="list-style-type: none"> - Following recommendations from the Rulebook Committee, approve all changes to the Rules and Procedures of LME Clear (the "LME Clear Rules") and all matters relating to the LME Clear Rules (save for those explicitly reserved to the Board).
Reporting	<ul style="list-style-type: none"> - Reporting to the Board on a timely basis all matters relating to the Company of which the Board should be aware, including, without limitation, material projects, strategic developments, risks and other matters. - Designing and agreeing with the Board an appropriate reporting structure from time to time.
Other	<ul style="list-style-type: none"> - Conduct of all litigation or arbitration matters not explicitly reserved to the Board. - Management of all insurance matters not explicitly reserved to the Board. - Escalation to the Board where a decision is required that may have a material impact on the Company.

4 Other Matters

In the event of developments impacting the risk management of the company in an emergency situation, the ExCom shall be responsible for convening a meeting of the BRC in order to consult with the BRC. If it has not been possible, after reasonable efforts to hold a quorate meeting of the BRC within the time period defined by ExCom to deal with the emergency situation, the ExCom shall be able to proceed without the advice of the BRC.



5 Confidentiality and Conflicts of Interest

- 5.1 ExCom members must ensure that unless outside consultation is agreed, they maintain confidentiality with regards to all matters discussed and all materials and data made available to them in respect of their ExCom-related activities.
- 5.2 A member of the ExCom must declare to the chairman of the ExCom the nature and extent of any conflict of interest (a “**Conflict**”) they may have as soon as reasonably practicable. The ExCom member shall provide the chairman with such details of the matter as is necessary for the chairman to decide how to address the Conflict, together with such information as the chairman may request. Where the chairman considers that any member has an actual or potential Conflict on a particular matter, that ExCom member shall not be permitted to vote in relation to that matter. Any Conflicts shall be dealt with in accordance with the Conflicts of Interest Policy.



Document Change History

Date	Version	Author	Summary of Changes
	0.0-0.4		Draft versions
26/07/2013	0.5		Submission version
26/11/2013	0.6	Hannah Moulton	Pre-approval version Insertion of ownership, review cycle and references. Update ExCom to ExCom for consistency with the Submission
03/12/2013	0.7	Anouk Gauthier	Changes to role of ExCom during default management and add provision on voting.
17/12/2013	0.8	Anouk Gauthier	Updates
03/10/2014	0.9	Hannah Moulton	Formatting
26/01/2015	1.0	Jo Bieda	Removing job titles and consequential changes
07/04/2016	1.1	Jo Bieda	Minor changes proposed in the outcome of the annual review of the ToR
26/03/2019	1.2	Kye Pearson	Updates to responsibilities as part of the post-integration governance project.
24/04/2019	1.3	Company Secretariat & Legal	Changes recommended by the Board

Document Distribution

Name	Title	Role	Date of Approval
Trevor Spanner	Chief Executive Officer	Review & Sign Off	22 July 2013
Adrian Farnham	Chief Operating Officer	Review & Sign Off	22 July 2013
Chris Jones	Chief Risk Officer	Review & Sign Off	22 July 2013
Anouk Gauthier	Chief Legal and Compliance Officer	Review & Sign Off	22 July 2013
Bernie Kennedy	Head of Business Development	Review & Sign Off	22 July 2013
Matt Cowan	Interim Chief Financial Officer	Review & Sign Off	22 July 2013
ExCom		Review & Approve	27/11/2013 Approved subject to amendments
Board		Review and Approve	Approved 04/12/2013
ExCom		Review and Approve	Approved 23/01/2015
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