



Disciplinary Panel

Terms of Reference

1 Status and Purpose

- 1.1 The Disciplinary Panel is a body established pursuant to Regulation 14 of Part 2 of the Exchange's Rules and Regulations (the "Rulebook").
- 1.2 The primary purpose of the Disciplinary Panel is to act as an appropriately qualified and appointed panel of individuals from whom a Disciplinary Committee or a Warehouse Disciplinary Committee can be formed for the purposes of Regulation 14 of Part 2 of the Rulebook and clause 5.3 of the Warehouse Disciplinary Procedures Handbook (the "Handbook").
- 1.3 Terms not defined in these terms of reference have the meaning given to them in the Rulebook.
- 1.4 "Warehouse" has the meaning given to it in the terms and conditions of the Warehouse Agreement between the Exchange and each LME-listed warehouse company.
- 1.5 "Warehouse Disciplinary Committee" has the meaning given to it in the Handbook.

2 Composition

- 2.1 The Exchange, in consultation with the Chairman of the Appeal Panel, shall from time to time appoint persons, who may be Directors or other persons, to the Disciplinary Panel. A member of the Enforcement Committee cannot be appointed to the Disciplinary Panel. Membership of particular Disciplinary Committees or Warehouse Disciplinary Committees shall be drawn only from the Disciplinary Panel.
- 2.2 Membership of the Disciplinary Panel shall be notified to Members from time to time by means of a Notice.
- 2.3 Membership of the Disciplinary Panel shall be for a period of 5 years which is renewable. A member of the Disciplinary Panel may not be removed from the Panel prior to the expiration of the term save in the event that he or she ceases to be a Director of the Exchange, or in the event that he or she is guilty of conduct which has brought or may be likely to bring the Exchange or any of its markets into disrepute.
- 2.4 The Exchange shall appoint one member of the Disciplinary Panel to be the Chairman of the Disciplinary Panel.



2.5 No person shall be eligible to serve as a member of a Disciplinary Committee or a Warehouse Disciplinary Committee in relation to any particular case if he has any material interest in the matter under consideration either personally or through any undertaking with which he may be concerned. The Chairman of the Disciplinary Panel shall establish that each member of a Disciplinary Committee or a Warehouse Disciplinary Committee has no material interest in the matter prior to appointing the Disciplinary Committee or a Warehouse Disciplinary Committee.

3 Role

3.1 The Chairman of the Disciplinary Panel shall nominate three members of the Disciplinary Panel to sit on a Disciplinary Committee or Warehouse Disciplinary Committee (as appropriate):

- a. at the request of the Head of Market Surveillance for Members, Dealers or Member Representatives;
- b. at the request of the Enforcement Committee for Dealers and Members in the event of a Ring Appeal; and
- c. at the request of the Enforcement Committee for Warehouses.

3.2 The Chairman shall notify the relevant Member or the Dealer or Member Representative or Warehouse and the Exchange of a nomination made as referenced at paragraph 3.1 above. The Chairman may nominate himself. If the Member or the Dealer or Member Representative or Warehouse does not agree to one or more of the nominated Disciplinary Committee or a Warehouse Disciplinary Committee (as appropriate), the Chairman, if satisfied that the grounds of objection are reasonable, shall nominate a replacement, or replacements, from the Disciplinary Panel, subject to the requirements of these terms of reference and of the Rulebook or the Handbook (as appropriate) and subject to such replacement, or replacements, being willing and able to sit on the Disciplinary Committee or a Warehouse Disciplinary Committee (as appropriate).

3.3 The Disciplinary Committee or a Warehouse Disciplinary Committee shall appoint one of their number to be the Chairman.

4 Quorum

4.1 The quorum for a meeting of a Disciplinary Committee or a Warehouse Disciplinary Committee shall be three, unless decided otherwise by the Disciplinary Committee or the Warehouse Disciplinary Committee.



- 4.2 The Disciplinary Committee or the Warehouse Disciplinary Committee may decide that any pre-hearing review shall be heard by the Chairman sitting alone.

5 Confidentiality

- 5.1 Disciplinary Committee and Warehouse Disciplinary Committee hearings shall be held in private, unless the Member, Dealer or Member Representative or Warehouse elects to hold the hearing in public. Members of the Disciplinary Committee and Warehouse Disciplinary Committee must ensure that they maintain the confidentiality of the hearing to the extent required by these terms of reference, the Rulebook, the Handbook and at law.

