



Aluminium Committee

Terms of Reference

Status

- 1.1 The Aluminium Committee (the “Committee”) is a sub-committee of the Board of The London Metal Exchange, to which the Board has delegated consideration of the matters set out in 2 below. The Board has also delegated to the Executive Committee (“EXCOM”) the power to consider, and to act on, recommendations made by the Committee. EXCOM is a sub-committee of the Board comprised of the Chief Executive Officer of the LME and senior LME management.

Purpose

- 2.1 The Committee is responsible for:
 - Ensuring that the contract specifications of the LME High Grade Primary Aluminium, Aluminium Alloy and North American Special Aluminium Alloy contracts represent the industry’s needs, and, as a consequence, recommending to EXCOM for adoption any proposed specification changes it considers appropriate.
 - Overseeing the Primary Aluminium, Aluminium Alloy and NASAAC brand application procedures.
 - Recommending to EXCOM the listing and delisting of approved brands and the approval of producer and brand name changes, as necessary.
 - Generally monitoring existing brands (including the need for Committee members to advise the Exchange executive of any producer change of ownership, producer change of name, brand marking changes, etc. of which they become aware).
 - Passing on to the Exchange executive relevant complaints on any aspect of brands or the LME High Grade Primary Aluminium, Aluminium Alloy and North American Special Aluminium Alloy contracts.
 - The Exchange executive will notify the Committee of complaints on any aspect of brands or the LME High Grade Primary Aluminium, Aluminium Alloy and North American Special Aluminium Alloy contracts.
 - Generally promoting the use of the LME High Grade Primary Aluminium, Aluminium Alloy and North American Special Aluminium Alloy contracts.
 - Responding to Warehousing Committee consultations regarding various warehousing matters.
 - The Committee shall consider the “State of the Markets” at every meeting. This shall be recorded in the agenda and minutes in each instance.
 - Recommending the addition or deletion of good delivery points in respect of the LME High Grade Primary Aluminium, Aluminium Alloy and North American Special Aluminium Alloy contracts, for onward consideration by EXCOM.
 - Making recommendations to EXCOM on policy issues related to the LME High Grade Primary Aluminium, Aluminium Alloy and North American Special Aluminium Alloy contracts.

- Discharging other duties as determined from time to time by EXCOM.

Composition

- 3.1 The chairman will be appointed and reappointed by EXCOM.
- 3.2 A vice chairman will be appointed by the Committee chairman in consultation with EXCOM. Any member of the Exchange executive can be appointed as vice chairman of the Committee.
- 3.3 In the event of the absence of the chairman or vice chairman any member of the Exchange executive can be appointed as chairman for the duration of the meeting.
- 3.4 All other Committee members will be appointed and reappointed by EXCOM upon recommendation from the Committee chairman.
- 3.5 The Committee shall comprise balanced appropriate sectional representation, including appropriate broker and non-broker trade and industry representation. Any member of the Exchange executive can be appointed as a member of the Committee.
- 3.6 The Exchange executive shall be entitled to attend (without a vote) meetings of the Committee and will provide secretarial and administrative support as required.
- 3.7 Subject to 3.10 below, all Committee members, including the chairman but excluding members appointed from the Exchange executive, shall be appointed for a period of three years, with a maximum term of nine years' continuous service. In the event that the chairman feels that an individual should serve for more than nine years, the chairman shall make an application to EXCOM. The application shall contain the reasons for, and the proposed period of, such extension to the individual's term of service. It shall be the decision of EXCOM as to whether that individual's term of service should be extended.
- 3.8 EXCOM may, at its sole discretion, extend the term of service of the chairman beyond nine years. Where it does so, EXCOM shall record the reasons for, and the proposed period of, such extension.
- 3.9 The chairman of the committee shall review annually the Committee's performance to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to EXCOM for approval.
- 3.10 EXCOM may at its sole discretion request that any member of the Committee including the chairman and vice chairman resign from the Committee at any time, and such person shall comply with such request. No reason or period of notice need be given by EXCOM.
- 3.11 Should a Committee member cease to be employed by the employer by whom they were employed at the time of their appointment, then they shall be required to tender their resignation from the Committee (unless EXCOM declares otherwise).
- 3.12 With reference to 3.10 should two or more Committee members become employed by

the same employer or the same group as a result of a corporate transaction, then EXCOM in consultation with the chairman of the Committee shall decide which member if applicable should remain on the Committee.

Frequency of Meetings

- 4.1 The Committee shall meet at least quarterly and more frequently when appropriate, unless otherwise recommended by the Committee chairman and approved by EXCOM.
- 4.2 The Committee chairman shall agree in consultation with the Exchange executive the agenda for each committee meeting (taking into account the requirements of 7.3).
- 4.3 Committee meeting dates shall be agreed in advance affording adequate notice for maximum participation. Papers prepared for the Committee may be sent (by post, email or other medium) between meeting dates. Decisions or recommendations may be solicited and received between meetings, where necessary, to avoid delays in the decision-making processes.
- 4.4 Minutes will be taken for all meetings and will be included in EXCOM papers, and, when either the Committee chairman or EXCOM deems appropriate, tabled at Board meetings.
- 4.5 The Committee shall be at liberty to publicise forthcoming agenda items with the chairman's and the Exchange executive's prior approval in order to encourage outside contributions, where appropriate.

Attendance at Meetings

- 5.1 Failure to attend three consecutive Committee meetings will result in the withdrawal of Committee membership, subject to the discretion of the Committee chairman and EXCOM.

Quorum

- 6.1 To be quorate, the Committee must have at least 50% of its members present at its meeting, including its chairman or vice chairman (acting chairman). Committee members are prohibited from appointing alternates.

Confidentiality and Conflicts of Interest

- 7.1 Committee members must ensure that, unless outside consultation is specifically agreed, all matters discussed and all materials and data made available to them in respect of their Committee-related activities are kept confidential at all times. Further, Committee members must not abuse their Committee status and must not be involved in any decision-making processes in respect of which they may have a conflict of interest. Where Committee members think they may have a conflict of interest in relation to any matter to be discussed at a Committee meeting or that comes under discussion at a Committee meeting, they must absent themselves from the part of the meeting at which that matter is discussed and the minutes of the meeting must record the absence. Further, where the chairman feels that there may be a conflict of interest in respect of any matter to be discussed at a meeting or that comes under discussion at

a Committee meeting and it is appropriate for a Committee member to leave all or part of a meeting, the chairman shall ask the member to leave the meeting. No reason need be given. Members that may have a conflict of interest shall receive minutes of the meeting with the matter in respect of which they may have a conflict of interest redacted from the copy of the minutes they receive.

- 7.2 Without prejudice to paragraphs 3.10 and 7.1, the Board may request that a Committee member (including the chairman or the vice chairman) resign from the Committee where the Board has reason to believe that such Committee member has an interest or interests of any form which may conflict with the interests of the Company or with any company within the HKEx group¹, and the Committee member shall comply with such request. No reason need be given.
- 7.3 The Company shall observe the requirements relating to the management of inside information and commercially sensitive as prescribed by the Company and notified to the Committee from time to time. In practice, this may mean that consideration of certain items which may be considered to be inside information or commercially sensitive information shall be withheld from meetings of the Committee until such information is within the public domain.

Committee Recommendations

- 8.1 EXCOM has the right to accept, reject or modify any recommendations made to it. EXCOM should have sufficient confidence that any recommendation made to it by the Committee is capable of endorsement without further detailed review being necessary by EXCOM members. Accordingly, it is incumbent upon the Committee to ensure that the quality of analysis, research and supporting paperwork it provides to EXCOM in support of any recommendation is sufficient for EXCOM to ratify such a recommendation without further enquiry being necessary.
- 8.2 In the event that a Committee recommendation is rejected by EXCOM, the Committee chairman has the right to appeal to the Board.

¹ This might include, without limitation, where the Committee member has a relationship with an entity whose interests conflict with the interests of the Company or any member of the HKEX group (including a competitor), such as, without limitation, serving on a board or committee of that entity