LME
An HKEX Company

Arbitration Panel Committee

Terms of Reference

1 Status

1.1 The Arbitration Panel Committee (the "Committee") is a sub-committee of the Board of Directors (the "Board") of the London Metal Exchange (the "LME" or the "Exchange") to which the Board has delegated consideration of the matters set out at 2 below. The Committee also performs functions assigned to it under the LME Arbitration Regulations set out in Part 8 of the Exchange's Rules and Regulations (the "Rulebook").

1.2 Terms not defined in these terms of reference have the meaning given to them in the Rulebook.

2 Purpose

2.1 The Committee is responsible for advising the Exchange on:

i. The LME Arbitration Regulations. Disputes arising from any LME Contract must be referred to arbitration under the Arbitration Regulations. These are set out in Part 8 of the LME Rulebook. The Committee is responsible for keeping the Arbitration Regulations under review and for recommending any amendments to the General Counsel.

ii. Membership of the LME Panel of arbitrators. An arbitration Tribunal set up to hear a case must be chosen from a Panel of arbitrators established by the LME. The General Counsel has the power to appoint and remove persons to that Panel. The Committee reviews applications for membership of the Panel and makes recommendations to the General Counsel.

iii. The Committee is responsible for keeping the arbitration scheme under general review and making whatever recommendations it thinks appropriate to the General Counsel.

3 Composition

3.1 The Exchange shall appoint the Chairman of the Committee (the "Chairman").

3.2 The Chairman shall be responsible for:

i. fostering an open, inclusive and, where appropriate, challenging discussion;
ii. 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; and

iii. approval of agenda items.

3.3 The Secretary, or their nominee, shall act as the secretary of the Committee.

3.4 The other members of the Committee shall be appointed by the Exchange on the recommendation of the Chairman.

3.5 Members of the Committee, including the Chairman, shall generally be appointed for a term of five years, which is renewable.

4 Minutes

4.1 Minutes, which shall include the recording of the names of those present and in attendance at Committee meetings, will be taken for all meetings by the Secretary of the Committee or his / her nominee and minutes of the preceding meeting shall be approved by the Committee at each meeting. Once approved, the minutes will be authenticated by the Chairman as a conclusive record of the Committee proceedings at that meeting.

5 Frequency of meetings

5.1 The Committee shall meet when appropriate.

5.2 Committee meeting dates shall be agreed in advance, affording adequate notice for maximum participation. 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, where necessary, to avoid delays in the decision-making processes.

6 Reporting

The Committee shall report to the Board from time to time, as required, on how it has discharged its responsibilities, the nature of its discussions, recommendations and actions to be taken and on any other matters referred to it by the Board.

7 Written Resolutions

A resolution in writing (via email shall suffice) agreed to by a number equating to a simple majority 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 the resolution request is circulated to all Committee members who are entitled to vote on the matter.

8 Quorum

8.1 Three members including the Chairman shall constitute a quorum.

8.2 In the event that a vote is required, decisions of the Committee shall be determined by simple majority and in the event of a tie, the Chairman shall have the casting vote.

9 Confidentiality and Conflicts of Interest

9.1 Committee members must ensure that unless outside consultation is agreed, they maintain confidentiality with regard to all matters discussed and all materials and data made available to them in respect of their Committee-related activities. Further, Committee members must not abuse their Committee status.

9.2 Committee members must disclose to the Chairman, 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).

9.3 Where a potential conflict of interest has been raised in relation to a Committee member, that Committee member shall promptly provide the Chairman with any information that they believe may be relevant, as well as any other information that the Chairman may reasonably request, so that the Chairman can determine how to address the potential conflict. The Board and/or the Committee Chairman are empowered to ask any Committee member to resign from the Committee if they feel their continued involvement is no longer appropriate. No reason need be given.

9.4 Without prejudice to sub-clause 9.2, the Board may request that a Committee member (including the Chairman) 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 Exchange or with any company within the HKEX group, and the Committee member shall comply with such request. No reason need be given.

10 Other Matters

The Committee shall annually review its own performance, constitution and terms of reference to ensure it is operating effectively and, if required, shall recommend any changes to the Board for approval.