



# Enforcement Committee

Terms of Reference

**THE LONDON METAL EXCHANGE**

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Registered in England no 2128666. Registered office as above.

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## 1 Status

- 1.1 The Enforcement Committee is a sub-committee of the Board which exercises the functions ascribed to it in Parts 2 and 3 of the Exchange's Rules and Regulations and the Warehouse Disciplinary Procedures Handbook.

## 2 Purpose

- 2.1 The Enforcement Committee is responsible for those functions ascribed to it in Parts 2 and 3 of the Exchange's Rules and Regulations and the Warehouse Disciplinary Procedures Handbook. In particular, the Enforcement Committee is the body which:
- institutes disciplinary proceedings against any Member in respect of any act of misconduct by a Member or employee thereof or any other person for whom the Enforcement Committee deems the Member to be responsible.
  - institutes disciplinary proceedings against any warehouse company in respect of any alleged act or acts of misconduct.
  - may agree a settlement of disciplinary proceedings at any time up to the commencement of the disciplinary hearing.

## 3 Composition

- 3.1 The Enforcement Committee shall comprise of four Directors of the Exchange appointed by the Head of Market Operations in consultation with the Chairman of the Exchange. One of the members of the committee must be an Independent Director. The committee shall appoint one of their number to be chairman.

## 4 Frequency of Meetings

- 4.1 The Enforcement Committee shall meet when appropriate.
- 4.2 Enforcement Committee meeting dates shall be agreed in advance affording adequate notice for maximum participation. Papers prepared for the Enforcement Committee may be sent (by post, fax, email or other medium) between meeting dates and decisions or recommendations solicited and received between meetings, where necessary, to avoid delays in the decision-making processes.



## 5 Quorum

- 5.1 Three members, of whom one must be an Independent Director, shall constitute a quorum.
- 5.2 In the event that a vote is required, decisions shall be determined by simple majority and in the event of a tie, the chairman of the Committee shall have the casting vote.

## 6 Confidentiality and Conflicts of Interest

- 6.1 Enforcement Committee members must ensure that unless outside consultation is agreed, they maintain confidentiality with regard to all matters discussed and all materials and data made available to them in respect of their Enforcement Committee-related activities. Further, Enforcement Committee members must not abuse their committee status and must set aside any potential conflict of interest in their decision-making processes. The Board and/or the committee chairman are empowered to ask any committee member to resign from the committee if they feel their continued involvement is no longer appropriate. No reason need be given.