

INCENTIVE PROGRAMME SPECIFICATIONS

Proprietary Liquidity Programme

1. This programme is governed by the General Terms of the LME incentive programmes. This document can be obtained on the LME website or from the sales team at Sales@LME.com.
2. Capitalised terms not otherwise defined in this Specification shall have the meaning ascribed to them in the General Terms of the LME incentive programmes.

Eligibility Criteria

3. To be eligible for the Proprietary Liquidity Programme, a Participant must be a Client or Indirect Client and must be a Proprietary Trading Firm (as defined in the General Terms of the LME incentive programmes).

Eligible Contracts

4. Outright, medium-dated carry, and long-dated contracts¹ traded on LMEselect in aluminium, copper, zinc, nickel, lead, and tin (“**Eligible Contracts**”). Without prejudice to any eligibility conditions set out in the LME Rulebook, the General Terms of the LME incentive programme, or this Specification, in order for volume in Eligible Contracts to benefit from the Proprietary Liquidity Programme, the relevant trades must:
 - a. comprise a Cleared Contract and a corresponding Client Contract;
 - b. have been executed on LMEselect;
 - c. include matching identifiers in LMEsmart in accordance with paragraph 6 of this Specification; and
 - d. have the venue of execution correctly marked as LMEselect in the LMEsmart trade record(s).

Rebate Criteria

5. Rebates will be determined based on the following two criteria, cumulatively and independently:
 - a. *Passive volume*, as determined by LMEselect. Trades will receive a rebate of one-third of trading and clearing fees. Passive volumes are those

¹ As defined in the LME fee schedule



executed as resting orders, not an aggressing order;

- b. *Day-traded volume* will receive a rebate of one-third of trading and clearing fees. Day-traded volumes are volumes where the position is opened and closed on LMEselect within the same trading day for the same prompt date.
6. The trade identifier for the calculation of rebates under the Proprietary Liquidity Programme will be the specific registered Tag 58. In LMEsmart, the client code must match the Tag 58 from LMEselect. For Category 4 members, the private reference field in LMEsmart must match the Tag 58 from LMEselect.

Duration of Base Incentive Programme

7. The incentive programme shall remain open for 12 months commencing on 2 March 2020.
8. The LME may extend the Proprietary Liquidity Programme or re-open the programme if it is suspended/terminated (subject to regulatory approval). In such circumstances, Participants shall remain on the programme.