



# Arbitration Panel Committee

Terms of Reference

# 1 Status

- 1.1 The Arbitration Panel Committee (the “Committee”) is a sub-committee of the Board of Directors of the London Metal Exchange (the “LME” or the “Exchange”) to which the Board has delegated consideration of the matters set out at 2 below. The Committee also performs functions assigned to it under the LME Arbitration Regulations set out in Part 8 of the Exchange’s rulebook.

## 2 Purpose

- 2.1 The Arbitration Panel Committee is responsible for advising the Exchange<sup>1</sup> on:
- *The LME arbitration regulations.* Disputes arising from any LME contract must be referred to arbitration under the arbitration regulations. These are set out in part 8 of the LME rulebook. Excom has the power to amend these regulations. The Committee is responsible for keeping the regulations under review and for recommending any amendments to the Exchange.
  - *Membership of the LME panel of arbitrators.* An arbitration tribunal set up to hear a case must be chosen from a panel of arbitrators established by the LME. The Exchange has the power to appoint persons to that panel. The Committee reviews applications for membership of the panel and makes recommendations to the Exchange.
  - *General.* The Committee is responsible for keeping the arbitration scheme under general review and making whatever recommendations it thinks appropriate to the Exchange.
- 2.2 The arbitration regulations give the Committee a number of appeal functions. In particular, the Committee has the power to remove an arbitrator from the tribunal hearing a particular arbitration and the power to amalgamate two or more arbitrations into one.

## 3 Composition

- 3.1 The Exchange shall appoint the chairman of the Committee.
- 3.2 The other members of the Committee shall be appointed by the Exchange on the recommendation of the chairman of the Committee.

## 4 Frequency of meetings

- 4.1 The Committee shall meet when appropriate.
- 4.2 Committee meeting dates shall be agreed in advance affording adequate notice for maximum participation. Papers prepared for the 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.

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<sup>1</sup> Note for information - the Board’s powers in relation to the Rulebook have been delegated to the Executive Committee of the LME (“Excom”) so in practice any decisions in relation to arbitration arising from recommendations of the Committee will be made by Excom



## **5 Quorum**

- 5.1 Three members including the chairman of the Committee shall constitute a quorum.
- 5.2 In the event that a vote is required, decisions of the Committee 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 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 Committee-related activities. Further, Committee members must not abuse their Committee status and must set aside any potential conflict of interest in their decision-making processes. Where Committee members find themselves in a position of conflict of interest in relation to any matter to be discussed at a Committee meeting, they should consider whether it is appropriate for them to absent themselves from the part of the meeting at which that matter is discussed. Further, where the chairman feels that there will be a conflict of interest in respect of any matter to be discussed at a meeting and it is appropriate for a Committee member to leave all or part of a meeting, the chairman is empowered to ask the member to leave the meeting. The Exchange 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.

