



User Committee

Terms of Reference

STATUS

- 1.1 The User Committee (the “Committee”) is a sub-committee of the Board (the “Board”) of The London Metal Exchange (the “Company”).

PURPOSE

- 2.1 The Committee is responsible for:
- (a) representing the users of the LME’s direct or indirect services; and
 - (b) advising the Board on strategic issues.
- 2.2 The Committee shall be given sufficient resources to enable it to perform its functions, including the resources for seeking independent legal and professional advice.

COMPOSITION

- 3.1 The Committee shall comprise balanced and appropriate representation from the users and industry. It shall consist of at least eight members (excluding the ex officio members defined in Clause 3.2) and may comprise of persons from the following categories:
- (a) representatives of a cross section of LME Members;
 - (b) selected members from the Advisory Committees;
 - (c) other industry representation.
- 3.2 The Chief Executive and the Chair of the Physical Market Committee shall, ex officio, be members of the Committee and will attend all the meetings. Other Board Directors or members of the Exchange may be invited to attend all or part of any meeting as and when appropriate at the discretion of the Chair.
- 3.3 The Committee’s members including the Chair shall be nominated by the Executive Committee and appointed by the Board.
- 3.4 Members of the Committee including the Chair shall generally be appointed for three years per term, and shall be eligible for reappointment by the Board for no more than three terms consecutively.
- 3.5 The Board may at its sole discretion request that any member of the Committee including the Chair and 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 Board.
- 3.6 Should a Committee member including the Chair 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 Board declares otherwise).
- 3.7 With reference to 3.5, 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 Board in consultation with the Chair and the employer shall determine which member if applicable should remain on the Committee.



- 3.8 The Company Secretary or his/her nominee shall be the Secretary of the Committee.
- 3.9 In the event that the Chair is unavailable for any reason, the Exchange may appoint an alternate chair from the members of the Committee until the Chair is available again.

FREQUENCY OF MEETINGS

- 4.1 The Committee shall meet at least quarterly and more frequently when appropriate.
- 4.2 Committee meeting dates shall be agreed in advance affording adequate notice for maximum participation.
- 4.3 The agenda will be agreed in advance between the Chair and the Exchange (taking into account the requirements of 7.3 below).
- 4.4 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 (including by email or other appropriate electronic methods of communication), where necessary, to avoid delays in the decision-making processes.
- 4.5 Failure to attend three consecutive Committee meetings will result in the withdrawal of Committee membership, subject to the discretion of the Board, in consultation with the Chair.

QUORUM

- 5.1 Five members, including the Chair (or their alternate, appointed pursuant to paragraph 3.9 above), shall constitute a quorum.

REPORTING RESPONSIBILITIES

- 6.1 The Chair shall report formally to the Board from time to time on its proceedings on all matters within its duties and responsibilities.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where it believes action or improvement is needed.

CONFIDENTIALITY, CONFLICTS OF INTEREST AND COMMERCIALLY SENSITIVE INFORMATION

- 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 3.5 and 7.1, the Board may request that a Committee member (including the Chair) 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 group, 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.

