



# Lithium Committee

## Terms of Reference

## Status

- 1.1 The Lithium Committee (the “Committee”) has been established as an advisory committee to The London Metal Exchange.
- 1.2 The primary purpose of the Committee is to advise the London Metal Exchange (“the Exchange”) on the LME Lithium contract, as further specified in paragraph 5.1 below. Lithium

## Membership

### Chair & Vice Chair

- 2.1 The Chair will be appointed and reappointed by the Exchange.
- 2.2 The Chair may, if considered appropriate, appoint one of the other Committee members to act as vice Chair, following consultation with the Exchange. Any member of the Exchange executive can be appointed as vice Chair of the Committee.
- 2.3 In the event of the absence of the Chair or vice Chair any member of the Exchange executive can be appointed as Chair for the duration of the meeting.

### Membership

- 3.1 All other Committee members will be appointed and reappointed by the Exchange following consultation with the Committee Chair.
- 3.2 The Committee shall comprise balanced appropriate sectional representation, including appropriate broker and non-broker trade and representation of the lithium industry activity across relevant geographies. When considering Committee composition the Committee chair and the Exchange should pay due regard to diversity and inclusion. Any member of the Exchange executive can be appointed as a member of the Committee.
- 3.3 The Exchange executive shall be entitled to attend (without a vote) meetings of the Committee and will provide secretarial and administrative support as required.
- 3.4 Subject to 3.7 below, all Committee members, including the Chair 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 Chair feels that an individual should serve for more than nine years, the Chair shall make an application to the Exchange. 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 the Exchange as to whether that individual's term of service should be extended.

- 3.5 The Exchange may, at its sole discretion, extend the term of service of the Chair beyond nine years. Where it does so, the Exchange shall record the reasons for, and the proposed period of, such extension.
- 3.6 The Chair 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 the Exchange for approval.
- 3.7 The Exchange may at its sole discretion request that any member of the Committee including the Chair and vice Chair 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 the Exchange. Should two or more Committee members become employed by the same employer or the same group as a result of a corporate transaction, then the Exchange in consultation with the Chair of the Committee shall decide which member if applicable should remain on the Committee.
- 3.8 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 the Exchange declares otherwise).

## Meetings

- 4.1 The Committee shall meet at least quarterly and more frequently when appropriate, unless otherwise recommended by the Committee Chair and approved by the Exchange.
- 4.2 The Committee Chair shall agree in consultation with the Exchange 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 (including by email or other appropriate electronic method of communication), where necessary, to avoid delays in the decision-making processes.
- 4.4 Minutes will be taken for all meetings and will be included in the paper of the LME Executive Committee at regular intervals.
- 4.5 Subject to paragraph 7.1, the Committee may invite contributions from non-Committee members where appropriate, with the Chair's and the Exchange executive's prior approval. Outside contributors should acknowledge the Terms of Reference and abide by them, and should also abide by any guidance issued

by the Exchange in relation to Committee meetings (including, without limitation, any guidance on the prohibition of anti-competitive practices).

- 4.6 To be quorate, the Committee must have at least 50% of its members present at its meeting, including its Chair or vice Chair / acting Chair. Committee members are prohibited from appointing alternates.
- 4.7 Failure to attend three consecutive Committee meetings will result in the withdrawal of Committee membership, subject to the discretion of the Committee Chair and the Exchange.

## Committee Responsibilities

- 5.1 The Committee is responsible for:
  - Ensuring that the contract specifications of the LME Lithium suite of contracts (“the contracts”) represent the industry’s needs, and, as a consequence, recommending to the Exchange for adoption any proposed specification changes it considers appropriate.
  - Consider ways to support sustainable practices in the metals industry. Share ideas and examples that might benefit the wider metals industry.
  - Consider ways in which the committee member’s respective organisations can promote the positive role lithium plays in the transition towards a more sustainable economy.
  - Overseeing the contracts brand application procedures.
  - Recommending to the Exchange 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 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 contracts.
  - Generally promoting the use of the 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 contracts, for onward consideration and determination by the Exchange.
  - Making recommendations to the Exchange on policy issues related to the contracts.

- Discharging other duties as determined from time to time by the Exchange.
- 5.2 To constitute a recommendation of the Committee, a proposal must be supported by at least 50% of the Committee (but the Exchange shall take account of any dissenting views, where a recommendation is not unanimous). The Exchange has the right to accept, reject or modify any recommendations made to it. The Exchange should have sufficient confidence that any recommendation made to it by the Committee is capable of endorsement without further detailed review being necessary by the Exchange. Accordingly, it is incumbent upon the Committee to ensure that the quality of analysis, research and supporting paperwork it provides to the Exchange in support of any recommendation is sufficient for the Exchange to ratify such a recommendation without further enquiry being necessary.
- 5.3 In the event that a Committee recommendation is rejected by the Exchange, the Committee Chair has the right to appeal.

## Reporting

- 6.1 The activity of the Committee shall be reported to the Exchange at periodic intervals.

## 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 Chair 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 Chair 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 3.7 and 7.1, the Exchange may request that a Committee member (including the Chair or the vice Chair) resign from the

Committee where the Exchange 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 group<sup>1</sup>, 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.

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<sup>1</sup> 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