



Special Committee

Terms of Reference

1. Status

The Committee is constituted by the Board of the LME in accordance with the LME's articles of association.

2. Purpose

The Committee is a sub-committee of the Board of the LME established to assist the Board in fulfilling its responsibilities in relation to the LME's markets and its physical operations as further described in paragraph 4 below.

3. Definitions

<i>Board</i>	means the board of directors of the LME.
<i>Committee</i>	means the Special Committee.
<i>Charge Caps</i>	has the meaning given such term in the LME Warehouse Agreement.
<i>Contract</i>	has the meaning given such term in the LME Rulebook.
<i>Executive Committee</i>	has the meaning given such term in the LME Rulebook.
<i>Industry Experts</i>	persons who are not directors or employees of the LME and who are considered industry experts by the Board.
<i>LME</i>	means the London Metal Exchange.
<i>LME Warehouse Agreement</i>	means, the LME's warehouse agreement, as amended from time to time.
<i>LMEC</i>	means LME Clear Limited.
<i>LMEC Representative</i>	means each of the following LMEC individuals: (a) the chief executive officer, (b) the chief operating officer, and (c) the head of clearing risk.



4. Authority, Remit and Responsibilities

- 4.1 The Committee operates under delegated authority from the Board.
- 4.2 In relation to the LME's markets, the Committee shall have oversight of, and responsibility for, the matters set out in Trading Regulations 17.1 to 17.3 (inclusive) of Part 3 of the LME Rulebook.
- 4.3 In relation to the LME's physical operations, the Committee shall:
- a. have oversight of, and responsibility for, the imposition of additional load-out requirements on a warehouse pursuant to sub-clause 9.3.6 of the Warehouse Agreement; and
 - b. consider and appropriately manage challenges to the Charge Caps in accordance with sub-clause 5.3.6 of the LME's Warehouse Agreement.

5. Administrative Structure

5.1 Composition

- a. The Committee shall be comprised of the following individuals: (i) at least three (3) non-executive directors of the LME, of which at least one shall be independent, (ii) the chief executive officer, (iii) chief operating officer and head of trading, (iv) chief sustainability officer and head of physical markets and, (v) in the Board's sole discretion, up to two (2) Industry Experts, provided that, no person who has a material interest in any Contract, or who is employed or otherwise engaged by any other person who has a material interest in any Contract, shall be eligible to be a Committee member.
- b. Members of the Committee shall have the collective knowledge, skills and expertise to fully understand, and to effectively discharge, the Committee's remit and responsibilities.
- c. (i) LME directors and Industry Experts may be appointed by the Board for a term of up to three (3) years and on such terms and conditions as the Board determines appropriate. The Board may, in its sole discretion, renew any of those individuals' membership for a maximum of two additional successive terms, where each successive term is for a period of three (3) years or less. If the Board decides not to renew anyone's membership, it does not need to provide any reasons for its decision.



- (ii) Notwithstanding anything to the contrary in these terms of reference or elsewhere, (A) the Board may request any individual referred to in paragraph 5.1(c)(i) to resign from the Committee at any time, and such individual shall comply with such request. No notice or reasons need to be given by the Board for its decision; and (B) a director's membership of the Committee shall automatically cease if their directorship is terminated or otherwise ends.
- d. For meetings relating to the matters specified in paragraph 4.2 above, LMEC Representatives shall be entitled to attend for the purpose specified in Trading Regulation 17.1 of Part 3 of the LME Rulebook, and the requirement to consult shall be deemed satisfied if at least one LMEC Representative is able to attend the relevant meeting, provided that, nothing in these terms of reference shall limit the ability of the Committee to satisfy the requirement to consult LMEC through other means. The LMEC Representatives shall be entitled to be accompanied by their own legal advisor if they determine that is necessary, in which case they will notify the Committee secretary in advance of that fact.
- e. Members of the LME's executive shall not be entitled to vote on decisions relating to the matters specified in paragraphs 4.3(a) and 4.3(b) above and may be recused from meeting discussions regarding paragraph 4.3(b) above, which shall be determined by the other Committee members.

5.2 Chair

- a. The Board shall appoint a chair of the Committee. If the chair is absent from any meeting, then the remaining Committee members shall elect one of themselves to chair the relevant meeting. The chair shall be deemed absent from a meeting if she/he has declined the meeting invite, failed to respond to the meeting invite before the scheduled start time, or if she/he has accepted the invite but failed to join the meeting within ten (10) minutes of the scheduled start time.
- b. The chair shall be responsible for:
 - (i) fostering an open, inclusive and, where appropriate, challenging discussion;
 - (ii) approval of agenda items;
 - (iii) ensuring that, for matters specified in paragraph 4.2 above, the LMEC Representative(s) are appropriately consulted; and
 - (iv) ensuring that potential conflicts of interest in relation to Committee members are appropriately managed and that the Committee adheres



to all applicable requirements in relation to conflicts of interest, confidentiality and inside information (in relation to which further details are included at paragraphs 6.5, 8.1 and 8.2 respectively below).

5.3 Secretary

- a. The company secretary, or their nominee, shall act as the secretary of the Committee.
- b. The secretary will use their reasonable endeavours to ensure any relevant materials and information is distributed to Committee members in a timely manner upon receipt thereof from the responsible individuals. For the avoidance of doubt, the secretary will not be responsible for the accuracy or completeness of any such materials or information.
- c. The secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- d. Minutes of meetings shall generally be approved by the Committee at the next scheduled meeting. Once approved, the minutes will be authenticated by the chair as a conclusive record of the Committee proceedings and as having captured the decisions made by the Committee pursuant to the powers of the Committee.
- e. Committee Members that have been barred from voting in relation to a matter in accordance with paragraph 6.2(d) below shall receive minutes of the relevant meeting appropriately redacted by the secretary to remove the details of the matter in relation to which they were conflicted.

6. Meetings

6.1 Priority

If there is any inconsistency between these terms of reference and the provisions of the LME's Articles of Association that regulate meetings and proceedings, these terms of reference shall prevail to the extent of any such inconsistency.



6.2 Quorum

- a. Committee members are expected to make every effort to attend meetings, either in person or virtually. Committee members are prohibited from appointing alternates.
- b. Only members of the Committee are entitled to vote at Committee meetings. Decisions shall be determined by a simple majority, and in the event of a tie, the chair of the meeting shall have the casting vote.
- c. The quorum necessary for the transaction of business shall be three (3) members, at least one (1) of which must be an LME director. In accordance with paragraph 5.1(e), members of the LME's executive shall not count towards the quorum for matters relating to paragraphs 4.3(a) and (b) herein.
- d. Save as otherwise provided in these terms of reference a Committee member shall not be entitled to vote on any matter where it is determined that the member has a conflict of interest pursuant to paragraph 6.5 below. In these circumstances, the relevant Committee member shall not be counted in the quorum of a meeting in relation to the applicable resolution(s).

6.3 Frequency of Meetings

- a. Meetings will take place at least four (4) times a year or more frequently as required.
- b. Where-ever possible, Committee meeting dates will be agreed in advance affording adequate notice for maximum participation, however Committee members acknowledge and agree that it may on occasion be necessary to convene ad hoc Committee meetings at short notice. Committee members agree to use all reasonable efforts to attend meetings convened at short notice.

6.4 Notice of Meetings and Agendas

- a. Subject to the provisions of these terms of reference, the Committee members may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- b. Meetings of the Committee may be convened at any time at the request of any Committee member, any member of the LME's Executive Committee, or LMEC pursuant to Rule 2.4.4 of the LMEC Rulebook. To convene a meeting the relevant person shall request the secretary to send an appropriate notice to the



Committee members. To the extent possible, if the person requesting the meeting is not the chair, then such person shall use reasonable endeavours to seek the chair's endorsement of the request to convene the meeting before the meeting notice is sent.

- c. Meeting agendas will be agreed with the chair in advance where-ever possible and the secretary shall forward the agenda to each member of the Committee, and, as appropriate, any other individual required or entitled to attend the Committee meeting, together with all relevant information and papers provided to the secretary unless, in each case, the chair directs otherwise. The following will generally be standard agenda items, although these may be changed by the chair depending on the focus of the meetings:
 - (i) chair's welcome, quorum and apologies;
 - (ii) conflicts of interest and a reminder to all attendees to abide by applicable requirements in relation to confidentiality and inside information; and
 - (iii) minutes of previous meeting.

6.5 Conflicts of Interest

- a. Committee members must disclose to the chair, as soon as reasonably practicable, the nature and the extent of any potential conflict of interest that may affect them. In addition, any Committee member shall be entitled at any time to query if any other Committee member has a potential conflict of interest. A conflict of interest could arise, for example, where a member's responsibilities are affected by a professional or personal interest in, or association with, the matter being discussed by the Committee (or where a family member has a professional or personal interest in, or association with, the matter being discussed). For the avoidance of doubt, a Committee member who is also an LME executive will not be deemed to have a potential conflict of interest due solely to their employment by, or their role at, the LME.
- b. Where a potential conflict of interest has been raised in relation to a Committee member, that Committee member shall promptly provide the chair with any information that they believe may be relevant, as well as any other information that the chair may reasonably request, so that the chair can determine how to address the potential conflict.
- c. (i) 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 should absent themselves from the part of the meeting at which that matter is discussed and the minutes of the meeting must record the absence.

- (ii) If the relevant Committee member does not voluntarily agree to absent themselves in relation to the relevant matter, the chair shall be entitled to rule on the question of the member's presence and the chair's decision shall be final and conclusive. If the potential conflict of interest relates to the chair, then a Committee member who is an LME director with no interest in the matter shall be entitled to rule on the question of the chair's presence and their decision shall be final and conclusive.

6.6 Written Resolutions

A resolution in writing agreed to by a number equating to seventy five per cent (75%) of Committee members who are entitled to vote on a matter shall be valid and effectual as a resolution duly passed at a meeting of the Committee provided that of those Committee members at least one (1) member must be an LME director and provided further that the resolution request is circulated to all Committee members who are entitled to vote on the matter.

7. Reporting

The chief operating officer and head of trading and/or chief sustainability officer and head of physical markets (as appropriate) or, in each case, their delegate, shall report to the Board on a regular basis on how the Committee has discharged its responsibilities, the nature of the discussions at meetings, recommendations, action taken, and any other matters that the chair considers relevant.

8. Other Matters

8.1 Confidentiality

Committee members must ensure that, unless outside consultation is specifically agreed (in which case the Committee will follow the procedure recommended by the secretary), all matters discussed, and all information and papers made available to them as a Committee member, are always kept strictly confidential, provided that Committee members shall be entitled to disclose such information where requested by the LME's regulator.



8.2 Inside Information

The Committee shall observe the requirements relating to the management of inside information and commercially sensitive information as prescribed by the LME and notified to the Committee from time to time.

8.3. Competition Law

Committee members must ensure that all meetings, and all discussions relating thereto, comply with applicable competition laws at all times. Committee members may obtain high-level guidance on this topic from the secretary. Those guidelines are not intended to be, and do not constitute, legal advice, and if a Committee member is unsure about anything, they should speak to a legal advisor directly.

8.4 Miscellaneous

- a. The Committee shall have access to sufficient resources and training to carry out its duties.
- b. The Committee may have access to members of the LME executive and legal counsel at any meeting. Where necessary or appropriate, the Committee may also invite other guests to any meeting. Before inviting any such guests, the Committee must raise the request with the secretary who will advise the Committee on the correct procedure to follow in relation to the guest's attendance. For the avoidance of doubt, guest attendees will not have any voting rights.
- c. The Committee shall, at least annually, review its own performance, constitution and terms of reference to ensure it is operating effectively and shall recommend any changes it considers necessary to the Board for approval.

