30 April 2026

LONDON METAL EXCHANGE

RULES AND REGULATIONS

AS AUTHORISED BY THE BOARD OF DIRECTORS

PREFACE

Parts 1 – 13 of this book set forth the Rules and Regulations of the London Metal Exchange, and the Appendices include further information, as on brands, assayers and warehouses listed in accordance with stated regulations.

These Rules, as amended from time to time, are available on the LME website.

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PART 1

DEFINITIONS AND GENERAL RULES

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PART 1: DEFINITIONS AND GENERAL RULES

1. DEFINITIONS

1.1 In these Rules, the following words and expressions shall, unless the context otherwise requires, bear the meanings set opposite them:-

"Account Holder"	the Clearing House and any person admitted as an Account Holder by the Exchange, and which has not withdrawn or ceased to be an Account Holder, under Regulation 2 of the LMEsword Regulations;
"Acceptance Criteria"	the criteria to be satisfied under the Clearing House Rules in order for a Cleared Contract to come into effect in respect of the relevant Agreed Trade;
"Act of Misconduct"	has the meaning set out in Regulation 13.2 of the Membership Regulations;
"Administrative Procedure" or "Notice"	a notice given to such class or classes of Member to whom in the view of the Exchange, acting reasonably, they apply, and which introduces, implements, supplements or amends the Rules or any part thereof, or contains a procedure for introducing, implementing, supplementing or amending the Rules or any part thereof, or otherwise imposes requirements on Members, in each case that is given by way of publication on the LME website, or if the context requires it, sent via LME Select, LMEsword and/or Matching System;
"Administrator"	a person that has control over the provision of a benchmark, within the meaning of the BMR;
"Affiliate"	in relation to a person, another person in the same Group;
"Agreed Trade"	the particulars of a transaction in a Contract agreed between two parties (or otherwise instructed by one or more Member(s) and confirmed within LME Select), as further specified in Trading Regulation 2.2.3;
"Algorithmic Trading"	trading in financial instruments (as such term is defined in Article 4(1)(15) of the MiFID II Directive) where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, but excluding any system that is only used for the purpose of routing

	orders to one or more trading venues (as such term is defined in Article 4(1)(24) of the MiFID II Directive) or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions;
"Aluminium Premium Contract"	a Premium Contract for aluminium having the characteristics set out in the Premium Contract Regulations (and a "type" of Aluminium Premium Contract shall mean one of the classes of such Contracts distinguished by its applicable Premium Warrant Jurisdiction);
"Appeal Committee"	a committee appointed pursuant to Regulation 14 of the Membership Regulations;
"Appeal Panel"	a panel appointed pursuant to Regulation 14.74 of the Membership Regulations;
"Applicable OTC Contract"	means any “over the counter” contract which has any of the following characteristics: (i) it is, or may be, settled on the basis of, or with direct or indirect reference to, the LME’s Official Prices, Closing Prices, or other Exchange reference prices, or prices calculated on the basis of LME Data, or which refer to or use such prices in any other way; (ii) its terms, branding, name or description reference in any way the Exchange by its name, or use of any of the trade mark or intellectual property of the Exchange; (iii) it is margined or valued on the basis of LME Data; (iv) it is, or may be, physically settled using the infrastructure, systems or facilities maintained or operated by the Exchange, including but not limited to LMEsword; or (v) specifies physical settlement of a commodity in which the LME has a futures contract (whether such LME contract is physically or financially settled);
"Arbitration Regulations"	the regulations set out in Part 8 of the Rules;
"Articles"	the Articles of Association for the time being of the Company;
"At the Money"	in relation to an LMEprecious Option, that on the Expiry Day, the Exercise Reference Price for the LMEprecious Option is equal to the Strike Price;
"Auction Window"	has the meaning given to it in Regulation 2.15.8(b) of Part 3;

"Average Price Call Option"	a Traded Average Price Option pursuant to which the Granter gives the Taker the right to buy from the Granter;
"Average Price Put Option"	a Traded Average Price Option pursuant to which the Granter gives the Taker the right to sell to the Granter;
"Backwardation Cap"	shall have the meaning ascribed to it in Regulation 24.1 of the Trading Regulations;
"Basic eCOA"	means an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the criteria for a Basic eCOA (and which must include a digital copy of the Paper COA) as specified by the Exchange from time to time;
"Benchmark"	an index provided by the Exchange, which falls within the BMR definition of "benchmark", and that is identified by the Exchange as such by way of Notice, or on the LME website from time to time, as being a "Benchmark" that is administered by the Exchange;
"BMR"	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as from time to time amended;
“Brand Lister”	a person who is not a Category 1, 2, 3 or 4 Member and who is approved by the Exchange to submit applications to the Exchange under Part 7 of these Rules for the listing of brands. Brand Listers shall have entered into an agreement with the Exchange that permits them to submit such applications and shall comply with any other condition published by the Exchange from time to time either by Notice or otherwise.
"Business Day"	in relation to the Exchange any day on which at least one Execution Venue is open for business and in relation to an Execution Venue any day on which such Execution Venue is open for business;
"B Shares"	class B shares in LME Holdings having a nominal value of 1p each;

"Call Option"	an Option Contract pursuant to which the Granter gives the Taker the right to buy from the Granter or, in the case of an Index Option, a notional right to buy, to be cash settled;
"a Candidate"	a candidate for Membership of the Exchange;
"Capital Requirements Regulation"	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms as from time to time amended;
"Carry"	(a) in respect of a Metal Future, Premium Contract, LMEmini Future or LMEprecious Future, a Contract for the purchase or sale of a specific number of Lots for one Prompt Date coupled with one or more Futures Contracts of the same type for the sale or, as the case may be, purchase comprising in aggregate the same number of Lots between the same parties for a more distant Prompt Date or Prompt Dates; or (b) in respect of a Monthly Average Future, a Contract for the purchase or sale of a specific number of Lots for one Prompt Date for a specified metal coupled with one or more Contracts for the sale or, as the case may be, purchase comprising in aggregate the same number of Lots for the same metal between the same parties for a more distant Prompt Date or Prompt Dates;
"Cash"	in relation to the period between 19.31 hours on one Business Day and 19.30 hours on the next Business Day and Contracts entered into in that period, the first Settlement Business Day which falls after the next following Business Day (also referred to as "**SPOT**");
"Cash-Settled Future Daily Settlement Price"	in respect of each Cash-Settled Future, the relevant price determined for margining and daily settlement purposes of such Cash-Settled Future as determined in accordance with Regulation 5.7.1 of the Trading Regulations;
"Cash-Settled Future Final Settlement Price"	in respect of each Cash-Settled Future, the relevant price determined for final settlement purposes of such Cash-Settled Future as determined in

	accordance with Regulation 5.7.2 of the Trading Regulations;
"Cash-Settled Future"	a cash-settled Exchange-traded futures contract pursuant to which the buyer and seller agree to pay or receive in cash the difference between the level of the relevant Cash-Settled Future Final Settlement Price on the Prompt Date and the level agreed in the Contract, multiplied by the Contract size, settled on the relevant Settlement Business Day specified in the relevant Special Contract Rules Cash-Settled Futures and subject to daily marking to market in accordance with the Clearing House Rules and conforming to the other specifications prescribed by the Exchange, including the specific features for the relevant type of Contract set out in the relevant Special Contract Rules for Cash-Settled Futures (and not including, for the avoidance of doubt, an LMEmini Future or an Index Future);
"Cash-Settled Future Index"	in respect of each Cash-Settled Future, the relevant index (or indices, as applicable) or other reference-value specified for the specific type of Cash-Settled Future in the relevant Special Contract Rules for Cash-Settled Futures;
"Cash-Settled Future Last Trading Time"	in respect of each Cash-Settled Future, the last time on the Last Trading Day for such Cash-Settled Future as specified in the relevant Special Contract Rules for Cash-Settled Futures, or as otherwise prescribed by the Exchange from time to time;
"Cash Today"	in relation to Contracts entered into in the period between 19.31 hours on one Business Day and 12.30 hours on the next Business Day, the first Settlement Business Day after the latter Business Day save that there will be no Prompt Date for Cash Today where Cash Today is a Business Day but not a Settlement Business Day (also referred to as "**TOM**" or "**tomorrow**");
"Category 1 Member"	a Member who is: (a) authorised by the Exchange to trade in the Ring; (b) a member of the Clearing House; (c) authorised by the Exchange to clear Cleared LME Base Contracts;

(d) authorised by the Exchange to issue Client LME Base Contracts; and

(e) granted Category 1 Membership by the Exchange;

"Category 2 Member" a Member who is:

(a) not authorised by the Exchange to trade in the Ring;

(b) a member of the Clearing House;

(c) authorised by the Exchange to clear Cleared LME Base Contracts;

(d) authorised by the Exchange to issue Client LME Base Contracts; and

(e) granted Category 2 Membership by the Exchange;

"Category 3 Member" a Member who is:

(a) not authorised by the Exchange to trade in the Ring;

(b) a member of the Clearing House;

(c) authorised by the Exchange to clear Cleared LME Base Contracts;

(d) not authorised by the Exchange to issue Client LME Base Contracts; and

(e) granted Category 3 Membership by the Exchange;

"Category 4 Member" a Member who is:

(a) not authorised by the Exchange to trade in the Ring;

(b) not authorised by the Exchange to clear Cleared LME Base Contracts;

(c) authorised by the Exchange to issue Client LME Base Contracts; and

(d) granted Category 4 Membership by the Exchange;

"Category 5 Member" a Member who is:

	(a) not authorised by the Exchange to trade in the Ring;
	(b) not authorised by the Exchange to clear Cleared Contracts;
	(c) not authorised by the Exchange to issue Client Contracts; and
	(d) granted Category 5 Membership by the Exchange;
"Certificate of Analysis"	a certificate of analysis relating to specific Lots of metal which must state the: (i) brand name; (ii) production cast reference; (iii) content within a minimum purity as defined in Special Contract Rule 1 (a) of the relevant section of Part 6 of the Rules; (iv) any other requirements for a given metal as specified in the relevant section of Part 6 of the Rules; (v) any other requirements specified by the Exchange from time to time;
"Chief Executive" or "Chief Executive Officer" or "CEO"	the chief executive officer of the Company, including the "Deputy Chief Executive" and any other person for the time being appointed to perform the duties of Chief Executive of the Company;
"Chief Operating Officer" or "COO"	the chief operating officer of the Company, including the "Deputy Operating Officer" and any other person for the time being appointed to perform the duties of the Chief Operating Officer of the Company;
"Claimant"	the person commencing an arbitration by serving a Notice to Arbitrate;
"Cleared Cash-Settled Future"	a Cleared Contract which is a Cash-Settled Future;
"Cleared Contract"	(a) the Contract or Contracts which may result from the process of acceptance set out in the Clearing House Rules, upon or following Execution;
	(b) any other Contract or Contracts which may be created between the Clearing House and a Clearing Member in relation to an Agreed Trade by operation of the Clearing House Rules, including, without limitation, any Contract that results from any process under the Clearing House Rules that varies, modifies, transfers,

	replaces, novates or ports any Contracts within (a) above or any Contract that results from any netting or settlement-to-market process under the Clearing House Rules;
"Cleared Index Contract"	a Cleared Contract which is an Index Contract;
"Cleared Index Future"	a Cleared Contract which is an Index Future;
"Cleared Index Option"	a Cleared Contract which is an Index Option;
"Cleared LME Base Contract"	a Cleared Contract which is not a Cleared LMEprecious Contract;
"Cleared LMEmini Future"	a Cleared Contract which is an LMEmini Future;
"Cleared LMEprecious Contract"	a Cleared Contract which is an LMEprecious Contract;
"Cleared LMEprecious Future"	a Cleared Contract which is an LMEprecious Future;
"Cleared LMEprecious Option"	a Cleared Contract which is an LMEprecious Option;
"Cleared Metal Contract"	a Cleared Contract which is a Metal Contract;
"Cleared Metal Future"	a Cleared Contract which is a Metal Future;
"Cleared Metal Option"	a Cleared Contract which is a Metal Option;
"Cleared Monthly Average Future "	a Cleared Contract which is a Monthly Average Future;
"Cleared Option Contract"	a Cleared Contract which is an Option Contract;
"Cleared Premium Contract"	a Cleared Contract which is a Premium Contract;
"the Clearing House"	such Clearing-house for the time being appointed by the Exchange to clear Contracts;
"the Clearing House Rules"	the rules of the Clearing House that are binding on Clearing Members, as for the time being in force in relation to the Exchange, and the procedures of the Clearing House with respect thereto;
"Clearing Member"	a Member that is permitted by the Clearing House to clear Cleared Contracts, being: (a) in respect of the LME Base Service, a Category 1, 2 or 3 Member; or (b) in respect of the LMEprecious Service, an LMEprecious General Clearing Member

or an LMEprecious Individual Clearing Member;

"Clearing Member Transferee" means a Clearing Member to whom a Client-Related Cleared Contract is transferred in accordance with the Clearing House Rules;

"Clearing Member Transferor" means a Clearing Member from whom a Client-Related Cleared Contract is transferred in accordance with the Clearing House Rules, being the Clearing Member that was the counterparty to the Clearing House under such Cleared Contract immediately prior to the time of such transfer;

"Client" a person who:

(a) is or may be a party to a Client Contract, other than the person who issues the Client Contract; or

(b) otherwise has a client relationship with a Member in relation to any transaction represented by a Contract;

"Client Cash-Settled Future" a Client Contract which is a Cash-Settled Future;

"Client Contract" (a) in respect of the LME Base Service, each of:

(i) an LME Base Contract between a Category 1 or 2 Member and a Category 4 Member; or

(ii) an LME Base Contract between a Category 1, 2 or 4 Member and any other person (as a Client); or

(iii) a Post-Compression Client Contract that is an LME Base Contract; or

(iv) any Contract formed pursuant to the application of a netting, aggregation and/or settlement to market process, applied to any Contract in (i), (ii) or (iii) above,

in each case that is not a Cleared Contract; and

(a) in respect of the LMEprecious Service:

(i) an LMEprecious Contract between an LMEprecious General

Clearing Member and an LMEprecious Non-Clearing Member; or

(ii) an LMEprecious Contract between an LMEprecious General Clearing Member or LMEprecious Non-Clearing Member and any other person (as a Client); or

(iii) any Contract formed pursuant to the application of a netting, aggregation and/or settlement to market process, applied to any Contract in (i) or (ii) above,

in each case that is not a Cleared Contract;

"Client Index Contract"	a Client Contract which is an Index Contract;
"Client Index Future"	a Client Contract which is an Index Future;
"Client Index Option"	a Client Contract which is an Index Option;
"Client LME Base Contract"	a Client Contract which is not a Client LMEprecious Contract;
"Client LMEmini Future"	a Client Contract which is an LMEmini Future;
"Client LMEprecious Contract"	a Client Contract which is an LMEprecious Contract";
"Client LMEprecious Future"	a Client Contract which is an LMEprecious Future;
"Client LMEprecious Option"	a Client Contract which is an LMEprecious Option;
"Client Metal Contract"	a Client Contract which is a Metal Contract;
"Client Monthly Average Future"	a Client Contract which is a Monthly Average Future;
"Client of Concern"	has the meaning given to it in Regulation 12.10.2 of Part 2;
"Client Option Contract"	a Client Contract which is an Option Contract;
"Client Premium Contract"	a Client Contract which is a Premium Contract;
"Client-Related Cleared Contract"	means a Cleared Contract that came into effect between the Clearing House and a Clearing Member pursuant to the Execution of an Agreed Trade, and which corresponds to a Client Contract that came into effect under these Rules at the same

	time as such Cleared Contract came into effect (and including any Post-Compression Cleared Contracts that may arise following Compression at the Clearing House of any such Cleared Contract);
"Client Traded Average Price Option"	a Traded Average Price Option where either Granter or Taker or each of them is not a Clearing Member;
"Close of Pleadings"	the end of a period of 28 days after the time for submission of the points of reply, unless otherwise ordered by the Tribunal;
"Closing Prices"	the prices determined for margining purposes on each Business Day by the Quotations Committee in accordance with Regulation 6.1 of the Trading Regulations or by the Clearing House in accordance with Regulation 15 of the Trading Regulations;
"The Company" or "The LME"	The London Metal Exchange, a company registered in England and Wales under company number 02128666;
"Compression"	means the replacement of multiple Contracts between the same two parties with a smaller number of Contracts by the aggregation of Contracts having the same direction, together with the netting of Contracts having opposite directions, and which may occur, as the context requires: (a) "at the Clearing House", in relation to Cleared Contracts, subject to and in accordance with the Clearing House Rules; and (b) "under the Exchange Rules", in relation to Underlying Client Contracts that relate to such Cleared Contracts, subject to and in accordance with Regulation 14 of the Contract Regulations, and the terms "same direction" and "opposite direction" shall be construed in accordance with Regulation 1.5 of this Part 1;
"Constituent Metals"	the metals underlying the Index, as set out by way of Notice from time to time;
"Contingent Agreement to Trade"	an agreement between two parties to an Agreed Trade made in the inter-office market, having the

characteristics specified in Regulation 2.10 of the Trading Regulations;

"Contract"

(a) a contract for the purchase and sale of one or more Lots of a metal for the time being dealt in on the Exchange in respect of which:

(1) either the buyer or the seller or each of them is a Category 1, 2, 3 or 4 Member; and

(2) the delivery date is a Prompt Date for the time being permitted by the Rules; and

(3) the price is expressed in a currency for the time being permitted by the Rules; and

(4) the quality and other characteristics of the metal concerned are expressly or impliedly to be as prescribed by the Exchange; or

(b) a Metal Option or Traded Average Price Option which has the characteristics prescribed by or pursuant to the Metal Options Regulations or, as the case may be, the Traded Average Price Options Regulations to enter into a contract falling within (a) above; or

(c) an Index Future or an Index Option which has the characteristics prescribed by the Rules and, as the case may be, the Index Option Regulations; or

(d) an LMEmini Contract which has the characteristics prescribed by the Rules; or

(e) a Monthly Average Future which has the characteristics prescribed by the Rules;

(f) a Cash-Settled Future which has the characteristics prescribed by the Rules;

(g) a Premium Contract which has the characteristics prescribed by the Rules;

(h) an LMEprecious Future which has the characteristics prescribed by the Rules

and, as the case may be, the LMEprecious Future Regulations;

(i) an LMEprecious Option which has the characteristics prescribed by the Rules and, as the case may be, the LMEprecious Option Regulations,

but

(j) shall not include any contract which, by virtue of provisions agreed between the parties at or before the time they enter into the contract as to delivery or otherwise, is clearly intended to be performed otherwise than as prescribed by the Rules;

"Contract Regulations"	the Regulations set out in Part 4 of the Rules;
"Counterparty"	in relation to a party to a Contract, the other party to the same Contract;
"Counter Notice"	a notice served by the Respondent pursuant to Regulation 2.5 of Part 8 of the Rules;
"Critical Contact"	a Contract specified as such by the Exchange in accordance with the Rules as published from time to time;
"Cross"	a trade between a Member and its Client, the effect of which is to ensure that a Contract is recorded in the Member's client account at the Clearing House that corresponds to a Client Contract between the Member and such Client, notwithstanding any other Contracts recorded to the client or house accounts of the Member upon Execution of the trade;
"Crossing Rule"	has the meaning set out in Regulation 2.4A of Part 3 of these Rules;
"Customer"	a person that initiates Pre-Trade Execution Communications with a Member, and/or requests a quote from a Member, or a person in respect of which a Member initiates Pre-Trade Execution Communications, and including: (a) another Member; or (b) a Client;
"Daily Settling Client Contract"	has the meaning set out in Regulation 9.7.1 of the Trading Regulations;

"Dealer"	a person duly authorised to trade on behalf of a Category 1 Member or in respect of LME Select, a person permitted to deal on LME Select on behalf of an LME Select Participant;
"Dealing Area"	the Ring and surrounding area and corridors (not including booth offices sublet to Category 1 Members) on the relevant floor of the Exchange's premises;
"Dealing Offences"	has the meaning set out in Regulation 11.2.3 of the Trading Regulations;
"Dealing On Own Account"	trading against proprietary capital resulting in the conclusion of transactions in one or more Contracts on the Exchange;
"Declaration Day"	in relation to a Traded Average Price Option for a particular month, the last Business Day in that month;
"Defaulter"	a person whom the Exchange has determined, in accordance with Regulation 2 of the Default Regulations, to be a defaulter;
"Default Notice"	notice of a determination by the Exchange issued pursuant to Regulation 4.1 of the Default Regulations;
"Default Regulations"	the Regulations contained in Part 9 of the Regulations;
"Default Settlement Amount"	the amount payable by one party to the other in respect of an Unsettled Contract to which a Defaulter is a party which is settled under or pursuant to the Default Regulations;
"Default Settlement Price"	(a) in relation to a Metal Future or a Premium Contract or an LMEmini Future, the Closing Price (including the Premium Contract Closing Price and LMEmini Futures Closing Price) for the relevant metal and Prompt Date published next after the time of issue of the Default Notice (determined where necessary by reference to the Closing Price so published for other Prompt Dates); or (b) in relation to an Index Future, the Index Futures Closing Price for the Prompt Date published next after the time of issue of the Default Notice (determined where

necessary by reference to the Index Futures Closing Price so published for other Prompt Dates); or

(c) in relation to a Metal Option which is not, and is not deemed to be, exercised pursuant to the Default Regulations, the value of such Option determined, pursuant to Regulation 5.8 of the Trading Regulations next after the time of issue of the Default Notice; or

(d) in relation to a Traded Average Price Option Contract which is not, and is not deemed to be, exercised pursuant to the Default Regulations, the value of such Option Contract determined, pursuant to Regulation 5.8 of the Trading Regulations next after the time of issue of the Default Notice; or

(e) in relation to an Index Option which is not, and is not deemed to be, exercised pursuant to the Default Regulations, the value of such Option determined pursuant to Regulation 5.8 of the Trading Regulations next after the time of issue of the Default Notice; or

(f) in relation to a Monthly Average Future, the difference between the Monthly Average Future Closing Price for the relevant tradeable month for the relevant underlying metal as published after the time of issue of the Default Notice, and the fixed price agreed between the buyer and the seller in the Contract multiplied by the Contract size; or

(g) in relation to a Cash-Settled Future, the Cash-Settled Future Daily Settlement Price for the Business Day next after the time of issue of the Default Notice (determined where necessary by reference to the Cash-Settled Future Daily Settlement Price(s) so determined for other relevant Business Days within the prompt month); or

(h) in relation to an LMEprecious Future, the LMEprecious Daily Settlement Price for

the Business Day next after the time of issue of the Default Notice (determined where necessary by reference to the LMEprecious Daily Settlement Price(s) so determined for other relevant Business Days within the prompt month); or

(i) in relation to an LMEprecious Option which is not, and is not deemed to be, exercised pursuant to the Default Regulations, the value of such Option determined pursuant to Regulation 5.8 of the Trading Regulations next after the time of issue of the Default Notice; or

(j) such other price or prices as the Exchange may, in its absolute discretion, determine taking into account, without prejudice to the generality of the foregoing, the timing of the Default Notice, and the appropriateness of using prices and values determined next after the time of issue of the Default Notice, as referred to in paragraphs (a) to (i) above;

"Defence"	has the meaning set out in Regulation 14.14 of the Membership Regulations;
"Delta Hedged Strategy"	has the meaning set out in Regulation 2.14.2 of the Trading Regulations;
"Delivery Point"	a specific geographic area within which warehouses may be listed and approved by the Exchange for the issue of Warrants;
"Deposit"	such sum as may be specified by Administrative Procedure from time to time;
"Direct Electronic Access"	an arrangement where a Member permits a Client to use its trading code so the Client can electronically transmit orders relating to a financial instrument (as such term is defined in Article 4(1)(15) of MiFID II) directly to the Exchange, and which term includes Direct Market Access and Sponsored Access;
"Direct Market Access"	an arrangement where a Member permits a Client to use its trading code so the Client can electronically transmit orders relating to a financial instrument (as such term is defined in Article 4(1)(15) of MiFID II) directly to the Exchange, in circumstances where the Client uses the

	infrastructure of the Member, or any connecting system provided by the Member, to transmit the orders;
"the Directors"	each person who is a director of the Company;
"Disciplinary Committee"	a committee appointed pursuant to Regulation 14.79 of the Membership Regulations;
"Disciplinary Notice"	has the meaning set out in Regulation 14.13 of the Membership Regulations;
"eCOA"	means either a Basic eCOA or an Enhanced eCOA;
" eCOA System"	means a technological system provided by the Exchange through which, amongst other things, details of Paper COAs may be entered, eCOAs may be created and eCOAs may be viewed;
"Electronic Pricing Commencement Determination"	has the meaning set out in Regulation 5.5 of the Trading Regulations;
"EMIR"	means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as from time to time amended;
"EMIR Level 2 (Indirect Clearing) Regulation"	means Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing the EMIR Level 1 Regulation with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, risk mitigation for OTC derivatives contracts not cleared by a CCP, as amended from time to time (including, for the avoidance of doubt, as amended by Commission Delegated Regulation (EU) 2017/2155 of 22 September 2017);
"Enforcement Committee"	shall comprise four members chosen from the Directors of the LME, appointed by the Exchange in consultation with the Chairman. The quorum for the Enforcement Committee shall be three members. The Enforcement Committee shall not be quorate unless there is at least one independent Director present;
"Enhanced eCOA"	means an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the critera for an Enhanced eCOA as specified by the Exchange from time to time;

“Equivalent Trade”	for the purpose of Regulation 2.5A.3 only, a single trade in the exact same instrument(s) or multiple trades in a combination of instruments with the same risk profile as the corresponding Agreed Trade to be executed in the inter-office market between a Member and a Client. An Equivalent Trade may have a different price to the Agreed Trade in the inter-office market which may include any commissions, charges or fees provided that these have been previously agreed with the Client;
"EU Withdrawal Date"	the later of: (a) the date from which the UK ceases to be a member of the European Union; and (b) the date of expiry of any transitional period under which European Union laws in respect of financial services cease to have direct effect in the UK;
"Event of Default"	any of the events set out in Regulation 1 of the Default Regulations;
"the Executive" or "Executive Committee" or "EXCOM"	is a sub-committee of the board of directors of the Company, to which the board may from time to time delegate certain powers and responsibilities as it sees fit;
"Expiry Day"	in relation to an LMEprecious Option, the Business Day on which the Contract shall automatically exercise or be abandoned, as specified in the LMEprecious Option Regulations;
"the Exchange"	according to context, the London Metal Exchange administered by the Company, or the premises where Ring trading is conducted;
"Exchange Traded Average Price Option"	a Traded Average Price Option where both Granter and Taker are Clearing Members;
"Execution"	the execution of an Agreed Trade, being the point at which the transaction represented by the Agreed Trade is concluded, resulting in the formation of one or more Contracts (and "Executed" shall be interpreted accordingly);
"Execution Time"	the time at which Execution occurs, as specified for each Execution Venue in Regulation 2.3, 2.4, 2.5 or 2.11.2 (as applicable) of the Trading Regulations (and such time being the "Acceptance

	Time" for the purposes of the Clearing House Rules);
"Execution Venue"	has the meaning set out in Regulation 2.2.2 of the Trading Regulations;
"Exemption"	an exemption permitting a person to hold positions in Critical Contracts and Related Contracts in excess of a Regulatory Position Limit and granted in accordance with the Rules as published from time to time;
"Exemption Ceiling" or "Ceiling"	the maximum permitted position in a Critical or Related Contract irrespective of whether those positions benefit from an Exemption;
"Exercise Reference Price"	the price by reference to which an LMEprecious Option shall be exercised on its Expiry Day;
“Extracted Warrant”	has the meaning set out in Regulation 13.1 of the LMEsword Regulations;
“Fair Market Value”	in respect of an Agreed Trade, a price which is fair and reasonable for a trade of that kind and size at the relevant time in view of, but without limitation: (a) the size of the trade; (b) the circumstances of the market for the Contract or of the parties to the trade; and (c) the prices and sizes of other transactions in the same Contract Executed on one or more of the Execution Venues operated by the Exchange;
"FCA"	The Financial Conduct Authority;
"FCA Principles and Guidance Releases"	the FCA Principles as set out in the Principles for Business (PRIN) Sourcebook of the FCA Handbook (as may be updated or replaced from time to time) and any other guidance notes published by the FCA from time to time, including but not limited to Market Watch, guidance and supervisory findings;
"Fees"	any fees or charges payable by a Member to the Exchange under the Rules as set out on the LME website, as amended by the Exchange from time to time;
"Ferrous Future"	a Cash-Settled Future, the Cash-Settled Future Final Settlement Price for which is determined by

	reference to a ferrous metal-based index or indices or other reference-value, and which has the features specified in the relevant Special Contract Rules for Cash-Settled Futures - Ferrous;
"FIA"	the Futures Industry Association or any successor to its functions in representing the interests of the futures, options and derivatives markets;
"Financial OTC Booking Fee Policy"	means the policy of the Exchange specifying the basis on which Members and other persons shall be required to report to the Exchange certain transactions in financial instruments that are executed outside the facilities of the Exchange, and to pay to the Exchange Fees in respect of such transactions, subject to, and in accordance with, the requirements of such policy, as such policy may be updated by the Exchange from time to time in accordance with the requirements and processes set out therein;
"Firm Quote"	an order or quote that under these Rules can be matched against an opposite order or quote;
"Fixed Price Auction"	a public auction, conducted in accordance with the requirements set out in Trading Regulation 2.15.8;
"Fixed Penalty"	a financial penalty, set out in a Notice, imposed by the Exchange on a Member, Dealer or Member Representative in relation to a Fixed Penalty Offence;
"Fixed Penalty Appeal"	an appeal lodged in accordance with Regulation 14.8 of the Membership Regulations in respect of an Exchange decision to impose a Fixed Penalty;
"Fixed Penalty Notice"	a letter sent by the Exchange to a Member, Dealer or Member Representative notifying the Member, Dealer or Member Representative of its intention to impose a Fixed Penalty;
"Fixed Penalty Notice of Appeal"	a letter sent by a Member, Dealer or Member Representative to the Head of Enforcement notifying the Head of Enforcement that it wishes to lodge a Fixed Penalty Appeal in accordance with Regulation 14.8 of the Membership Regulations;
"Fixed Penalty Offence"	an offence as specified by a Notice and as amended from time to time;
"Former Member"	has the meaning set out in Regulation 10.5 of the Membership Regulations;

“Front Month Lending Rules”	the rules set out in the Exchange’s Policy Relating to Position Management Arrangements (including any clarification, revision or explanation of such lending rules issued by the Exchange from time to time, including any replacement policy) taken together with Regulation 18 of Trading Regulations;
"FSMA"	the Financial Services and Markets Act 2000, as from time to time amended;
"Futures Contract"	a Metal Future, Premium Contract, LMEmini Future, Index Future, Cash-Settled Future or LMEprecious Future;
"Global Legal Entity Identifier System"	the global system operated under the oversight of the LEI ROC to register legal entities and assign legal entity identifiers to such entities;
"Go Live Date"	has the meaning set out in Regulation 5.4 of the Membership Regulations;
"Gold"	Loco London Fine Gold held in London and complying with standards relating to good delivery and fineness acceptable to the Precious Metal Clearer of the Clearing House for the purpose of effecting settlement with the Clearing House, as such standards are in effect from time to time;
"Granter"	the seller under a Traded Option;
"Group"	in relation to any company, any company that is a "group undertaking" of that company, as defined in section 1161 of the Companies Act 2006;
"Head of Enforcement"	the Head of Enforcement and any other person within the Exchange for the time being appointed to perform the duties of the Head of Enforcement;
"Head of Market Surveillance"	the Head of Market Surveillance and any other person within the Market Surveillance division of the Exchange for the time being appointed to perform the duties of the Head of Market Surveillance;
"Honorary Member"	a Member who is granted honorary Membership of the Exchange by the Exchange;
“Immobilised Warrant”	has the meaning set out in Regulation 13.1 of the LMEsword Regulations;
"In The Money"	(a) in relation to a Metal Option, that the Strike Price is, in the case of a Put Option,

above or, in the case of a Call Option, below the last published Settlement Price at the relevant time for the relevant metal and Prompt Date; or

(b) in relation to a Traded Average Price Option, that the Strike Price is, in the case of an Average Price Put Option, above or, in the case of an Average Price Call Option, below the last published Moving Monthly Average Settlement Price or Monthly Average Settlement Price at the relevant time for the relevant metal and Prompt Date; or

(c) in relation to an Index Option, that the Strike Price is, in the case of a Put Option, above or, in the case of a Call Option, below the Settlement Price or last published Closing Price at the relevant time for the relevant Index Option and Prompt Date;

(d) in relation to an LMEprecious Option, that the Strike Price is, in the case of a Put Option, above or, in the case of a Call Option, below the Exercise Reference Price at the relevant time for the relevant LMEprecious Option and Expiry Day;

"Incentive Programme" has the meaning set out in Regulation 22.2 of the Membership Regulations;

"Incentive Programme Benefits" has the meaning set out in Regulation 22.3 of the Membership Regulations;

"Incentive Programme Requirements" has the meaning set out in Regulation 22.3 of the Membership Regulations;

"Index" an index denominated in US dollars the level of which is determined in accordance with the Special Contract Rules for the Construction of the Index;

"Index Contract" an Index Future or an Index Option;

"Index Future" a cash-settled Exchange-traded futures contract pursuant to which the buyer and seller agree to pay or receive in cash the difference between the level of the Index on the Prompt Date and the level agreed in the Contract, multiplied by the Contract size, settled on the Settlement Business Day next following the Prompt Date and subject to daily

	marking to market in accordance with the Clearing House Rules and conforming to the other specifications prescribed by the Exchange;
"Index Futures Closing Price"	the Closing Price of an Index Future as determined in accordance with Regulation 6 of the Trading Regulations;
"Index Option"	a cash-settled Exchange-traded option contract over the Index pursuant to which the Granter grants the Taker a right to receive in cash from the Granter the difference between the level of the Index on the Prompt Date and the Strike Price, multiplied by the Contract size, settled on the Settlement Business Day next following the Prompt Date and conforming to the other specifications prescribed by the Exchange;
"Index Options Regulations"	the Regulations set out in Part 5C of the Rules;
"Indirect Clearing Arrangement"	means an "indirect clearing arrangement" within the meaning of the Indirect Clearing Regulations;
"Indirect Clearing Regulations"	means the EMIR Level 2 (Indirect Clearing) Regulation or the MiFID II Level 2 (Indirect Clearing) Regulation, as applicable, and any successor legislation amending or incorporating the requirements thereto in any relevant jurisdiction from time to time;
"Indirect Client"	means an indirect Client of a Clearing Member, being a Client of a Category 4 Member, where such Category 4 Member is a Client of the Clearing Member;
"Indirect Client Account"	means a segregated account maintained by a Clearing Member in respect of the Client business of a single Category 4 Member, such that it records positions only in respect of Client-Related Cleared Contracts that have been created pursuant to the registration of Client Contracts relating to one or more Clients of that Category 4 Member (such Clients being Indirect Clients of the Clearing Member);
"Initial Margin"	(a) in relation to a Cleared Contract, the sum of money fixed by the Clearing House in consultation with the Exchange and in respect of which Members may be required to provide to the Clearing House

	cover in accordance with the Clearing House Rules; (b) in relation to a Client Contract, such sum as may be agreed between the parties provided that such sum is equal to or greater than the amount in (a) above;
"Inter-Office Order"	a bid or offer or actionable indication of interest for a trade that is made in the inter-office market;
"Intellectual Property Rights"	patents, trade marks, rights in logos, get-up, trade names, internet domain names, rights in designs, copyright (including rights in computer software) and moral rights, database rights, rights of confidentiality, semi-conductor topography rights, utility models, trade secrets, inventions, rights in know-how and other intellectual property or proprietary rights, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect to the foregoing which may now or in the future subsist in, apply to or are enforceable in, any jurisdiction in the world;
"Investigation"	an investigation undertaken by the Exchange pursuant to Regulation 13 of the Membership Regulations;
"Invoicing Back"	the procedure so described in the Clearing House Rules;
"IOM PTT Initiating Pair"	has the meaning set out in Regulation 2.15.8 of the Trading Regulations;
"Jurisdictions Notice"	the Notice issued by the Exchange setting out the jurisdictions from which Members may access the Exchange's facilities, and any conditions to be complied with by Members wishing to access the Exchange from such jurisdictions;
"Last Declaration Day"	(a) in relation to a Metal Option for a particular month, the first Wednesday in that month or, if that is not a Business Day, the next day which is a Business Day; (b) in relation to an Index Option for a particular month, up to 16.35 hours on the second Wednesday in that month or, if that is not a Business Day, the next day which is a Business Day;

"Last Trading Day"	(a) in relation to a Metal Option, the Business Day preceding the Last Declaration Day for that Option; (b) in relation to a Traded Average Price Option, the Business Day preceding the Declaration Day of the relevant month for that Traded Average Price Option; (c) in relation to an Index Option, the Last Declaration Day for that Index Option; (d) in relation to an LMEmini Future, the Business Day which is two Business Days before the Prompt Date; (e) in relation to a Monthly Average Future, the last Business Day of the relevant tradeable month; (f) in relation to a Cash-Settled Future, the day specified as the relevant "Last Trading Day" in the Special Contract Rules for Cash-Settled Futures; (g) in relation to a Premium Contract, the Business Day which is two Business Days before the Prompt Date; or (h) in relation to an LMEprecious Future, the Business Day which is one Business Day before the Prompt Date; (i) in relation to an LMEprecious Option, the Business Day which is one Business Day before the Expiry Day;
"LEI ROC"	the Legal Entity Identifier Regulatory Oversight Committee;
"Lending Rules"	include the Tom-Next Lending Rules and the Front Month Lending Rules as set out in the Exchange's Policy Relating to Position Management Arrangements (including any clarification, revision or explanation of such lending rules issued by the Exchange from time to time, including any replacement policy) taken together with Regulation 18 of the Trading Regulations;
"LME Base Contract"	a Contract that is not an LMEprecious Contract;

"LME Base Member"	a Category 1 Member, Category 2 Member, Category 3 Member, Category 4 Member or Category 5 Member;
"LME Base Service"	the availability of the facilities of the Exchange for the trading of LME Base Contracts;
"LME Data"	all data relating to trading on the Exchange, including, without limitation: (a) the LME-determined prices and data relating to LME-determined prices, other than any prices determined by the Clearing House or by the LME as delegate of the Clearing House; and (b) data relating to Contracts, Default Settlement Amounts, Indexes, Warrants and Weightings;
"LME Data Services"	the LME Select API and LMEsource;
"LME Holdings"	LME Holdings Limited, a company registered in England and Wales under company number 4081219, being the sole member of the Company;
"LME Information"	means any information or data (including LME Data) made available by the Exchange to Members, Member Data Services Clients and/or Member Data Services Sub-Clients via the LME Data Services from the Exchange's systems;
"LME Liquid Instrument"	the Contract and Prompt Date subject to a Minimum Volume Threshold as determined by the Exchange from time to time;
"LMEmini Contract"	an LMEmini Future;
"LMEmini Future"	a cash-settled Exchange-traded futures contract pursuant to which the buyer and seller agree to pay or to receive in cash the difference between the Settlement Price of the underlying metal on the Prompt Date and the price of the underlying metal agreed in the Contract, multiplied by the Contract size, settled on the Prompt Date and subject to daily marking to market in accordance with the Clearing House Rules and conforming to the other specifications prescribed by the Exchange;

"LMEmini Futures Closing Price"	the Closing Price of the relevant underlying Metal Future as determined in accordance with Regulation 6 of the Trading Regulations;
"LMEmini Last Trading Time"	the last trading time on the Last Trading Day for LMEmini Contracts as specified in the Special Contract Rules for LMEmini Contracts or as otherwise prescribed by the Exchange from time to time;
"LMEprecious Clearing Member"	an LMEprecious General Clearing Member or an LMEprecious Individual Clearing Member;
"LMEprecious Contract"	a Contract that is: (a) an LMEprecious Future; or (b) an LMEprecious Option, and any other type of Exchange-traded derivative contract having Precious Metal as its underlying instrument, that the Exchange may specify from time to time;
"LMEprecious Daily Settlement Price"	the price determined for margining and daily settlement purposes of an LMEprecious Future as determined in accordance with Regulation 5.7 of the Trading Regulations;
"LMEprecious Final Settlement Price"	the price determined for final settlement purposes of an LMEprecious Future as determined in accordance with Regulation 5.7 of the Trading Regulations;
"LMEprecious Future"	a physically settling Exchange-traded futures contract pursuant to which the seller agrees to sell to the buyer one or more Lots of Precious Metal for delivery on a specified Prompt Date, and conforming with the other specifications prescribed by the Exchange;
"LMEprecious Future Regulations"	the regulations set out in Part 13A of the Rules;
"LMEprecious General Clearing Member"	a Member that is: (a) a member of the Clearing House; (b) authorised by the Exchange to clear Cleared LMEprecious Contracts; (c) authorised by the Exchange to issue Client LMEprecious Contracts; and

	(d) granted LMEprecious Membership, with the categorisation as an LMEprecious General Clearing Member;
"LMEprecious Individual Clearing Member"	a Member that is: (a) a member of the Clearing House; (b) authorised by the Exchange to clear Cleared LMEprecious Contracts; (c) not authorised by the Exchange to issue Client LMEprecious Contracts; and (d) granted LMEprecious Membership, with the categorisation as an LMEprecious Individual Clearing Member;
"LMEprecious Member"	an LMEprecious General Clearing Member, LMEprecious Individual Clearing Member or LMEprecious Non-Clearing Member;
"LMEprecious Non-Clearing Member"	a Member that is: (a) not authorised by the Exchange to clear Cleared LMEprecious Contracts; (b) authorised by the Exchange to issue Client LMEprecious Contracts; and (c) granted LMEprecious Membership, with the categorisation as an LMEprecious Non-Clearing Member;
"LMEprecious Option"	an Exchange-traded, European-style option contract pursuant to which the Granter grants to the Taker the right to buy from or sell to the Granter a Lot of a Precious Metal at a specified Strike Price in a specified month;
"LMEprecious Option Regulations"	the regulations set out in Part 13B of the Rules;
"LMEprecious Regulations"	the regulations set out in Part 13 of the Rules, and comprising the LMEprecious Future Regulations and the LMEprecious Option Regulations;
"LMEprecious Service"	the availability of the facilities of the Exchange for the trading of LMEprecious Contracts;
"LME Select"	a system provided by the Exchange to enable the anonymous electronic trading of Contracts by LME Select Participants in accordance with the

	Rules and any Administrative Procedures issued by the Exchange from time to time;
"LME Select API"	a FIX or binary protocol application approved by the Exchange which enables LME Select Participants and their Clients to connect to LME Select for the purpose of facilitating the electronic trading of Contracts;
"LME Select Participant"	a Trading Member who is permitted to use LME Select;
"LME Select Offences"	a breach by an LME Select Participant(s) of the provisions of Regulation 12 of the Trading Regulations;
"LMEsword"	the system for, inter alia, the electronic transfer of Warrants governed and constituted by the LMEsword Regulations;
"LMEsword Regulations"	the regulations governing the operation of LMEsword issued by the Exchange as amended from time to time in accordance with the terms thereof and forming Part 10 of the Rules;
"Lot"	(a) in relation to a metal (that is not covered by another type of Contract specified below), the standard unit of quantity thereof, specified in the Special Contract Rules for that metal, by reference to which settlement is to be made; or (b) in relation to the Index, the standard value per point movement for that Index, specified in the Special Contract Rules for the Construction of the Index, by reference to which settlement is made; or (c) in relation to an LMEmini Contract, the standard unit of quantity thereof, specified in the Special Contract Rules for LMEmini Contracts, by reference to which settlement is made; or (d) in relation to a Monthly Average Future, the standard unit of quantity thereof, specified in the Monthly Average Future Regulations, by reference to which settlement is made; or (e) in relation to a Cash-Settled Future, the standard unit of quantity thereof, specified

in respect of the specific Cash-Settled Future in the relevant Special Contract Rules for Cash-Settled Futures, by reference to which settlement is made;

(f) in relation to a Premium Contract, the standard unit of quantity thereof, specified in the Premium Contract Regulations, by reference to which settlement is made; or

(g) in relation to an LMEprecious Future, the standard unit of quantity of Precious Metal specified in the LMEprecious Regulations, by reference to which settlement is to be made;

"LPMCL" London Precious Metals Clearing Limited, a company registered in England and Wales under company number 04195299;

"Major Currency" in respect of a metal, the currency in which the Settlement Price and Closing Price are to be determined;

"Market Making Strategy" a strategy performed by a Member or Client, when Dealing On Own Account, that involves posting Firm Quotes that are simultaneous two-way quotes of comparable size and at competitive prices relating to one or more Contracts, with the result of providing liquidity on a regular and frequent basis to the overall market;

"Matching Period" a period prescribed pursuant to Regulation 3.4 of the Trading Regulations;

"Matching Rules" means the LME's matching rules governing the use of the Matching System as published by the LME, by Notice from time to time;

"Matching System" the system operated by or on behalf of the Exchange for the matching and confirmation of Contracts, or such other system as may from time to time be adopted by the Exchange for such purposes;

"Matching System RIB Screens" means the RIB-specific sub-screens of the Matching System, which are accessible to:

(a) Members, for the purposes of RIB permissioning and management of RIB-arranged trades; and

(b) RIBs, for the purposes of inputting the details of Agreed Trades into the Matching System;

"Member" an Undertaking or individual admitted to Membership of the Exchange in accordance with the Rules;

"Membership"

(a) the state of being a Member;

(b) having the status of a Member; and/or

(c) the total body of Members,

as the context of the Rules requires.

"Membership Regulations" the Regulations set out in Part 2 of the Rules;

"Member Representative" means any person other than a Dealer on Exchange premises working for or on behalf of a Ring Dealing Member;

"Metal Contract" a Metal Future or Metal Option;

"Metal Future" an Exchange-traded futures contract pursuant to which the seller agrees to sell to the buyer one or more Lots of metal for delivery on a specified Prompt Date (excluding any Cash-Settled Future, Premium Contract or LMEprecious Contract);

"Metal Option" an Exchange-traded option contract pursuant to which the Granter grants to the Taker the right to buy from or sell to the Granter a Lot of a specified metal at a specified Strike Price in a specified month (excluding any LMEprecious Option);

"Metal Options Regulations" the Regulations set out in Part 5A of the Rules;

"MiFID II" the package of legislative measures comprising:

(a) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;

(b) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending EMIR; and

(c) any delegated regulations made by the European Commission thereunder including, without limitation, the MiFID II (Indirect Clearing) Regulation, the MiFID

	II Transparency RTS and the MiFID II Algorithmic Trading RTS,
	as from time to time amended;
"MiFID II Algorithmic Trading RTS"	Commission Delegated Regulation (EU) 2017/589 of 19 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the organisational requirements of investment firms engaged in algorithmic trading;
"MiFID II (Indirect Clearing) Regulation"	Commission Delegated Regulation (EU) 2017/2154 of 22 September 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements;
"MiFID II Transparency RTS"	Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives;
"MiFIR"	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending EMIR;
“Minimum Volume Threshold”, “MVT” or “Threshold”	the minimum number of lots in respect of a Contract that can be submitted as an Agreed Trade for Execution in the inter-office market, as determined by the Exchange and published by Notice or otherwise from time to time;
"Minor Offences"	has the meaning set out in Regulation 11.2.3 of the Trading Regulations;
"Monthly Average Future"	a cash-settled Exchange-traded contract pursuant to which the buyer and seller agree to pay or to receive in cash the difference between (i) the Monthly Average Settlement Price for a specified metal and for a specified tradeable month and (ii) the fixed price agreed between the buyer and the seller in the Contract, multiplied by the Contract size, settled on the Prompt Date and subject to daily marking to market in accordance with the

	Clearing House Rules and conforming to the other specifications prescribed by the Exchange;
"Monthly Average Future Closing Price"	the Notional Average Price for the relevant month of calculation;
"Monthly Average Future Regulations"	the Regulations set out in Part 11 of the Rules;
"Monthly Average Settlement Price"	(a) in relation to an Average Price Call Option, the price at which the Taker will sell to the Granter if the Traded Average Price Option is declared; (b) in relation to an Average Price Put Option, the price at which the Taker will buy from the Granter if the Traded Average Price Option is declared; (c) in relation to a Monthly Average Future for a particular tradeable month, the aggregate of the Settlement Prices for the relevant metal for every Business Day in the relevant tradeable month divided by the number of Business Days for that month and which is calculated and published by the Exchange; and (d) in relation to a Traded Average Price Option for a particular month, the aggregate of the Settlement Prices for the relevant metal for every Business Day in the relevant tradeable month divided by the number of Business Days for that month and which is calculated and published by the Exchange, in each case as determined in accordance with the applicable Pricing Methodology.
"Moving Monthly Average Settlement Price"	in relation to a Traded Average Price Option or a Monthly Average Future for a particular month, the aggregate of the Settlement Prices for the relevant metal for every Business Day to date in the relevant tradeable month divided by the number of Business Days to date for that month and which is calculated and published by the Exchange;
"New Contract"	has the meaning set out in Regulation 15.1 of the Contract Regulations;

"Non-Benchmark Reference Price"	a reference price provided by the Exchange and which is not a Benchmark;
"Non-Clearing Member"	(a) a Category 4 Member; or (b) an LMEprecious Non-Clearing Member, as the context of the Rules requires;
"Non-Ferrous Future"	a Cash-Settled Future, the Cash-Settled Future Final Settlement Price for which is determined by reference to non-ferrous metal-based index (or indices, as applicable) or other reference-value, and which has the features specified in the relevant Special Contract Rules for Cash-Settled Futures - Non-Ferrous;
"Non-LME Multi Dealer Trading System"	means: (a) an exchange or other trading venue which is not operated by the Exchange or its Affiliates; or (b) any other system, granting access to more than one trading party, to facilitate the arrangement and/or execution of bilateral contracts between such parties, outside the trading venue or systems operated by the Exchange or its Affiliates, but shall not include a Single Dealer to Client Platform;
"Non-LME Platform Contract"	means any contract or product that is traded on, executed on, or otherwise arranged or agreed via a Non-LME Multi Dealer Trading System;
"Non-Material Amendment"	has the meaning set out in Regulation 15.1 of the Contract Regulations;
"Notice of Appeal"	a document prepared by either (i) a Member, Dealer or Member Representative, or (ii) the Exchange, and served on the Chairman of the Appeal Panel and the other party in relation to an appeal of a Disciplinary Committee's decision and which meets the requirements set out in Regulations 14.39 to 14.41 of the Membership Regulations;
"Notice to Arbitrate"	a notice served by the Claimant pursuant to Regulation 2.1 of Part 8 of the Rules;

"Notional Average Price"	in relation to each metal for a particular month, the price as calculated using Settlement Prices and Closing Prices as appropriate, in accordance with the applicable Pricing Methodology, representing the rolling mean average daily price of one lot of the relevant metal for that month;
"Offence" or "Offences"	has the meaning set out in Regulation 11.2.3 of the Trading Regulations;
"Official Prices"	the prices determined in accordance with Regulation 5 of the Trading Regulations;
"Opening Hours"	means the hours on each Business Day during which the Matching System is open and able to receive information regarding Agreed Trades, as specified by the Exchange by Administrative Procedures from time to time;
"Operating Procedures"	the manual issued by the Exchange pursuant to the LMEsword Regulations setting out detailed procedures and information relating to the operation of LMEsword;
"Option Contract"	a Metal Option or an Index Option or an LMEprecious Option;
"Order-routing Eligibility Requirement"	means the requirement under MiFID II for a member or a participant in a trading venue to only be permitted to provide direct electronic access to the venue if the member or participant is one of the following: (a) an investment firm, as defined under the RAO, which has permission under Part 4A of FSMA to carry on a regulated activity being any of the investment services or activities defined under s417 of FSMA; (b) a qualifying credit institution that has permission under Part 4A of FSMA to carry on the regulated activity of accepting deposits, as specified in the RAO; (c) a person who falls within regulation 30(1A) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (or any successor regulation to it) and has permission under Part 4A of FSMA to carry on a regulated activity being any of

the investment services or activites defined under s147 of FSMA;

(d) a firm providing Direct Electronic Access subject to the exclusion in regulation 11(1) of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (or any successor regulation to it);

(e) a firm where the provision of the Direct Electronic Access by that firm is subject to the exclusion in article 72 of the RAO;or

(f) a firm which does not come within paragraph (d) or (e) but is otherwise permitted to provide Direct Electronic Access under FSMA;

"Out of Scope Order"	an Inter-Office Order that is not required to be made transparent pursuant to the Pre-Trade Transparency Requirements, as identified in accordance with Regulation 2.15.3 of the Trading Regulations;
"Overseas Undertaking"	an undertaking which is a body corporate incorporated outside of the United Kingdom or if not itself a body corporate, its principal or managing member is a body corporate incorporated outside of the United Kingdom;
"Panel"	the Arbitration Panel of the Company;
"Panel Committee"	a committee appointed by the Exchange to oversee the conduct of arbitrations pursuant to the Arbitration Regulations, and in particular to perform the functions and powers referred to in the Arbitration Regulations;
"Paper COA"	a hard copy Certificate of Analysis, which may be a bulk analysis certificate, and which must be produced by either: (a) the producer of the underlying metal; or (b) a LME Listed Sampler and Assayer (a "**LSA**") who will sample and analyse material in accordance with Exchange-specified instructions to LSAs;
"Parent Undertaking"	the same meaning as set out in section 1162 of the Companies Act 2006;

"Position Limits"	the position limits applied by the Exchange on any Contract or Contracts from time to time in accordance with requirements specified by the Exchange by Notice;
"Position Netting"	means the netting of multiple Contracts between the same two parties to a smaller number of Contracts (which may take effect through the netting of long and short positions or the aggregation of long positions and short positions respectively) and/or the close out by netting of multiple Contracts, (in each case) in accordance with such process as may be specified in the Clearing House Rules, and which may occur, as the context requires: (a) "at the Clearing House", in relation to Cleared Contracts, subject to and in accordance with the Clearing House Rules; and (b) "under the Exchange Rules", in relation to Underlying Client Contracts that relate to such Cleared Contracts, subject to and in accordance with Regulation 9.7.7 of the Trading Regulations;
"Post-Compression Cleared Contract"	a Cleared Contract that comes into effect between the Clearing House and a Clearing Member upon Compression at the Clearing House, which represents the positions under pre-Compressed Cleared Contracts, as compressed by the Clearing House in accordance with the Clearing House Rules;
"Post-Compression Client Contract"	a Client Contract that comes into effect upon Compression under the Exchange Rules, in accordance with Regulation 14 of the Contract Regulations, which shall replace the Client Contracts that were subject to such Compression and which shall come into effect between the same parties as were parties to such original Client Contracts;
"Precious Metal"	Gold or Silver;
"Precious Metal Clearer"	a member of LPMCL (or any successor company or association) that is an "Approved Delivery Facility" for the purposes of the Clearing House Rules;

"Precious Metal Clearing System"	the system operated by LPMCL (or any successor company or association), or any successor system, for the electronic settlement of unallocated Precious Metal between Precious Metal Clearers);
"Pre-Execution Checks"	the checks applied to an Agreed Trade within the systems of the Exchange and the Clearing House prior to confirmation that the Agreed Trade may be Executed, as specified in Regulation 2.8 of the Trading Regulations;
"Premium Contract"	an Exchange-traded futures contract having the features described in the Premium Contract Regulations;
"Premium Contract Closing Price"	the Closing Price for each Premium Contract;
"Premium Contract Last Trading Time"	the last trading time on the Last Trading Day for Premium Contracts as specified in the Premium Contract Regulations or as otherwise prescribed by the Exchange from time to time;
"Premium Contract Price"	the cash consideration payable under a Premium Contract, as agreed at the time of formation of the Premium Contract;
"Premium Contract Regulations"	the Regulations set out in Part 12 of the Rules;
"Premium Warrant"	a Warrant issued by a Qualifying Premium Warrant Warehouse;
"Premium Warrant Jurisdiction"	a geographical jurisdiction specified as such in the Premium Contract Regulations;
“Pre-Trade Communications”	any negotiation or discussion on the direction, size or price of a potential or future Agreed Trade prior to submission to an Execution Venue operated by the Exchange;
"Pre-Trade Execution Communication"	has the meaning set out in Regulation 2.15.6 of the Trading Regulations;
"Pre-Trade Transparency Requirements"	the requirements, under Article 8 of MiFIR and any rules and guidance of the FCA implementing such requirements with which the Exchange is required to comply, for a market operator to make public current bids and offer prices and the depth of trading interests at prices advertised through its system;
"Pricing Methodology"	in respect:

(a) of any Benchmark, the methodology applied by the Exchange to determine such Benchmark;

(b) any Non-Benchmark Reference Price the methodology applied by the Exchange to determine such Non-Benchmark Reference Price,

in each case as may be specified by the Exchange by way of Notice or on the public website maintained by the Exchange at www.lme.com;

"Private Warning" means a written warning served on a Member, Dealer or Member Representative by the Exchange in accordance with Regulations 14.2 to 14.4 of the Membership Regulations;

"Product Specifications" means the specifications, features and/or terms of any Contract listed for trading on the Exchange, as described in the Rules and Administrative Procedures;

"Prompt Date"

(a) in relation to a Metal Future, LMEmini Future, Premium Contract or a Monthly Average Future, the Business Day on which, having regard where relevant to Regulation 8 of the Trading Regulations, the Contract is to be settled;

(b) in relation to an Index Contract, the Business Day on which, having regard where relevant to Regulation 8 of the Trading Regulations, the Settlement Price of the Index is determined, with settlement of the Contract on the next Settlement Business Day;

(c) in relation to a Cash-Settled Future, the date specified as the relevant "Prompt Date" in the Special Contract Rules for Cash-Settled Futures;

(d) in relation to an LMEprecious Future, the Business Day on which, having regard where relevant to Regulation 8 of the Trading Regulations and the LMEprecious Regulations, the Contract is to be settled; or

(e) in relation to an LMEprecious Option, the Prompt Date of the underlying

	LMEprecious Future, as determined in accordance with the LMEprecious Option Regulations, and comprising the Business Day on which such LMEprecious Future is to be settled;
"PTT Exempt Order"	an Inter-Office Order that is not required to be publicised in accordance with the Pre-Trade Transparency Requirements, due to the application of: (a) a PTT Waiver; or (b) the PTT Hedging Exemption;
"PTT Hedging Exemption"	has the meaning set out in Regulation 2.15.5 of the Trading Regulations;
"PTT Order"	an Inter-Office Order that is not an Out of Scope Order or a PTT Exempt Order;
"PTT Waiver"	a waiver from the application of the Pre-Trade Transparency Requirements, granted to the Exchange by a competent regulatory authority;
"Put Option"	an Option Contract pursuant to which the Granter gives the Taker the right to sell to the Granter or in the case of an Index Option, the notional right to sell to be cash settled;
"Qualifying Premium Warrant Warehouse"	a listed warehouse for the storage of metal which satisfies the criteria specified by the Exchange from time to time and which is located in a Premium Warrant Jurisdiction;
"Quotations Committee"	a committee authorised by the Exchange to be responsible for determining Closing Prices and Settlement Prices;
"RAO"	means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended from time to time and any successor legislation thereto;
"REC"	the FCA's Recognition Requirements Sourcebook, as amended from time to time, and any successor regulations thereto;
"RDC Decision"	means a finding by the Ring Disciplinary Committee regarding Dealing Offences and Minor Offences made in accordance with either: (i)

	Regulation 11.6.3 or (ii) Regulations 11.6.4 to 11.6.7 of the Trading Regulations;
"RDC Warning"	means a written warning given to a Dealer or Member Representative by the Ring Disciplinary Committee in their absolute discretion for a Minor Offence or a Dealing Offence in accordance with Regulation 11.6.3 of the Trading Regulations and which is a RDC Decision;
"Recognition Requirements Regulations"	The Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges, Clearing Houses and Central Securities Depositories) Regulations 2001 (SI 2001/995), as amended from time to time, and any successor legislation thereto;
"Reference Price Publication Date"	the date on which the Exchange publishes the Cash-Settled Future Final Settlement Price in respect of a Cash-Settled Future and as published by Notice from time to time;
"Registered Intermediating Broker" or "RIB"	a Member that is: (a) authorised by the Exchange to arrange Agreed Trades in Contracts between Clients, and to input the details of such Agreed Trades into the Matching System on behalf of the Member(s) that will, upon Execution, become party to the resulting Contracts; and (b) granted Registered Intermediating Broker Membership by the Exchange;
"Regulator"	in relation to any person, any regulatory body that has responsibility for regulating the conduct of that person's business and/or which has the power to impose regulatory requirements upon a person's business (and including, where applicable, the FCA);
"Regulatory Position Limit" or "Limit"	the maximum permitted position in a Critical or Related Contract excluding positions benefitting from an Exemption, as set by the Exchange in accordance with the Rules as published from time to time;
"Related Contract"	a Contract specified as such by the Exchange in accordance with the Rules as published from time to time;

"Relevant Daily Settlement Price"	has the meaning set out in Regulation 9.7.4 of the Trading Regulations;
"Relevant Office Holder"	has the meaning attributed thereto by section 189 of the Companies Act 1989;
"Report"	has the meaning set out in Regulation 14.11 of the Membership Regulations;
"Respondent"	the person receiving a Notice to Arbitrate served by the Claimant;
"RIB Product"	a Contract that is a RIB Tier 1 Product or a RIB Tier 2 Product;
"RIB Scope of Authority"	has the meaning set out in Regulation 2.12.5(b)(ii) of the Trading Regulations;
"RIB Tier 1 Member"	a Registered Intermediating Broker that is authorised by the Exchange to arrange Agreed Trades in both RIB Tier 1 Products and RIB Tier 2 Products;
"RIB Tier 1 Product"	a Contract determined to be a RIB Tier 1 Product, and specified as such, by the Exchange from time to time by way of Notice;
"RIB Tier 2 Member"	a Registered Intermediating Broker that is authorised by the Exchange to arrange Agreed Trades in only RIB Tier 2 Products;
"RIB Tier 2 Product"	a Contract determined to be a RIB Tier 2 Product, and specified as such, by the Exchange from time to time by way of Notice;
"Ring"	an Exchange open-outcry trading session in a type of Contract, of such duration and at such times as are laid down by the Exchange, or the ring area of the Exchange as the context requires;
"Ring Appeal"	an appeal of an RDC Decision lodged in accordance with Regulation 11.6.8(a) of the Trading Regulations;
"Ring Committee"	a committee appointed by the Exchange to oversee trading in the Ring;
"Ring Disciplinary Committee"	a committee appointed by the Exchange Directors to enforce discipline on the premises of the Exchange;
"Ring Notice of Appeal"	a letter sent by any Dealer or Member Representative to the Head of Enforcement

	notifying the Head of Enforcement that they wish to lodge a Ring Appeal of an RDC Decision in accordance with Regulation 11.6.8(a) of the Trading Regulations;
"Ring Price Liquidity Event"	means such criteria, as set out by the Exchange by way of Notice from time to time, that if triggered would permit the Exchange to exercise its powers under Regulation 5.5 of the Trading Regulations;
"Rules"	means these rules and regulations as the same may be amended in accordance with the Articles;
"Sanctions"	any applicable law executing foreign policy, security, sanction, trade embargo, boycott, export control, foreign trade control, non-proliferation or anti-terrorism objectives or similar restrictions on any business with a sanctioned jurisdiction, certain types of business or activity, or specified persons that is imposed, administered or enforced from time to time by: (i) the European Union; (ii) the United Kingdom; (iii) the United States of America; (iv) the United Nations Security Council; or (v) any of their respective successors;
"Secretary"	any person appointed to perform the duties of Secretary of the Company, and for the purpose only of Part 8 of the Rules, any person to whom the functions and powers of the Secretary referred to therein may be delegated from time to time;
"Serious Offences"	has the meaning set out in Regulation 11.2.3 of the Trading Regulations;
"Service Agent"	has the meaning set out in Regulation 11.4 of Part 2;
"Settlement Business Day"	a Business Day on which commercial banks are open in New York City for the settlement of international transactions in US dollars;
"Settlement Price"	the Cash offered price or other settlement price determined: (a) by the Quotations Committee in accordance with Regulation 5.1 of the Trading Regulations in respect of Metal Contracts (including Premium Contracts) or Regulation 5.6 of the Trading Regulations (in respect of Index Contracts); or

	(b) in accordance with Regulation 5.7 of the Trading Regulations (in respect of Cash-Settled Futures and LMEprecious Futures); or
	(c) in accordance with Regulation 5.8 of the Trading Regulations (in respect of Metal Options, Traded Average Price Options, Index Options and, for the purposes of daily settlement and margining, LMEprecious Options); or
	(d) in accordance with the LMEprecious Option Regulations, for the purpose of determining the Exercise Reference Price for LMEprecious Options; or
	(e) by the Clearing House in accordance with Regulation 15 of the Trading Regulations;
"Silver"	Loco London Fine Silver held in London and complying with standards relating to good delivery and fineness acceptable to the Precious Metal Clearer of the Clearing House for the purpose of effecting settlement with the Clearing House, as such standards are in effect from time to time;
"Single Dealer to Client Platform"	means any system operated by a Member for the purpose of arranging bilateral contracts between: (i) such Member; and (ii) its customers by means of either a "Request For Quote" or continual price streaming from the Member to customers, but not including a system operating an order book where one customer may trade against another customer's price or order;
"Special Committee"	the Committee to whom the Exchange has delegated the emergency powers under Regulation 17 of Part 3 as permitted by the Articles;
"Special Contract Rules for Cash-Settled Futures"	(a) in relation to Ferrous Futures, the Special Contract Rules for Cash-Settled Futures – Ferrous; and
	(b) in relation to Non-Ferrous Futures, the Special Contract Rules for Cash-Settled Futures – Non-Ferrous;
"Special Contract Rules for Cash-Settled Futures - Ferrous"	the Regulations set out in Part 6C of the Rules;

"Special Contract Rules for Cash-Settled Futures - Non-Ferrous"	the Regulations set out in Part 6D of the Rules;
"Special Contract Rules for LMEmini Contracts"	the Regulations set out in Part 6B of the Rules;
"Special Contract Rules for Metals"	the Regulations set out in Part 6 of the Rules;
"Special Contract Rules for the Construction of the Index"	the Regulations set out in Part 6A of the Rules;
"Sponsored Access"	an arrangement where a Member permits a Client to use its trading code so the Client can electronically transmit orders relating to a financial instrument (as such term is defined in Article 4(1)(15) of MiFID II) directly to the Exchange, in circumstances where the Client does not use the infrastructure of the Member or of any other person other than itself and/or the Exchange, to transmit the orders;
"Standard Warrant"	a Warrant that is not a Premium Warrant;
"Strike Price"	(a) in relation to a Call Option which is a Metal Option, the price at which the Taker will buy from the Granter if the Option is declared; (b) in relation to a Put Option which is a Metal Option, the price at which the Taker will sell to the Granter if the Option is declared; (c) in relation to an Average Price Call Option, the price at which the Taker will buy from the Granter if the Traded Average Price Option is declared; (d) in relation to an Average Price Put Option, the price at which the Taker will sell to the Granter if the Traded Average Price Option is declared; (e) in relation to an Option Contract which is an Index Option, the agreed level of the Index which shall be compared with the Settlement Price of the Index on the Prompt Date to determine the amount payable to the Taker (if any); (f) in relation to a Call Option which is an LMEprecious Option, the price at which

the Taker will buy from the Granter if the Option is automatically exercised;

(g) in relation to a Put Option which is a LMEprecious Option, the price at which the Taker will sell to the Granter if the Option is automatically exercised;

"Subsidiary Undertaking"	the same meaning as set out in section 1162 of the Companies Act 2006;
"Taker"	the buyer under a Traded Option;
"TAR"	trading at the reference price prescribed by the Exchange;
"TAS"	trading at the Closing Price prescribed by the Exchange;
"Tom-Next Lending Rules"	the rules set out in the Exchange's Policy Relating to Position Management Arrangements (including any clarification, revision or explanation of such lending rules issued by the Exchange from time to time, including any replacement policy) taken together with Regulation 18 of the Trading Regulations;
"Trade Mark"	means any trade mark (i) belonging to or used by the Company from time to time; or (ii) that the Company may register or apply to register from time to time;
"Traded Average Price Option"	an Exchange-traded option contract pursuant to which the Granter grants to the Taker the right to buy from the Granter a Lot of a specified metal at a specified Strike Price in a specified month and to sell to the Granter a Lot of a specified metal at the Monthly Average Settlement Price in that same specified month, or vice versa, the declaration of which will take place automatically if the Monthly Average Settlement Price is, in the case of an Average Price Call Option, greater than the Strike Price or, in the case of an Average Price Put Option, less than the Strike Price for the relevant tradeable month;
"Traded Option"	an Option Contract or a Traded Average Price Option;
"Traded Options Committee"	the committee appointed by the Exchange for the purpose of administering trading in Traded Options;

"Traded Options Regulations"	the Regulations set out in Part 5 of the Rules in relation to Metal Options, Traded Average Price Options and Index Options;
"Trading-Only Member"	a Trading Member that is not a Clearing Member;
"Trading Member"	a Member permitted to trade in Contracts, being: (a) in respect of the LME Base Service, a Category 1, 2, 3 or 4 Member; or (b) in respect of the LMEprecious Service, any LMEprecious Member;
"Trading Regulations"	the regulations set out in Part 3 of the Rules;
"Tribunal"	the tribunal of one, two or three arbitrators appointed in accordance with Regulation 3 of Part 8 of the Rules;
"Unallocated Precious Metal Account"	an account maintained with a Precious Metal Clearer for the settlement of unallocated Precious Metal through the Precious Metal Clearing System;
"Undertaking"	the same meaning as set out in section 1161 of the Companies Act 2006;
"Underlying Client Contract"	means (as the context requires): (a) the Client Contract that has resulted from the Execution of an Agreed Trade and that, upon such Execution, resulted in the formation of a Client-Related Cleared Contract pursuant to the Clearing House Rules; and/or (b) a contract between a Client and an Indirect Client, or between any other persons participating in an Indirect Clearing Arrangement, that is formed under contractual terms between the parties and that results from the Execution of an Agreed Trade described in (a) above; and/or (c) any Post-Compression Client Contract that may arise upon Compression under the Exchange Rules of any Underlying Client Contract, and any reference to "the Underlying Client Contract" in the context of any reference to a

	Cleared Contract means the Underlying Client Contract that, upon Execution, resulted in the formation of such Cleared Contract, or any Post-Compression Client Contract relating to such Cleared Contract;
"Unsettled Contract"	a Contract in respect of which the obligations of the parties have not been discharged whether by performance, set-off or otherwise;
"Variation Margin"	(a) in relation to a Cleared Contract, the sum of money determined by the Clearing House under the Clearing House Rules; (b) in relation to a Client Contract, the sum of money determined by the relevant Category 1 or Category 2 Member or LMEprecious Clearing Member (or, where no such Member is a party, by the relevant Category 4 Member or LMEprecious Non-Clearing Member) representing the amount of variation margin called by the Clearing House in respect of the Client-Related Cleared Contract that corresponds to such Client Contract or such larger sum as may be agreed between the parties;
"VWAP"	a volume weighted average price;
"Warrant"	has the meaning set out in Regulation 13.1 of the LMEsword Regulations;
"Weighting"	the factor determined by the Exchange from time to time which, when multiplied by the Settlement Price of a Constituent Metal, determines the contribution to the Index of that Constituent Metal;
"Working Day"	any weekday, Monday to Friday inclusive, which is not a public holiday in England and Wales.

1.2 In Part 8 and Part 10 of these Rules, the additional definitions set out therein shall apply for the purpose of construing the relevant words and expression in those Parts only, unless otherwise indicated.

1.3 Words importing the singular shall, where the context permits, include the plural and vice versa. Words importing gender shall include each gender. Words importing persons shall, where the context permits or requires, include partnerships and corporations.

1.4 Where reference is made to a Regulation in any Part of the Rules it shall be deemed to be a reference to a Regulation in that Part unless the context otherwise requires.

1.5 Where reference is made in these Rules to the "direction" of a Contract, such term shall be construed as follows:

(a) multiple Contracts have the "same direction" where, under each such Contract (i) the same party is the buyer; and (ii) the same party is the seller; and

(b) multiple Contracts have the "opposite direction" where the buyer under one Contract is the seller under the other Contract.

1.6 Any reference to a Warrant being ‘issued’ shall mean the creation of the Warrant within the Account of the relevant Account Holder pursuant to Regulation 3 of the LMEsword Regulations.

1.7 Any reference to a Warrant being ‘delivered’ shall mean a transfer within LMEsword pursuant to Regulation 6 of the LMEsword Regulations.

1.8 Any reference in the Rules or in any Administrative Proce dure issued pursuant to the Rules to any European Union Regulation or Directive or any EU-level rules or legislation made pursuant to any such Regulation or Directive (or any provision thereof) shall be construed to include:

(a) the European Union law provision; and/or

(b) any applicable law in the UK from time to time that substantially incorporates such provision into UK law; and/or

(c) any national law or regulation made in the United Kingdom that replaces or supersedes such Regulation, Directive, rule or legislation; and/or

(d) in the case of a reference to any EU-level rules or legislation made pursuant to any such Regulation or Directive (or any provision thereof), any rule or regulation made in the United Kingdom that further specifies such Regulation or Directive or rules or legislation made thereunder,

as the context requires, having regard to which provision applies to the relevant person or context. For the avoidance of doubt, this rule of interpretation shall apply to the definitions of, and any references to, the Capital Requirements Regulation, EMIR, MiFID II and BMR.

1.9 For the avoidance of doubt, the Exchange may delegate any powers and responsibilities under the Rules to any committee; any such committee may then delegate any such powers and responsibilities from the Exchange to employees and/or representatives of the Company as appropriate in the circumstances.

2. GENERAL

2.1 The Rules are made and subject as provided by law may be altered by the Exchange by way of Notice.

2.2 Administrative Procedures may be issued by the Exchange in relation to commercial, operational, regulatory and compliance matters, and shall have the same force as Rules.

2.3 Where any Administrative Procedure refers to any Rule then:

(a) where such Rule has been amended subsequent to the issuance of such Administrative Procedure, the Administrative Procedure shall, to the extent possible, be construed in a manner consistent with the amended Rule (so that, by way of example, where a specific Rule referred to in an Administrative Procedure is later numbered differently, or contained in a different section or Part of the Rulebook, or has been updated, the Administrative Procedure shall be deemed to refer to the current Rule); and

(b) where the effect of the amendment of such Rule is to render any aspect of an Administrative Procedure to be redundant or manifestly inconsistent with the Rule, such aspects of the Administrative Procedure shall be deemed to have been repealed to the extent of such redundancy or manifest inconsistency, subject that (a) or (b) shall not apply where and to the extent that the Exchange amends, replaces or repeals any Administrative Procedure in order to address any inconsistency between the Rules and the Administrative Procedure.

2.4 Administrative Procedures shall be sent to such class or classes of Member to whom they apply.

2.5 The Rules and Administrative Procedures shall be binding on all Members. Failure to comply with any of them or with any decision of the Exchange or direction of the Exchange made pursuant to them shall constitute a breach of the Rules for the purposes of disciplinary procedures.

2.6 The Directors or Exchange may grant to a Member;

(a) a waiver of; and/or

(b) a modification to

particular requirements of these Rules in such circumstances and subject to such conditions as the Exchange may determine, provided that the Exchange is satisfied that:

(a) compliance with the relevant requirements would be unduly burdensome to the Member;

(b) the waiver or modification would not create unacceptable risks for the Exchange, or the market generally;

(c) the waiver or modification is consistent with the regulatory obligations of the Exchange, including the obligation to maintain orderly markets; and

(d) the waiver or modification would not result in unreasonable or inequitable discrimination between Members.

2.7 Unless otherwise stated, all times in the Rules refer to London time.

PART 2

MEMBERSHIP, ENFORCEMENT AND DISCIPLINE

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PART 2: MEMBERSHIP, ENFORCEMENT AND DISCIPLINE

1. ADMISSION TO MEMBERSHIP

1.1 The Exchange may grant admission to Membership in accordance with these Rules.

1.2 The requirements set out in Regulation 2 of these Membership Regulations shall apply to Candidates applying to participate in the LME Base Service, other than as Registered Intermediating Brokers.

1.3 The requirements set out in Regulation 3 of these Membership Regulations shall apply to Candidates applying to participate in the LMEprecious Service, other than as Registered Intermediating Brokers.

1.4 The requirements set out in Regulation 3A of these Membership Regulations shall apply to Candidates applying to participate in the LME Base Services and/or the LMEprecious Service in the capacity of Registered Intermediating Brokers.

1.5 The requirements set out in Regulation 4 onwards within these Membership Regulations shall apply in respect of all Candidates or Members, regardless of the service in which they are applying to participate, or already participate, save to the extent that any Regulation specifies that it is limited to any particular category of Membership or any particular service.

2. MEMBERSHIP OF THE LME BASE SERVICE

2.1 Eligibility for Membership

2.1.1 The Membership categories described in this Regulation 2 apply to the LME Base Service.

2.1.2 To be eligible for Membership of the LME Base Service, a Candidate must satisfy the eligibility criteria set out below for the class or category of Membership for which they are applying.

2.2 Category 1 Membership:

A Candidate for Category 1 Membership must satisfy the Exchange:-

(a) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(b) that it satisfies the requirements for Category 1 Members set out in Regulation 7 of these Membership Regulations;

(c) that it is capitalised at or above the level for the time being prescribed by the Exchange;

(d) that it enjoys a financial and business standing which, in the opinion of the Exchange, is suitable for Ring Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(e) that the persons to be responsible for trading on its behalf in the Ring have sufficient and relevant experience and qualifications to become Authorised Dealers; in considering experience the Exchange may take into account indications given by a Candidate as to the level and type of trading it intends to conduct in the Ring;

(f) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for Category 1 Membership;

(g) that it is a member of the Clearing House or will, subject to election as a Category 1 Member, become a member of the Clearing House authorised to clear Cleared Contracts;

(h) that it is able to comply with the requirements of the Trading Regulations regarding the delivery of Warrants;

(i) that it becomes an Account Holder in accordance with Regulation 2 of the LMEsword Regulations; and

(j) that it satisfies any and all other criteria for Category 1 Membership, and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

2.3 **Category 2 Membership:**

2.3.1 A Candidate for Category 2 Membership must satisfy the Exchange:-

(a) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(b) that it satisfies the requirements for Category 2 Members set out in Regulation 7 of these Membership Regulations;

(c) that it is capitalised at or above the level for the time being prescribed by the Exchange;

(d) that it enjoys a financial and business standing which, in the opinion of the Exchange, is suitable for Category 2 Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(e) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for Category 2 Membership;

(f) that it is a member of the Clearing House or will, subject to election as a Category 2 Member, become a member of the Clearing House authorised to clear Cleared Contracts;

(g) that it is able to comply with the requirements of the Trading Regulations regarding the delivery of Warrants;

(h) that it becomes an Account Holder in accordance with Regulation 2 of the LMEsword Regulations; and

(i) that it satisfies any and all other criteria for Category 2 Membership, and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

2.4 **Category 3 Membership:**

2.4.1 A Candidate for Category 3 Membership must satisfy the Exchange:-

(a) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(b) that it satisfies the requirements for Category 3 Members set out in Regulation 7 of these Membership Regulations;

(c) that it is capitalised at or above the level for the time being prescribed by the Exchange;

(d) that it enjoys a financial and business standing which, in the opinion of the Exchange, is suitable for Category 3 Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(e) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for Category 3 Membership;

(f) that it is a member of the Clearing House or will, subject to election as a Category 3 Member, become a member of the Clearing House authorised to clear Cleared Contracts;

(g) that it is able to comply with the requirements of the Trading Regulations regarding the delivery of Warrants;

(h) that it becomes an Account Holder in accordance with Regulation 2 of the LMEsword Regulations; and

(i) that it satisfies any and all other criteria for Category 3 Membership, and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

2.5 **Category 4 Membership:**

2.5.1 A Candidate for Category 4 Membership must satisfy the Exchange:-

(a) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(b) that it satisfies the requirements for Category 4 Members set out in Regulation 7 of these Membership Regulations;

(c) that it enjoys a financial business standing which, in the opinion of the Exchange, is suitable for Category 4 Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(d) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for Category 4 Membership; and

(e) that it satisfies any and all other criteria for Category 4 Membership and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

2.5.2 A Category 4 Member may, if it is eligible in accordance with Regulation 2 of the LMEsword Regulations, apply to become an Account Holder in accordance with Regulation 2 of the LMEsword Regulations. Any such Category 4 Member that applies to become an Account Holder must also satisfy the Exchange that it is able to comply with the requirements of the Trading Regulations regarding the delivery of Warrants.

2.6 **Category 5 Membership:**

2.6.1 A Candidate for Category 5 Membership must satisfy the Exchange:-

(a) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(b) that it enjoys a financial business standing which, in the opinion of the Exchange, is suitable for Category 5 Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives; and

(c) that it satisfies any and all other criteria for Category 5 Membership and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

2.6.2 A Category 5 Member need not hold shares in LME Holdings.

2.7 **Honorary Membership:**

Honorary Membership (previously known as Category 7 Membership) may be conferred on individuals at the discretion of the Exchange.

3. MEMBERSHIP OF THE LMEPRECIOUS SERVICE

3.1 Eligibility for Membership

3.1.1 The Membership categories described in this Regulation 3 apply to the LMEprecious Service.

3.1.2 To be eligible for Membership of the LMEprecious Service, and to become an LMEprecious Member, a Candidate must satisfy the eligibility criteria set out below for the class or category of Membership for which they are applying.

3.1.3 For the avoidance of doubt, the requirements for certain LMEprecious Members to hold B Shares is not cumulative with the requirements for certain LME Base Members to hold B Shares (and *vice versa*). For example: if the Exchange has prescribed that a Category 1 Member is required to hold 25,000 B Shares and that an LMEprecious General Clearing Member is required to hold 10,000 B Shares, a Candidate seeking to become both a Category 1 Member and an LMEprecious General Clearing Member would be required to hold 25,000 B Shares in total (not 35,000 B Shares).

3.2 LMEprecious General Clearing Member:

A Candidate for LMEprecious General Clearing Membership must satisfy the Exchange:

(a) that it is a member of the Clearing House, or will, subject to election as an LMEprecious General Clearing Member, become a member of the Clearing House with permission to clear LMEprecious Contracts; and

(b) that it has established one or more Unallocated Precious Metal Accounts of the appropriate type, at a Precious Metal Clearer, to enable the LMEprecious General Clearing Member to make and receive deliveries of unallocated Precious Metal, through the Precious Metal Clearing System, in settlement of LMEprecious Contracts; and

(c) that it is a Member of the LME for the LME Base Service having a Category 1 or 2 Membership; or

(d) if (c) does not apply:

(i) that it is:

(A) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(B) an Overseas Undertaking;

(ii) that it satisfies the requirements for LMEprecious General Clearing Members set out in Regulation 7 of these Membership Regulations;

(iii) that it is capitalised at or above the level for the time being prescribed by the Exchange; and

(iv) that it enjoys a financial and business standing which, in the opinion of the Exchange, is suitable for LMEprecious General Clearing Membership; in considering financial and business standing the Exchange will have separate

regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(e) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for LMEprecious General Clearing Membership; and

(f) that it has met any additional criteria for use of the LMEprecious Service and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

3.3 **LMEprecious Individual Clearing Member:**

A Candidate for LMEprecious Individual Clearing Membership must satisfy the Exchange:

(a) that it is a member of the Clearing House, or will, subject to election as an LMEprecious Individual Clearing Member, become a member of the Clearing House with permission to clear LMEprecious Contracts; and

(b) that it has established one or more Unallocated Precious Metal Accounts of the appropriate type, at a Precious Metal Clearer, to enable the LMEprecious Individual Clearing Member to make and receive deliveries of unallocated Precious Metal, through the Precious Metal Clearing System, in settlement of LMEprecious Contracts; and

(c) that it is a Member of the LME for the LME Base Service having a Category 1, 2 or 3 Membership; or

(d) if (c) does not apply:

(i) that it is:

(A) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(B) an Overseas Undertaking;

(ii) that it satisfies the requirements for LMEprecious Individual Clearing Members set out in Regulation 7 of these Membership Regulations;

(iii) that it is capitalised at or above the level for the time being prescribed by the Exchange; and

(iv) that it enjoys a financial and business standing which, in the opinion of the Exchange, is suitable for LMEprecious Individual Clearing Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(e) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for LMEprecious Individual Clearing Membership; and

(f) that it has met any additional criteria for use of the LMEprecious Service and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

3.4 **LMEprecious Non-Clearing Member:**

3.4.1 A Candidate for LMEprecious Non-Clearing Membership must satisfy the Exchange:

(a) that it has appointed one or more LMEprecious General Clearing Members to clear Agreed Trades in LMEprecious Contracts effected by such LMEprecious Non-Clearing Member;

(b) that it is a Member of the LME for the LME Base Service having a Category 1, 2 or 4 Membership; or

(c) if (b) does not apply:

(i) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(ii) that it satisfies the requirements for LMEprecious Non-Clearing Members set out in Regulation 7 of these Membership Regulations; and

(iii) that it enjoys a financial and business standing which, in the opinion of the Exchange, is suitable for LMEprecious Non-Clearing Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(d) that it has met any additional criteria for use of the LMEprecious Service and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

3.4.2 An LMEprecious Non-Clearing Member must have at all times one or more LMEprecious General Clearing Members appointed to clear Agreed Trades in LMEprecious Contracts effected by such LMEprecious Non-Clearing Member.

3.4.3 For the avoidance of doubt, an LMEprecious Non-Clearing Member shall not be required to use to clear LMEprecious Contracts the same Clearing Member that it uses to clear Contracts subject to the LME Base Service.

3.4.4 An LMEprecious Non-Clearing Member must at all times maintain appropriate arrangements to enable the settlement of any LMEprecious Contract to which it is party. For the avoidance of doubt, such arrangements may include the maintenance of settlement and custody accounts for Precious Metals with: (a) an LMEprecious General Clearing Member; or (b) a Precious Metal Clearer; or (c) a custodian having an account for the settlement of unallocated Precious Metals.

3A. **REGISTERED INTERMEDIATING BROKER MEMBERSHIP**

3A.1 **Eligibility for Membership**

3A.1.1 The Membership categories described in this Regulation 3A apply to Registered Intermediating Brokers.

3A.1.2 To be eligible for Membership as a Registered Intermediating Broker, and to become an RIB Member, a Candidate must satisfy the eligibility criteria set out below for the class or category of RIB Membership for which they are applying.

3A.1.3 For the avoidance of doubt, the requirements for certain RIB Members to hold B Shares is not cumulative with the requirements for certain LME Base Members and/or LMEprecious Members to hold B Shares (and vice versa).

3A.2 **Common Criteria for RIB Membership**:

3A.2.1 A Candidate for RIB Membership must satisfy the Exchange:-

(a) that it is:

(1) an Undertaking which is a body corporate incorporated in the United Kingdom or if not itself a body corporate its principal or managing member is a body corporate incorporated in the United Kingdom; or

(2) an Overseas Undertaking;

(b) that it satisfies the requirements for RIB Members set out in Regulation 7 of these Membership Regulations; and

(c) that it satisfies any and all other criteria for RIB Membership and, if applicable, any and all other special criteria for Overseas Undertakings, which the Exchange may from time to time prescribe.

3A.3 **RIB Tier 1 Membership**:

3A.3.1 A Candidate for RIB Tier 1 Membership must satisfy the Exchange:-

(a) that it enjoys a financial business standing which, in the opinion of the Exchange, is suitable for RIB Tier 1 Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(b) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for RIB Tier 1 Membership; and

(c) that it satisfies any and all other criteria for RIB Tier 1 Membership which the Exchange may from time to time prescribe.

3A.4 **RIB Tier 2 Membership**:

3A.4.1 A Candidate for RIB Tier 2 Membership must satisfy the Exchange:-

(a) that it enjoys a financial business standing which, in the opinion of the Exchange, is suitable for RIB Tier 2 Membership; in considering financial and business standing the Exchange will have separate regard to the Undertaking concerned and the fitness and properness of its employees or representatives;

(b) that it is or will on admission become the legal owner of the number of B Shares prescribed by the Exchange for RIB Tier 2 Membership; and

(c) that it satisfies any and all other criteria for RIB Tier 2 Membership which the Exchange may from time to time prescribe.

3A.5 **Authorisation of RIB Members in respect of specific Contract Types**:

3A.5.1 A Registered Intermediating Broker may be authorised by the Exchange to arrange Agreed Trades in both LME Base Contracts and LMEprecious Contracts, and to thereby participate in both the LME Base Service and the LMEprecious Service, in its capacity as a RIB.

3A.5.2 Notwithstanding Regulation 3A.5.1 above:

(a) a Registered Intermediating Broker shall not be permitted to act as a Trading Member in respect of any Agreed Trade for which it is also acting as a RIB;

(b) a Registered Intermediating Broker shall be permitted to arrange Agreed Trades in Contracts comprising:

(i) RIB Tier 1 Products and RIB Tier 2 Products, where such Member has RIB Tier 1 Membership; or

(ii) RIB Tier 2 Products only, where such Member has RIB Tier 2 Membership;

(c) a Registered Intermediating Broker shall only be required to satisfy the eligibility criteria for the class or category of RIB Membership for which they are applying (including the number of B Shares prescribed by the Exchange for the relevant class of RIB Membership), regardless of whether they are applying to arrange Agreed Trades in LME Base Contracts and/or LMEprecious Contracts;

(d) a Registered Intermediating Broker shall not be required to satisfy the eligibility criteria for LME Base Membership (as set out in Regulation 2 above) or LMEprecious Membership (as set out in Regulation 3 above); and

(e) A Member shall be permitted to hold Registered Intermediating Broker Membership in addition to being a Trading Member, provided that such Member:

(i) shall satisfy the eligibility criteria applicable to all relevant categories of Membership;

(ii) shall comply with the Rules separately as they apply to each such category of Membership;

(iii) shall ensure that it is at all times clear to its Client whether it is acting in its capacity as Trading Member or as Registered Intermediating Broker;

(iv) shall not, in respect of any Agreed Trade, act as both (1) Registered Intermediating Broker and (2) Trading Member and/or Clearing Member; and

(v) shall have established appropriate systems and controls to ensure segregation (to the extent required by applicable law and regulation) of its

activities as a Registered Intermediating Broker from its other LME activities.

3A.5.3 The Exchange may, by the issue of a Notice, recategorise a RIB Tier 1 Product as a RIB Tier 2 Product (or vice versa). In doing so, the Exchange shall consider such factors as, in its discretion, are relevant to a decision to recategorise a RIB Tier 1 Product or a RIB Tier 2 Product. The factors that the Exchange shall have regard to may include, without limitation: (i) average trading volumes; (ii) levels of open interest; (iii) the availability of Incentive Programmes to support liquidity; and (iv) factors specific to the relevant Contract.

3A.5.4 In the event that the Exchange recategorises a RIB Tier 2 Product as a RIB Tier 1 Product, a RIB Tier 2 Member shall cease to be permitted to arrange Agreed Trades in such RIB Tier 1 Products. In order to be able to continue arranging Agreed Trades in such recategorised Contracts, a RIB Tier 2 Members must first obtain RIB Tier 1 Membership, in accordance with the requirements set out in Regulation 3A.3.

3A.5.5 For the avoidance of doubt, any recategorisation of a RIB Tier 1 Product as a RIB Tier 2 Product (or vice versa) shall not affect the permission of a RIB Tier 1 Member to arrange Agreed Trades in such Contract, in accordance with Regulation 3A.5.2(b) above.

3A.5.6 For the avoidance of doubt, the Exchange shall not be required to determine that any Contract should be a RIB Product. Furthermore, the Exchange may, by the issue of a Notice, determine that a Contract shall cease to be a RIB Product. Where a Contract has not been categorised as a RIB Product, or has ceased to be categorised as a RIB Product, a Registered Intermediating Broker shall not be permitted to arrange, or to continue to arrange (as applicable), Agreed Trades in such Contract.

4. COMMON ELIGIBILITY CRITERIA

4.1 Share Capital

4.1.1 The amount prescribed by the Exchange, from time to time, as the minimum Net Worth Requirement for each category of Membership shall be met by permanent capital plus additional capital less disallowables.

4.1.2 Permanent capital shall be issued and fully paid ordinary shares, issued and fully paid preference shares, share premium and other reserves not available for distribution. A deficit in reserves available for distribution will be deducted when calculating permanent capital.

4.1.3 Additional capital shall be other equity reserves (distributable or otherwise) profit and loss reserves and subordinated loans.

4.1.4 Disallowable items are intangible fixed assets such as goodwill, development costs etc., investments in subsidiaries and/or other group companies, shares in the Clearing House and the value of exchange Memberships.

4.2 Overseas Undertakings

(a) A Candidate that is an Overseas Undertaking may not be admitted to Membership in the event that the Exchange does not have any necessary licences, authorisations or regulatory permissions to enable the Exchange to lawfully provide investment exchange services to a person having the same characteristics as the Candidate from that Candidate's (or, where applicable, its principal or managing member's) place of incorporation or any other relevant jurisdiction.

(b) A Candidate that is an Overseas Undertaking may not be admitted to Membership in the event that the jurisdiction of the Candidate's place of incorporation or other relevant jurisdiction is not satisfactory to the Exchange, on the grounds of legal or regulatory risk relating to that jurisdiction.

4.3 **Systems, Controls and Procedures**

A Candidate must have appropriate systems, controls and procedures relating to any applicable legal or regulatory requirement relating to any business activities it may undertake in connection with the use of the facilities of the Exchange, including (but not limited to) anti-money laundering and financial crime systems, controls and procedures, the adequacy of which must be satisfactory to address the risk that the facilities of the Exchange may be used for any improper purpose and to address any applicable legal or regulatory requirements. The Exchange reserves the right, where necessary in response to a legitimate compliance concern, to request from any Candidate or Member from time to time (a) details of such systems, controls and procedures and/or (b) a reasoned legal opinion from a reputable law firm, or a reasoned report from a reputable compliance consultancy, that such systems, controls and procedures are appropriate to address any applicable legal or regulatory requirements, in such format and addressing such concerns as the Exchange may specify.

4.4 **Discretion to Refuse Application on Grounds of Compliance or Risk**

The Exchange shall be permitted to refuse any application for Membership by a Candidate that satisfies the criteria set out above where the Exchange has reasonable grounds for considering that:

(a) the Candidate is unlikely to be capable of complying with its obligations as a Member under these Rules or any Administrative Procedures; or

(b) the Candidate is subject to any legal or regulatory requirement or restriction that may prevent the Candidate from complying fully with any obligation it may have as a Member under these Rules or any Administrative Procedure; or

(c) the admission of the Candidate as a Member would be likely to expose other Members and/or the Exchange and/or the Clearing House to a materially increased level of risk than is generally presented by other Members having the same category of Membership for which the Candidate is applying; or

(d) the Candidate is subject to any form of Sanctions or the directors, officers, employees or agents of it or any of its Affiliates are subject to any form of Sanctions; or

(e) the admission of a Candidate as a Member would expose the Exchange or the Clearing House or any other Member to any risk of infringement of any applicable law, including relevant Sanctions.

5. **APPLICATIONS FOR MEMBERSHIP**

5.1 An application for Membership of the Exchange shall be made in the form prescribed from time to time by the Exchange, obtainable from the teams(s) at the Exchange with responsibility for managing the process of admission to Membership. Each application must be accompanied by such admission Fee as may be prescribed by the Exchange. Where required under Regulation 7.5, such application shall include a legal opinion that satisfies the requirements of that Regulation.

5.2 The Exchange may require from the Candidate such information, and may institute such investigations to verify information submitted by the Candidate, as they deem necessary. The Exchange may require the Candidate, or one or more representatives of the Candidate, to attend for interview by the Exchange or by a committee of the Exchange.

5.3 Following the determination by the Exchange that the Candidate has satisfied all applicable Membership requirements, the Exchange shall promptly publish a Notice informing the market that the Candidate has been approved for Membership of the Exchange.

5.4 The Exchange shall issue a further Notice to inform the market of the "**Go Live Date**" of the Candidate referred to in Regulation 5.3, such date being the date on which the Candidate shall be operationally ready to commence activities on the Exchange. The Exchange shall issue such Notice within such period prior to the Go Live Date as the Exchange considers to be reasonable in the circumstances.

5.5 With effect from the date on which the Exchange publishes the Notice pursuant to Regulation 5.3, the Candidate shall become obligated, as a Member, to pay the subscription applicable to its class or category of Membership.

5.6 The Exchange shall make available a list of all Members on the Exchange's public website at www.lme.com.

5.7 If the Exchange decides not to admit a Candidate to Membership it shall notify the Candidate with a statement of reasons for the refusal and the Candidate may within 14 days of being notified of the Exchange's decision lodge notice of appeal with the Secretary.

5.8 Appeal under this Regulation shall be to a single arbitrator ("**the Arbitrator**") to be appointed by the President for the time being of The Law Society. Regulations 1, 4-10, 14 and 16 of Part 8 of the Rules (amended as set out in Regulation 5.9) shall apply to an appeal under this Rule. The Arbitrator shall consider the written statement of reasons given to the Candidate by the Exchange and any representations made by or on behalf of the Candidate and by or on behalf of the Company. The Arbitrator shall determine whether or not the Exchange correctly interpreted the Membership criteria from time to time applicable in respect of the class of Membership for which the Candidate applied and whether the rules of natural justice were complied with in reaching the decision refusing admission ("**the Decision**"). The Decision shall not otherwise be open for review and the Arbitrator shall have no power to order that the Exchange shall admit the Candidate. The decision of the Arbitrator on questions of fact shall be final and binding on the Company and the Candidate. If the Arbitrator determines that the Exchange did not correctly interpret the relevant Membership criteria, or that the rules of natural justice were not complied with in reaching the Decision, the Exchange shall reconsider the application. In doing so the Exchange shall consider the application afresh and (in particular but without limitation) shall not be obliged to decide the application on the basis only of information available to it prior to the Decision.

5.9 For the purpose only of an appeal under Regulation 5.8, and without prejudice to any powers the Arbitrator may have under English law, the following amendments shall apply to the Arbitration Regulations.

5.9.1 In Regulation 1.1 of Part 8 of the Rules:

(a) defined terms shall be ignored unless used in the Regulations referred to in Regulation 2.8;

(b) "Claimant" shall mean the Candidate;

(c) "Respondent" shall mean the Company;

(d) "Tribunal" shall mean the arbitrator appointed pursuant to Regulation 2.8.

5.9.2 Regulation 6.3 of Part 8 of the Rules shall not apply.

5.9.3 Regulations 10.1(e), (i), (j), (l), (n), and (p)-(s) of Part 8 of the Rules shall not apply.

5.9.4 In Regulation 14.1 of Part 8 of the Rules the words "or by the Company" and "or the Company" shall be ignored.

5.9.5 Regulation 14.3 of Part 8 of the Rules shall not apply.

6. CHANGE IN CLASS OR CATEGORY OF MEMBERSHIP

6.1 Any Member may change their Membership from any class or category of Membership to any other class or category, or add a new category of Membership in respect of a new service, provided that:-

(a) the prior consent of the Exchange is obtained; and

(b) such Member pays any increase in subscription applicable to their new class or category of Membership. A Member shall pay the full amount of subscription applicable to their new class or category of Membership, credit being given for the amount of subscription already paid by the Member in the year of application.

6.2 In deciding whether or not to admit a Member to a different class or category of Membership, the Exchange shall determine whether the Member satisfies the criteria for the new class or category of Membership in accordance with Regulations 1 to 4 above (as applicable).

6.3 Any Member having any category of Membership in respect of the LME Base Service may apply to have any category of Membership in respect of the LMEprecious Service (and vice versa), subject in each case to the application of Regulations 6.1 and 6.2 above.

6.4 Regulations 1 to 4 and Regulations 5.2, 5.4 and 5.5 shall apply *mutatis mutandis* to an application under this Regulation 6 including so that any reference to a "Candidate" shall be construed as a reference to the relevant applicant Member. Any change of the type described in Regulation 6.1 shall be effective from the date stipulated in the Notice to Members in accordance with Regulation 5.4.

6.5 Regulation 10.9 of these Membership Regulations shall apply mutatis mutandis to a change from any class or category of Membership, with the effect that Regulations 10.5, 10.6 and 10.7 of the Membership Regulations shall be construed to apply in respect of the class or category of Membership from which the Member has changed.

7. REQUIREMENTS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

7.1 No person may apply or continue to be a Trading Member or a Registered Intermediating Broker unless they are:

(a) an authorised person or exempt person within the meaning of Part III of FSMA; or

(b) subject to Regulation 7.1A, an authorised investment firm within the meaning of Article 4 of the MiFID II Directive by the competent authority of an EEA State other than the United Kingdom (including a branch established in the United Kingdom of such a firm); or

(c) subject to Regulation 7.1A, an authorised credit institution within the meaning of Article 4.1(1) of the Capital Requirements Regulation by the competent authority of an EEA State other than the United Kingdom (including a branch established in the United Kingdom of such an institution); or

(d) a person whose activities in relation to the Exchange as a Member would not constitute regulated activities (as defined in FSMA) on the basis of an appropriate exclusion under the RAO or under regulation 11(1) of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701) (or any successor regulation to it).

In this Regulation 7.1, "competent authority" and "EEA State" have the meanings given to them in the FCA Handbook.

7.1A From EU Withdrawal Date, any person established in the EEA may only qualify for Membership pursuant to Regulation 7.1(b) or (c) where, and to the extent that, (i) such person is not prohibited under any applicable laws or regulations, from performing any activities on, or in connection with, the Exchange, and (ii) the Exchange is not prohibited from providing access to its facilities to such person under any applicable law; and (iii) where such person is, or is applying to be, a Clearing Member, the Clearing House is not prohibited from providing access to its facilities to such person under any applicable law.

7.2 No Member may undertake any regulated activity (as defined in the FSMA) in relation to the Exchange unless the Member is:

(a) authorised by the FCA to carry on such a regulated activity; or

(b) a person whose activities in relation to the Exchange as a Member would not constitute regulated activities (as defined in the FSMA) on the basis of an appropriate exclusion under the RAO or under regulation 11(1) of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (or any successor regulation to it); or

(c) permitted, pursuant to its status as an exempt person within the meaning of Part III of FSMA, to carry on such regulated activities.

7.3 No person may enter into a Client Contract unless such person or the other party to the Contract is:

(a) where such Contract is an LME Base Contract, a Category 1 Member, Category 2 Member or Category 4 Member; or

(b) where such Contract is an LMEprecious Contract, an LMEprecious General Clearing Member or LMEprecious Non-Clearing Member,

in each case that can validly enter into Client Contracts in accordance with the law of the United Kingdom and any other applicable law or regulation.

7.4 A Member must inform the Exchange immediately of:

(a) any variation or cancellation of permission to carry on a regulated activity, including the withdrawal of the Member's status as an authorised person by the FCA; or

(b) any change of circumstances that may result in the Member no longer being able to rely upon an appropriate exclusion under the RAO; or

(c) any change of circumstances of the Member or any other person (such as the Member's principal under any appointed representative arrangement) that may result in the Member no longer being treated as an exempt person for the purposes of Part III of FSMA, or otherwise no longer being able to rely upon its status as an exempt person to perform any regulated activities in relation to the Exchange.

7.5 A person falling within Regulation 7.1(d) or Regulation 7.2(b) (or, from EU Withdrawal Date, Regulation 7.1A) must:

(a) promptly following a request by the Exchange, provide such information as the Exchange may reasonably request regarding the person's business, regulatory status and the basis on which the person is able to lawfully perform activities in relation to the Exchange in the United Kingdom and any other relevant jurisdictions; and

(b) where requested by the Exchange, include in that person's application for Membership a reasoned legal opinion from a reputable law firm with demonstrable expertise in United Kingdom financial services regulation that the activities to be performed by that person, taking into account that person's proposed category of Membership, could lawfully be performed by that person under the law of their home jurisdiction and under the law of the United Kingdom, notwithstanding that such person is not an authorised person within the meaning of Part III of the FSMA; and

(c) following that person's admission to Membership, promptly following a request by the Exchange:

(1) (where the person has previously provided a legal opinion pursuant to (b) above) provide to the Exchange an updated reasoned legal opinion, from a law firm meeting the requirements in (b), confirming the continuing validity of the opinion provided under (b); and

(2) (where the person has not previously provided a legal opinion pursuant to (b) above) provide to the Exchange a reasoned legal opinion that satisfies the requirements in (b) above.

The Exchange shall be entitled to refuse to accept a legal opinion provided pursuant to this Regulation 7.5 in the event that the Exchange, in its absolute discretion, is not satisfied that the law firm selected by the Candidate or Member has sufficient and appropriate expertise in United Kingdom financial services regulation or where the Exchange, in its absolute discretion, disagrees with the conclusions set out in the legal opinion.

7.6 A person falling within Regulation 7.2(c) must, promptly following a request by the Exchange, provide such information as the Exchange may reasonably request regarding the basis on which the person is able to lawfully perform activities in relation to the Exchange in the United Kingdom and any other relevant jurisdictions, including, where such person is an

exempt person pursuant to the maintenance of appointed representative status under section 39 of FSMA:

(a) the identity and regulatory status of such person's principal (as defined pursuant to section 39 of FSMA);

(b) a copy of any agreement defining the scope of activities for which such person is permitted to act for its principal within the scope of its agreement with such principal; and

(c) any limitations of the scope of appointment of such person by such principal.

7.7 Notwithstanding Regulations 7.1, 7.2, 7.5 or 7.6, the Exchange may:

(a) refuse to admit a Candidate for Membership that is seeking admission on the basis of Regulation 7.1(d) or Regulation 7.2(b) or Regulation 7.2(c) (or, from EU Withdrawal Date, Regulation 7.1A) (as applicable) in the event that:

(1) the Exchange is not satisfied that the Candidate has demonstrated beyond all reasonable doubt that it is able to lawfully perform the activities that it may, or may be required to, perform as a Member of the Exchange notwithstanding that it is not an authorised person within the meaning of Part II of the FSMA; or

(2) the Exchange has reasonable grounds for concern as to the ability of the Candidate to ensure that the activities that it performs as Member in relation to the Exchange shall always fall within the scope of an appropriate exclusion under the RAO; or

(3) the Exchange has reasonable grounds for concern as to the ability of the Exchange and/or the Clearing House to continue to provide access to their respective facilities in accordance with applicable law; or

(b) where a Member is admitted on the basis of Regulations 7.1(d) or 7.2(b) or 7.2(c) or 7.6, suspend or terminate a Member's Membership, or change the category of a Member's Membership in the event that:

(1) the Member fails to comply with Regulations 7.4(b) or 7.5(a) or (c) or 7.6; or

(2) the Exchange has reasonable grounds to believe that the Member may not be able to lawfully continue to perform the activities that it may, or may be required to, perform as a Member of the Exchange with the Member's category of Membership; or

(3) the Exchange has reasonable grounds for concern as to the ability of the Exchange and/or the Clearing House to continue to provide access to their respective facilities in accordance with applicable law.

7.8 Each Member is responsible for ensuring that it and its agents have secured all regulatory approvals needed by them in any jurisdiction in order to perform the activities that the Member may conduct on or in connection with the Exchange and for complying with all applicable laws and regulations applying to such activities.

8. CHANGE IN OWNERSHIP OF A MEMBER

8.1.1 A Member which is a body corporate shall notify the Exchange in writing of the name of any person for the time being holding, or having a beneficial interest in, 10% or more of any class of the equity share capital of the Member or of any Parent Undertaking of the Member, and of any change in such a holding or interest, within seven days of the holding or interest, or a change therein, coming to the Member's notice.

8.1.2 The members of a partnership or an unincorporated association who are joint Members shall notify the Exchange in writing of the name of any person who becomes or ceases to be a partner of that partnership or member of that unincorporated association (as the case may be) within seven days of that event coming to that joint Member's notice.

8.2 Upon receipt by the Exchange of any notice from a Member under Regulation 8.1.1 or 8.1.2 the Exchange may review the suitability of the Member for Membership of the Exchange. The Exchange may require the Member to furnish such additional information as the Exchange may from time to time consider material in the course of such review. If upon completion of the review the Exchange is not satisfied that the Member continues to satisfy the criteria for Membership of the relevant class it shall consider whether to suspend the rights of the Member.

9. DESIGNATION OF MEMBERS

Members may only describe their Membership of the Exchange on any letter heading, advertisements, brochures, or other written material in the following terms:

Type of Member	**Description**
Category 1 Member	"Ring Dealing Member" or "Category 1 Member" of the London Metal Exchange.
Category 2 Member	"Associate Broker Clearing Member" or "Category 2 Member" of the London Metal Exchange.
Category 3 Member	"Associate Trade Clearing Member" or "Category 3 Member" of the London Metal Exchange.
Category 4 Member	"Associate Broker Member" or "Category 4 Member" of the London Metal Exchange.
Category 5 Member	"Associate Trade Member" or "Category 5 Member" of the London Metal Exchange.
Honorary Member	"Honorary Member" of the London Metal Exchange.
LMEprecious General Clearing Member	"LMEprecious General Clearing Member" of the London Metal Exchange.
LMEprecious Individual Clearing Member	"LMEprecious Individual Clearing Member" of the London Metal Exchange.
LMEprecious Non-Clearing Member	"LMEprecious Non-Clearing Member" of the London Metal Exchange.

RIB Tier 1 Member	"Registered Intermediating Broker Tier 1" or "RIB Tier 1 Member" of the London Metal Exchange.
RIB Tier 2 Member	"Registered Intermediating Broker Tier 2" or "RIB Tier 2 Member" of the London Metal Exchange.

The words London Metal Exchange may be abbreviated to LME.

10. WITHDRAWAL FROM MEMBERSHIP

10.1 Subject to Regulation 10.2 to 10.7, a Member may at any time withdraw from Membership of the Exchange and, where the Member (other than a Registered Intermediating Broker) participates in both the LME Base Service and the LMEprecious Service, from any individual service.

10.2 A Member desiring to withdraw from Membership must lodge a notice in writing to that effect (a "**resignation notice**") with the team(s) at the Exchange with responsibility for managing the process of admission to Membership. If the resignation notice is not received by the team on or before the 30th day of November of the year in which the Member intends their Membership to cease, the Member will be liable for payment of the subscription for the following year.

10.3 A Member who gives the Exchange a resignation notice must provide the Exchange with such information concerning the circumstances of the resignation as, in the opinion of the Exchange, is necessary for the Exchange to determine whether:

(a) to accept the resignation;

(b) to postpone the effective date of the resignation;

(c) without prejudice to the courses of action available to the Exchange under sub-paragraphs (a) and (b) above, any other measures should be taken by the Exchange before or after the resignation takes effect.

10.4 The Exchange may, in its absolute discretion, refuse to accept a resignation notice given by a Member or may postpone the effective date if it considers it necessary for the protection of Clients, or otherwise in the interests of the market.

10.5 A Member who ceases to be a Member by virtue of Regulations 10 or 15 (a "**Former Member**") shall remain subject to the Rules and to the jurisdiction of the Exchange including, inter alia, those Rules relating to the retention of records and provision of information, in respect of acts and omissions while they were a Member and in respect of any investigation or disciplinary proceedings relating thereto (including the payment of any fine or application of any other sanction imposed) as if they were a Member, for the longer of:

(a) the period of six years from the date on which they ceased to be a Member; or

(b) the period during which any disciplinary proceedings continue against them, being proceedings started by the Exchange no later than twelve months after the date on which they ceased to be a Member, subject to any extension of the period under Regulation 10.7; or

(c) the period until such time as all their obligations under any Contract entered into by such Member prior to them ceasing to be a Member shall have been discharged.

10.6 Disciplinary proceedings following a Member's resignation may be started by giving notice to the Former Member of an investigation no later than twelve months after the date on which they ceased to be a Member.

10.7 In the event that a Disciplinary Committee concludes that there are, or may be additional matters which should be investigated and in respect of which disciplinary proceedings may be taken, the period referred to in Regulation 10.5 shall be extended until such time as such additional disciplinary proceedings are completed (including the payment of any fine or application of any other sanction imposed).

10.8 Where a Category 5 Member:

(a) does not pay any Membership Fee due to the Exchange, and such fee remains unpaid for more than sixty (60) calendar days from the date on which the Exchange requests that such Fee be paid; or

(b) fails to respond, to the satisfaction of the Exchange, within a period of thirty (30) calendar days to a request for information from the Exchange,

the Exchange may, in its absolute discretion, terminate the Member's Membership. The Exchange shall communicate any such decision to terminate the Member's Membership to the Member in writing. Such notification shall confirm the date on which the Member's Membership shall terminate, and the Membership of the relevant Category 5 Member shall terminate on such date.

10.9 Where a Member resigns from an individual service, and remains a Member of any other service, Regulations 10.5, 10.6 and 10.7 shall be construed to apply only in respect of the service from which the Member has resigned.

11. COMMITTEES

11.1 The Exchange shall appoint such committees with such terms of reference as it may from time to time determine.

11.2 The persons to serve on committees shall be drawn from Exchange staff, Members, Clients and other market participants, warehouses and such other persons with relevant experience as the Exchange may select.

11.3 No person serving on any committee shall, in the absence of bad faith or wilful default, be under any liability whatsoever whether in contract, in tort or otherwise to any Member for any decision taken or other act or omission of the relevant committee.

12. PROVISION OF INFORMATION AND OBLIGATIONS OF MEMBERS

12.1 Each Member (other than Category 5 and Honorary Members) shall provide the following financial, trading and other relevant information to the Exchange:

12.1.1 in relation to Category 1, Category 2, Category 3 and Category 4 Members, LMEprecious Clearing Members and LMEprecious Individual Clearing Members, and Registered Intermediating Broker Members annual audited accounts (including balance sheet, profit and loss account and cash flow statement) within four months of the end of its financial year and those of its ultimate Parent Undertaking (if any) as soon as they are sent to any person entitled to receive them; and

12.1.2 in relation to Category 4 Members, LMEprecious Non-Clearing Members and Registered Intermediating Brokers, the annual statement of capital issued by an independent external auditor, within two weeks of receipt by the Member of the finalised statement; and

12.1.3 such further information in relation to commercial matters as may be required by the Exchange generally or in any specific case; and

12.1.4 such further information in relation to regulatory, compliance and market-conduct related matters as may be required by the Exchange. Without limitation to the generality of the foregoing, where the Exchange deems it necessary, the information required may include information relating to (i) any business in metals of a Member or any of a Member's affiliates, whether that information relates to the business of the Member or of any affiliate; and/or (ii) any business of a Client of a Member in metals. Such business in metals may include, without limitation, "over-the-counter" business in the trading, storage or financing of metals.

12.2 The Exchange in relation to commercial, operational, regulatory and/or compliance matters may request trading or other information regarding any Clearing Member from the Clearing House and the Clearing House shall provide the same.

12.3 The Exchange in relation to commercial, operational, regulatory and/or compliance matters shall be entitled at any time to inspect and take copies of the records, trading information, books of account and other documentation, in whatsoever medium retained, of Members (including, in whatsoever medium retained, any documentation maintained by or in the possession of the Member for any other person) for the purpose of ensuring compliance with the Rules. Where documentation of a Member is maintained for it by a third party, the Member shall procure that access is provided to such documentation as if it were in the possession of the Member.

12.4 Any person or persons whom the Exchange appoints to do so shall be entitled at any time to attend at the premises of any Member for the purpose of inspecting any of the matters referred to in Regulations 12.1 and 12.3 and the Member shall ensure that all cooperation is afforded.

12.5 The Exchange and any person or persons appointed by the Exchange to do so may cooperate with any governmental or international agencies, any investment exchanges, any clearing houses and self-regulatory and other regulatory or enforcement organisations in such manner as each of the Exchange or a person appointed by the Exchange thinks fit and shall, in particular, be permitted to divulge to any of the aforesaid persons or bodies any information for the time being in the possession of the Exchange regarding any Member's financial condition or trading activity including any information obtained pursuant to Regulations 12.1 to 12.4.

12.6 A Member shall:

(a) observe high standards of integrity and fair dealing;

(b) observe high standards of market conduct and have regard to the standards and guidance as provided by the FCA and industry bodies such as, without limitation, the FIA;

(c) establish and maintain a system of internal controls, including without limitation, appropriate and adequate risk management systems, which are appropriate to the nature, scale and complexity of the Member's business on the LME market and to the Member's obligations under the Rules and, where relevant, the Clearing House Rules.

The system of internal controls shall be documented, reviewed on a regular basis and supported by written procedures;

(d) either avoid any conflict of interest arising between itself and a Client or, where conflicts arise, manage conflicts of interest fairly. A Member shall ensure fair treatment to all its Clients and a Member shall not unfairly place their interests above those of their Clients. A Member shall comply with any guidance as published by Notice by the Exchange from time to time;

(e) ensure its internal record-keeping is appropriate and adequate;

(f) ensure that it has appropriate and adequate business continuity plans and must participate in any mandatory business continuity tests notified to the Member by the Exchange from time to time;

(g) ensure that all of its Dealers, Member Representatives, staff and directors involved in the conduct of business on the Exchange are fit and proper, suitable, appropriately and adequately trained, properly supervised, and, where appropriate, suitably qualified;

(h) ensure that any business conducted on the Exchange by it, its Dealers and Member Representatives, complies with the Member's, the Dealers' and the Member Representatives' obligations under the Rules;

(i) ensure that any business conducted by it, or by or through any of its Dealers or staff or Member Representatives, shall not cause the Member, its Dealers, Member Representatives or the Exchange or Clearing House or any of their respective staff to be in breach of any applicable laws and/or regulations, including without limitation any relevant Sanctions (except to the extent that any obligation or undertaking contemplated by this Regulation 12.6(i) would be in conflict with any applicable laws purporting to nullify or restrict the effect of foreign Sanctions or preventing boycotts);

(j) ensure that it does not enter orders into or make or facilitate trades via LME Select or in the inter-office market in or from a jurisdiction where the Exchange does not have the relevant regulatory licences or approvals (if such regulatory licence or approval is required) if to do so would put the Exchange in breach of any legal or regulatory obligations to which it might be subject within that jurisdiction or would bring the Exchange into disrepute with the regulatory authority within such jurisdiction. A Member shall observe the requirements set out in the Jurisdictions Notice, as updated from time to time;

(k) ensure that any hardware, information technology or any online services provided to it, or any of its Dealers or Member Representatives, or made available to it, or any of its Dealers or Member Representatives, pursuant to its Membership of the Exchange shall only be used for the purposes of conducting its business and activities as a Member of the Exchange, in accordance with these Regulations;

(l) retain all relevant documentation, and provide the Exchange with copies thereof on request, in relation to all Contracts arranged, or entered into, by them and also in relation to all other contracts arranged, or entered into, by them for the purchase and sale of primary aluminium, aluminium alloy, cobalt, copper, lead, molybdenum, nickel, steel, tin, zinc, including:

- any option for the purchase and sale of any such metal; and

- any contract for difference, swap, or similar contract based on the price of any such metal;

(m) deal with the Exchange in an open and cooperative manner and keep the Exchange promptly informed of any matter concerning the Member which the Exchange might reasonably expect to be disclosed to it. This duty of disclosure shall arise as soon as the Member becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise;

(n) have, implement and maintain policies and procedures that are adequate to ensure compliance with applicable Sanctions, and, at the request of the Exchange and/or the Clearing House, promptly provide satisfactory evidence of such policies and procedures (including, without limitation, copies thereof) and of the adequate implementation and maintenance of such policies and procedures (except to the extent that any obligation or undertaking contemplated by this Regulation 12.6(l) would be in conflict with any applicable laws purporting to nullify or restrict the effect of foreign Sanctions or preventing boycotts);

(o) notify the Exchange and the Clearing House as soon as reasonably practicable upon becoming aware of significant disruptions to its systems which have the potential to impact the orderly functioning of the Exchange or the Clearing House, including such disruption caused by any unauthorised use of a computer and/or system. Factors that may indicate significant system disruptions impacting the functioning of the Exchange include (but shall not be limited to) any major malfunction or breakdown of the following, however caused;

(i) the Member's trading system; or

(ii) the Member's system for order management, such that it adversely affects the ability of the Member and/or its Client(s) to enter, adjust or cancel their orders; or

(iii) any application programming interfaces ("APIs") or graphical user interfaces ("GUIs") through which the Member's systems interface with the systems of the Exchange;

(p) notify the Exchange and the Clearing House as soon as reasonably practicable upon becoming aware of any of the following:

(i) any Sanctions of which it has become the target;

(ii) any change to the Member such that it is or becomes incorporated, registered, located, organised, domiciled or resident in any jurisdiction subject to Sanctions;

(iii) any of its Affiliates, Clients, directors, officers, employees or agents or any of its Affiliates' directors, officers, employees or agents, to its knowledge:

(1) being the target of any Sanction;

(2) being or becoming incorporated, registered, located, organised, domiciled or resident in any jurisdiction subject to Sanctions,

unless, in any case, the same is permitted pursuant to an exemption or exception in the applicable laws establishing the Sanctions or any regulations thereunder or subject to an applicable license granted by all relevant governmental authorities under that applicable law;

(iv) details of any order or transaction in metal derivatives which if made on, or reported to, the Exchange, would take place in circumstances where the Member would be in breach of Regulation 12.6(i) above; and

(q) be responsible for and remain liable for:

(i) any failure of a Dealer, Member Representative or member of staff to comply with their obligations under the Rules; and

(ii) the failure of a Dealer or Member Representative to pay an automatic fine, a fine or order for costs imposed by the Ring Disciplinary Committee, or Disciplinary Committee that has not been overturned by an Appeal Committee.

12.7 No Member shall:

(a) manipulate or attempt to manipulate the market or any prices, indices or benchmarks set or otherwise published by the Exchange;

(b) engage in or attempt to engage in insider dealing;

(c) create or attempt to create a disorderly market; or

(d) enter an order in LME Select where the Member has beforehand engaged in Pre-Trade Communications except as permitted in Regulation 2.2A of Part 3 of these Rules; or

(e) knowingly facilitate, fail to take reasonable steps to prevent or assist its Clients, or any other person, to do any of (a), (b) or (d) above.

12.8 Where applicable under Regulation 7.5, a Member shall provide to the Exchange a legal opinion that satisfies the requirements of that Regulation, which shall be updated at such frequency as may be required pursuant to that Regulation.

12.9 Subject to Regulation 12.6(j) above, Members must notify the Exchange, as applicable:

(a) on entering into a client relationship with any Client meeting the classification of "retail client", and prior to entering into or (in the case of RIBs) arranging a Contract on behalf of such Client; or

(b) prior to re-categorising an existing Client that is either a "professional client" or "eligible counterparty" as a retail client,

where the terms "retail client", "professional client" and "eligible counterparty" appear they shall have the same meanings ascribed to them in MiFID II.

12.10 In the circumstances described in Regulation 12.10.1 below, the Exchange may take any of the actions described in Regulation 12.10.2.The circumstances are that the Exchange suspects that a Client or any member of its Group or any other person who is a direct or indirect client

of a Member whether in respect of Contracts or Applicable OTC Contracts or otherwise (such person being a "Client of Concern"):

(a) is, or has been, involved in conduct that involves:

(i) the manipulation or attempted manipulation of the market or any prices, indices or benchmarks set or otherwise published by the Exchange; or

(ii) the creation or attempted creation of a disorderly market; or

(b) is, or has been, in breach of any Sanctions; or

(c) is, or has been in breach of any applicable law or regulation relevant to the use by such person of any facilities of the Exchange or the entry into, or performance of, any Contracts or Applicable OTC Contracts and/or the use, holding of, or transactions in, any metal that is an LME-listed brand of metal; or

(d) is assisting or has assisted any other person to do any of (a), (b) or (c) above; or

(e) fails to co-operate with any Investigation by the Exchange into whether such Client of Concern or member of its Group is, or has been, involved in any conduct of the nature described in (a) to (d) above (including through any failure to promptly provide any relevant information requested by the Exchange in connection with such Investigation).

12.10.2 The Exchange may direct any Member, or all Members, to take such action as the Exchange may direct in order to mitigate the potential impact of such Client of Concern on the Exchange and/or the market for metals listed on the Exchange. Such action may include, but is not limited to:

(a) providing to the Exchange relevant information regarding the Client of Concern that the Exchange may request, in connection with any investigation by the Exchange and/or any regulatory authority into any matters described in Regulation 12.10.1;

(b) requiring the Member to obtain the prior agreement of the Exchange to the agreement of any Agreed Trade and/or Contract or Applicable OTC Contract with or for the Client of Concern;

(c) ceasing to effect Cleared Contracts and/or Client Contracts and/or Applicable OTC Contracts with or for the Client of Concern; or

(d) reducing Client Contract positions or Applicable OTC Contract positions with the Client of Concern, or trading out of such positions altogether.

12.10.3 When exercising its powers under Regulation 12.10, the Exchange:

(a) may consult with, and share information regarding, a Client of Concern with the FCA and any other relevant regulatory authority; and/or

(b) may take into account the conduct, behaviour and/or other relevant circumstances of any person that the Exchange considers may be connected to, or may have a material ability to affect, the activities of the Client of Concern in connection with any of the facilities of the Exchange or the entry into, or performance of any Contracts or

Applicable OTC Contracts and/or the use, holding of, or transactions in, any metal that is an LME-listed brand of metal.

13. INVESTIGATIONS INTO SUSPECTED ACTS OF MISCONDUCT

13.1 In accordance with this Regulation 13, the Exchange may conduct an Investigation or appoint a suitable person to conduct an Investigation, where it considers, in its absolute discretion, there to be good reason to suspect that one or more Acts of Misconduct may have occurred.

13.2 An Act of Misconduct is:

(a) any violation or attempted violation of the Rules or participation in conduct by a third party which would be a violation or attempted violation of the Rules if that third party were subject to the Rules;

(b) a failure to pay an automatic penalty charge, a fixed penalty fine or a fine or order for costs imposed by a Disciplinary Committee that has not been overturned by an Appeal Committee;

(c) in the case of a Dealer or Member Representative, failure to pay an automatic fine or fine, or order for costs imposed by the Ring Disciplinary Committee, or Disciplinary Committee that has not been overturned by an Appeal Committee;

(d) a Serious Offence committed by a Dealer or Member Representative;

(e) an LME Select Offence committed by an LME Select Participant;

(f) conduct which has brought or may be likely to bring the Exchange or any of its markets into disrepute;

(g) provision to the Exchange of information (including information for the purpose of obtaining Membership) which is false, misleading or inaccurate;

(h) ceasing to meet eligibility criteria for Membership as set out in Regulations 1 to 4 without notifying the Exchange;

(i) a failure to comply with a direction of the Exchange as to the apportionment of liability for the registration fee pursuant to the LME's complaints procedure;

(j) entering an order in LME Select where the parties have beforehand engaged in Pre-Trade Communications except as permitted in Regulation 2.2A of Part 3 of these Rules; and

any other matter of which the Exchange may, from time to time, publish by way of Notice.

13.3 The Exchange shall issue a written Notice of Investigation (NoI) notifying the Member and, where relevant, the Dealer, Member Representative or an LME Select Participant, that it has commenced an Investigation. The NoI shall be addressed to the Compliance Officer of the Member and, where relevant, to the Dealer or the Member Representative, and shall contain a brief description of the matter under Investigation.

13.4 The Exchange may, in its absolute discretion, expand the scope of an Investigation if it considers it appropriate to do so. The Exchange shall notify the Member and, where relevant,

the Dealer or Member Representative in writing that the scope of the Investigation has been expanded.

13.5 In the course of conducting an Investigation, the Exchange may appoint any external advisors and / or expert witnesses as it deems fit. Any external adviser or expert witness appointed by the Exchange shall be required to treat all information obtained in the course of the Investigation as confidential and will not disclose this information to any other party (other than the Exchange) unless compelled to do so by law or regulation, or unless the external advisor or expert witness has the Exchange's prior written consent to disclose the information to another party.

13.6 Members, Dealers and Member Representatives shall co-operate fully with all Investigations conducted by the Exchange (whether or not the Member, Dealer or Member Representative is the subject of the Investigation). In particular, and without limitation, a Member (and so far as it is applicable, a Dealer and a Member Representative) shall:

(a) act in an open and co-operative manner, be honest and truthful and not mislead or attempt to mislead the Exchange or conceal or omit any matter that is relevant, or is likely to be relevant, to the Investigation;

(b) provide full and complete responses to all requests for information made by the Exchange, including information relating to business conducted by, or on behalf of, Clients, and to provide all documents and records that the Exchange considers relevant to the purposes of the Investigation unless such information, documents or records are legally privileged or otherwise legally protected from disclosure;

(c) comply with timelines set by the Exchange for responding to requests for information and / or for providing requested documents and records. Such timelines may be extended upon the agreement of the Exchange, which will be granted if the Exchange, in its absolute discretion, deems it reasonable to grant such an extension;

(d) make available for interview such of their officers, employees, contractors or agents (including Member Representatives and Dealers) as may be reasonably requested in order that they may answer questions and explain any matter that the Exchange considers relevant to the Investigation. All interviews shall be recorded, either by hand or electronically;

(e) Comply fully with their obligation to provide information in accordance with Regulation 12; and

(f) permit those persons appointed by the Exchange to conduct, or assist in conducting, the Investigation, to attend at any time the premises of any Member for the purpose of inspecting any systems, documents and records that the Exchange considers relevant for the purposes of the Investigation.

13.7 The Exchange may refer the conduct of a Member, Dealer, Member Representative or any other person that has been considered during the Investigation to the FCA or other appropriate authorities pursuant to Regulation 12.10.3.

13.8 Where some or all of the findings of an Investigation may be of relevance to the market in general, the Exchange may publish such findings as it deems appropriate.

14. DISCIPLINE

Outcomes of an Investigation

14.1 The Exchange may at the conclusion of an Investigation take one of the following courses of action:

(a) take no further action. In such circumstances, the Exchange shall notify the Member, Dealer or Member Representative or any other person concerned in writing;

(b) issue a Private Warning in accordance with Regulations 14.2 to 14.5;

(c) impose a Fixed Penalty in accordance with Regulations 14.6 to 14.8; or

(d) refer the matter to the Enforcement Committee in accordance with Regulation 14.9 to 14.11.

Private Warning

14.2 Where it has reasonable grounds to conclude that a Member, Dealer or Member Representative may have committed an Act of Misconduct, the Exchange may, in its absolute discretion, determine whether to issue a Private Warning instead of pursuing disciplinary action.

14.3 Prior to issuing a Private Warning, the Exchange shall notify the Member, Dealer or the Member Representative in writing that it has concerns that they may have committed an Act of Misconduct, and that the Exchange proposes to issue a Private Warning. The Member, Dealer or the Member Representative shall have an opportunity to respond in writing to the Exchange regarding whether a Private Warning is appropriate in the circumstances.

14.4 If, in its absolute discretion, and having considered any responses from the Member, Dealer or the Member Representative in accordance with Regulation 14.3, the Exchange considers it appropriate, the Exchange shall issue the Private Warning in writing to the Member, Dealer or Member Representative. A Private Warning shall identify and explain the Exchange's concerns about the conduct of the Member, Dealer or Member Representative. The issuance of any Private Warning shall be private and no notice shall be published. There shall be no right of appeal against a Private Warning.

14.5 A Private Warning will not constitute a form of a disciplinary sanction but may be taken into account by the Exchange or the Enforcement Committee or any Disciplinary Committee or Appeal Committee when considering any subsequent Acts of Misconduct by the Member, Dealer or Member Representative. A Private Warning shall stay on the record of the relevant Member, Dealer or Member Representative for a period of two years from the date of issuance of the Private Warning. After the expiration of a two year period a Private Warning may not be taken into account by the Exchange or the Enforcement Committee or any Disciplinary Committee or Appeal Committee.

Fixed Penalty

14.6 The Exchange may, in its absolute discretion, impose a Fixed Penalty on a Member in respect of a Fixed Penalty Offence.

14.7 Prior to imposing a Fixed Penalty, the Exchange shall notify a Member in writing of its intention to impose a Fixed Penalty and will allow the Member the opportunity to respond in

writing. The Exchange may, having considered any response from the Member, impose a Fixed Penalty in accordance with Regulation 14.6. The Fixed Penalty Notice shall contain details of the Fixed Penalty Offence and the amount of the Fixed Penalty to be paid.

14.8 A Member may appeal against the imposition of a Fixed Penalty by lodging a Fixed Penalty Appeal with the Head of Enforcement within five (5) Business Days of receiving the Fixed Penalty Notice. The Head of Enforcement shall refer the Fixed Penalty Appeal to the Chairman of the Disciplinary Panel who will constitute a Disciplinary Committee in accordance with Regulation 14.81 in order to determine the Fixed Penalty Appeal. The Fixed Penalty Appeal shall be conducted in accordance with Regulations 14.60 to 14.68.

Preliminary Findings, Member Response & Report

14.9 Following an Investigation and in circumstances where the Exchange is considering referring the matter to the Enforcement Committee in accordance with Regulation 14.1(d), the Exchange may in its absolute discretion, provide the Member or, where relevant, the Dealer or Member Representative with a written summary of its preliminary findings.

14.10 If the Member or, where relevant, the Dealer or Member Representative wishes to dispute any or all of the preliminary findings, it shall have twenty (20) Business Days from the date of having being notified of the Exchange's preliminary findings to submit a written response to the Exchange.

14.11 The Exchange shall consider any written response received pursuant to Regulation 14.10 and, where it considers it appropriate, may amend any or all of its preliminary findings. If the Exchange, having considered any response submitted pursuant to Regulation 14.10, considers that there are grounds to believe that one or more Acts of Misconduct has occurred, it shall submit a report detailing the findings of the Investigation and any response received from the Member or, where relevant, the Dealer or Member Representative, pursuant to Regulation 14.10, to the Enforcement Committee (a "Report").

Institution of Proceedings by the Enforcement Committee

14.12 The Enforcement Committee shall consider the Report and may take any of the following actions in respect of any Act of Misconduct by a Member, or by a person deemed to be the responsibility of a Member, or with regards to Serious Offences, a Dealer or Member Representative:

(a) instruct the Exchange to take no further action and inform the Member concerned of this in writing;

(b) recommend to the Exchange that a Private Warning be issued by the Exchange in writing in accordance with the provisions of Regulations 14.2-14.5 above;

(c) permit the Exchange a period during which to hold discussions with the Member, Dealer or Member Representative regarding settlement in accordance with the provisions of 14.66-14.69 below (after which period, where no settlement is reached, disciplinary proceedings would be instituted); or

(d) institute disciplinary proceedings against any Member, Dealer or Member Representative.

Disciplinary Proceedings

14.13 Where the Enforcement Committee decides, pursuant to Regulation 14.12(d) to institute disciplinary proceedings, the Exchange shall serve a notice, approved by it setting out the alleged Act of Misconduct together with a summary of the facts relied upon ("the Disciplinary Notice") on the Member or, with regards to Serious Offences, the Dealer or Member Representative concerned.

Defence

14.14 The Member, Dealer or Member Representative has twenty (20) Business Days from service of the Disciplinary Notice in which to serve a statement of defence ("the Defence") responding to all or any of the allegations, stating its intended pleas and what admissions of fact, if any, it makes.

14.15 Where no Defence has been served pursuant to Regulation 14.14, and no settlement has been reached, pursuant to Regulations 14.66 to 14.69 inclusive, the Member, Dealer or Member Representative will be deemed to have accepted the facts and matters alleged in the Disciplinary Notice.

14.16 Having seen and considered the Defence, the Exchange may either:

(a) continue disciplinary proceedings;

(b) discontinue disciplinary proceedings.; or

(c) issue a Private Warning in accordance with Regulations 14.2-14.4 above.

14.17 In the case of 14.16(a), the Head of Enforcement shall refer the case to the Chairman of the Disciplinary Panel who will constitute a Disciplinary Committee in accordance with Regulation 14.The Disciplinary Committee shall notify the Exchange and the Member, Dealer or Member Representative in writing that it has been constituted and the date on which it has been constituted. In the case of 14.16(b) or 14.16(c), any such decision shall be subject to ratification by the Enforcement Committee, and shall not be effective until such ratification. Following ratification, the Exchange shall inform the Member, Dealer or Member Representative of the decision in writing. For the avoidance of doubt, this Regulation is without prejudice to the ability of the Exchange to settle the matter at any time in accordance with the provisions of Regulations 14.66 to 14.69 below.

Procedure for Disciplinary Proceedings

14.18 Not later than twenty (20) Business Days following the date on which the Disciplinary Committee was constituted in accordance with Regulation 14.17 above, the Disciplinary Committee shall:

(a) provide the parties with written directions as to the conduct of the case; or

(b) make arrangements for a pre-hearing review.

14.19 Without prejudice to the power of the Disciplinary Committee to conduct proceedings as it sees fit, it is the intention of both the Exchange and its Members that disciplinary proceedings will generally be conducted wholly in writing, unless there is a compelling reason otherwise (for example, without limitation, the complexity of the case or the need to cross-examine witnesses), in order to save costs and ensure the expeditious resolution of the matter. If the Exchange or Member, Dealer or Member Representative request that the proceedings be

conducted by way of a hearing, the Disciplinary Committee may direct that the proceedings be conducted by way of an in person hearing.

Directions

14.20 The Disciplinary Committee may give all such directions and take such other steps as it considers appropriate for the clarification of the facts and issues and for the just and expeditious determination of the case.

14.21 Where the Disciplinary Committee considers that a pre-hearing review is required, the Exchange and the Member, Dealer or Member Representative shall attend the pre-hearing review and may be legally represented.

14.22 Without restriction on its general power to give directions, the Disciplinary Committee may, in any written directions (whether or not following any pre-hearing review):

14.22.1 fix a time and place and/or make other arrangements for any oral hearing, if the Disciplinary Committee considers it necessary to schedule a hearing;

14.22.2 direct that the hearing or any part of the hearing proceed by way of oral arguments or oral witness testimony, otherwise it shall be presumed that evidence will presented to the Disciplinary Committee in writing in accordance with Regulation 14.19;

14.22.3 direct the Exchange or the Member, Dealer or Member Representative to disclose and serve copies of any document or any other evidence in the possession of the Exchange, Member, Dealer or Member Representative, except documents which are subject to legal privilege;

14.22.4 direct the Exchange to present its case before the Disciplinary Committee, including any written evidence on which the Exchange intends to rely upon;

14.22.5 direct the Member, Dealer or Member Representative to present their response to the Exchange's case, including any written evidence on which the Member, Dealer or Member Representative intends to rely upon;

14.22.6 direct the Exchange or the Member, Dealer or Member Representative to provide the names of all witnesses on whose evidence they intend to rely, and their statements or an outline of proposed evidence;

14.22.7 direct the Exchange and/or the Member, Dealer or Member Representative the opportunity to respond to the other party's submissions;

14.22.8 make time limits for complying with directions and orders or for any other purpose of the proceedings;

14.22.9 grant leave to the Exchange or the Member, Dealer or Member Representative to amend any documents which have been submitted to the Disciplinary Committee where it is fair and expedient to do so. Within such period of time of the grant of leave to amend as shall be specified by the Disciplinary Committee, the party granted such leave shall serve the amended document on the other party;

14.22.10 extend or abridge time limits; and/or

14.22.11 make any order for the payment of costs of or in connection with pre-hearing preparation or any pre-hearing review, or for the payment of costs of or in connection with preparation of written materials submitted to the Disciplinary Committee.

14.23 In the event that the Member, Dealer or Member Representative fails to comply with any direction, any of the aforementioned may apply to the Disciplinary Committee for an order that the Member, Dealer or Member Representative or Exchange be precluded from submitting materials to the Disciplinary Hearing unless the direction is complied with. In addition, failure by the Member, Dealer or Member Representative to comply with any direction may be adduced by the Exchange before the Disciplinary Committee for such inferences to be drawn as are proper in all the circumstances.

14.24 In the event that the Exchange fails to comply with any direction, the Member, Dealer or Member Representative may apply to the Disciplinary Committee for an order that the Exchange be precluded from pursuing the case unless the direction is complied with, or an order that the case be dismissed.

Procedure for Disciplinary Hearings in Person

14.25 The following provisions shall apply where the Disciplinary Committee proposes to hold a hearing in person:

14.26 The date of any hearing shall be set in the written directions or at the pre-hearing review, where held. The Exchange and the Member, Dealer, or Member Representative shall attend the hearing and may be legally represented.

14.27 All parties attending any hearing, including any witnesses to be called by either party, shall be given reasonable notice of the date, time and venue.

14.28 The Disciplinary Committee shall adopt the following procedure at a hearing, unless the Disciplinary Committee determines that there are reasonable grounds for adopting an alternative procedure:

14.28.1 the Exchange to open the case;

14.28.2 the Exchange to adduce evidence and to call witnesses whom the Member, Dealer or Member Representative may then cross-examine, the Exchange re-examine, and who may be asked questions by the Disciplinary Committee;

14.28.3 the Member, Dealer or Member Representative to adduce evidence and to call witnesses whom the Exchange may cross-examine, the Member re-examine and who may be asked questions by the Disciplinary Committee;

14.28.4 the Exchange to address the Disciplinary Committee;

14.28.5 the Member, Dealer or Member Representative to address the Disciplinary Committee.

The Determination

14.29 Having considered the arguments of the parties and any evidence that has been adduced during the disciplinary proceedings the Disciplinary Committee shall publish its findings in writing to the parties as soon as practicable, including any penalty to be imposed.

14.30 Where the Disciplinary Committee is satisfied that the Member, Dealer or Member Representative has committed an Act of Misconduct, but wishes to hear further representations as to the penalty to be imposed, it may elect to provide the parties with an opportunity to make representations before determining the penalty to be imposed.

14.31 In such case, the Disciplinary Committee shall announce the penalty to be imposed as soon as possible.

14.32 Any penalty imposed shall take into account any representations made by the parties, all the circumstances of the offence and may take into account any previous disciplinary record and/or any Private Warnings issued within the preceding two years before deciding the penalty to be imposed and the costs to be ordered.

14.33 The written decision of the Disciplinary Committee shall include, without limitation, its findings of fact, its findings as to whether any charges not admitted are proved, the reasons for its decision and any penalties to be imposed on the Member, Dealer or Member Representative together with an indication as to whether any part of the penalty relates to an order made under Regulation 14.35.3 and/or Regulation 14.35.4 and what part is purely punitive.

14.34 Subject to appeal, and unless the Disciplinary Committee determines otherwise, any penalty imposed shall take effect ten (10) Business Days after service of the written decision.

Penalties

14.35 The Disciplinary Committee may impose one or more of the following penalties:

14.35.1 a reprimand;

14.35.2 a fine;

14.35.3 an order that the Member, Dealer or Member Representative make restitution to any person, including without limitation, the Exchange, when the Member, Dealer or Member Representative has profited from an Act of Misconduct at that person's expense;

14.35.4 an order that the Member, Dealer or Member Representative forfeit to the LME any gains made as a result of a proven breach of the Rulebook;

14.35.5 a requirement to comply with such terms and conditions as appropriate;

14.35.6 temporary or permanent withdrawal of Dealer or Member Representative (including Clerk) status and/or withdrawal of a Dealer or Member Representative’s admission rights to the Dealing Area;

14.35.7 suspension or expulsion from Membership subject to ratification by the Exchange.

Indicative Penalties

14.36 Where appropriate, the Exchange may propose, subject to ratification by the Enforcement Committee, indicative penalties to be attached to certain offences covered by these Regulations. These indicative penalties shall represent the level of penalty the Exchange and the Enforcement Committee considers appropriate for an offence given no aggravating or mitigating circumstances.

14.37 Such indicative penalties shall be notified from time to time to all Members by way of a Notice.

14.38 Penalties so notified shall be indicative only and shall not fetter the discretion of a Disciplinary Committee or Appeal Committee to set the penalty it deems appropriate in all the circumstances of the case in question.

Costs

14.39 Costs are at the discretion of the Disciplinary Committee. It may order any party to pay such costs as it thinks appropriate, including, but not limited to, costs incurred in the Investigation, preparation and presentation of the case, including administrative costs.

Appeal Proceedings Relating to Disciplinary Committee Decisions

14.40 Without prejudice to the power of the Appeal Committee to conduct proceedings as it sees fit, it is the intention of both the Exchange and its Members that appeal proceedings will generally be conducted wholly in writing, in order to save costs and ensure the expeditious resolution of the appeal. If the Exchange or Member, Dealer or Member Representative request that the appeal proceed by way of a hearing, the Appeal Committee may direct that the appeal proceed by way of an in person hearing. During the appeal process, the Exchange and the Member, Dealer or Member Representative may be legally represented.

14.41 Within ten (10) Business Days of service of the Disciplinary Committee's decision, the Member, Dealer or Member Representative may appeal by serving a Notice of Appeal on the Chairman of the Appeal Panel and the Exchange. On receipt of the Notice of Appeal, the Chairman of the Appeal Panel shall, in accordance with Regulation 14.83, constitute an Appeal Committee to determine the appeal.

14.42 Within ten (10) Business Days of service of the Disciplinary Committee's decision, the Exchange may appeal to the Appeal Committee by serving a Notice of Appeal on the Chairman of the Appeal Panel and the Member, Dealer or Member Representative.

14.43 A Notice of Appeal shall set out the grounds of the appeal and shall contain a brief statement of all matters relied upon by the appellant.

14.44 The grounds of the appeal in the Notice of Appeal may be any one or more of the following:

14.44.1 the Disciplinary Committee misdirected itself;

14.44.2 the Disciplinary Committee's decision was

(a) one which no reasonable Disciplinary Committee could have reached;

(b) unsupported by the evidence or was against the weight of the evidence; and/or

(c) based on an error of law, or misinterpretation of the Rules.

14.44.3 the penalty imposed by the Disciplinary Committee was either excessive or insufficient; or

14.44.4 new evidence is available and that, had it been adduced, the Disciplinary Committee could reasonably have come to a different decision provided that this will not apply if the evidence could have been adduced before the Disciplinary Committee by the exercise of reasonable diligence on the part of the party seeking to appeal.

14.45 In accordance with Regulation 14.40 above, the Appeal Committee shall adhere to the following procedure when conducting proceedings wholly in writing, unless the Appeal Committee determines that there are reasonable grounds for diverging from the below procedure:

14.45.1 the appellant shall provide detailed information regarding the grounds of the appeal and the matters that it relies upon in submitting an appeal;

14.45.2 the other party may make a submission in response;

14.45.3 the appeallant may make a final submission.

14.46 In the event that the appeal procedure is conducted orally, the Appeal Committee shall adhere to the following procedure during the hearing, unless the Appeal Committee determines that there are reasonable grounds for diverging from the below procedure:

14.46.1 the appellant will open the appeal;

14.46.2 any witnesses called may be cross-examined and re-examined by the parties and questioned by the Appeal Committee;

14.46.3 the other party may make submissions in response;

14.46.4 the appellant may make closing submissions.

14.47 The Appeal Committee shall announce its decision to the parties as soon as practicable.

14.48 The Appeal Committee may dismiss or allow the appeal and may increase or decrease the penalty imposed upon such terms and conditions as it considers appropriate.

14.49 Within twenty (20) Business Days of the conclusion of the hearing, the Appeal Committee shall serve on the parties a written decision setting out its reasons.

14.50 Costs are at the discretion of the Appeal Committee. It may order any party to pay such costs as it thinks appropriate, including, but not limited to, costs incurred in the Investigation, preparation and presentation of the case, including administrative costs.

Ring Appeal Proceedings

14.51 Regulations 14.51 to 14.59 govern Ring Appeal proceedings following a Ring Appeal in accordance with Regulation 11.6.8 of the Trading Regulations. Without prejudice to the power of the Disciplinary Committee to conduct proceedings as it sees fit, it is the intention of both the Exchange and its Members that Ring Appeal proceedings will generally be conducted wholly in writing, in order to save costs and ensure the expeditious resolution of the appeal. If the Exchange, Dealer or Member Representative request that the appeal proceed by way of a hearing, the Committee may direct that the appeal proceed by way of an in person hearing. During the appeal process, the Exchange and the Member, Dealer or Member Representative may be legally represented.

14.52 Within ten (10) Business Days of the Head of Enforcement receiving the Ring Notice of Appeal, pursuant to Regulation 11.6.8 of the Trading Regulations, the Dealer or Member Representative lodging the Ring Appeal must serve their grounds of appeal on the Disciplinary Committee and the Exchange.

14.53 The Notice of Appeal shall set out the grounds of appeal and shall contain a brief statement of all matters relied upon by the appellant.

14.54 The grounds of the Ring Appeal in the grounds of appeal may be any one or more of the following:

14.54.1 the Ring Disciplinary Committee misdirected itself;

14.54.2 the RDC Decision was:

(a) one which no reasonable Ring Disciplinary Committee could have reached,

(b) unsupported by the evidence or was against the weight of the evidence, or

(c) based on an error of law, or misinterpretation of the Rules;

14.54.3 the penalty imposed by the Ring Disciplinary Committee was unduly excessive; or

14.54.4 new evidence is available and that, had it been adduced, the Ring Disciplinary Committee could reasonably have come to a different decision provided that this will not apply if the evidence could have been adduced before the Ring Disciplinary Committee by the exercise of reasonable diligence on the part of the appellant.

14.55 In accordance with Regulation 14.51 above, the Disciplinary Committee shall adhere to the following procedure when conducting a Ring Appeal wholly in writing, unless the Committee determines that there are reasonable grounds for diverging from the below procedure:

14.55.1 the appellant will provide detailed information regarding the grounds of the appeal and the matters that it relies upon in submitting an appeal;

14.55.2 the other party may make submissions in response;

14.55.3 the appellant may make final submissions.

14.56 In the event that the Ring Appeal is conducted orally, the Committee shall adhere to the following procedure during the hearing, unless the Committee determines that there are reasonable grounds for diverging from the below procedure:

(a) the appellant will open the appeal;

(b) any witnesses called may be cross-examined and re-examined by the parties and questioned by the Disciplinary Committee;

(c) the Exchange may make submissions in response; and

(d) the appellant may make closing submissions.

14.57 The Committee shall announce its decision to the parties as soon as practicable.

14.58 The Disciplinary Committee may dismiss or allow the Ring Appeal and may increase or decrease the penalty imposed in the RDC Decision upon such terms and conditions as it considers appropriate.

14.59 Within twenty (20) Business Days of the conclusion of the hearing, the Disciplinary Committee shall serve on the parties a written decision setting out its reasons.

Fixed Penalty Appeal Proceedings

14.60 Regulations 14.60 to 14.68 of the Membership Regulations govern Fixed Penalty Appeal proceedings following a Fixed Penalty Appeal in accordance with Regulation 14.8 of the Membership Regulations above. Without prejudice to the power of the Disciplinary Committee to conduct appeal proceedings as it sees fit, it is the intention of both the Exchange and its Members that proceedings for Fixed Penalty Appeals will generally be conducted wholly in writing, in order to save costs and ensure the expeditious resolution of the appeal. If the Exchange, Member, Dealer or Member Representative request that the Fixed Penalty Appeal proceed by way of a hearing, the Appeal Committee may direct that the Fixed Penalty Appeal proceed by way of an in person hearing. During the Fixed Penalty Appeal proceedings, the Exchange and the Member, Dealer or Member Representative may be legally represented.

14.61 Within ten (10) Business Days of the Head of Enforcement receiving the Fixed Penalty Notice of Appeal, pursuant to Regulation 14.8 of the Membership Regulations above, the Member, Dealer or Member Representative lodging the Fixed Penalty Appeal must serve their grounds of appeal on the Disciplinary Committee and the Exchange.

14.62 The grounds of appeal shall set out the grounds of appeal and shall contain a brief statement of all matters relied upon by the appellant.

14.63 The grounds of the Fixed Penalty Appeal in the grounds of appeal may be any one or more of the following:

14.63.1 the Exchange misdirected itself;

14.63.2 the Exchange's decision was:

(a) one which could not have reasonably been reached;

(b) unsupported by the evidence or was against the weight of the evidence; or

(c) based on an error of law, or misinterpretation of the Rules;

14.63.3 the penalty imposed by the Exchange was unduly excessive; or

14.63.4 new evidence is available and that, had it been adduced, the Exchange could reasonably have come to a different decision provided that this will not apply if the evidence could have been adduced before the Exchange by the exercise of reasonable diligence on the part of the appellant.

14.64 In accordance with Regulation 14.60 of the Membership Regulations above, the Disciplinary Committee shall adhere to the following procedure when conducting a Fixed Penalty Appeal wholly in writing, unless the Disciplinary Committee determines that there are reasonable grounds for diverging from the procedure:

(a) the appellant will provide detailed information regarding the grounds of the appeal and the matters that it relies upon in submitting an appeal;

(b) the other party may make submissions in response; and

(c) the appellant may make final submissions.

14.65 In the event that the Fixed Penalty Appeal is conducted orally, the Disciplinary Committee shall adhere to the following procedure during the hearing, unless the Disciplinary Committee determines that there are reasonable grounds for diverging from the below procedure:

(a) the appellant will open the appeal;

(b) any witnesses called may be cross-examined and re-examined by the parties and questioned by the Disciplinary Committee;

(c) the Exchange party may make submissions in response; and

(d) the appellant may make closing submissions.

14.66 The Disciplinary Committee shall announce its decision to the parties as soon as practicable.

14.67 The Disciplinary Committee may dismiss or allow the Fixed Penalty Appeal and may increase or decrease the penalty imposed by the Exchange upon such terms and conditions as it considers appropriate.

14.68 Within twenty (20) Business Days of the conclusion of the hearing, the Disciplinary Committee shall serve on the parties a written decision setting out its reasons. Any decision of the Disciplinary Committee in respect of a Fixed Penalty Appeal shall be final and there shall be no right to further appeal.

Settlements

14.69 The Exchange and any Member, Dealer or Member Representative may enter into discussions regarding a settlement at any time from the issuance of the NoI up to the commencement of the disciplinary hearing.

14.70 Any proposal that is received by the Exchange from a Member, Dealer or Member Representative for settlement may be accepted or declined by the Exchange at its absolute discretion (subject to ratification by the Enforcement Committee as set out below). In making its determination as to the appropriate level of any agreed financial penalty, the Exchange shall have regard to the specific circumstances of the case, including but not limited to the stage at which the settlement proposal is made.

14.71 Settlement negotiations shall be on a without prejudice basis.

14.72 An agreed settlement shall be documented in a settlement agreement and the proposed settlement agreement shall be submitted to the Enforcement Committee for ratification. The Enforcement Committee may ratify or refuse to ratify any settlement agreement. A settlement agreement shall not take effect unless ratified by the Enforcement Committee. A settlement agreement so ratified shall have the same status as a decision by a Disciplinary Committee.

Notice to Members regarding Findings and Penalties

14.73 Subject to appeal, where the Disciplinary Committee:

(a) finds that there has been an Act of Misconduct; or

(b) following determination of a Ring Appeal, has upheld a decision of the Ring Disciplinary Committee (whether in whole or in part)

notification of such findings and of any sanction shall be made by means of a Notice to all Members and other interested parties.

14.74 Where disciplinary proceedings have been concluded by way of settlement ratified by the Enforcement Committee, notification of the settlement agreement or the agreed finding shall be made by means of a Notice to all Members and other interested parties.

14.75 Where the Appeal Committee upholds the finding of the Disciplinary Committee (even in the event that the penalty is altered), the above rules on publication shall apply.

Procedural Provisions applicable to the Exchange Disciplinary and Appeal Process

Membership of the Disciplinary Committee and the Appeal Committee

14.76 The Exchange, in consultation with the Chairman of the Disciplinary Panel, shall from time to time appoint persons to a panel ("**the Disciplinary Panel**") in accordance with the terms of reference of the Disciplinary Panel. Membership of particular Disciplinary Committees shall be drawn only from the Disciplinary Panel.

14.77 The Exchange, in consultation with the Chairman of the Appeal Panel, shall from time to time appoint persons to a panel ("**the Appeal Panel**") in accordance with the terms of reference of the Appeal Panel. Membership of particular Appeal Committees shall be drawn only from the Appeal Panel.

14.78 Membership of the Disciplinary Panel and the Appeal Panel shall be notified to Members from time to time by means of a Notice.

14.79 Membership of the Disciplinary Panel shall be for a period of 5 years (the term) renewable. A member of the Disciplinary Panel may not be removed from the Panel prior to the expiration of the term save in the event that they cease to be a Director of the LME, or in the event that they are guilty of conduct which has brought or may be likely to bring the Exchange or any of its markets into disrepute.

14.80 Membership of the Appeal Panel shall also be for a period of 5 years (the term) renewable. A member of the Appeal Panel may not be removed from the Panel save in the event that they are guilty of conduct which had brought or may be likely to bring the Exchange or any of its markets into disrepute.

14.81 The Exchange shall appoint one member of the Disciplinary Panel to be the Chairman of the Disciplinary Panel. The Exchange shall appoint one member of the Appeal Panel to be the Chairman of the Appeal Panel.

14.82 No person shall be eligible to serve as a member of the Disciplinary Committee or Appeal Committee in relation to any particular case if they have any material interest in the matter under consideration either personally or through any Undertaking with which they may be concerned.

14.83 At least one member of the Appeal Committee must be a qualified lawyer.

14.84 At the request of the Head of Enforcement, the Chairman of the Disciplinary Panel shall nominate three members of the Disciplinary Panel to sit on a Disciplinary Committee and shall notify the Member, or the Dealer or Member Representative, and the Exchange of such nomination. The Chairman may nominate themself. If the Member, Dealer or Member Representative does not agree to one or more of the nominated Disciplinary Committee, the

Chairman, if satisfied that the grounds of objection are reasonable, shall nominate a replacement, or replacements, from the Disciplinary Panel, subject to such replacement, or replacements, being willing and able to sit on that Disciplinary Committee.

14.85 On receipt of a Notice of Appeal, the Chairman of the Appeal Panel shall nominate three members of the Appeal Panel to sit on an Appeal Committee and shall notify the Member, Dealer or Member Representative and the Exchange of such nomination. The Chairman may nominate themself. If the Member, Dealer or Member Representative does not agree to one or more of the nominated Appeal Committee, the Chairman, if satisfied that the grounds of objection are reasonable, shall nominate a replacement, or replacements, from the Appeal Panel, subject to Regulation 14.83 and subject to such replacement, or replacements, being willing and able to sit on that Appeal Committee.

Composition of a Disciplinary Committee or Appeal Committee

14.86 The Disciplinary Committee or the Appeal Committee shall appoint one of their number to be the Chairman.

14.87 The quorum of a Disciplinary Committee or Appeal Committee shall be three, unless decided otherwise by the Disciplinary Committee or Appeal Committee.

14.88 The Disciplinary Committee may decide that any pre-hearing review shall be heard by the Chairman sitting alone.

Legal Adviser

14.89 A legal adviser, who shall be a barrister or solicitor, may be appointed by the Disciplinary Committee or the Appeal Committee to sit throughout the hearing (including any pre-hearing review), or be provided with the written material if the proceedings are conducted in writing, and may also provide legal advice to the Committee.

14.90 The same legal adviser may not be appointed to advise both the Disciplinary Committee and the Appeal Committee on the same case.

Hearings in private

14.91 Disciplinary Committee hearings shall, unless they are held in writing, be held in private. Appeal Committee hearings shall be held in private, unless the Member, Dealer or Member Representative elects to hold the hearing in public.

Representation

14.92 Parties to disciplinary proceedings may be legally represented.

14.93 Where disciplinary action is taken against a Dealer or Member Representative and a hearing is held, whether in writing or orally, the Dealer or Member Representative may represent themselves, or may be represented by their employer or may be legally represented.

14.94 Where disciplinary proceedings are taken against a Member and a hearing is held, whether in writing or orally, it may be represented by one or more of its officers, employees or may be legally represented.

14.95 The Exchange may be represented by one or more of its officers, or employees, or may be legally represented.

14.96 The availability of a particular legal representative shall be a relevant, though not a determining factor, when fixing a date for a pre-hearing review or a hearing.

Failure to attend a hearing

14.97 If either party fails to attend, the hearing may proceed in its absence.

Record of hearing

14.98 A record shall be made of the hearing, electronically or otherwise. The Memb er,Dealer or Member Representative shall be entitled to a transcription or copy of the record on payment of the costs.

Burden and standard of proof

14.99 The burden of proof shall be on the Exchange. The Disciplinary Committee shall not find a charge regarding an Act of Misconduct proved unless it is satisfied on the balance of probability.

Evidence

14.100 The Disciplinary Committee may admit any evidence whether oral or written, whether direct or hearsay and whether or not the same would be admissible in a court of law.

Notice periods

14.101 Any notice periods specified in these rules may be amended by agreement in writing between the Exchange and the Member, Dealer or Member Representative, unless such notice periods have been set by the Disciplinary Committee or the Appeal Committee.

14.102 A Member, Dealer or Member Representative may request an extension to a deadline imposed by the Exchange during the course of an Investigation by submitting a request to the Exchange in writing. The Exchange may agree to provide an extension if, in its absolute discretion, it considers such an extension to be appropriate.

Convictions and findings by other authorities

14.103 A Disciplinary Committee or Appeal Committee may have regard to the following when reaching its findings:

(a) the findings of fact of any court in the United Kingdom or of the Upper Tribunal, which have not been set aside on appeal or otherwise shall be conclusive evidence of the facts so found;

(b) a criminal conviction by any court in the United Kingdom which has not been set aside on appeal or otherwise shall be conclusive evidence of the commission of that offence;

(c) the findings of fact of the following bodies, which have not been set aside on appeal or otherwise, shall be prima facie evidence of the facts so found:

(i) any court of competent jurisdiction outside the United Kingdom;

(ii) any committee or tribunal of the Financial Conduct Authority, and any self-regulating organisation, recognised professional body, recognised investment

exchange or recognised clearing house or any overseas regulatory authority which the Exchange considers to be relevant exercising regulatory or disciplinary functions;

(iii) the Competition and Markets Authority;

(iv) any other body exercising a regulatory or disciplinary jurisdiction over any persons engaged in financial services business whether in the United Kingdom or elsewhere; and

(v) any successor to any body specified in this Regulation 14.103.

15. DISQUALIFICATION AND EXPULSION

15.1 The criteria for Membership are continuing requirements and if a Member shall cease at any time to satisfy any of the criteria for Membership of their class the Exchange may in its discretion re-categorise their Membership to a class the criteria for which such Member is able to satisfy or, subject to Regulation 15.4, suspend their Membership until such time as such Member is able to satisfy the criteria, or may seek to expel the Member from Membership.

15.2 Upon the happening of any of the following events the Exchange may resolve, with immediate effect or with effect from such date as the Exchange may specify, that a Member be suspended from Membership, or, subject to Regulation 15.5, expelled from Membership:-

15.2.1 a Member pursuant to disciplinary proceedings held in accordance with these Regulations is found to have committed a serious breach or persistent breach of the Regulations and the Disciplinary Committee has suspended or expelled the Member subject to ratification by the Exchange, provided that the Disciplinary Committee's decision has been upheld by an Appeal Committee, or the time for lodging an appeal has elapsed and no appeal has been made;

15.2.2 a Member fails to meet their material contractual obligations to another Member and the obligation or the obligations concerned are not being disputed in good faith;

15.2.3 a Member is declared a Defaulter pursuant to the Default Regulations;

15.2.4 an Event of Default (as defined in the Default Regulations) occurs in relation to a Member (other than a Registered Intermediating Broker) and is continuing; or

15.2.5 in relation to a Registered Intermediating Broker, the Exchange becomes aware of any facts or circumstances that indicate that the Registered Intermediating Broker is not a reliable entity to arrange Agreed Trades on behalf of Clients and/or to discharge the obligations of Registered Intermediating Brokers under these Rules. Such facts of circumstances may include, without limitation, any evidence that the Registered Intermediating Broker has input into the Matching System particulars of any Agreed Trade(s) that it did not have the appropriate authorisations to broker (including from its purported Clients, or from any Clearing Member which would become party to any Contract upon Execution of such Agreed Trade); or

15.2.6 the category of membership to which the Member belongs is withdrawn by the Exchange, in which circumstances the Exchange shall give reasonable advance notice of such withdrawal and the Member shall be permitted to apply for a different category of Membership pursuant to Regulation 6 of Part 2.

15.3 The Exchange shall have the power to suspend or terminate a Member where it is considered necessary to ensure an orderly market, or otherwise to enable the Exchange to comply with its statutory obligations, or to facilitate the orderly withdrawal of a Membership category.

15.4 Save in the case of Regulation 15.2.1, the power to suspend a Member is subject to a right of appeal by the Member to an Appeal Committee convened pursuant to Regulation 14. The Appeal Committee shall, in such circumstance, have full jurisdiction to review the facts of the case as if it were a Disciplinary Committee. Any appeal shall be heard swiftly.

15.5 Save in the case of Regulation 15.2.1, where the Exchange believes expulsion is warranted, it shall request that an Appeal Committee be convened, pursuant to Regulation 14, to consider the case for expulsion. Such an Appeal Committee shall be convened swiftly. The Exchange may suspend the Member with immediate effect pending the outcome of the Appeal Committee so convened. The Appeal Committee shall, in such circumstance, have full jurisdiction to review the facts of the case as if it were a Disciplinary Committee. Where the Appeal Committee agrees that expulsion is justified, the Member shall be expelled with immediate effect.

16. FORFEITURE OF RIGHTS ON CESSATION OF MEMBERSHIP

16.1 A Member who shall have been expelled or shall otherwise have ceased to be a Member shall not be entitled to any refund of subscription or Fees, other than where such expulsion or cessation is necessary to facilitate the orderly withdrawal of a Membership category, in which case the Member shall be entitled to a pro-rata refund of any subscription or Fees.

16.2 All rights and privileges of being a Member issued to a Member or to a Member's directors or employees on their application and all rights appertaining thereto shall ipso facto be cancelled upon the Member's ceasing for any reason to be a Member or losing in any other way the right of entry to the Exchange.

17. DISPUTES BETWEEN MEMBERS

Upon the Secretary receiving a notice in writing from a Member that a dispute exists between that Member and another Member arising out of or in connection with a Contract, the Secretary shall send a Notice to Members to this effect. Such memorandum shall be removed by the Secretary when they receive notification in writing by the party or parties reporting the existence of such dispute that it has been settled or has been referred to arbitration in accordance with Part 8 of the Rules or otherwise disposed of.

18. INTELLECTUAL PROPERTY RIGHTS

18.1 As between the Members and the Company, all right, title, interest and Intellectual Property Rights in:-

(a) the Rules and Administrative Procedures; and

(b) LME Data;

shall be the property of the Company. To the extent a Member acquires any right, title, interest or Intellectual Property Rights in the same it hereby assigns all such right, title, interest and Intellectual Property Rights (including by way of a present assignment of any future copyright or similar rights) to the Company for the full duration of such right, title, interest and Intellectual Property Rights.

18.2 For the avoidance of doubt, the Company hereby expressly reserves any and all rights (including Intellectual Property Rights and any rights of confidentiality), licences and permissions in and to the LME Data, the Trade Marks and the Product Specifications.

18.3 Unless explicitly permitted in writing between the Member and the Company, the Member shall not:

(a) remove the Trade Marks from the LME Data or alter them (unless not practicable to display the Trade Marks and LME Data together);

(b) use the Trade Marks in conjunction with any other mark, name, logo, symbol or device;

(c) use the Trade Marks other than in relation to:

(i) Contracts; or

(ii) any contract to which the Financial OTC Booking Fee Policy applies, and in respect of which the Member shall report such contract to the Company in accordance with the Financial OTC Booking Fee Policy;

(d) use the Trade Marks in such a way as to damage the goodwill or reputation attaching to such Trade Marks or the name of the Company or to otherwise prejudice the validity or enforceability of any such Trade Marks;

(e) permit access to, distribute, sub-licence or publish the LME Data or Trade Marks to any third party;

(f) use the LME Data as a Benchmark or in connection with the determination of a Benchmark or pass the Data to an Administrator in connection with the determination of a Benchmark;

(g) manipulate the LME Data in any way and/or use the LME Data to create any Derived Data;

(h) use the LME Data or Trade Marks, or any part of them:

(i) in breach of these Rules or the Financial OTC Booking Fee Policy or other applicable laws or regulations;

(ii) for any unlawful purpose; or

(iii) in any way that may in the Company's absolute opinion be considered to bring the Company, its Affiliates, the LME Data and/or the Trade Marks into disrepute.

18.4 Each Member acknowledges and agrees that LME Data may be provided by the Company to any Member and any third party, and may be used by the Company or such other persons for any commercial or other purpose, subject to any restrictions applicable to particular categories of LME Data in Regulation 21 (Confidentiality). The Company may from time to time grant a licence to Members or third parties to use, copy, modify, distribute or otherwise exploit the LME Data, but, subject to Regulation 18.5 below, in the absence of such a licence, Members may not use, copy, modify, distribute or otherwise exploit the LME Data.

18.5 The Company hereby grants to each Member a non-exclusive, worldwide, perpetual, royalty-free licence, with the right to sub-licence, to use, copy, modify, distribute and otherwise exploit the LME Data relating solely to that Member for any commercial or other purpose, subject in each case to the restrictions in Regulation 21 (Confidentiality).

19. FINANCIAL OTC BOOKING FEE POLICY

19.1 Each Member shall comply with the Financial OTC Booking Fee Policy. Without prejudice to the generality of the foregoing, each Member shall:

(a) register with the Exchange, pursuant to the requirements of the Financial OTC Booking Fee Policy;

(b) report to the Exchange, any trades undertaken by the Member which are required to be reported pursuant to the Financial OTC Booking Fee Policy; and

(c) pay to the Exchange, any Fees due to the Exchange pursuant to the Financial OTC Booking Fee Policy in relation to trades undertaken by the Member.

19.2 Each Member shall procure and otherwise take steps to ensure that their Affiliates comply with the Financial OTC Booking Fee Policy. Where the Affiliate fails to comply with the Financial OTC Booking Fee Policy, whether: (a) registering with the Exchange; (b) reporting any trades undertaken by the Affiliate to the Exchange; or (c) paying to the Exchange, any fees due pursuant to the Financial OTC Booking Fee Policy; or (d) otherwise, the Member shall be liable to the Exchange for any non-compliance by Affiliate with the Financial OTC Booking Fee Policy.

19.3 Without prejudice to any additional rights of the Exchange under the Financial OTC Booking Fee Policy to require information from any Member or its Affiliate, each Member shall, and shall ensure that its Affiliates shall, within 5 Business Days of any request by the Exchange:

(a) permit the Exchange and its representatives to have access to any records and information maintained by the Member and/or its Affiliates (as the case may be) in respect of any transactions undertaken by the Member or its Affiliates for the purposes of assessing compliance with the Financial OTC Booking Fee Policy; and

(b) respond to any reasonable questions from the Exchange which are relevant to assessing the compliance by the Member and its Affiliates with the Financial OTC Booking Fee Policy.

19.4 For the avoidance of doubt, a Member or its Affiliate shall only be entitled to benefit from an exemption from compliance with any aspect of the Financial OTC Booking Fee Policy in the event that such exemption has been granted by the Exchange in accordance with the terms of the Financial OTC Booking Fee Policy.

20. RESTRICTIONS ON USE OF LME PROPERTY OR SYSTEMS FOR NON-EXCHANGE CONTRACTS

20.1 The facilities of the Exchange may not be used to facilitate the execution, clearing or settlement of any Non-LME Platform Contract. Without limitation to the foregoing:

(a) no Member may use any LME Data, Product Specifications or any other Intellectual Property Rights of the Exchange, or any part of them for the formation, trading, pricing, clearing or settlement of any Non-LME Platform Contract;

(b) no Warrant, Immobilised Warrant or Extracted Warrant may be used for the purpose of settling any Non-LME Platform Contract;

(c) the Ex-Cleared settlement functionality of LMEsword may not be used to facilitate the settlement of any Non-LME Platform Contract;

(d) no Member may use the inter-office market to facilitate the submission to the Matching System of any Non-LME Platform Contract as an Agreed Trade; and

(e) no Member may bring-onto, or allow its Client to bring-onto, the Exchange any Non-LME Platform Contract, including pursuant to the OTC Bring-On category within the Matching Rules, the submission to the Matching System of an Agreed Trade, or otherwise.

20.2 The Exchange may, in its absolute discretion, by Notice dis-apply any of the restrictions specified in this Regulation 20 in respect of Non-LME Platform Contracts traded on, executed on, or otherwise arranged or agreed via any specific Non-LME Multi Dealer Trading System. Such Notice:

(a) shall specify the identity of the specific Non-LME Multi Dealer Trading System that is approved by the Exchange as a venue for the formation of Agreed Trades that may be brought-onto the Exchange; and

(b) may specify the categories of Contracts to which such approval shall apply.

20.3 The Exchange shall issue a Notice pursuant to Regulation 20.2 above, publicising the situation where, as determined by the LME in its sole discretion and acting reasonably, any Non-LME Multi Dealer Trading System is lawfully making use of the Intellectual Property Rights of the Exchange, including, without limitation, where such Non-LME Multi Dealer Trading System has: (i) entered into a licence agreement for the use of Intellectual Property Rights belonging to the Exchange; or (ii) been granted open access rights pursuant to prevailing applicable legislation.

21. CONFIDENTIALITY

21.1 Subject to Regulation 21.2, the Company shall treat as confidential all information received from a Member that concerns the business and affairs of a Member or Client (including any information relating to any Contract).

21.2 The Company may disclose any information which is subject to the confidentiality obligations in Regulation 21.1:-

(a) to any regulator that has responsibility for regulating the Exchange or the Clearing House;

(b) to:

(i) any internationally recognised exchange;

(ii) an industry body for exchanges, or that otherwise has a role in derivative market surveillance; or

(iii) a member of such an industry body that has requested such information in accordance with the operating rules of such body governing the exchange of information between members in connection with market surveillance,

in each case, for the purposes of: (A) ensuring the effective surveillance of the Exchange's markets; and/or (B) aiding such exchange, industry body or requesting member with the effective surveillance of markets, when involved in monitoring such markets for market abuse;

(c) to any regulator that has responsibility for regulating the Member;

(d) to the Clearing House, to the extent that such information is relevant to the performance by the Clearing House of its functions under its own rules or terms of service, or its obligations under applicable law, or its contractual obligations to the Company;

(e) to the Member itself;

(f) where the Company acquires or develops the information independently of any information or document provided by the Member;

(g) to any member of the Company's group, or to any employees, officers, consultants, professional advisers or agents of any of them, in connection with the operation of the Exchange, risk management processes or for the purposes of internal group control or accounting, subject to appropriate confidentiality requirements;

(h) to any other Member for the purposes of a potential transfer of a Contract to such Member in accordance with the Rules;

(i) to third parties appointed or engaged by the Company or a Member in connection with the operation of the Company's complaint-handling or discipline processes, where and to the extent that such third parties reasonably need to receive such information in order to discharge their functions in support of such processes;

(j) with the consent of the Member;

(k) to potential acquirers (and their advisers) of the Company or an holding company of the Company or of the businesses of the Company, provided that each such potential acquirer has entered into a confidentiality undertaking with respect thereto;

(l) in a document in relation to a takeover offer conducted under the rules of The Panel on Takeovers and Mergers or any equivalent body in any other relevant jurisdiction;

(m) if and to the extent the information has come into the public domain through no fault of the Company;

(n) to the Company's insurer(s), provided that any such insurer has entered into a confidentiality undertaking with respect thereto;

(o) where necessary for the discharge of the Company's obligations under applicable law;

(p) where the Company considers it appropriate to disclose such information for the purpose of discharging the Company's obligations under the Rules having due regard

to the confidential nature of the information, and taking reasonable care to ensure that the recipient of such information is aware of its confidential nature; or

(q) where and to the extent that such disclosure is necessary or permitted pursuant to any other Regulation or Administrative Procedure, including for the avoidance of doubt, any Regulation permitting the Company to issue Notices in respect of a Member,

and for the avoidance of doubt, nothing in this Regulation 21 shall prevent the Company from providing LME Data to any third party in accordance with Regulation 18.4 above where and to the extent that any such LME Data that is provided to a third party in respect of a Member is anonymised and/or aggregated with LME Data in respect of other Members.

21.3 Subject to Regulation 21.4, each Member shall treat as confidential all information concerning the business and affairs of the Company.

21.4 A Member may disclose any information which is subject to the confidentiality obligations in Regulation 21.3:-

(a) to any regulator that has responsibility for regulating the Member where required to do so pursuant to any direction, rule or requirement of the regulator or by applicable law;

(b) to the Company itself;

(c) where the Member develops the information independently of any information or document provided by the Company;

(d) to the Member's group, or to employees, officers, consultants, professional advisers or agents of the Member or its group solely to the extent that such persons need to receive such information in order to assist the Member in properly performing its obligations or exercising its rights under these Rules, and subject, in all cases to their agreement to treat such information as strictly confidential;

(e) with the consent of the Company;

(f) if and to the extent the information has come into the public domain through no fault of the Member;

(g) where necessary for the discharge of the Member's obligations under applicable law; or

(h) where the Member considers it appropriate to disclose such information for the purpose of discharging the Member's obligations under the Rules having due regard to the confidential nature of the information, and taking reasonable care to ensure that the recipient of such information is aware of its confidential nature.

22. FEES & INCENTIVE PROGRAMMES

22.1 Members shall pay such Fees to the Exchange as the Exchange shall specify by Administrative Procedure and/or as specified in any invoice or reminder for payment issued by the Exchange, pursuant to any agreement between such Member and the Exchange from time to time.

22.2 The Exchange may, from time to time, make available to Members incentive, rebate or market-making programmes that shall operate to provide certain specified benefits and/or

modify the Fees payable in respect of specified types of Contracts (each such programme being an "**Incentive Programme**").

22.3 The Exchange shall specify, by way of Notice issued on the public website maintained by the Exchange:

(a) the eligibility criteria to be satisfied by any Member and, where applicable, any Client of such Member wishing to participate in each Incentive Programme;

(b) any information and/or application documentation to be submitted to the Exchange by the Member in respect of itself and, where applicable, any Client of such Member wishing to participate in each Incentive Programme;

(c) the technical and operational procedures to be followed by any Member and, where applicable, any Client of such Member, in order to qualify for the benefits available under an Incentive Programme;

(d) any conditions, commitments, minimum transaction volumes, or requirements as to the types of transactions executed that are to be satisfied by any Member and, where applicable, any Client of such Member, in order to qualify for the benefits available under an Incentive Programme;

(e) any information reporting requirements or other obligations that must be complied with by any Member participating in an Incentive Programme;

(f) the specific benefits available under an Incentive Programme for any Member that complies with the requirements specified in accordance with (a) to (e) above; and

(g) any other information, descriptions, explanations or details that the Exchange considers relevant to the manner in which the Exchange intends to operate the Incentive Programme,

such criteria, procedures, conditions and requirements under (a) to (e) being the "**Incentive Programme Requirements**" and such benefits under (f) being the "**Incentive Programme Benefits**". The Exchange may, from time to time, amend, add to or replace any Incentive Programme Requirements and/or Incentive Programme Benefits applying to or under any Incentive Programme, and any other information published pursuant to (h), by updating or replacing the relevant Notice published on the public website of the Exchange.

22.4 Any Member wishing to participate in an Incentive Programme must satisfy the Incentive Programme Requirements for such Incentive Programme that may be specified by the Exchange, in accordance with Regulation 22.3 above, from time to time.

22.5 The Exchange may, in its absolute discretion:

(a) reject any request by a Member:

(1) to participate in any Incentive Programme; or

(2) to allow a Client to participate in any Incentive Programme; or

(3) to apply the Incentive Programme to the activities of any Client; or

(b) terminate the application of any Incentive Programme to any:

(1) Member; or

(2) Client, or to the activities of any Client, of a Member.

22.6 For the avoidance of doubt, the Incentive Programme Benefits available in respect of any Incentive Programme may include:

(a) the specification of a rebate to any Fees payable by a Member in respect of any specified type of Contract; or

(b) the specification of a reduction to any Fees payable by a Member in respect of any specified type of Contract; or

(c) the specification of any other form of monetary or non-monetary benefit that the Exchange may make available to a Member,

and any such Incentive Programme Benefit may be specified as being limited in duration, or applicable only to specific Contracts or Transactions that satisfy certain Incentive Programme Requirements.

22.7 Where any Incentive Programme makes the availability of Incentive Programme Benefits subject to any Incentive Programme Requirements applying to the trading activity of any Client of a Member, or the nature, identity or behaviour of any such Client:

(a) it shall be the responsibility of the Member to ensure that the relevant Incentive Programme Requirements are satisfied; and

(b) it shall be the sole responsibility of the Member to notify its Clients of its participation in the Incentive Programme, and the features of such Incentive Programme, together with the satisfaction of any other disclosure requirements that may be applicable under any relevant law or regulation or the terms of any agreement between the Member and any Client; and

(c) for the avoidance of doubt, the Exchange has no responsibility to any Client for ensuring that any of the Incentive Programme Benefits are made available by the Member to the relevant Client; any such arrangement shall be governed solely by the arrangements established between the Member and the Client.

For the avoidance of doubt, any reference in these Rules to any "participation" by a Client in any Incentive Programme does not create, imply or infer the creation of any contractual relationship between the Exchange and any Client in relation to such Incentive Programme, nor confer on any Client any entitlement to receive any benefits (including Incentive Programme Benefits) from the Exchange. If and to the extent that the Exchange provides an Incentive Programme that is intended to provide an entitlement for a Client to receive Incentive Programme Benefits, such entitlement shall be established pursuant to separate contractual documentation between the Exchange and the relevant Client that explicitly establishes the basis for such entitlement.

22.8 Any Clearing Member that participates in any Incentive Programme shall ensure that it shall not, and that any Client shall not, through its participation in the Incentive Programme:

(a) affect or distort the proper market in any Contract; or

(b) commit or permit the commission of any market abuse or any other breach of any applicable law or regulation applying to the Member, Client or the trading of any Contract; or

(c) enter into any Contract that is not compliant with any applicable Incentive Programme Requirements.

22.9 The Exchange may, at any time and from time to time, request from a Member such evidence as the Exchange may consider necessary or appropriate to determine the compliance by the Member, or any Client of the Member, with the Incentive Programme Requirements applicable to any Incentive Programme in which the Member or its Client is participating, and the Member shall, upon receipt of such request, promptly provide such evidence.

22.10 The Exchange may publish the names of any Member or Client participating in any Incentive Programme.

22.11 The Exchange may withdraw any Incentive Programme, together with any Incentive Programme Benefits available thereunder, at any time in its sole discretion. The withdrawal of any Incentive Programme shall not affect any Incentive Programme Benefits that have accrued to a Member prior to the time of such withdrawal.

22.12 Subject to Trading Regulation 21, a Member must not pursue, or permit any Client of the Member to pursue, a Market Making Strategy on the Exchange without first notifying the Exchange and entering into such agreements as the Exchange may specify, including any agreement required to satisfy any applicable legal or regulatory requirement. The Member must ensure that any activity it undertakes on the Exchange in pursuing a Market Making Strategy complies with the term of any such agreement, the Rules, including but not limited to the applicable requirements in Trading Regulation 21, and any relevant administrative procedure.

22.13 Regulation 22.12 above shall apply with effect from 3 January 2018.

23. RECORDING OF TELEPHONE CALLS

23.1 The Exchange may record:

(a) telephone calls between representatives of Members and the Exchange; and

(b) the telephone number from which representatives of Members call the Exchange, together with the time, date and content of the call,

and may maintain records relating to (a) and (b) above, in each case in accordance with the Exchange's policy on telephone recording from time to time and applicable law.

24. PERIODIC OTC POSITION REPORTING

24.1 Each Member shall provide to the Exchange, on a weekly basis (or such other frequency may be specified by the Exchange pursuant to Regulation 24.2):

(a) such information in respect of positions under over-the-counter contracts;

(b) in respect of such metal(s);

(c) at such times; and

(d) in such format,

as in each case shall be specified by Notice, and which in the opinion of the Exchange could be important for its monitoring and ongoing operation of a fair and orderly market. For the avoidance of doubt, such information may include information regarding the over-the-counter positions of the Member and/or its affiliates and/or its clients.

24.2 The Exchange may, in its discretion, by Notice and with such advance notice as is practicable in the circumstances:

(a) dis-apply the reporting requirement under Regulation 24.1 from any metal or, include any additional metal(s) to such reporting requirement; and/or

(b) modify the reporting thresholds for any metal; and/or

(c) modify the reporting format; and/or

(d) modify the reporting frequencies or timescales for submission of the information.

PART 3

TRADING REGULATIONS

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PART 3: TRADING REGULATIONS

1. GENERAL

1.1 Members who wish to access any of the Exchange's systems must meet all prescribed connectivity requirements, as amended by the Exchange from time to time. Members must ensure that any connectivity solutions that are utilised have the appropriate degree of resiliency.

1.2 The Exchange may fix and from time to time alter the hours of opening and closing the Exchange, the hours for trading by open outcry in the Ring, the hours for trading on LME Select, and the hours of operation of the Matching System in respect of inter-office business.

1.3 The Exchange may, at its absolute discretion and acting reasonably temporarily halt or constrain trading on one or more of the Execution Venues for such period it considers necessary in the interests of maintaining a fair and orderly market. Trading will be resumed as soon as reasonably practicable following any such halt of an Execution Venue.

1.4 Members may:

(a) enter into Agreed Trades; or

(b) (in relation to Registered Intermediating Brokers) arrange Agreed Trades,

at any time on a Business Day notwithstanding that the Exchange may not be open at the time.

1.5 The Exchange may establish such arrangements as it considers appropriate to prevent disorderly trading and breaches of capacity limits including, without limitation, procedures to establish the maximum price fluctuations on the market for each Metal Contract, which may as a consequence lead to the restriction or suspension of business.

1.6 The making by a Trading Member of Contracts shall be subject to the Rules of the Exchange (of which the Trading Regulations form a part). Cleared Contracts shall in addition be subject to the Clearing House Rules.

1.7 Contracts may be written only by Trading Members and accordingly at least one party to every Contract must be such a Member. LME Base Contracts may be written only by Category 1, 2, 3 or 4 Members. LMEprecious Contracts may be written only by LMEprecious Members.

1.8 A Contract resulting from an Agreed Trade arranged by a Registered Intermediating Broker must have, as at least one party, a Trading Member, which shall be regarded as the party that has entered into such Contract.

1.9 All Contracts shall be governed by the Rules including:

(a) the Trading Regulations;

(b) the Contract Regulations;

(c) the Traded Options Regulations,

(d) the Monthly Average Future Regulations;

(e) the Special Rules for the relevant metal, LMEmini Contract, Cash-Settled Future or for the Construction of the Index;

(f) the Premium Contract Regulations;

(g) the LMEprecious Regulations; and

(h) (in respect of Cleared Contracts) the Clearing House Rules,

as effectively as if the same had been expressly inserted therein.

1.10 The Exchange may, in accordance with its applicable policies and procedures, and otherwise where, acting reasonably, it considers it necessary or appropriate to do so in order to maintain an orderly market:

(a) publish a price that it determines otherwise than in accordance with the applicable Pricing Methodology; or

(b) correct or amend any price published by the Exchange pursuant to these Trading Regulations,

and shall do so in accordance with its applicable policies and procedures.

1.11 The Exchange reserves the right, acting reasonably and in its absolute discretion, to suspend or revoke the access of a Dealer, Member Representative and/or a Member and, where applicable, its Clients, to any systems and facilities (including any successor systems or facilities) of the Exchange, as the Exchange deems necessary, including (without limitation) the Ring, LME Select, the Matching System and LMEsword.

2. PERMITTED CONTRACTS AND CONTRACT FORMATION

2.1 Permitted Contracts

2.1.1 Members, other than Registered Intermediating Brokers, may act only as principals. In all dealings with non-Members they shall comply with the provisions contained in the Rules which refer to relations with Clients and to dealings with Clients.

2.1.2 All dealing by Members in Metal Contracts, LMEmini Contracts, Index Contracts, Cash-Settled Futures, Monthly Average Futures, Premium Contracts and LMEprecious Contracts made subject to the Rules of the Exchange must be evidenced by:

(a) a Cleared Contract; and/or

(b) one or more Cleared Contracts and one or more Client Contracts,

and the details of the Agreed Trade that results in the formation of such Contract(s) must be input into the Matching System by the Member. This Regulation shall not impose on the Clearing House any obligation which is not imposed on it by the Clearing House Rules.

2.1.3 Subject to 2.1.3A below, any Contract, except Index Contracts, Cash-Settled Futures, LMEmini Contracts, Monthly Average Futures, Premium Contracts and LMEprecious Contracts, may be written with the price or premium payable in any one of the following currencies and no other: US dollar, euro, Japanese yen or sterling. Index Contracts, Cash-Settled Futures, LMEmini Contracts, Monthly Average Futures, Premium Contracts and

LMEprecious Contracts shall be written with the price or premium payable solely in US dollars.

2.1.3A Until further notice, Metal Options may only be written with the price or premium payable in US dollars. Such further notice may be given by way of a Notice or Administrative Procedure References in Trading Regulation 8.3 and Trading Regulation 9.1.2 to non-USD Metal Options shall be subject to this Regulation 2.1.3A.

2.1.4 The Exchange shall determine the Contracts, Prompt Dates and time periods during which TAS or TAR transactions shall be permitted. Specific Contracts, Prompt Dates and spreads eligible for pricing as TAS or TAR transactions (where applicable) are set out on the LME website. The following shall govern TAS and TAR transactions:

(a) an order for a TAS or TAR transaction may be entered on LME Select at any time the applicable Contract is available for TAS or TAR trading (as applicable) on LME Select and during such eligible Contract's prescribed pre-open time period. The initiation of any TAS or TAR order on LME Select outside these time periods is prohibited; and

(b) unless otherwise specified by the Exchange, a TAS or TAR transaction may be executed on any given day at that day's Closing Price or relevant reference price (as applicable) or at the prescribed number of ticks above or below such Closing Price or relevant reference price (as applicable), as set out on the LME website.

2.2 **Contract Formation**

2.2.1 The basis on which Contracts shall be formed shall be as set out in this Trading Regulation 2.

2.2.2 Agreed Trades may be made:

(a) in the Ring; or

(b) in LME Select; or

(c) in the inter-office market,

(and each of (a), (b) and (c) shall be an "**Execution Venue**"), subject to any restrictions regarding the permissible trading venues for any type of Contract specified in these Rules.

2.2.3 An Agreed Trade shall constitute:

(a) the agreement of the terms of a transaction for the purpose of enabling Contracts to be formed between each Clearing Member that is:

(i) party to the Agreed Trade; or

(ii) responsible for the clearing of the Agreed Trade,

and the Clearing House, subject to and in accordance with the Acceptance Criteria of the Clearing House; or

(b) in the case only of a PTT Order, the agreement of the parties to Pre-Trade Execution Communications to initiate a Fixed Price Auction in respect of terms of a transaction

that, were it to be matched pursuant to such Fixed Price Auction, would constitute an agreement within (a) above.

An Agreed Trade shall not itself constitute a binding contractual agreement between the parties to the Agreed Trade (whether as a Cleared Contract or otherwise) unless and to the extent otherwise specified in these Rules.

For the avoidance of doubt, the purpose of any reference in these Rules to an Agreed Trade falling within (b) above shall be to give rise to:

(i) (except where (ii) below applies) a Contingent Agreement to Trade pursuant to which the Member(s) responsible for such Agreed Trade must submit the particulars of such Agreed Trade, comprising an IOM PTT Initiating Pair, to the Matching System (on the same basis as if such IOM PTT Initiating Pair were any other Agreed Trade, in accordance with Trading Regulation 2.10), in order to initiate a Fixed Price Auction pursuant to which such any PTT Orders may be made pre-trade transparent; or

(ii) where the Pre-Trade Execution Communications are made between a Registered Intermediary Broker and its Clients, an obligation on the RIB to (subject to the agreement of its Clients), submit the particulars of the IOM PTT Initiating Pair to the Matching System, for the purpose of obtaining the confirmation by the nominated Clearing Member(s) to the proposed Agreed Trade, and the consequent initiation of a Fixed Price Auction pursuant to which any PTT Orders may be made pre-trade transparent.

2.2.4 A Clearing Member shall be "**responsible for the clearing of an Agreed Trade**" where:

(a) one party to the Agreed Trade is a Client of the Clearing Member; and

(b) the Client and the Clearing Member have established arrangements for such Agreed Trade to be cleared by the Clearing Member.

2.2.5 An Agreed Trade shall result in the formation of one or more Contracts when it is Executed, in accordance with the applicable Rules governing Execution for the Execution Venue within which the Agreed Trade was agreed.

2.2A **Pre-Trade Communications**

2.2A.1 Pre-Trade Communications:

(a) shall be permitted in relation to Agreed Trades made in the inter-office market, and

(b) shall not be permitted in relation to Agreed Trades made in LME Select except:

(i) for legitimate and lawful business communications between a Member and a Client on the parameters of an order which will be entered by the Member on the Client's behalf; and/or

(ii) where Members enter an order resulting from such communications in LME Select in accordance with one of the methods of crossing specified by the Exchange in Regulation 2.4A.

2.2A.2 Where Members engage in permitted Pre-Trade Communications, Members shall:

(a) ensure that the price quoted for the potential or future Agreed Trade is at Fair Market Value; and

(b) in the case of Regulation 2.2A.1 (b) (ii), have first obtained the Client's consent before engaging in Pre-Trade Communications.

2.2A.3 Where Pre-Trade Communications are permitted, a Member shall not:

(a) engage in Pre-Trade Communications where to do so would breach market abuse legislation or any other application law or regulations;

(b) disclose any information obtained in Pre-Trade Communications (or otherwise) or make any other use of such information or engage or attempt to engage in any other behaviour in breach of the Rules.

Breaches of relevant market abuse legislation or any other applicable laws or regulations shall constitute a breach of these Rules including as set out in Regulation 14.9.

2.2A.4 Regulation 2.2A shall not apply to:

(a) communications between a Member and the Exchange; or

(b) communications within a Member, provided that such communications comply with the relevant market abuse legislation and any other applicable laws or regulations and the Rules.

2.3 Execution of trades in the Ring

2.3.1 Where an Agreed Trade is made in the Ring and satisfies the Acceptance Criteria, the following shall apply.

(a) The time of such agreement between two Clearing Members shall be the Execution Time.

(b) At the Execution Time, Cleared Contracts shall be automatically and immediately formed between the Clearing House and each Member that is party to the Agreed Trade, subject to and in accordance with the Clearing House Rules.

2.4 Execution of trades in LME Select

2.4.1 Where an Agreed Trade is made in LME Select, the following shall apply.

(a) The Agreed Trade made in LME Select shall, provided that it satisfies the Acceptance Criteria, be Executed at the time that LME Select confirms that the Agreed Trade is matched and that all Pre-Execution Checks are satisfied (and such time shall be the Execution Time).

(b) At the Execution Time, Cleared Contracts shall be automatically and immediately formed between the Clearing House and each Member that is party to, or responsible for the clearing of, the Agreed Trade, subject to and in accordance with the Clearing House Rules.

2.4A The Crossing Rule in LME Select

2.4A.1 Members who have engaged in Pre-Trade Communications in compliance with Regulation 2.2A.1(b)(ii) shall enter the orders resulting those communications into LME Select in accordance with the methods of crossing as specified by the Exchange from time to time. For the purposes of complying with applicable pre-execution (price validation) checks, all orders entered in LME Select shall be entered at the clean price (that is net of commissions, credit charges and or fees). Only Members may use the Crossing Rule.

2.4A.2 Members, who have first executed an Equivalent Trade on LME Select in accordance with the methods of crossing specified by the Exchange, may subsequently submit the corresponding Agreed Trade for Execution in the inter-office market in compliance with Regulation 2.5A.3(b). Members may use the Crossing Rule irrespective of the size of the Agreed Trade.

Regulation 2.4A shall be known as the 'Crossing Rule'.

2.5 **Execution of trades in the inter-office market**

2.5.1 Where an Agreed Trade is made in the inter-office market, otherwise than when it is made by a Registered Intermediating Broker, the following process shall apply.

(a) Upon the agreement of an Agreed Trade in the inter-office market, the parties to the Agreed Trade shall become bound to a Contingent Agreement to Trade.

(b) The Contingent Agreement to Trade shall comply with Regulation 2.5A.

(c) The obligations of the parties to the Contingent Agreement to Trade shall be as specified in Trading Regulation 2.10 below.

(d) Where a Fixed Price Auction is required, in accordance with Trading Regulation 2.15, such Agreed Trade shall not be capable of Execution unless such Fixed Price Auction has first been completed.

(e) Subject (where applicable to (c) above), the Agreed Trade shall, provided that it satisfies the Acceptance Criteria, be Executed at the time that the Matching System confirms that the Agreed Trade is matched and that all Pre-Execution Checks are satisfied (and such time shall be the Execution Time).

(f) At the Execution Time:

(i) Cleared Contracts shall be automatically and immediately formed between the Clearing House and each Member that is party to, or responsible for the clearing of, the Agreed Trade, subject to and in accordance with the Clearing House Rules; and

(ii) the Contingent Agreement to Trade shall be discharged.

2.5.2 Where an Agreed Trade is arranged in the inter-office market by a Registered Intermediating Broker, the following process shall apply:

(a) The Registered Intermediating Broker shall act as agent for each of its Clients, for the purposes of agreeing the Agreed Trade between such Clients.

(b) A Contingent Agreement to Trade shall comply with Regulation 2.5A.

(c) Upon agreement of the particulars of the Agreed Trade by each Client, the Registered Intermediating Broker shall, using the Matching System RIB Screen, submit such particulars to the Clearing Member nominated by each Client as being responsible for the clearing of the Contracts that will arise upon Execution of the Agreed Trade.

(d) Each such Clearing Member shall promptly review such particulars, and record within the Matching System, within the timescales specified in Regulation 3.5 below, whether such Clearing Member approves the Agreed Trade.

(e) Where a Fixed Price Auction is required, in accordance with Trading Regulation 2.15, such Agreed Trade shall not be capable of Execution unless such Fixed Price Auction has first been completed. In such circumstances, the Registered Intermediating Broker shall be responsible for submitting the particulars of the PTT Orders to the Matching System RIB Screen pursuant to Regulation 2.15, in order to enable the Clearing Member(s) to approve the proposed Agreed Trade.

(f) Upon confirmation within the Matching System that both Clearing Members (or, where both Clients have appointed the same Clearing Member, the Clearing Member) have approved the proposed Agreed Trade:

(i) (where a Fixed Price Auction is required), the Matching System shall initiate a Fixed Price Auction in respect of the IOM PTT Initiating Pair; and/or

(ii) (where a Fixed Price Auction is either not required, or has completed with the determination of an Agreed Trade) then provided that such Agreed Trade satisfies the Acceptance Criteria, it shall be Executed at the time that the Matching System confirms that the Agreed Trade is matched and that all Pre-Execution Checks are satisfied (and such time shall be the Execution Time).

(g) At the Execution Time, Cleared Contracts shall be automatically and immediately formed between the Clearing House and each Clearing Member that is party to, or responsible for the clearing of, the Agreed Trade, subject to and in accordance with the Clearing House Rules.

2.5.3 A Registered Intermediating Broker may:

(a) arrange an Agreed Trade in the inter-office market where such Agreed Trade involves any PTT Order or would otherwise need to be made transparent pursuant to the Pre-Trade Transparency Requirements; and

(b) submit the IOM PTT Initiating Pair to the Matching System in respect of such Agreed Trade,

but shall not be involved in the submission of any other bids or offers to any Fixed Price Auction.

2.5A **Minimum Volume Threshold (Execution of trades in the inter-office market)**

2.5A.1 An Agreed Trade subject to a Minimum Volume Threshold shall not be Executed in the inter-office market where it is below that Threshold. For the avoidance of doubt, an Agreed Trade may be executed in the inter-office market where it is subject to a Minimum Volume Threshold and it is equal to or above that Threshold.

2.5A.2 Members and Registered Intermediating Brokers cannot aggregate or disaggregate Agreed Trades to circumvent the prohibition in Regulation 2.5A.1, including without limitation:

(a) individual Agreed Trades from the same Client which have been aggregated where any such trade is below the Minimum Volume Threshold; or

(b) individual Agreed Trades from separate Clients which have been aggregated where any such trade is below the Minimum Volume Threshold; or

(c) an order from the same Client at or above the Minimum Volume Threshold which has been split into several orders where any of the resulting Agreed Trades are individually below the Minimum Volume Threshold;

For the avoidance of doubt, individual Agreed Trades may be aggregated pursuant to one of the exceptions set out in Regulation 3.12 and executed in the inter-office market only where each component order of the Agreed Trade (including any adjustment of the Prompt Date under Regulation 3.12(b)) either (i) is equal to or above the Minimum Volume Threshold or (ii) has been executed in compliance with Regulation 2.5A.3.

2.5A.3 By way of exception, Regulation 2.5A.1 shall not apply to an Agreed Trade in an LME Liquid Instrument where that Agreed Trade is below the Threshold and:

(a) where a Member wishes to trade with a Client, before submitting the Agreed Trade in the inter-office market, the Member shall have first executed an Equivalent Trade in LME Select:

or

(b) where, for each Agreed Trade submitted for Execution in the inter-office market, the Member shall have first executed an Equivalent Trade in LME Select in compliance with a method of crossing specified by the Exchange in Regulation 2.4A;

provided that the Member has first obtained the consent of the Client to execute in either of the above ways.

2.5A.4 The Exchange may specify one or more exemptions to the application of Regulation 2.5A.1 which it shall publish from time to time.

2.5A.5 The Exchange may, in its sole discretion and in any circumstance, disapply Regulation 2.5A.1 on a temporary basis for any purpose, with immediate effect and at any point in time.

2.6 **Formation of Client Contracts**

2.6.1 Where an Agreed Trade is made between:

(a) a Clearing Member and its Client; or

(b) a Client of a Clearing Member and any other person, pursuant to an arrangement where the Clearing Member is to be responsible for the clearing of the Agreed Trade,

and upon Execution of the Agreed Trade, one or more Cleared Contracts are formed between the Clearing House and the Clearing Member, then a back-to-back Client Contract shall automatically and immediately come into effect between the Clearing Member and the Client

having the same terms as the Cleared Contract and having the same direction as the Cleared Contract, such that:

(i) where the Member is the Buyer under the Cleared Contract, it shall be the Seller under the Client Contract; and

(ii) where the Member is the Seller under the Cleared Contract, it shall be the Buyer under the Client Contract.

2.6.2 Where the Client is a Category 4 Member or an LMEprecious Non-Clearing Member, and the Agreed Trade is made by the Category 4 Member or LMEprecious Non-Clearing Member with its own Client, then, in addition to the Client Contract formed pursuant to Regulation 2.6.1 above, an additional back-to-back Client Contract shall automatically and immediately come into effect between the Category 4 Member or LMEprecious Non-Clearing Member and its Client, having the same terms and direction as the Client Contract formed under Regulation 2.6.1, such that:

(a) where the Member is the Buyer under the Client Contract formed under Regulation 2.6.1, it shall be the Seller under the Client Contract formed under this Regulation 2.6.2; and

(b) where the Member is the Seller under the Client Contract formed under Regulation 2.6.1, it shall be the Buyer under the Client Contract formed under this Regulation 2.6.2.

2.6.3 A Client Contract shall be deemed to come into effect pursuant to this Regulation 2.6 where both parties to the Client Contract are Members.

2.6.4 Where any party to a Client Contract is not a Member, the back-to-back Client Contract shall come into effect pursuant to the terms of business between the Member and the Client. Any Member seeking to enter into Client Contracts with Clients that are not Members must ensure that its terms of business with such Clients contain provisions giving effect to this Regulation 2.6, and which provide that such Client Contracts shall incorporate and be subject to these Rules.

2.7 **LME Select API**

2.7.1 In the event that a Member makes available to a Client the order-routing facility of the LME Select API and due to any use by a Client of the order-routing facility of the LME Select API:

(a) one or more Cleared Contracts come into effect between the Clearing House and a Clearing Member; and

(b) one or more Client Contracts comes into effect between:

(i) the Clearing Member and the Client (in accordance with Regulation 2.6.1); and / or

(ii) the Clearing Member and a Category 4 Member or LMEprecious Non-Clearing Member (in accordance with Regulation 2.6.1); and / or

(iii) a Category 4 Member or LMEprecious Non-Clearing Member and its Client (in accordance with Regulation 2.6.2)

then:

(1) such Client Contract(s) shall be on the same commercial terms as the Cleared Contract, save that the price of the back-to-back Client Contract(s) may be marked-up or down to reflect a commission payable by the Client to the relevant Member, provided that such mark-up or mark-down to the price has been input into the Matching System prior to the Execution Time;

(2) when the particulars of the Agreed Trade are input into the Matching System, the Clearing Member that is to become party to the Client Contract must ensure that the particulars of the Agreed Trade that will result in the Client Contract are also input into the Matching System, including the identification of the accounts to which the resulting Cleared Contract(s) should be allocated and the identification of any details reflecting the arrangements specified in (1) above, in accordance with Administrative Procedures; and

(3) Members are reminded that a Metal Future or Premium Contract is a promise by one party to deliver metal to the other party on the specified Prompt Date and a promise by the other party to pay for that metal on the Prompt Date, and that the obligations to take and to deliver metal must remain open until such specified Prompt Date, subject to any provision of these Rules that specifies otherwise.

2.8 **Pre-Execution Checks**

2.8.1 The Exchange and/or the Clearing House will conduct the following checks prior to allowing an Agreed Trade made in LME Select or the inter-office market to be Executed:

(a) the Agreed Trade is for a valid Contract, including having a valid Prompt Date (if applicable);

(b) each Member that is to be party to a Cleared Contract upon Execution of the Agreed Trade is permitted to clear such Cleared Contract;

(c) any Member that is to be party to a Client Contract upon Execution of the Agreed Trade is permitted to issue such Client Contract;

(d) the transaction price or, in the case of a Traded Option, premium, is within an acceptable range, as specified by the Exchange from time to time;

(e) the Agreed Trade is within any parameters (with respect to the number of Lots and notional value) specified by the Member within the pre-trade risk management functionality within the Matching System and/or LME Select;

(f) in respect of an Agreed Trade made in the inter-office market, the Agreed Trade complies with Regulation 2.5A;

(g) the transaction details identifying the correct position keeping account(s) at the Clearing House to which the resulting Cleared Contracts should be allocated have been entered into the Matching System;

(h) (in respect of Agreed Trades made in the inter-office market), the Clearing Member responsible for the Agreed Trade meets the Acceptance Criteria; and

(i) such other checks as the Exchange and/or the Clearing House may deem prudent or appropriate from time to time.

2.9 **Post-Execution Checks**

2.9.1 The Exchange and/or the Clearing House will conduct the checks specified in Trading Regulation 2.8.1(a) to (h) above following the Execution of an Agreed Trade made in the Ring.

2.9.2 The Exchange and/or the Clearing House will, following the Execution of an Agreed Trade made in LME Select, check that the Clearing Member responsible for the Agreed Trade has sufficient collateral with the Clearing House to cover the additional risk(s) represented by the Cleared Contract(s) resulting from the Execution of the Agreed Trade.

2.9.3 For the avoidance of doubt, where an Agreed Trade falling within Trading Regulations 2.9.1 or 2.9.2 above fails any of the checks specified therein, such failure shall not affect the validity of the Execution of the Agreed Trade or the Contracts that have come into effect upon such Execution.

2.10 **Contingent Agreement to Trade**

2.10.-1 A Contingent Agreement to Trade shall comply with Regulation 2.5A.

2.10.1 The terms of a Contingent Agreement to Trade shall be as set out below:

(a) where both parties to the Contingent Agreement to Trade are Members:

(i) the Contingent Agreement to Trade shall be deemed to come into effect at the time of agreement between the Members of the particulars of the Agreed Trade, and shall be subject to, and governed by, these Rules; and

(ii) the obligations of the parties to the Contingent Agreement to Trade shall be to submit the particulars of the Agreed Trade to the Matching System within the timescales specified in Regulation 3.5 below;

(b) where only one party to the Contingent Agreement to Trade is a Member, the Member shall:

(i) be responsible for submitting the particulars of the Agreed Trade into the Matching System in accordance with Regulation 2.10.1(a)(ii);

(ii) ensure that its terms of business with the other party (being a Client):

(1) specify that any Contingent Agreement to Trade shall come into effect pursuant to such terms of business, and shall incorporate and be subject to, these Rules; and

(2) oblige the other party to become bound to the Contingent Agreement to Trade on the basis that the other party's obligations shall be to become bound to, and perform, the Client Contract that shall come

into effect in accordance with Regulation 2.6 upon Execution of the Agreed Trade.

2.10.2 A Member that is party to a Contingent Agreement to Trade must not submit the particulars of the Agreed Trade into the Matching System if such Member has been declared a Defaulter under these Rules.

2.10.3 In the event that a Member that is party to a Contingent Agreement to Trade fails to fulfil its obligations to submit the particulars of the Agreed Trade into the Matching System within the timescales specified in Regulation 3.5:

(a) the Member may be subject to disciplinary action for an act of misconduct in accordance with Membership Regulation 14;

(b) the Member shall be in breach of the Contingent Agreement to Trade and the Member acknowledges that it shall be liable to the other party to the Contingent Agreement to Trade for any loss suffered by such party as a consequence of such breach; and

(c) in the event that the Member becomes a Defaulter after entering into the Contingent Agreement to Trade, the Contingent Agreement to Trade shall automatically and immediately be terminated for all purposes, without prejudice to any liability that may have accrued pursuant to Regulation 2.10.3(b) above. For the avoidance of doubt, and in the absence of any specific agreement to the contrary, the references to "all purposes" above shall include the possible existence of any bilateral (OTC) contract.

2.10.4 Any dispute between the parties to a Contingent Agreement to Trade shall, unless resolved between the parties, be referred by either party to arbitration in accordance with the Arbitration Regulations.

2.10.5 For the avoidance of doubt, a Contingent Agreement to Trade shall not itself be a derivative contract for the purpose of EMIR or MiFID II, although the Cleared Contracts and any Client Contracts that arise pursuant to the Execution of the Agreed Trade to which the Contingent Agreement to Trade relates may be derivative contracts for such purposes.

2.11 **Give-Ups**

2.11.1 In the event that a Member agrees an Agreed Trade that is to be the subject of a give-up, such Member must comply with such technical, procedural and timing requirements as may be specified in Administrative Procedures, including any requirements relating to: (i) the specification of the accounts at the Clearing House to which the Cleared Contract(s) resulting from the Execution of the Agreed Trade should be allocated; and (ii) any subsequent cancellation or reversal of such Cleared Contract(s) upon acceptance of the give-up by another Clearing Member. For the avoidance of doubt, any Agreed Trade that is to be subject of a give-up shall comply with Regulation 2.5A.

2.11.2 Where a Clearing Member accepts a give-up:

(a) such Clearing Member shall comply with such technical, procedural and timing requirements as may be specified in Administrative Procedures to facilitate the acceptance of the give-up; and

(b) the acceptance of the give-up shall, at the time that the Matching System confirms that the Agreed Trade represented by such acceptance satisfies the Acceptance

Criteria and that all Pre-Execution Checks are satisfied (such time being the Execution Time), be deemed to result in the Execution of an Agreed Trade between the Clearing Member and the Client which shall result in the formation of a Client Contract between the Clearing Member and the Client, in accordance with Regulation 2.6 above.

2.12 **Requirements for Registered Intermediating Brokers**

2.12.1 The following requirements apply to Registered Intermediating Brokers and Agreed Trades and Contracts arranged by Registered Intermediating Brokers.

2.12.2 Registered Intermediating Brokers shall be permitted to arrange Agreed Trades only in the inter-office market and if the Agreed Trades comply with Regulation 2.5A above. Registered Intermediating Brokers shall not be permitted to arrange Agreed Trades in the Ring, or through the facilities of LME Select.

2.12.3 Registered Intermediating Brokers may not arrange, or submit to the Matching System, any Agreed Trade the execution of which would result in such Registered Intermediating Broker becoming a counterparty to any resulting Contract (including as a Client of any other Member).

2.12.4 Registered Intermediating Brokers may arrange Agreed Trades between persons who are either Members or non-Members, and each such person shall in these circumstances be a Client of the Registered Intermediating Broker.

2.12.5 In order to arrange an Agreed Trade between two Clients, a Registered Intermediating Broker must first:

(a) have established appropriate contractual arrangements with each Client addressing at least the following:

(i) the Registered Intermediating Broker must be authorised to act as the agent of such Client for the purposes of arranging Agreed Trades with other Clients of such Registered Intermediating Broker;

(ii) the Registered Intermediating Broker must be authorised to submit to the Matching System the particulars of any Agreed Trade, for and on behalf of such Client;

(iii) the Registered Intermediating Broker must maintain appropriate technical and operational arrangements with each of its Clients to ensure that details of Agreed Trades are accurately recorded, reflecting a matched transaction all relevant details of which have been agreed by each Client, and capable of being input into the Matching System in accordance with these Rules;

(iv) the basis on which the parties shall respectively be liable for any Agreed Trade that is input into the Matching System in error or that is inputted inaccurately;

(v) the basis on which the Registered Intermediating Broker may otherwise be liable to the Client in connection with its performance of services on such Client's behalf, and any limitations on such liability;

(b) have established that each Client has:

(i) appointed a Clearing Member that will be responsible for clearing the Contract(s) resulting from the Execution of such Agreed Trade on behalf of such Client, and identified such Clearing Member to the Registered Intermediating Broker;

(ii) established with such Clearing Member the scope of authority to be exercised by the Registered Intermediating Broker to arrange Agreed Trades on behalf of the Client and to submit such Agreed Trades to the Matching System for clearing by the Clearing Member, including:

(1) any requirements, restrictions or limitations imposed by the Client on the Agreed Trades that may be arranged by the Registered Intermediating Broker; and

(2) any requirements, restrictions or limitations imposed by the Clearing Member on the Agreed Trades that may be cleared for the Client,

(the "**RIB Scope of Authority**");

(iii) established appropriate arrangements with such Clearing Member to ensure that the Clearing Member will accept for clearing any Agreed Trades arranged by the Registered Intermediating Broker that fall within the RIB Scope of Authority;

(iv) communicated to the Registered Intermediating Broker the RIB Scope of Authority;

(v) where such Client is a Member, and the Execution of the Agreed Trade would result in the creation of one or more Client Contracts between such Member and its own Client (and, where relevant between such Client and any Indirect Clients), that there are appropriate contractual arrangements in place between each party in the chain of Client Contracts; and

(c) have established to which accounts of the Clearing Member at the Clearing House the Contracts resulting from the Execution of the Agreed Trade should be recorded.

2.12.6 A Registered Intermediating Broker must maintain appropriate systems and controls to ensure that its RIB Scope of Authority for each of its Clients are at all times (i) up-to-date within its own books and records; and (ii) notified to the relevant Clearing Member.

2.12.7 Without prejudice to the generality of Regulation 2.12.6 above, in the event that a Client of a Registered Intermediating Broker withdraws the authorisation of the Registered Intermediating Broker to arrange Agreed Trades on its behalf and/or to arrange the clearing of such Agreed Trades with any Clearing Member, such Registered Intermediating Broker must immediately notify the relevant Clearing Member.

2.12.8 In the event that a Registered Intermediating Broker inputs the particulars of an Agreed Trade into the Matching System and either:

(a) the Agreed Trade is not accepted within the Matching System by the Clearing Member within the timescale specified in Regulation 3.5; or

(b) the Clearing Member rejects the Agreed Trade,

then the Registered Intermediating Broker must promptly take reasonable steps to: (i) liaise with the Clearing Member and the relevant Clients; (ii) identify the cause of the rejection or delay of approval; and (iii) resolve the underlying issue.

2.12.9 Upon the resolution of the underlying issue pursuant to Regulation 2.12.8 above, the Registered Intermediating Broker must promptly re-submit the Agreed Trade to the Matching System through the Matching System RIB Screen. Such re-submission shall be effected within such timescales as are specified in Regulation 3.5, as if the time at which the underlying issue was resolved were treated as the time at which the particulars of the Agreed Trade were agreed.

2.13 **Use of Registered Intermediating Brokers: Requirements for Members**

2.13.1 Without prejudice to the obligations of the Registered Intermediating Broker under these Rules, a Member that uses a Registered Intermediating Broker shall retain responsibility for any Agreed Trades input into the Matching System by a Registered Intermediating Broker acting on such Member's behalf.

2.13.2 Where a Member uses a Registered Intermediating Broker to arrange any Agreed Trade that will, upon Execution, result in the creation of one or more Client Contracts (as specified in Regulation 2.12.5(b)(v) above), such Member must, prior to allowing such Registered Intermediating Broker to arrange any such Agreed Trade, provide to the Registered Intermediating Broker a list of the Clients and Indirect Clients of the Member in respect of which the Registered Intermediating Broker may arrange such Client Contracts. The Member must ensure that the Registered Intermediating Broker is at all times in receipt of an accurate and up-to-date list. The Member must provide such list to the Exchange promptly upon request.

2.13.3 A Clearing Member that agrees with any Client to permit a Registered Intermediating Broker to arrange Agreed Trades for such Client that may, upon Execution, be cleared by such Clearing Member, must:

(a) maintain appropriate systems and controls to ensure that such Clearing Member is at all times able to confirm the RIB Scope of Authority prescribing the scope of permitted activity that such Registered Intermediating Broker may undertake for such Client; and

(b) upon receipt of an instruction from such Client indicating that such Registered Intermediating Broker is no longer to be authorised to arrange Agreed Trades on its behalf, or to clear such trades through the Clearing Member, promptly take such steps as are prudent and reasonable to ensure that no further Agreed Trades in respect of such Client that are submitted to the Clearing Member for approval by such Registered Intermediating Broker shall be approved.

2.13.4 A Clearing Member may reject an Agreed Trade input into the Matching System by a Registered Intermediating Broker where such Agreed Trade breaches the RIB Scope of Authority (including any limits agreed between the Clearing Member and a relevant Client).

2.13.5 In the event that a Registered Intermediating Broker inputs incorrect data into the Matching System in respect of an Agreed Trade and such error is identified prior to the Execution of the Agreed Trade:

(a) the Registered Intermediary Broker must, upon identifying the error, immediately notify the Clearing Member;

(b) the Clearing Member must not allow an Agreed Trade, in respect of which it has received notification of an error pursuant to (a), to proceed to Execution unless and until the error has been resolved and correct information input into the Matching System;

(c) following receipt of such notification by the Clearing Member, the Clearing Member and the Registered Intermediating Broker must co-operate in good faith to promptly resolve the error and ensure that the correct data is input into the Matching System prior to the Execution of the Agreed Trade; and

(d) in the event that the error is not capable of being corrected within the timescale for approval or rejection of the Agreed Trade pursuant to Regulation 3.5.1(c)(iii), the Clearing Member must reject the Agreed Trade;

(e) where an Agreed Trade is to be cleared by more than one Clearing Member and an error relating to an Agreed Trade relates to, or affects, the details of the Agreed Trade that is to be approved by both Clearing Members, both Clearing Members must co-operate with the Registered Intermediating Broker and with each other to resolve the error and ensure that the correct information in respect of the Agreed Trade is input into the Matching System.

2.13.6 In the event that a Registered Intermediating Broker inputs incorrect data into the Matching System in respect of an Agreed Trade and such error is not identified prior to the Execution of the Agreed Trade, any liability for losses resulting to the Client and/or the Clearing Member as a consequence of such error shall be determined by the contractual terms between the Client, the Registered Intermediating Broker and, if applicable, the Clearing Member and shall not be prescribed by these Rules.

2.14 Delta Hedging of Option Contracts by Registered Intermediating Brokers

2.14.1 The Matching System provides functionality to enable RIB Tier 2 Members to arrange Agreed Trades in RIB Tier 1 Products that are Futures and/or Monthly Average Futures, subject to complying with the restrictions set out in this Regulation 2.14, and notwithstanding that the RIB Tier 2 Member does not otherwise have authority under these Rules to arrange Agreed Trades in RIB Tier 1 Products.

2.14.2 RIB Tier 2 Members may use the functionality described in this Regulation 2.14 in order to arrange Agreed Trades in RIB Tier 1 Products only where such arrangements comprise part of the same "strategy" in relation to which the RIB Tier 2 Member has arranged Agreed Trades in one or more Traded Option Contracts. The purpose of such strategy must be limited to hedging the initial delta risk arising from the Traded Option Contract(s). An arrangement of the kind described in this Regulation 2.14.2 shall be referred to as a "Delta Hedged Strategy". Delta Hedged Strategies may comprise one or more Agreed Trades in Traded Option Contracts and the relevant RIB Tier 1 Products, but all of the Agreed Trades comprising a Delta Hedged Strategy must be submitted to the Matching System simultaneously.

2.14.3 Where a RIB Tier 2 Member arranges a Delta Hedged Strategy, any RIB Tier 1 Product comprising, or forming part of, such Delta Hedged Strategies shall be deemed to be a RIB

Tier 2 Product in respect of which the RIB Tier 2 Member is permitted to arrange Agreed Trades, provided that:

(a) all of the relevant Agreed Trades comprise part of the same Delta Hedged Strategy;

(b) all Agreed Trades in RIB Tier 1 Products that comprise, or form part of, the Delta Hedged Strategy must be arranged solely for the purpose of hedging the delta risks arising from, or associated with, the Agreed Trades arranged in the Traded Option Contracts;

(c) the counterparties to any Agreed Trade in the RIB Tier 2 Products that forms part of the Delta Hedged Strategy must also be the counterparties to the Agreed Trade(s) in the RIB Tier 1 Product(s) that comprise, or form part of, Delta Hedged Strategy;

(d) the number of Lots of the relevant RIB Tier 1 Products must be consistent with the delta risk exposure within the Delta Hedge for the related RIB Tier 2 Product that is a Traded Options Contract.

2.14.4 In the event that a RIB Tier 2 Member arranges any Agreed Trade in a RIB Tier 1 Product otherwise than pursuant to a legitimate Delta Hedged Strategy, or in breach of the requirements specified in Regulation 2.14.2 and 2.14.3 above, such circumstance shall be an act of misconduct by the RIB Tier 2 Member for the purposes of Regulation 14 of the Membership Regulations, and may result in disciplinary action against the Member by the Exchange. In such circumstances, the disciplinary action available to the Disciplinary Committee may include, in addition to the penalties set out in Membership Regulation 14.30, the suspension of the RIB's access to the Matching System RIB Screen, or the suspension of access of any one or more individuals acting for, or on behalf of, the RIB, who the Exchange determines was involved in the act of misconduct. Any such suspension shall be for such period as the Exchange may determine.

2.15 **Pre-Trade Transparency for inter-office market trades: Fixed Price Auction**

2.15.1 A Member must not make a PTT Order otherwise than pursuant to the initiation of a Fixed Price Auction, in accordance with the requirements of Regulation 2.15.8 below. For the avoidance of doubt, a PTT Order shall comply with Regulation 2.5A.

2.15.2 An Out of Scope Order or a PTT Exempt Order shall not be subject to the Pre-Trade Transparency Requirements and shall not be required to be made transparent pursuant to a Fixed Price Auction.

Out of Scope Orders

2.15.3 The Exchange shall, from time to time, specify in the Matching Rules and/or Notices the transaction types for which an order for a trade shall comprise an Out of Scope Order.

PTT Exempt Orders

2.15.4 The Exchange shall specify in Administrative Procedures the PTT Waivers in force from time to time, and the circumstances in which an Inter-Office Order shall fall within a PTT Waiver. The Exchange shall amend such Administrative Procedures in the event that any PTT Waiver is withdrawn or otherwise ceases to be applicable to exempt any types of Inter-Office Order from the Pre-Trade Transparency Requirements. The Matching System shall determine

whether an Agreed Trade submitted the Matching System comprises one or more Inter-Office Orders that is subject to a PTT Waiver.

2.15.5 An Inter-Office Order shall fall within the "**PTT Hedging Exemption**" where:

(a) the resulting trade is to discharge an order from a "non-financial counterparty" within the meaning of Article 2(9) of EMIR; and

(b) such trade is objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity of the non-financial counterparty.

A Member seeking to rely on the PTT Hedging Exemption shall be responsible for determining whether the Inter-Office Order satisfies the requirements set out in (a) and (b) above and for ensuring that the Agreed Trade is identified as involving an Inter-Office Order that is subject to the PTT Hedging Exemption when the particulars of the Agreed Trade are submitted to the Matching System.

Pre-Trade Execution Communications in relation to PTT Orders

2.15.6 In the event that a Member:

(a) enters into pre-execution communications with a Customer that is a Member, in relation to a trade for the Member's own account in the inter-office market; or

(b) enters into pre-execution communications with a Customer that is not a Member, or receives a request for a quote from such a Customer for a trade that is not an order that is received for execution in the Ring or on LME Select pursuant to an order-routing facility and governed by Trading Regulations 2.7 or 12.9 to 12.15; or

(c) is a Registered Intermediating Broker and receives a request for a quote from a Customer for a trade,

(such pre-trade execution communications or request for a quote, pursuant to (a) or (b) above, being a "**Pre-Trade Execution Communications**"), then such Member shall not, in the course of such Pre-Trade Execution Communications:

(i) make a PTT Order; or

(ii) in the case of a Registered Intermediary Broker, submit a PTT Order to the Matching System,

unless it first agrees to (or, in the case of a RIB, agrees with both of its Clients to) initiate a Fixed Price Auction, in accordance with the process set out in Regulation 2.15.8 below. For the purposes of this Rule 2.15, "**pre-execution communications**" shall mean communications for the purpose of discerning interest in the execution of a trade in a Contract in the inter-office market, prior to the agreement of an Agreed Trade.

2.15.7 In the event that a Member agrees to initiate a Fixed Price Auction:

(a) except where the Member is a Registered Intermediary Broker, a Contingent Agreement to Trade shall arise for the purpose of determining the particulars of the proposed transaction that shall be submitted to the Matching System, such that:

(i) in the circumstances described in Trading Regulation 2.15.6(a) above, the Member shall input its own PTT Order into the Matching System in accordance with its obligations under the resulting Contingent Agreement to Trade; or

(ii) in the circumstances described in Trading Regulation 2.15.6(b) above, the Member shall input two PTT Orders into the Matching System (representing both sides to an Agreed Trade that would be required to effect a Cross), in accordance with its obligations under the resulting Contingent Agreement to Trade; or

(b) where the Member is a Registered Intermediary Broker (in the circumstances described in Trading Regulation 2.15.6(c) above), the RIB shall input two matching PTT Orders into the Matching System RIB Screen, subject that such PTT Orders shall not be treated as an IOM PTT Initiating Pair for the purposes of initiating a Fixed Price Auction until the Clearing Member nominated by each Client has reviewed the particulars and approved the proposed Agreed Trade in accordance with Trading Regulation 2.5.2(c). Upon the approval of the proposed Agreed Trade by such Clearing Member(s), the PTT Orders shall be treated as received by the Matching System and shall be capable of comprising an IOM PTT Initiating Pair for the purposes of Trading Regulation 2.15.8 below.

2.15.8 **The Fixed Price Auction**

The following process must be applied where matching PTT Orders (an "**IOM PTT Initiating Pair**") are received by the Matching System pursuant to Regulation 2.15.7 above.

(a) Following confirmation by the Matching System that it is in receipt of an IOM PTT Initiating Pair, the Exchange shall publish details that a public auction is to take effect and specifying:

(i) the time of commencement of such Fixed Price Auction; and

(ii) the quantity (number of lots) represented by the IOM PTT Initiating Pair; and

(iii) the parameters within which such auction shall be conducted, which must include:

(1) the type of Contract to which the IOM PTT Initiating Pair relates;

(2) the underlying metal, Precious Metal, Index or Cash Settled Future Index of the IOM PTT Initiating Pair; and

(3) the transaction price (or, in the case of a Traded Option, the premium) and Prompt Date (or, in the case of a Traded Option, the maturity or declaration month and Strike Price),

(such parameters being the "**Fixed Parameters**").

(b) The Fixed Price Auction shall remain in effect during such period as the Exchange may specify by Notice within which a Fixed Price Auction may take effect, following the time of its commencement (such period being the “Auction Window”).

(c) During the Fixed Price Auction:

(i) any Member (other than a RIB) with access to the Matching System may submit to the Matching System bids or offers for Contracts, at the Fixed Parameters, and for such quantity as such Member may determine, and including all relevant particulars that the Member would be required to submit in the event that the Member were submitting an Agreed Trade in respect of such Fixed Parameters;

(ii) In the case of:

(1) an IOM PTT Initiating Pair resulting from Pre-Trade Execution Communications falling within Regulation 2.15.6(a) above either or both of the Members that submitted the IOM PTT Initiating Pair may remove their side of IOM PTT Initiating Pair from the Matching System; and

(2) an IOM PTT Initiating Pair resulting from Pre-Trade Execution Communications within Regulation 2.15.7(b) above, the Member that input both sides of the IOM PTT Initiating Pair may withdraw such IOM PTT Initiating Pair from the Matching System by withdrawing both sides of the IOM PTT Initiating Pair,

and for the avoidance of doubt, the withdrawal of one or both sides of the IOM PTT Initiating Pair shall not prevent the continuation of the Fixed Price Auction and/or the agreement of Agreed Trades as a consequence of the submission by Members of bids and offers to such Fixed Price Auction, in accordance with Regulation 2.15.8(d) below; and

(iii) any Member that has submitted a bid or offer pursuant to (i) above may withdraw its bid or offer from the Matching System prior to the expiry of the Auction Window.

(d) Upon the completion of the Fixed Price Auction the bids and offers received into the Matching System during the Fixed Price Auction, and remaining within the Matching System at the expiry of the Auction Window, shall be matched on a time priority basis (by reference to the time entered into the Matching System), such that:

(i) in the event that both sides of the IOM PTT Initiating Pair remain in the Matching System, such IOM PTT Initiating Pair shall comprise an Agreed Trade and provided that such Agreed Trade satisfies the requirements of Trading Regulation 2.5.1(d), such Agreed Trade shall be Executed in accordance with Trading Regulation 2.5.1;

(ii) in the event that either side of the IOM PTT Initiating Pair has been removed during the Fixed Price Auction:

(1) subject to (iv) below, any remaining side of such IOM PTT Initiating Pair shall be matched with a corresponding matching bid or offer submitted to the Fixed Price Auction, that is first in priority to any other matching bid or offer submitted to the Fixed Price Auction, resulting in an Agreed Trade; and

(2) provided that the resulting Agreed Trade satisfies the requirements of the Trading Regulation 2.5.1(d), such Agreed Trade shall be Executed in accordance with Trading Regulation 2.5.1;

(iii) each other matching pair of bids and offers received during the Fixed Price Auction, matched on the basis of a time priority, shall comprise an Agreed Trade and:

(1) provided that such Agreed Trade satisfies the requirements of the Trading Regulation 2.5.1(d), such Agreed Trade shall be Executed in accordance with Trading Regulation 2.5.1; and

(2) such Execution shall occur within the Matching System without any requirement for the parties to the Agreed Trade to re submit the particulars of the Agreed Trade to the Matching System;

(iv) matching pursuant to (ii) or (iii) shall be determined on the basis of the Fixed Parameters, and shall not be dependent on a matching of bids and offers having the same quantity, such that:

(1) (in the case of matching pursuant to (ii)) the remaining side of the IOM PTT Initiating Pair may be matched with a bid or offer of a different quantity; and

(2) in the case of a matching of bids and offers having differing quantities, the resulting Agreed Trade shall be for a quantity equal to the smaller side of the matching pair.

(e) For the avoidance of doubt, where any Agreed Trade arises from a bid or offer submitted, by a Member, to the Matching System pursuant to a Fixed Price Auction:

(i) such Agreed Trade shall be treated as having been made in the inter-office market for the purpose of these Rules; and

(ii) the requirement for a Contingent Agreement to Trade shall be deemed to have been discharged at the point that the Member submitted its bid or offer to the Matching System, on the basis that all information that a Member would be required to submit pursuant to a Contingent Agreement to Trade should already have been submitted by such Member upon submitting its bid to the Fixed Price Auction in accordance with Trading Regulation 2.15.8(c)(i).

2.15.9 **Records**

A Member must ensure that, in addition to its other record-keeping obligations under these Rules (including Trading Regulation 3.7), it complies with the record-keeping requirements set out below.

(a) Each Member that seeks to rely upon the PTT Hedging Exemption in respect of any Inter-Office Order must maintain a record of the basis on which the Member has determined whether the order would fall within the scope of the PTT Hedging Exemption.

(b) The Member must provide to the Exchange, on request, any records maintained by the Member in accordance with (a) above.

2.15.10 **Administrative Procedures**

(a) The Exchange shall specify in Administrative Procedures the PTT Waivers applicable to trades made on the Exchange from time to time.

(b) Each Member shall consult with, and comply with, Administrative Procedures where and to the extent that such Administrative Procedures specify:

(i) how the requirements of this Regulation 2.15 shall be applied to specific transaction arrangements;

(ii) how the PTT Waivers and/or the PTT Hedging Exemption shall be applied to specific transaction arrangements; and

(iii) any additional operational requirements for trades falling within this Regulation 2.15 or otherwise to facilitate compliance with the MiFID II requirements on pre-trade transparency.

2.16 Restrictions on Transactions

2.16.1 The Exchange may prohibit certain types of transaction by Notice where such transactions would result in Cleared Contracts, which the Exchange, in consultation with the Clearing House, considers would be detrimental to the operation of the Clearing House's risk management processes. Such types of transaction may include (but are not limited to) transactions with another Clearing Member, the sole or primary purpose of which is to reduce the level of the Initial Margin on Cleared Contracts in an omnibus segregated client account at the Clearing House.

2.16.2 Upon the occurrence of an Event of Default and/or an event of default under the Clearing House Rules in relation to a Member (notwithstanding that a default may not have been declared by the Exchange and/or the Clearing House), the Exchange may, by notice to the relevant defaulting Member, prohibit transactions that would result in increased risk either to the Clearing House or of disorderly market conditions arising.

3. THE MATCHING SYSTEM AND RECORDING OF TRADES

3.1 Responsibility for Trade Input

3.1.1 Each Trading Member shall be responsible for the input into the Matching System of all Agreed Trades by them in relation to Contracts. Where a Registered Intermediating Broker arranges an Agreed Trade for a Trading Member, the Trading Member may permit the Registered Intermediating Broker to input the Agreed Trade into the Matching System on its behalf, but the Trading Member shall remain responsible, for the input of such Agreed Trade into the Matching System.

3.1.2 In all other circumstances where an Agreed Trade is arranged by a Registered Intermediating Broker, the Registered Intermediating Broker shall be responsible for the input into the Matching System of all Agreed Trades arranged by them in relation to Contracts.

3.1.3 For the purpose of input of Agreed Trades, Trading Members and Registered Intermediating Brokers shall install and maintain within their offices such electronic data input and capture

systems as may be required and approved by the Exchange for the purpose of using the Matching System. They shall ensure the operational capability of such systems at all times and operate the same in accordance with any terms as may be prescribed by the Exchange.

3.2 **Form for Recording of Trades**

3.2.1 Agreed Trades made in the Ring shall be recorded as they are agreed on such form as may be approved by the Exchange, and shall also be input into the Matching System.

3.2.2 All other Agreed Trades made by Trading Members shall be recorded on Trading Members' own recording documentation and shall also be input into the Matching System.

3.2.3 All Agreed Trades arranged by Registered Intermediating Brokers shall be recorded on such Registered Intermediating Brokers' own recording documentation and shall also be inputted into the Matching System, subject to, and following the approval of such Agreed Trade by the Clearing Members that will be responsible for clearing such Agreed Trade.

3.2.4 All Agreed Trades required to be input into the Matching System shall be input in such form and within such time as may be prescribed by the Exchange from time to time.

3.3 **Identification of Clearing House Accounts**

3.3.1 Each Clearing Member must, in respect of each Agreed Trade that it inputs, or allows to be input by a RIB, to the Matching System specify to which account at the Clearing House the resulting Cleared Contracts should be allocated. It is the sole responsibility of the Clearing Member to ensure that any Cleared Contract that is to be allocated to a "client account" (whether it is an "omnibus" client account, an "individually segregated" client account or an "indirect" client account) is so allocated through the input of the relevant information into the Matching System. Where an Agreed Trade is:

(a) entered into by a Category 4 Member or an LMEprecious Non-Clearing Member; or

(b) arranged by a Registered Intermediating Broker on behalf of a Client that has appointed the Clearing Member to clear the Contracts resulting from the Execution of the Agreed Trade,

such Member and the Clearing Member that is responsible for clearing the Agreed Trade shall comply with the Administrative Procedures with respect to the requirements for identifying the account(s) at the Clearing House to which the resulting Cleared Contracts should be allocated.

3.3.2 Members shall comply with any requirements specified by the Clearing House and any requirements under applicable law (including EMIR) regarding the identification and allocation of Cleared Contracts to accounts at the Clearing House.

3.3.3 Where:

(a) an Agreed Trade relates to an LME Base Contract:

(i) an Agreed Trade between two Clearing Members shall be allocated to each Clearing Member's house account at the Clearing House;

(ii) an Agreed Trade between a Client and the Clearing Member responsible for clearing the Agreed Trade shall result in the allocation of Cleared Contracts to both:

(1) the Clearing Member's house account; and

(2) the Clearing Member's appropriate client account at the Clearing House;

(iii) an Agreed Trade between a Client and any other person shall result in the allocation of Cleared Contracts to both:

(1) the house account of the Clearing Member responsible for clearing the Agreed Trade; and

(2) the client account of the Clearing Member responsible for clearing the Agreed Trade;

(b) an Agreed Trade relates to an LMEprecious Contract:

(i) an Agreed Trade that is a proprietary trade of an LMEprecious Clearing Member shall be allocated to the house account of the LMEprecious Clearing Member at the Clearing House; and

(ii) an Agreed Trade made by a Member, and for which an LMEprecious General Clearing Member is responsible for clearing such Agreed Trade may be allocated to a house account of the LMEprecious General Clearing Member (where the Agreed Trade is a proprietary trade of the LMEprecious General Clearing Member falling within (i) above) or a client account of the LMEprecious General Clearing Member (in any other circumstance).

3.3.4 In the event that a Cleared Contract is allocated by the Clearing House to an administrative account due to any determination by the Clearing House that the details of the Agreed Trade submitted by a Member have incorrectly identified the account at the Clearing House to which the Cleared Contract should be allocated, the Member must, within the Opening Hours on the Business Day following the agreement of the Agreed Trade, submit corrected instructions to LME Clear, specifying the correct account to which the Cleared Contract should be allocated.

3.4 **Matching**

3.4.1 For the purpose of matching Agreed Trades the Exchange shall divide each Business Day into "Matching Periods". The Administrative Procedures shall specify the application of the Matching Periods.

3.4.2 Any dispute or difference between Trading Members as to matching of any Agreed Trade or alleged Agreed Trade may be referred to arbitration in accordance with the Rules of the Exchange by either such Trading Member.

3.5 **Deadlines**

3.5.1 Each Member responsible for the input of an Agreed Trade and all relevant particulars of the Agreed Trade into the Matching System (and, in (c) below, any Member responsible for approving an Agreed Trade) must do so within the following timescales:

(a) where the Agreed Trade is made in LME Select, at the time of the input of the order for the Agreed Trade in LME Select;

(b) where the Agreed Trade is made in the inter-office market (and has not been arranged by a Registered Intermediating Broker):

(i) (except where (ii) below applies) within 10 minutes of the Contingent Agreement to Trade in respect of the Agreed Trade having been agreed; or

(ii) where the Contingent Agreement to Trade in respect of the Agreed Trade is agreed:

(1) during the last 10 minutes of the Opening Hours of the Matching System; or

(2) outside the Opening Hours of the Matching System,

within such timeframe as is specified by the Exchange from time to time; and

(c) where the Agreed Trade is made in the inter-office market and has been arranged by a Registered Intermediating Broker:

(i) (except where (ii) below applies) the Registered Intermediating Broker must input the particulars of the Agreed Trade into the Matching System for approval by the Clearing Members within 10 minutes of the particulars of the Agreed Trade having been agreed;

(ii) where the particulars of the Agreed Trade are agreed:

(1) during the last 10 minutes of the Opening Hours of the Matching System; or

(2) outside the Opening Hours of the Matching System; and

(iii) for the avoidance of doubt, where the Agreed Trade is comprised of PTT Orders, the time of "agreement" specified in (i) and (ii) above, shall be construed to mean the time that the Registered Intermediating Broker is in receipt of Pre-Trade Execution Communications that would, subject to the subsequent approval of the Clearing Member(s), constitute an IOM PTT Initiating Pair,

the Registered Intermediating Broker must input the particulars of the Agreed Trade into the Matching System through the Matching System RIB Trade Entry Screen for approval by the Clearing Members within such timeframe as is specified by the Exchange from time to time; and

(iv) the Clearing Member must approve or reject such Agreed Trade within the Matching System, within 10 minutes of the input of such particulars into the Matching System; and

(d) where the Agreed Trade is made in the Ring, within 10 minutes of the close of the Ring trading-period in which the Agreed Trade was Executed.

Any failure by a Member to comply with this Regulation 3.5 shall be an act of misconduct for the purposes of Regulation 14 of the Membership Regulations, and may result in disciplinary action against the Member by the Exchange.

3.5.2 Where an Agreed Trade is made in the inter-office market and its particulars are not entered into the Matching System:

(a) (except where (b) or (c) below applies) by the close of the Opening Hours for the Business Day on which (as applicable):

(i) the Contingent Agreement to Trade in respect of the Agreed Trade has been agreed; or

(ii) the particulars of an Agreed Trade arranged by a Registered Intermediating Broker have been agreed; or

(b) where the Contingent Agreement to Trade in respect of the Agreed Trade is agreed outside the Opening Hours, by the next following close of the Opening Hours; or

(c) where the particulars of an Agreed Trade arranged by a Registered Intermediating Broker are agreed outside the Opening Hours, by the next following close of the Opening Hours,

the Matching System will not accept the Agreed Trade.

3.6 **Presentation of Particulars**

3.6.1 Only Agreed Trades which have been agreed in accordance with these Rules, and which satisfy the Acceptance Criteria of the Clearing House, may give rise to Contracts.

3.6.2 Particulars of an Agreed Trade presented to the Clearing House by the Matching System shall be deemed to be presented by the Clearing Members in whose names it is presented and accordingly, under the Clearing House Rules, presentation of the particulars by the Matching System shall constitute confirmation of the Agreed Trade by those Clearing Members.

3.6.3 Upon such presentation of particulars the Clearing House shall, subject as provided in the Clearing House Rules, send to each Clearing Member in whose name they are confirmed a member-registration statement showing the date and other particulars of each accepted Agreed Trade and the resulting Cleared Contract or a summary thereof. If the Clearing House does not accept an Agreed Trade particulars of which have been presented to it, it shall notify the contracting parties within a reasonable time. This provision is without prejudice to, and subject to, the rights and obligations of the Clearing House under the Clearing House Rules.

3.7 **Maintenance of Records**

3.7.1 Every Trading Member and Registered Intermediating Broker shall keep such records, with such content and in such form, as may be required to demonstrate compliance by the Member with the Rules.

In particular, Trading Members shall keep accurate, complete and accessibly formatted records of all Agreed Trades and resulting Contracts and such records shall include the following details:-

(a) name of the other party;

(b) whether the Member has bought or sold or, in the case of a Traded Option, granted or taken;

(c) the metal or Precious Metal or Index or Cash-Settled Future Index;

(d) whether the Contract is an LMEmini Contract;

(e) Prompt Date (if applicable) and, in the case of a Traded Option, maturity or declaration month, Strike Price, and whether the Traded Option is a put or a call,

(f) whether the Contract is a Monthly Average Future and, if so (i) the tradeable month which is to be used to calculate the Monthly Average Settlement Price; and (ii) the fixed price agreed between the buyer and the seller in the Contract;

(g) whether the Contract is a Premium Contract;

(h) in relation to any Premium Contract:

(i) the Premium Warrant Jurisdiction; and

(i) the Premium Contract Price; and

(ii) any other details specified in the Premium Contract Regulations;

(iii) whether the Contract is an LMEprecious Contract;

(j) quantity;

(k) transaction price or, in the case of a Traded Option, premium; and

(l) date and time of transaction;

(m) in relation to any Cleared Contract, the account of the Clearing House to which the Cleared Contract has been allocated by the Clearing Member, which may include for the avoidance of doubt, the Clearing Member's "house" or "proprietary" account, or a relevant "client" account, being either segregated on an "omnibus" basis or an "individual" basis with respect to the Clearing Member's Clients and, where relevant, Indirect Clients of the Clearing Member; and

(n) evidence of compliance with Regulations 2.2A, 2.4A and 2.5A.

Registered Intermediating Brokers shall keep records of all Agreed Trades that they have arranged, in such form as the Exchange may approve, and such records shall include the following details:-

(i) the names of the parties to the Agreed Trade (including whether such parties are Members);

(ii) the identities of the Clearing Member(s) that are responsible for clearing the Contracts resulting from Execution of the Agreed Trade; and

(iii) the details specified in paragraphs (b) to (m) above (subject that where any such paragraph refers to a Member, the RIB shall record the details relating to each counterparty to the Agreed Trade).

3.7.2 The time of a transaction effected by open outcry in the Ring shall be recorded by denoting the Ring-trading period in which the transaction is effected, using the appropriate abbreviation from below, as detailed further in the Matching Rules:-

"R1" for the first Ring of the first session;

"R2" for the second Ring of the first session;

"K1" for the ensuing kerb;

"R3" for the Ring of the second session;

"K2" for the ensuing kerb.

3.8 **Post-Compression Contracts**

3.8.1 For the avoidance of doubt, nothing in this Regulation 3 shall require a Post-Compression Client Contract to be separately input into the Matching System as a consequence of its creation pursuant to Compression. The input of the original trade that gave rise to the Contract that was subject to Compression is sufficient to ensure that such trade (and any Contracts and Post-Compression Contracts resulting therefrom) is recorded in the Matching System.

3.9 **Pre-Requisites to Contract Formation**

3.9.1 Upon entry into the Matching System of the particulars of any Agreed Trade, each Member that is party to the Agreed Trade (or, in the case of a Registered Intermediating Broker, that has inputted the particulars of the Agreed Trade into the Matching System) must:

(a) specify the Clearing Member that is responsible for the clearing of the Agreed Trade for such Member;

(b) specify the relevant account of such Clearing Member at the Clearing House to which the Cleared Contract(s) that will result from the Execution of the Agreed Trade must be allocated;

(c) have ensured that such Clearing Member has agreed to clear the Agreed Trade and to the allocation of the Cleared Contract(s) in accordance with (b) above;

(d) have ensured that such Agreed Trade is not agreed or entered into the Matching System unless any prior requirements specified by the Clearing House in accordance with the Clearing House Rules have been satisfied;

(e) where any Client is to be party to any Client Contract to be formed pursuant to these Rules upon Execution of the Agreed Trade, and such Client is not a Member, have agreed terms of business with such Client providing for:

(i) the agreement of such Client that the formation and performance of such Client Contract shall be subject to and in accordance with these Rules, as if such Rules were incorporated into such terms of business; and

(ii) where any such Agreed Trade is made in the inter-office market, the formation of a Contingent Agreement to Trade between the Member and the Client, having the terms described in Trading Regulation 2.10 above.

3.9.2 Each Member must have in place systems and controls to ensure that, before it enters into an Agreed Trade:

(a) where the Member is a Clearing Member, it can; or

(b) where the Member is not a Clearing Member, its Clearing Member can

at all times comply with any requirements imposed by, and systems operated by, the Exchange or the Clearing House regarding the verification that the Clearing Member has sufficient collateral.

3.10 **Corrections**

3.10.1 In the event that the Matching System determines that an Agreed Trade made in LME Select or the inter-office market has failed to satisfy any Pre-Execution Checks on the basis of the checks (any such failed check being a "**Failed Check**") applied to any Member that is party to the Agreed Trade or that would be party to any Cleared Contract resulting from the Execution of such Agreed Trade, the Member shall comply with the requirements of the Administrative Procedures regarding the correction of such Failed Checks.

3.10.2 Where, as a consequence of a Member having submitted incorrect information to the Matching System in respect of an Agreed Trade, the resulting Cleared Contract(s) are allocated by the Clearing House to the incorrect account of the Clearing Member, the Member must promptly submit corrected information to the Matching System.

3.11 **Failure to Input Ring Trade**

3.11.1 In the event that:

(a) a Member has Executed an Agreed Trade in the Ring;

(b) the Member subsequently becomes a Defaulter; and

(c) prior to becoming a Defaulter, the Member has failed to input the particulars of the Agreed Trade into the Matching System, or has input particulars that are incorrect in any respect,

then the Exchange may, where it has evidence of the particulars of the Agreed Trade, input such particulars into the matching system on behalf of the Member in order to ensure that such particulars are recorded within the systems of the Exchange and the Clearing House, and to enable the Clearing House to identify the Cleared Contract(s) that have come into effect from the Execution Time. The Exchange may use such information as it has available to it to determine the relevant particulars, including any information available from recordings of the dealings in the Ring.

3.12 **Agreed Trades as Gross Transactions**

Each Member shall ensure that the details of each Agreed Trade arranged in the inter-office market that is input by or on behalf of the Member into the Matching System shall constitute the details of a single, distinct transaction, without the application of any netting, compression or aggregation by the Member of multiple transactions or Agreed Trades, except where:

(a) the Member has aggregated Agreed Trades representing either multiple buy or multiple sell transactions (being transactions in the same direction) for a single Client and/or

(b) where Agreed Trades representing multiple buy or multiple sell transactions (being transactions in the same direction) for a single Client have their Prompt Date adjusted to another date in accordance with the Rules and in particular Regulation 2.5A.

For the exceptions in (a) and (b) above to apply, a Member shall ensure that each Agreed Trade made in the inter-office market complies with Regulation 2.4A and Regulation 2.5A.

For the avoidance of doubt, this provision is without prejudice to the ability of a Member to participate in the OTC Backloading Service in accordance with the Matching Rules and the Clearing House Rules.

3.13 **Administrative Procedures**

3.13.1 Administrative Procedures shall apply to determine how Members shall effect certain trading operations using the facilities of the Exchange. The Administrative Procedures containing the "Matching Rules" shall be supplemental to these Trading Regulations.

3.13.2 In the event of any conflict between these Rules and the Administrative Procedures, these Rules shall prevail.

4. PRICE INFORMATION

4.1 For the purpose of disseminating information as to prices at any time during business hours of any Business Day:-

4.1.1 the Exchange shall, during Ring and kerb trading, input current prices for all types of contract traded in the Ring to the Exchange's price-reporting system;

4.1.2 the Exchange shall, during LME Select trading hours, input the current best bid and best offer prices shown on LME Select and the aggregated volumes for each, together with the price and volume of each trade transacted, to the Exchange's price-reporting system;

4.2 Representatives of the Exchange shall be in attendance during Ring and kerb trading on each Business Day for the purpose of maintaining a record of trends in prices bid, offered and traded for all Contracts and, in respect of Carries, of price spreads.

4.3 Members shall not supply the aforementioned pricing-information in the form of a video- or data-feed directly or indirectly to any financial information service provider other than the Exchange or any of its authorised agents without prior written consent of the Exchange.

5. SETTLEMENT PRICES AND OTHER OFFICIAL PRICES

Official Prices and official Settlement Prices – Metal Futures and Premium Contracts

5.1 The Quotations Committee shall determine Official Prices and official Settlement Prices for each Metal Future and Premium Contract, for the Prompt Dates set out in Regulation 5.2 below, as applicable. The Official Prices and official Settlement Prices shall be determined in accordance with the applicable Pricing Methodology. The Official Prices and official Settlement Prices shall be determined in the Major Currency of each relevant metal, and published via the Exchange’s usual market data feeds. The Official Prices and the official

Settlement Prices shall, promptly following their determination, be provided by the Exchange to the Clearing House.

5.2 Official Prices and official Settlement Prices shall be determined for the Prompt Dates set out below:

For all Metal Futures:-

(a) Cash and three months for all metals for which there is a morning Ring session;

(b) fifteen months forward in the case of Steel Billet, Cobalt, Molybdenum and Tin;

(c) the third Wednesday in December of the following calendar year in the case of Aluminium Alloy and North American Special Aluminium Alloy; and

(d) the third Wednesday in December of each of the following three calendar years in the case of all other metals,

For Premium Contracts:-

(e) the third Wednesday in the first, fourth and fifteenth months forward for each type of Premium Contract.

5.3 If the second succeeding Business Day is a Prompt Date, the Official Prices as determined under Regulation 5.1 above shall be the Settlement Prices for the relevant Metal Future or relevant Premium Contract (as applicable) for that Prompt Date.

Electronic determination of Official Prices and official Settlement Prices

5.4 At any time on or following the occurrence of a Ring Price Liquidity Event, the Exchange may determine that the Official Prices and official Settlement Prices for any or all Metal Futures and/or Premium Contracts shall be determined using any Pricing Methodology that the Exchange considers appropriate to facilitate the orderly determination of such prices (an "**Electronic Pricing Commencement Determination**"). Irrespective of whether the Ring Price Liquidity Event affects one or more Metal Futures or Premium Contracts, and/or one or more Prompt Dates, the Exchange shall have full discretion to determine whether an Electronic Pricing Commencement Determination may be made in respect of:

(a) one or more, or all, Metal Futures and/or Premium Contracts; and/or

(b) one or more, or all, Prompt Dates set out in Regulation 5.2

and whether to make one or more Electronic Pricing Commencement Determinations in respect of different Metal Futures, Premium Contract and/or Prompt Dates at different dates.

In the event that the Exchange makes an Electronic Pricing Commencement Determination, the Exchange shall specify, by Notice:

(i) that LME Select shall be used as the primary means by which to determine the Official Prices and official Settlement Prices for the Contracts and Prompt Dates specified in the Notice, and that trading activity in the Ring shall no longer be used to determine such prices;

(ii) the Pricing Methodology that shall be used to determine such Official Prices and official Settlement Prices; and

(iii) the date(s) from which such changes shall take effect.

The Exchange may make an Electronic Pricing Commencement Determination at any time on or following the occurrence of a Ring Price Liquidity Event. For the avoidance of doubt, in the event that a Ring Price Liquidity Event ceases to persist at any time after an Electronic Pricing Commencement Determination, the Exchange shall be under no expectation or obligation to reverse or otherwise revoke such determination.

5.5A When making any Electronic Pricing Commencement Determination under Regulation 5.5:

(a) the Exchange shall have regard to its regulatory obligations to maintain orderly markets and to ensure the robustness and integrity of its prices; and

(b) the Exchange may consult on any changes to the Pricing Methodology, where required in accordance with its regulatory obligations, subject that the Exchange shall not be required to consult on the re-introduction of any Pricing Methodology that has previously been used by the Exchange to determine any such Official Price or official Settlement Price including where such Pricing Methodology has been utilised solely for business continuity purposes.

Index Settlement Price

5.5 After the close of the afternoon Ring-trading session on the Prompt Date of each Index Contract, the Quotations Committee shall determine and publish the level of the Index based upon the Closing Prices of the Constituent Metals determined and published for that day in accordance with Regulation 6.1 of these Trading Regulations. The level of the Index so determined shall immediately be reported by the Company to the Clearing House and shall be the Settlement Price for the Index for such Index Contracts and for Cleared Contracts that have come into effect pursuant to the registration of Index Contracts by the Clearing House.

5.6 **Settlement Prices for Cash-Settled Futures and LMEprecious Futures and Closing Prices for Specified Metals**

Cash-Settled Futures

5.6.1 Each Cash-Settled Futures Daily Settlement Price shall be calculated in accordance with the applicable Pricing Methodology.

5.6.2 Each Cash-Settled Futures Final Settlement Price shall be determined with reference to the corresponding Cash-Settled Future Index.

5.6.3 Errors in the Cash-Settled Future Index

Unless specified otherwise in the relevant Special Contract Rules for Cash-Settled Futures the following shall apply:

(a) If, not later than 30 minutes after the Cash-Settled Futures Final Settlement Price has been published by the Exchange, any Member of the Exchange notifies the Exchange of, or it otherwise comes to the attention of the Exchange that there is an alleged or apparent error in the Cash-Settled Future Index, then the Exchange shall promptly request the index provider investigate such alleged or apparent error. If in the index

provider's opinion an error has been made, the index provider shall correct any Cash-Settled Future Index value affected thereby and the Exchange shall as soon as reasonably practicable publish a correction to the Cash-Settled Futures Final Settlement Price, as required.

(b) No correction to the Cash-Settled Future Index shall be made other than may be allowed for in Regulation 5.7.3(a).

(c) Without prejudice to the generality of Regulation 19 (*Liability*) of these Trading Regulations, neither the Exchange nor its officers, employees, agents or representatives shall have any liability whatsoever in respect of any decision as to whether or not to correct the Cash-Settled Future Index, or as to whether or not to re-determine the Cash-Settled Futures Final Settlement Price.

LMEprecious Futures

5.6.4 The LMEprecious Daily Settlement Price and LMEprecious Final Settlement Price shall be determined in accordance with such methodology as the Exchange may specify by way of Notice from time to time, with:

(a) the Clearing House having ownership, and overall responsibility for the determination, of the LMEprecious Daily Settlement Price and the LMEprecious Final Settlement Price; and

(b) the Exchange, as the delegate of the Clearing House, having day-to-day responsibility for the determination of such Settlement Prices on a delegated basis.

5.7 The Daily Settlement Price for Metal Options, Traded Average Price Options, Index Options and LMEprecious Options

5.7.1 The daily Settlement Price for Metal Options, Traded Average Price Options, Index Options and LMEprecious Options shall be determined in accordance with such methodology as the Exchange may specify by way of Notice from time to time, with:

(a) the Clearing House having ownership, and overall responsibility for the determination, of the daily Settlement Price for Metal Options, Traded Average Price Options, Index Options and LMEprecious Options; and

(b) the Exchange, as the delegate of the Clearing House, having day-to-day responsibility for the determination of such daily Settlement Price on a delegated basis.

5.7.2 For Traded Average Price Options the Exchange shall input to the screen information service and display thereon the daily Settlement Price, Moving Monthly Average Settlement Price and Monthly Average Settlement Price for the relevant metal during the relevant tradeable month according to the currency in which the Traded Average Price Option is denominated.

5.7.3 For the purpose of enabling the Clearing House to determine Metal Option, Traded Average Price Option, Index Option and LMEprecious Option daily Settlement Prices pursuant to the Clearing House Rules, the Exchange shall, on each Business Day, use such options valuation methodology as may be agreed between the Exchange and the Clearing House from time to time for the purposes of valuations. Such methodology shall be set out by Notice. Without prejudice to the generality of the foregoing, the Exchange may determine the volatilities prevailing in the Market at such time as may be prescribed by Notice, for the Strike Price

nearest the Closing Price and for such other Strike Prices as may be required by the Exchange in agreement with the Clearing House, of the relevant Metal Option, Traded Average Price Option, Index Option and LMEprecious Option Contract and each relevant month in which the relevant Metal Option, Traded Average Price Option, Index Option and LMEprecious Option is traded, and communicate the above to the Clearing House by the time specified by Notice. The determination of the Closing Prices will take into account mandatory submissions from Members, voluntary submissions from Members and/or Clients, trading activity throughout the day, and/or any such other input data, including data from third party providers, as the Exchange may consider appropriate from time to time. For the avoidance of doubt, the Exchange shall be acting as the delegate of the Clearing House when making any determination or exercising any discretion pursuant to this Regulation 5.8.3.

5.7.4 If a Member is active in a particular Metal Option, Traded Average Price Option, Index Option and/or LMEprecious Option at any particular time as determined by the Exchange, it shall be obliged to submit closing volatilities to the Exchange (in consultation, where appropriate, with the Clearing House), for the purpose of the Clearing House valuations if requested by the Exchange, unless the Exchange expressly states in its request that such contribution would be voluntary. The Exchange may specify by Notice that any Member that is active in LMEprecious Options must submit closing volatilities to the Exchange. If a Member fails to comply with such a request or requirement, or provides inaccurate or unreflective submissions, such Member may be subject to Exchange disciplinary procedures.

5.7.5 If a Client (who is not also a Member) is active in a particular Metal Option, Traded Average Price Option, Index Option and/or LMEprecious Option at any particular time, such Client may choose to submit closing volatilities to the Exchange on a daily basis for the purpose of the Clearing House valuations. The Exchange (in consultation with the Clearing House) will have absolute discretion to stop using voluntary submissions from any particular Client if they are deemed to be inaccurate or unreflective of volatilities prevailing in the market. Neither Clients nor Members shall be liable for any inaccurate or unreflective submissions made under this Regulation 5.8.5. For the avoidance of doubt, the Exchange shall be acting as the delegate of the Clearing House when making any determination or exercising any discretion pursuant to this Regulation 5.8.5.

5.7.6 For the avoidance of doubt, the daily Settlement Price for LMEprecious Options may be used for the purpose of margin calculations, but shall not be the price by reference to which the contract shall be exercised or abandoned on the Expiry Day (which price shall be the Settlement Price comprising the Exercise Reference Price, as determined in accordance with the LMEprecious Option Regulations).

6. CLOSING PRICES AND MARGIN

6.1 On each Business Day, the Quotations Committee shall determine, in accordance with the applicable Pricing Methodology:

(a) Closing Prices in the Major Currency for each Metal Future for each Prompt Date;

(b) the Premium Contract Closing Prices for each Prompt Date;

(c) the Monthly Average Future Closing Price; and

(d) the Index Futures Closing Price for each month forward.

Such prices shall be determined after such time on each Business Day as shall be specified by the Exchange by Notice or on the LME website from time to time.

The Exchange shall contemporaneously publish these prices and shall communicate them to the Clearing House within a reasonable time after determination of the prices. The Quotations Committee shall, at the same time, advise the Clearing House of such quoted values of Metal Contracts and Premium Contracts for such other Prompt Dates as may be necessary to enable current prices for all Prompt Dates to be calculated.

For the purposes of Initial and Variation Margin, Carries shall comprise two or more separately identifiable Contracts each with a different Prompt Date.

6.2 Where any documentation issued by the Exchange in relation to LMEprecious Futures refers to the "Closing Price" of such Contract(s), such reference shall be construed to mean the LMEprecious Daily Settlement Price.

6.3 The Exchange may, subject to consultation where appropriate in the circumstances, determine that the methodology and/or source of data to be used for determining the Closing Prices of any Metal Future or Premium Contract (and in respect of any Prompt Date of any Metal Future or Premium Contract) shall be changed, either on a time-limited or on a permanent basis. In the event that the Exchange proposes to make such a change, the Exchange shall, by Notice, provide Members with advance prior notice of the change and the basis on which such Closing Prices shall be determined. The Exchange shall provide such notice as it considers reasonable in the context of the proposed change and any operational impact on Members and the wider population of users of the Closing Prices.

7. PAYMENT SYSTEM

Every Clearing Member shall make such arrangements as may be requisite for their participation in the payment system administered by the Clearing House.

8. PROMPT DATES

8.1 Metal Futures may have any of the following Prompt Dates (but subject, where relevant, to sub-paragraph 8.2 and 8.4 of this Regulation):-

(a) Cash Today;

(b) Cash;

(c) each other day forward from Cash to the day which is three months forward from the date upon which the Contract is made (the "three-months date");

(d) each Wednesday falling after the three-months date until and including the last Wednesday in the sixth calendar month after the calendar month in which the Contract is made;

(e) each third Wednesday in each calendar month from and including the seventh calendar month to and including the fifteenth calendar month in the case of Contracts for Cobalt, Molybdenum, Steel Billet and Tin, or the twenty-seventh month in the case of Contracts for Aluminium Alloy and North American Special Aluminium Alloy, or the sixty-third month in the case of Lead, Primary Nickel and Special High Grade Zinc, or the one hundred and twenty-third month in the case of High Grade

Primary Aluminium and Copper – Grade A, after the calendar month in which the Contract is made; or

(f) the second Business Day of each calendar month from and including the fourth calendar month to and including:

(i) the twenty fourth calendar month after the calendar month in which the Contract is made, in the case of Contracts for Aluminium Alloy, North American Special Aluminium Alloy, High Grade Primary Aluminium, Copper – Grade A, Primary Nickel and Special High Grade Zinc; or

(ii) the fifteenth calendar month after the calendar month in which the Contract is made, in the case of Lead and Tin.

8.2 Index Contracts may have as their Prompt Dates (but subject, where relevant, to sub-paragraph 8.4 of these Trading Regulations) the second Wednesday in each permitted expiry month.

8.3 No Metal Contract in which the price is denominated in a currency other than sterling, US dollars or euro may be made for Cash Today or with a Prompt Date falling on a day which the Exchange shall have declared to be a day on which commercial banks in the principal financial centre for the currency concerned will not be open for the transaction of foreign exchange business. No Metal Option Contract may be made which, on declaration, would result in a Futures Contract with such a Prompt Date.

8.4 Exceptions

8.4.1 Except in relation to Monthly Average Futures, if any Prompt Date would fall on a day which is not a Settlement Business Day it shall instead fall on the next succeeding day which is a Settlement Business Day except:-

(a) if the Prompt Date would fall on a Saturday and the preceding Friday is a Settlement Business Day;

(b) if the Prompt Date would fall on Good Friday;

(c) if the Prompt Date would fall on Christmas Day (and Christmas Day is on a Tuesday, Wednesday, Thursday or Friday); or

(d) if the Prompt Date would fall on any other day which the Exchange has specially declared is not a Business Day.

In the case of (a), (b) and (c) above, the Prompt Date shall instead fall on the preceding Settlement Business Day. In the case of (d) above the Prompt Date shall instead fall on such day as the Exchange in its absolute discretion shall determine.

8.4.2 If any Prompt Date falling within Trading Regulation 8.1(c) would, in spite of or by reason of the provisions of Trading Regulation 8.4, fall in the fourth calendar month after the calendar month in which the contract was made, it shall instead fall on the last Settlement Business Day in the third such calendar month.

8.4.3 Any person appointed by the Exchange to do so shall be empowered, by way of Administrative Procedure given on such notice as is reasonably practicable:

(a) to declare that a particular date shall not be a Prompt Date (or, where a particular date is not a Prompt Date, that such date shall be a Prompt Date), for the purposes of facilitating the migration to an alternative Clearing House or for any other reason. In such cases, where trading has already taken place for a Prompt Date which is subsequently declared not to be a Prompt Date, or where the Prompt Date remains a Prompt Date but would result in settlement falling on a day that is not a Settlement Business Day, then any open positions will be rolled to the next available Prompt Date or such other date as the Exchange may determine in its absolute discretion; and/or

(b) to direct for the same purposes as in paragraph (a) above that Member(s) shall enter into a Carry, with the effect that settlement of a Contract is to take place on the Business Day next following the Prompt Date, or on another particular date that is not the Prompt Date.

8.5 LMEmini Futures may have the following Prompt Dates:

(a) if, in any calendar month, the Contract is made on or before the LMEmini Last Trading Time for that calendar month, that Contract may have a Prompt Date on the third Wednesday of that calendar month and on the third Wednesday of each calendar month thereafter for eleven months, subject, where relevant, to Trading Regulation 8.4; or

(b) if, in any calendar month, the Contract is made after the LMEmini Last Trading Time for that calendar month, that Contract may have a Prompt Date on the third Wednesday of the next eleven calendar months thereafter, subject, where relevant, to Trading Regulation 8.4.

8.6 Monthly Average Futures may have the following Prompt Dates:

(a) two Business Days following the last Business Day in the tradeable month which is to be used to calculate the Monthly Average Settlement Price; or

(b) where (a) is not a Settlement Business Day, the next Business Day which is a Settlement Business Day.

8.7 Cash-Settled Futures Contracts may have the Prompt Dates specified in the relevant Special Contract Rules for Cash-Settled Futures.

8.8 Premium Contracts may have the following Prompt Dates:

(a) if, in any calendar month, the Contract is made on or before the Premium Contract Last Trading Time for that calendar month, that Contract may have a Prompt Date on the third Wednesday of that calendar month and on the third Wednesday of each calendar month thereafter for fifteen months, subject, where relevant, to Trading Regulation 8.4; or

(b) if, in any calendar month, the Contract is made after the Premium Contract Last Trading Time for that calendar month, that Contract may have a Prompt Date on the third Wednesday of the next fifteen calendar months thereafter, subject, where relevant, to Trading Regulation 8.4.

8.9 LMEprecious Futures may have the Prompt Dates specified in the LMEprecious Future Regulations.

8.10 LMEprecious Options may have the Prompt Dates specified in the LMEprecious Option Regulations.

8.11 Except as otherwise provided in these Trading Regulations, the Contract Regulations, the Traded Options Regulations and the Default Regulations each Contract shall be settled on its Prompt Date and, except as aforesaid, Metal Contracts and Premium Contracts shall not be settled earlier notwithstanding that an offsetting Contract for the same tonnage and Prompt Date may have been made. For the avoidance of doubt, this Trading Regulation 8.11 is subject to, and shall be construed in accordance with Regulation 4.4 of the Contract Regulations.

8.12 This Trading Regulation 8 is subject to Regulation 3.4.3 of the Default Regulations.

9. SETTLEMENT OF CONTRACTS

9.1 Cleared Contracts - General:

9.1.1 In Trading Regulations 9.1 to 9.4, references to "Cleared Contracts", "Cleared Metal Contracts", "Cleared LMEmini Contracts", "Cleared Index Futures", "Index Options", "Monthly Average Futures", "Cleared Monthly Average Futures", "Cleared Cash-Settled Futures", "Cleared Premium Contracts", "Cleared LMEprecious Options" and "Cleared LMEprecious Futures" shall be construed to include any Cleared Contract that arises pursuant to the Clearing House Rules upon the Execution of any Agreed Trade pursuant to these Rules and the Clearing House Rules.

9.1.2 Settlement of all Cleared Metal Contracts whether by offset or by delivery and settlement of differences shall be made on the relevant Prompt Date by reference to the Settlement Price determined for that Prompt Date in the currency of the relevant Cleared Metal Contract. Where the currency of the Cleared Metal Contract is not the Major Currency of the relevant metal, settlement shall be made by reference to the Settlement Price translated into the currency of the Cleared Metal Contract at the rate determined by the Company. Settlement of accrued rent and weight differences shall be made by reference to the Settlement Price applicable for that Prompt Date and in the Major Currency of the contract concerned.

9.1.3 Settlement of all Cleared LMEmini Contracts shall be made in cash on the relevant Prompt Date by reference to the Settlement Price determined for that Prompt Date for the relevant underlying metal, provided that only the difference between the Settlement Price of the underlying metal on the Prompt Date and the price of the underlying metal agreed in the Contract shall be payable by or to the buyer or seller, as the case may be, multiplied by the Contract size.

9.1.4 In addition to their settlement on the Prompt Date, all Cleared LMEmini Contracts shall be subject to settlement to market in accordance with the Clearing House Rules.

9.1.5 Settlement of all Cleared Index Futures shall be made in cash on the Settlement Business Day following the Prompt Date. Settlement shall be made by reference to the Settlement Price of the Index, determined as provided in Trading Regulation 5.6, provided that only the difference between the Settlement Price of the Index and the Contract price shall be payable by or to the buyer or seller, as the case may be, multiplied by the Contract size.

9.1.6 In addition to their settlement on the Settlement Business Day following the Prompt Date, all Cleared Index Futures shall be subject to settlement to market in accordance with the Clearing House Rules.

9.1.7 Settlement of Index Options exercised in accordance with the Index Options Regulations shall be made in cash on the Settlement Business Day following the Prompt Date. The Granter shall pay to the Taker an amount in cash equal to the difference between the Settlement Price of the Index and the Strike Price multiplied by the Contract size.

9.1.8 Settlement of all Monthly Average Futures shall be made in cash on the relevant Prompt Date. Settlement shall be made by reference to the Monthly Average Settlement Price for the relevant tradeable month for the relevant underlying metal, provided that only the difference between the Monthly Average Settlement Price for the relevant tradeable month for the relevant underlying metal and the fixed price agreed by the buyer and seller in the relevant Contract shall be payable by or to the buyer or seller, as the case may be, multiplied by the Contract Size.

9.1.9 In addition to their settlement on the Prompt Date, all Cleared Monthly Average Futures shall be subject to daily marking to market in accordance with the Clearing House Rules.

9.1.10 Settlement of all Cleared Cash-Settled Futures shall be made in cash on the relevant Settlement Business Day specified in the Special Contract Rules for Cash-Settled Futures. Settlement shall be made by reference to the Cash-Settled Futures Final Settlement Price, determined in accordance with the process specified in the relevant Special Contract Rules for Cash-Settled Futures.

9.1.11 In addition to their settlement on the relevant Settlement Business Day specified in the Special Contract Rules for Cash-Settled Futures, all Cleared Cash-Settled Futures shall be subject to daily settlement to market in accordance with the Clearing House Rules.

9.1.12 Cleared Cash-Settled Futures shall settle in accordance with the relevant Special Contract Rules for Cash-Settled Futures.

9.1.13 Cleared Premium Contracts shall settle in accordance with the Premium Contract Regulations.

9.1.14 Settlement of Cleared LMEprecious Options exercised in accordance with the LMEprecious Option Regulations shall be made on the Prompt Date by the coming into effect of an LMEprecious Future, in accordance with the LMEprecious Option Regulations and the Clearing House Rules.

9.1A **Cleared LMEprecious Futures – Settlement by Delivery**

9.1A.1 Settlement of all Cleared LMEprecious Futures shall be made by delivery of the relevant Lots of Precious Metal on the relevant Prompt Date in exchange for payment in US Dollars, calculated by reference to the LMEprecious Final Settlement Price determined for that Prompt Date and in accordance with the Clearing House Rules.

9.1A.2 In addition to their settlement on the Prompt Date, all Cleared LMEprecious Futures shall be subject to daily settlement to market in accordance with the Clearing House Rules.

9.1A.3 If a Clearing Member fails duly to deliver any amount of Precious Metal due to be delivered to the Clearing House:

(a) the Clearing House may take such action as may be specified under the Clearing House Rules;

(b) such failure shall constitute an act of misconduct for the purposes of Regulation 14 of the Membership Regulations; and

(c) notwithstanding any application of the disciplinary process in Regulation 14 of the Membership Regulations, the Exchange shall co-ordinate with the Clearing House to determine the level of any fine or other penalty to be levied on the Clearing Member and the basis on which such fine or penalty may be imposed. For the avoidance of doubt, any failure by the Exchange to levy a fine or other penalty on the Clearing Member in respect of any failure to deliver Precious Metal shall not prevent the Clearing House from levying any fine or other penalty on the Clearing Member in accordance with the Clearing House Rules (and vice versa).

9.2 **Cleared Metal Contracts - Settlement of Differences:**

Differences shall be established on the relevant Prompt Date, in respect of all Cleared Metal Contracts, between the contract price and the Settlement Price determined for that Prompt Date. The Clearing House shall account to Clearing Members for differences thus established by placing the same to their credit or debit as the case may require in accordance with the Clearing House Rules.

9.3 **Cleared Metal Contracts - Closing by Offset:**

Bought and sold Cleared Metal Contracts of a Clearing Member for the same metal and Prompt Date and in the same currency shall, to the extent that they match each other, be closed on their Prompt Date by offsetting.

9.4 **Cleared Metal Contracts - Settlement by Delivery:**

9.4.1 The net Lots covered by Cleared Metal Contracts remaining following offset under Trading Regulation 9.3 shall be settled on their Prompt Date by payment subject to the Clearing House Rules.

9.4.2 The Clearing House shall raise invoices or credit notes for the contract weight of the net Lots covered by such Cleared Metal Contracts at the Settlement Price and in the currency of the relevant Cleared Metal Contract and shall deliver the same to the relevant Clearing Members. Such invoices and credit notes shall be for the contract weight without allowance for storage rent accrued and differences between contract weight and Warrant weight.

9.4.3 Payments and receipts in respect of the invoices and credit notes raised by the Clearing House under Trading Regulation 9.4.2 shall be effected through the payment system or, in the case of payments to sellers, in such other form as shall be specified by the Clearing House.

9.4.4 The net Lots covered by Cleared Metal Contracts following offset under Trading Regulation 9.3 which match as to metal and tonnage but not as to currency, shall be offset for the purposes of establishing the net number of Warrants to be settled by delivery subject to the Clearing House Rules. Such delivery of Warrants shall, from the date prescribed by the Exchange for the relevant metal, be effected pursuant to LMEsword in accordance with the LMEsword Regulations and Operating Procedures and the Clearing House Rules.

9.4.5 On the Business Day following the Prompt Date the Clearing House shall call on seller or buyer as requisite in order that allowances for accrued storage rent, and any difference between Warrant weight and contract weight be accounted for in respect of Warrants transferred to the buyer in accordance with the Clearing House Rules.

9.4.6 If a Clearing Member fails duly to deliver a Warrant due to be delivered to the Clearing House, the Clearing House may, without prejudice to its rights under the Clearing House Rules:

9.4.6.1 without prejudice to the accrued rights for damages of the Clearing House and the affected buying Clearing Member(s), direct the Warrant be delivered to and by the Clearing Member on the Business Day next following the Prompt Date, that the Contract terms be adjusted accordingly and the parties' payment obligations and entitlements thereunder be adjusted to give such rate of compensation to the buyer as the Exchange may from time to time direct; or

9.4.6.2 Invoice Back the metal due to be delivered in accordance with Trading Regulation 10.4.

This Trading Regulation 9.4.6 shall apply subject to any directions of the Exchange made under Trading Regulation 17.1 or 17.2 below. The Exchange may prescribe such penalties for non-delivery of Warrants as it may from time to time deem fit in the Operating Procedures or by Notice.

9.4.7 The Exchange may prescribe dates in advance of the dates prescribed under Trading Regulation 9.4.4, following which Clearing Members may deliver only Warrants issued utilising LMEsword.

9.5 **Client Contracts – General**

The provisions of this Trading Regulation 9.5 apply to the settlement of Client Contracts as between the Member and its Client. Any Cleared Contract that arises between a Clearing Member and the Clearing House pursuant to the Clearing House Rules that corresponds to a Client Contract, shall be settled in accordance with (i) Trading Regulations 9.1 to 9.4 above and (ii) the provisions of the Clearing House Rules.

9.6 **Client Metal Contracts**

9.6.1 Client Metal Contracts shall settle by offset or delivery.

Client Metal Contracts - by Offset:

9.6.2 Offsetting bought and sold Client Metal Contracts with the same Prompt Date and currency shall be settled on contract (round) weights, buyer and seller paying or receiving as the case may be any difference between the Contract prices of the Contracts so offset.

Client Metal Contracts - by Delivery:

9.6.3 Delivery of Warrants and settlement in respect of unmatched Client Metal Contracts shall be effected in accordance with the terms of the Client Metal Contract between the parties and the Contract Regulations. Such terms must require Warrants to be delivered by no later than 09.00 hours on the Prompt Date when a Category 4 Member or non-Member is the seller and transferor, and no later than 13.30 hours (so far as enabled by the seller's best endeavours) when a Clearing Member is the seller and transferor of the Warrants. Delivery shall be effected pursuant to LMEsword in accordance with the LMEsword Regulations and Operating Procedures governing ex-cleared transfers.

9.7 **Daily Settling Client Contracts**

9.7.1 This Regulation 9.7 of the Trading Regulations shall apply to:

(a) Client Index Futures;

(b) Client LMEmini Futures;

(c) Client Cash-Settled Futures;

(d) Client LMEprecious Futures

(each being a type of "**Daily Settling Client Contract**").

9.7.2 The Daily Settling Client Contracts listed in Regulation 9.7.1 above shall settle on the following basis:

(a) Client Index Futures shall settle in cash on the Settlement Business Day following the Prompt Date in the same way as Cleared Index Futures as described in Trading Regulation 9.1.5.

(b) Client LMEmini Futures shall settle in cash on the Prompt Date in the same way as Cleared LMEmini Futures as described in Trading Regulation 9.1.3.

(c) Client Cash-Settled Futures shall settle in cash on the relevant Settlement Business Day specified in the Special Contract Rules for Cash-Settled Futures in the same way as Cleared Cash-Settled Futures as described in Trading Regulation 9.1.10.

(d) Client LMEprecious Futures shall settle by the delivery of Precious Metal from the Seller to the Buyer on the Prompt Date.

(e) Such Daily Settling Client Contracts shall also be subject to daily settlement to market or daily marking to market as agreed between the Member and its Client on the basis set out below.

9.7.3 As agreed between the Member and its Client, the Member shall effect the daily settlement to market of all open Daily Settling Client Contracts of each type. Regulations 9.7.4 to 9.7.6 below shall be subject to the application of Regulations 9.7.7 and 9.7.8, where applicable.

Calculation of Daily Settlement Amounts

9.7.4 In order to create a daily settlement amount, the Member shall, in respect of each open Daily Settling Client Contract of each type, effect between it and its Client a settlement contract, being a book-entry Contract on the same terms (except as to price) as the open Contract, save that where the Client is a buyer under the terms of the Contract, the Client shall be a seller under the terms of the settlement contract and vice versa, at the relevant price, being:

(a) in respect of Client Index Futures, the Index Futures Closing Price;

(b) in respect of LMEmini Futures, the LMEmini Futures Closing Price;

(c) in respect of Cash-Settled Futures, the Cash-Settled Future Daily Settlement Price;

(d) in respect of LMEprecious Futures, the LMEprecious Daily Settlement Price,

(each being the "**Relevant Daily Settlement Price**").

For the avoidance of doubt, the settlement contract shall not be registered in the Matching System.

9.7.5 The Member shall, upon completion of the procedure in Trading Regulation 9.7.4 above, calculate the daily settlement amounts and the Member and its Client shall (unless otherwise agreed) settle any daily settlement amounts arising.

Daily Settlement to Market and Marking to Market

9.7.6 Subject to the application of Regulation 9.7.7, where applicable, the Member shall, upon completion of the calculation of daily settlement amounts pursuant to Trading Regulation 9.7.5 above:

(a) In respect of those open Contracts in a Client's name which have been settled pursuant to Trading Regulation 9.7.4 and which are subject to daily settlement to market, enter into and record in its books at the Relevant Daily Settlement Price referred to in Trading Regulation 9.7.4 above, book-entry Contracts in the Client's name as open Contracts on the same terms (except as to price) as the settled open Contracts, save that the Member shall not enter into and record in its books Contracts in the name of the Client if to do so would result in the Client being the purchaser under one type of Daily Settling Client Contract and the seller under another Daily Settling Client Contract of the same type, each such Daily Settling Client Contract having the same maturity month. For the avoidance of doubt, these book-entry Contracts shall not be registered in the Matching System.

(b) In respect of those open Contracts in a Client's name which have been settled pursuant to Trading Regulation 9.7.4 above and which are subject to daily marking to market enter into and record in its books at the Relevant Daily Settlement Price referred to in Trading Regulation 9.7.4 above, new book-entry Contracts in the Client's name as open Contracts on the same terms (except as to price) as the settled open Contracts. For the avoidance of doubt, these book-entry Contracts shall not be registered in the Matching System.

Position Management where netting, aggregation or close out is applied to Client-Related Cleared Contracts

9.7.7 In the event that any Client-Related Cleared Contracts that are allocated to a client account of a Clearing Member at the Clearing House are subject to Position Netting at the Clearing House, and the corresponding Underlying Client Contracts are Daily Settling Client Contracts, such Underlying Client Contracts shall also be automatically and simultaneously subject to Position Netting under the Exchange Rules, on the following basis:

(a) the Clearing Member and the Client (each acting as principal) shall be released from further obligations towards one another under such Underlying Client Contracts and their respective rights against one another under such Contracts shall be cancelled; and

(b) simultaneously, new Client Contracts shall, by operation of this Regulation, come into full force and effect between the Clearing Member and the Client, such that the Clearing Member and the Client (each acting as principal) shall assume obligations towards one another and/or acquire rights against one another under such new Client Contracts; and

(c) such new Client Contracts shall represent back-to-back Contracts to each post-netting Cleared Contract that is in effect following the Position Netting at the Clearing House, such that:

(i) for each post-netting Cleared Contract, there shall be a corresponding new Client Contract, having:

(1) the same direction; and

(2) the same commercial terms, including in relation to the amount of underlying metal and prices; and

(ii) the Variation Margin applicable to such a new Client Contract shall be the Variation Margin amounts applicable to the post-netting Cleared Contracts or such larger sum as may be agreed between the parties,

save that Position Netting at the Exchange shall not affect any terms or contractual rights or obligations between the Clearing Member and the Client that were not comprised in the terms of any Underlying Client Contract that was subject to Position Netting under the Exchange Rules; and

(d) where Position Netting results in the close out by netting of Client-Related Cleared Contracts, the Underlying Client Contracts corresponding to such Client-Related Cleared Contracts shall also be automatically and simultaneously closed out by netting.

9.7.8 Each Clearing Member that, under the Clearing House Rules, maintains Client-Related Cleared Contracts allocated to any of its client accounts at the Clearing House on the basis of the application of Position Netting at the Clearing House must:

(a) have ensured that, prior to the implementation of any Position Netting at the Clearing House, its terms of business or other contractual arrangements with the relevant Clients contain provisions that operate in a manner that is consistent with Regulation 9.7.7 and this Regulation 9.7.8, and do not contain provisions which would conflict with or frustrate the Position Netting of any Underlying Client Contract in accordance with Regulation 9.7.7 and this Regulation 9.7.8;

(b) ensure that any Client that is party to an Underlying Client Contract that is or may be subject to Position Netting under the Exchange Rules:

(i) is notified of the fact that such Position Netting may occur, and when such Position Netting will take effect; and

(ii) upon Position Netting under the Exchange Rules, is promptly notified of the effect of Position Netting, such that the Client is at all times on notice of the Client Contracts (including the post-netting Client Contracts) that are in force between the Clearing Member and the Client;

(c) ensure that its books and records relating to the Client Contracts and Cleared Contracts to which it is a party are at all times reconciled and up to date, such that it is at all times possible to identify which Cleared Contract (including a post-netting Client Contract) represents the clearing of which Client Contract (including a post-netting Cleared Contract); and

(d) promptly upon request by the Exchange or Clearing House provide a copy of such books and records described in (c) above, in such a format that would easily enable reconciliation of the Client Contracts with the corresponding Cleared Contracts (including the post-netting Cleared Contracts).

9.8 **Client LMEprecious Future Contracts - Delivery**

Delivery of Precious Metal and settlement in respect of Client LMEprecious Futures shall be effected in accordance with the terms of the Client LMEprecious Future between the parties and the Contract Regulations. Such terms must require Precious Metal to be delivered by no later than:

(a) no later than 16:00 hours on the Prompt Date when an LMEprecious Non-Clearing Member or non-Member is the Seller and transferor of the Precious Metal, and

(b) no later than 16:00 hours (so far as enabled by the Seller's best endeavours) when an LMEprecious Clearing Member is the Seller and transferor of the Precious Metal,

or such other time as the Clearing House may prescribe from time to time.

Delivery shall be effected by delivery of the unallocated Precious Metal to the Buyer's account at a Precious Metal Clearer or by such other means as the parties may agree. The manner of delivery shall be as agreed by the parties or, in the absence of agreement, at the Seller's option.

9.9 **Client LMEprecious Option Contracts**

In the Money Client LMEprecious Option Contracts and At the Money Call Options on Client LMEprecious Option Contracts shall be subject to automatic exercise and settlement in the same way as Cleared LMEprecious Option Contracts, in accordance with the LMEprecious Option Regulations.

9.10 **Client Index Options**

In the Money Client Index Options shall be subject to automatic exercise and settlement in the same way as In the Money Cleared Index Options.

9.11 **Client Premium Contracts**

Client Premium Contract shall settle in accordance with the Premium Contract Regulations.

9.12 **Settlement Facility**

Members may designate an alternative settlement facility to the Clearing House for the settlement of a Contract provided that:

(a) such links and arrangements exist between the designated settlement facility and any other settlement facility as are necessary to ensure the efficient and economic settlement of the Contract; and

(b) the Exchange is satisfied that the smooth and orderly functioning of the financial markets will be maintained.

9.13 **Compression**

This Regulation 9 of the Trading Regulations shall be read and construed in accordance with Regulation 4.4 of the Contract Regulations.

9.14 Client Clearing and Indirect Clearing Arrangements

9.14.1 It shall be the responsibility of a Member, and not the Exchange, to ensure that any client clearing or Indirect Clearing Arrangement established by a Member is compliant with the Member's obligations under MiFID II, MiFIR and/or EMIR and/or any other applicable law or regulation.

9.14.2 Without prejudice to the specific requirements in Trading Regulations 2.6 and 3.9.1, a Member must not cause or facilitate any Agreed Trade to be made with or for a Client of such Member unless such Member is satisfied that such Client has established appropriate direct and/or Indirect Clearing Arrangements to become counterparty to the cleared transaction resulting from the Execution of such Agreed Trade.

9.14.3 Without prejudice to the generality of Regulations 9.14.1 and 9.14.2 above, where a Member intends to facilitate an Indirect Clearing Arrangement:

(a) it shall be the sole responsibility of the Member to ensure that, and the Member must ensure that:

(i) the Member has executed binding contractual terms with its counterparties, including any Client or Indirect Client (and, where the Member is not itself a Clearing Member, a Clearing Member):

(1) to give effect to the formation of the relevant Underlying Client Contract(s) at the Execution Time for the corresponding Cleared Contract; and

(2) to govern such Underlying Client Contracts(s);

(ii) the Member has notified its Client or its Indirect Client (as applicable) that any Indirect Clearing Arrangements that include a "second indirect client" or "third indirect client" must be compliant with the Indirect Clearing Regulations; and

(iii) the Indirect Clearing Arrangement is compliant with the Indirect Clearing Regulations as regards the segregation of assets and positions;

(b) the Exchange shall be under no obligation to verify the compliance or appropriateness of any of the matters described in (a) above; and

(c) notwithstanding (b) above:

(i) the Member shall provide to the Exchange such information regarding the Indirect Clearing Arrangement as the Exchange may reasonably request, including without limitation, information demonstrating the basis on which the Member has complied with its obligations under (a) above; and

(ii) in the event that the Exchange, acting reasonably, has cause for concern that the Indirect Clearing Arrangement and/or the behaviour of any person participating in such Indirect Clearing Arrangement:

(1) is not compliant with the requirements in (a) above; and/or

(2) may threaten the operation of a fair and orderly market in Contracts; and/or

(3) be operated in a manner detrimental to the interests of participants in the market for Contracts,

the Member shall comply with any requirements notified by the Exchange, acting reasonably, to address such concerns.

9.14.4 An Indirect Clearing Arrangement that is permissible under these Rules shall include an arrangement:

(a) where the Client of the Clearing Member is a Non-Clearing Member and such Non-Clearing Member has a Client that is, consequently, an Indirect Client of the Clearing Member; and

(b) where the Client of the Clearing Member is not a Non-Clearing Member and such Client has its own client that is, consequently, an Indirect Client of the Clearing Member,

in each case provided that the arrangement complies with the Indirect Clearing Regulations, these Rules and the Clearing House Rules.

10. DELIVERY - GENERAL

10.1 Acceptance and delivery of documents including Warrants or Premium Warrants under the foregoing procedure shall be without prejudice to any question or dispute relating thereto being referred to arbitration. If any Clearing Member shall have any complaint whatsoever in respect of delivery or acceptance of delivery under a Cleared Contract with the Clearing House, such Clearing Member shall give written notice and particulars of their complaint to the Clearing House in conformity to the Clearing House Rules.

10.2 If there appears to the Clearing House to be a default by either party to a Cleared Contract with the Clearing House in respect of or arising out of a delivery, the Clearing House shall as soon as practicable take such steps as it deems appropriate to achieve an amicable settlement of the issue between the parties. If it appears to the Clearing House that such steps have not led and are not likely to lead to a settlement within a reasonable time, the Clearing House shall refer the dispute to the Exchange.

10.3 If upon reference made to it by the Clearing House the Exchange is of the opinion that the default is of minor significance, it may thereupon determine the issue upon such evidence before them as it may deem relevant and convey its determination to the parties. All parties shall forthwith accept such determination and shall implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of any party to refer the dispute or any related dispute to arbitration under the Rules.

10.4 Where the Clearing House determines to Invoice Back metal in accordance with Trading Regulation 9.4.6.2 or (in the case of a Premium Contract) Premium Contract Regulation 3.9(f) or otherwise in accordance with the Clearing House Rules, it shall Invoice Back the metal in question to the seller at the price fixed by the Exchange. The Exchange may fix such a price as an applicable daily rate generally for the purposes of the Invoicing Back of the metal in question or for the specific case, at their absolute discretion, and such prices or rates may take account of any compensation that the Exchange consider should be paid by either party to the other. This Trading Regulation 10.4 shall apply subject to any directions issued in accordance with Trading Regulation 17.1 or 17.2 below.

10.5 An Invoicing Back price fixed under these Trading Regulations shall be binding on the parties. No dispute as to the price may be referred to arbitration but the completion of Invoicing Back shall be without prejudice to the right of any party to refer any other issue to arbitration under the Rules.

10.6 References in the Rules to the delivery of Warrants or Premium Warrants shall include a delivery of Warrants or Premium Warrants by way of a transfer within LMEsword in accordance with the LMEsword Regulations and Operating Procedures.

10.7 Where, as a consequence of a failure by a Member to deliver Precious Metal in respect of any Cleared Contract that is an LMEprecious Future, the Clearing House determines that it shall postpone its own delivery obligation in respect of such Precious Metal under any Client-Related Cleared Contract that is an LMEprecious Future, the Prompt Date in respect of the Underlying Client Contract that corresponds to such Client-Related Cleared Contract shall be postponed to the same date as revised date for delivery by the Clearing House under the Client-Related Cleared Contract.

11. DEALINGS IN THE RING

11.1 Business in the Ring shall be by open outcry and shall be confined within the times laid down for dealings in individual metals and Contract-types and for kerb dealings. Each Category 1 Member must ensure they have a Dealer in the second Ring of the first session (R2). Participation in all other Ring sessions shall be voluntary. Dealings shall be for Prompt Dates in accordance with Trading Regulation 8.1 subject to the provisions of any applicable Notice. Those present in the Exchange during Ring and kerb dealings shall at all times conduct themselves in an orderly manner.

11.2 Emergency Powers, Discipline and Offences

11.2.1 In the event of a fire or other emergency, the Exchange, shall have the power to temporarily halt or interrupt Ring dealings during any session if in their discretion they consider that such action is in the best interests of the Exchange.

11.2.2 An employee of the Exchange who is properly authorised by the Exchange may take other action relating to discipline on the premises of the Exchange if in their view it is necessary to prevent a breach of any rule and to ensure the orderly operation of the market. Such action includes, but is not limited to, requiring a person to leave the premises of the Exchange and not return within the same day.

11.2.3 Minor offences ("**Minor Offences**"), dealing offences ("**Dealing Offences**") and serious offences ("**Serious Offences**") (each an "**Offence**" and together the "**Offences**") will be dealt with in accordance with Trading Regulations 11.3, 11.4 and 11.5 respectively.

11.2.4 The Exchange may, from time to time, notify to Members through Notices that it has designated any other activity as either a Minor Offence, a Dealing Offence or a Serious Offence.

11.3 Dealing Offences

11.3.1 The rules in this Trading Regulation 11.3 shall at all times be observed by Dealers when dealing on the Ring. Any breach of Trading Regulation 11.3 by Dealers will be deemed to be a Dealing Offence.

11.3.2 Dealers must act with due skill, care and diligence at all times whilst dealing by open outcry or otherwise acting in their capacity as Dealers.

11.3.3 Dealings must cease as soon as the bell commences to ring.

11.3.4 Offers and bids must be made by open outcry and addressed to the whole Ring and not to individuals, and must be clearly audible to the whole Ring.

11.3.5 There must be no discrimination either in favour of or against any Dealer or the Category 1 Member for whom they are dealing.

11.3.6 Any bid or offer remains valid at the price unless or until there has been a change in price or the bid or offer has been expressly withdrawn. In accordance with this Trading Regulation:

(a) a change in price occurs when the price that is offered trades and is then bid, or vice versa, or when the price is bid higher or offered lower in conformity with the requirements of Trading Regulation 11.3; and

(b) if a Dealer who is bidding at a price wishes to offer at a lower price to their current bid, they must withdraw their current bid and immediately offer that same price before quoting a different price, unless a different price is quoted by another Dealer between the withdrawal by the Dealer and the new offer by that Dealer; and

(c) if a Dealer who is offering at a price wishes to bid at a higher price to their current offer, they must withdraw their current offer and immediately bid that same price before quoting a different price, unless a different price is quoted by another Dealer between the withdrawal by the Dealer and the new bid by that Dealer; and

(d) if a Dealer wishes to offer a price that is lower than the current bid price, they must sell all the Lots available at the bid price. They must then immediately offer that same price before quoting a different price, unless a different price is quoted by another Dealer between the trade at the bid price and the new offer by that Dealer; and

(e) if a Dealer wishes to bid a price that is higher than the current offered price, they must buy all the Lots available at the offered price They must then immediately bid that same price before quoting a different price unless a different price is quoted by another Dealer between the trade at the offered price and the new bid by that Dealer; and

(f) any Dealer who is trading by open outcry will be deemed to have withdrawn their bid and/or offer should they leave the Ring.

11.3.7 Minimum price fluctuations shall be at such levels as the Exchange may from time to time prescribe. Dealers must comply with the minimum price fluctuations requirements when quoting prices in the Ring.

11.3.8 Dealers should avoid using such terms as "I will sell only...." or "I will buy only...." if on acceptance they increase the number of Lots so specified, at the same price.

11.3.9 The Dealer who says "Yes" must be prepared to deal 50 Lots. Any unfilled balance up to this limit must either be sold to or lent to or bought from or borrowed from other Dealers if those other Dealers wish to deal at that price. A response to "Yes" must be quantified by tonnage.

11.3.10 Bids or offers deemed by the Ring Disciplinary Committee to be frivolous are prohibited and may be deemed to be a prohibited practice pursuant to Trading Regulation 14.

11.3.11 The Dealer who is the first to bid or offer at a price must be given priority and is entitled to buy or sell all the Lots available at the price until their requirements are satisfied.

11.3.12 A Dealer who simultaneously bids and offers at the same price must be prepared to deal either way.

11.3.13 A Dealer must not:

(a) bid at or more than the offered price nor offer at or below the bid price at the time of their offer or bid; or

(b) bid below the bid price nor offer above the offered price at the time of their offer or bid.

11.3.14 During each Ring and kerb all opening bids and/or offers for Cash and 3 months in the case of all Contracts must be all the digits of the full price that is quoted.

11.3.15 The term "0", when it is in the last digit of the full price, must not be used.

11.3.16 During all Ring and kerb trading Dealers must ensure that:-

(a) in the case of Copper - Grade A, High Grade Primary Aluminium, Special High Grade Zinc, Lead, North American Special Aluminium Alloy, Steel Billet and Aluminium Alloy the last two digits of the full price are quoted;

(b) in the case of Cobalt, Molybdenum, Primary Nickel, Tin and Index Futures the last three digits of the full price are quoted; and

(c) in the case of Premium Contracts, the last three digits of the full price is quoted.

11.3.17 The Dealer who discloses the tonnage or Lots they are prepared to buy or sell is obliged to trade the full tonnage or Lots unless expressly withdrawn; and

11.3.18 The Dealer who is bidding and/or offering at a price for Cash or three months for Copper, High Grade Primary Aluminium, Special High Grade Zinc, Lead, Nickel, North American Special Aluminium Alloy and Aluminium Alloy during the second Ring must be prepared to deal 20 lots unless the tonnage is stated. In the case of Tin the Dealer must be prepared to deal 5 lots unless the tonnage is stated. Any unfilled balance up to these limits must be sold or taken from other dealers who immediately respond to the bid or offer.

11.3.19 Dealers must ensure that trades are completed in a timely and orderly manner. This applies in particular (but without prejudice to its general application) to business transacted towards the close of any Ring.

11.3.20 Dealers must comply with the following:

(a) Dealers must not bid, offer or trade at a price which is unknown at the time the bid, offer or trade is made; and

(b) during the second Ring for each metal and, in respect of each metal, during the last ten minutes of kerb trading before that metal ceases to trade, Dealers may not trade behind the Ring at an unknown price for any Prompt Date other than for Carries.

11.3.21 Dealers must remain seated at all times whilst dealing by open-outcry in the Ring.

11.3.22 It is the duty of sellers or lenders to check their deals not later than 10 minutes after the close of the respective Ring trading session for each metal. Kerb deals are to be checked before leaving the Exchange. It is the duty of buyers or borrowers to co-operate.

11.3.23 During kerb trading no Dealer may stand behind the Ring in order to trade by open-outcry if there are no Dealers from the same Member seated in the Ring unless the express permission of an employee of the Exchange who is properly authorised by the Exchange is obtained. During the last ten minutes of kerb trading for the close of each metal:

(a) only the Dealer from a Member seated in the Ring may trade that metal; and

(b) the Dealer who is bidding and/or offering at a price for a Carry between any two Prompt Dates must be prepared to deal 50 lots unless the tonnage for the Carry is stated. The Dealer who is bidding and/or offering at a price for Cash or three months for Copper, High Grade Primary Aluminium, Special High Grade Zinc, Lead, Nickel, North American Special Aluminium Alloy and Aluminium Alloy must be prepared to deal 20 lots unless the tonnage is stated. In the case of Tin the Dealer must be prepared to deal 5 lots unless the tonnage is stated. Any unfilled balance up to these limits must be sold to or taken from other Dealers who immediately respond to the bid or offer.

11.3.24 A Dealer must not undertake any other activity of a kind which two or more members of the Ring Disciplinary Committee deem to be a Dealing Offence.

11.4 Minor Offences

11.4.1 The rules in this Trading Regulation 11.4 shall at all times be observed by Dealers and Member Representatives. Any breach of Trading Regulation 11.4 by Dealers or Member Representatives will be deemed to be a Minor Offence.

11.4.2 Dealers and Member Representatives must not undertake conduct of an unprofessional nature. Examples of such conduct include, but are not limited to, the following:

(a) failure to observe the Dress Code as set out in the Code of Conduct for Access to the LME Premises;

(b) failure to observe the requirements regarding the consumption of any food and/or beverages as set out in the Code of Conduct for Access to the LME Premises;

(c) chewing gum whilst in the Dealing Area;

(d) the sale and/or display of non-LME products in the Dealing Area;

(e) the use of foul and abusive language;

(f) reading newspapers, books or magazines in the Dealing Area;

(g) any activity which is, or may be reasonably anticipated to be, or become, a nuisance, disturbance or inconvenience within Exchange premises;

(h) sitting down in the Dealing Area unless an employee of the Exchange who is properly authorised by the Exchange (in their absolute discretion) has authorised the Dealer or Member Representative that they can use a particular seat in their respective Member's booth;

(i) smoking or using e-cigarettes on Exchange premises at any time;

(j) the use of mobile telephones or any other wireless communication device in the Dealing Area at any time without the express permission of an employee of the Exchange who is properly authorised by the Exchange;

(k) the use of cameras, video and/or audio recording equipment within the Exchange; and

(l) causing excessive noise from behind the Ring whilst dealings are in progress.

11.4.3 Dealers and Member Representatives must not undertake conduct likely to interfere with trading activity or to cause disorder or offence or damage within the Exchange. Examples of such conduct include, but are not limited to, the following:

(a) failure to comply with the Exchange security procedures or the requirements regarding the use of access passes and/or LME identity cards, as set out in the Code of Conduct for Access to the LME Premises;

(b) failure to comply with the requirements relating to Visitors, as defined and set out in the Code of Conduct for Access to the LME Premises;

(c) the throwing of projectiles; and

(d) failure to follow the procedure for making objections as published by the Exchange in Notices from time to time.

11.5 **Serious Offences**

11.5.1 The rules in this Trading Regulation 11.5 shall at all times be observed by Dealers and Member Representatives. Any breach of Trading Regulation 11.5 by Dealers or Member Representatives will be deemed to be a Serious Offence. Serious Offences include the following types of conduct:-

(a) violent conduct or conduct likely to cause injury to another person or damage to property on Exchange premises;

(b) the unauthorised removal of or damage to the Exchange structure or equipment;

(c) failing to comply with the instruction of a properly authorised employee of the Exchange or a member of the Ring Disciplinary Committee;

(d) harassment of Exchange staff, including physical contact with Exchange staff or threatening Exchange staff;

(e) preventing Exchange staff from carrying out their duties;

(f) any breach by a Dealer or Member Representative of Regulation 14 of the Trading Regulations;

(g) consumption of alcohol or being under the influence of alcohol within the Exchange unless with the express permission from an employee of the Exchange who is properly authorised by the Chief Executive or Chief Operating Officer of the Exchange;

(h) the use of illegal substances and/or being under the influence of any illegal substances within the Exchange at all times; and

(i) any other act, conduct or behaviour of a kind which two or more members of the Ring Disciplinary Committee deems to fall into this category.

11.6 **Investigations and Enforcement for Minor and Dealing Offences**

11.6.1 Breaches by Dealers or Member Representatives of the provisions of the Trading Regulations or where relevant the Membership Regulations, may be categorised by the Ring Disciplinary Committee as Minor Offences, Dealing Offences or Serious Offences.

11.6.2 The Ring Disciplinary Committee may take such reasonable steps as it deems necessary in determining if any Offence has been committed, including referring to the Exchange's video and audio surveillance system of the Ring.

11.6.3 Where the Ring Disciplinary Committee considers that a Dealer or Member Representative has committed either a Minor Offence or a Dealing Offence, the Ring Disciplinary Committee may in its absolute discretion issue an RDC Warning. Not later than close of business on the Business Day following receipt of the RDC Warning, such person and/or their nominated representative shall, on request to the Ring Disciplinary Committee, be entitled to inspect at the Exchange during business hours any relevant video or audio surveillance footage which is available, and the Ring Disciplinary Committee shall comply with such request. RDC Warnings shall not be issued for Serious Offences.

11.6.4 Where the Ring Disciplinary Committee considers that a Dealer or Member Representative may have committed a Minor Offence or a Dealing Offence and the Ring Disciplinary Committee in its absolute discretion does not intend to issue a RDC Warning for that particular Minor Offence or Dealing Offence, the Ring Disciplinary Committee shall:

(a) notify such person in writing; and

(b) not later than close of business on the Business Day following receipt of written notice in accordance with Trading Regulation 11.6.4(a), such person and/or their nominated representative shall, on request to the Ring Disciplinary Committee, be entitled to inspect at the Exchange during business hours any relevant video or audio surveillance footage which is available, and the Ring Disciplinary Committee shall comply with such request.

11.6.5 Where, following expiration of the inspection period referred to in Trading Regulation 11.6.4(b), the Ring Disciplinary Committee has made an RDC Decision and determined that a Dealer or Member Representative has committed either a Minor Offence or a Dealing Offence:

(a) the Ring Disciplinary Committee shall notify such person in writing;

(b) not later than close of business on the Business Day following receipt of written notice in accordance with Trading Regulation 11.6.4(a), such person and/or their nominated representative shall, on request to the Ring Disciplinary Committee and if they have not already done so in accordance with Trading Regulation 11.6.4(b), be entitled to inspect at the Exchange during business hours any relevant video or audio surveillance footage which is available, and the Ring Disciplinary Committee shall comply with such request; and

(c) where no appeal is lodged by such person in accordance with Trading Regulation 11.6.8, the Ring Disciplinary Committee shall issue a Notice to all Members explaining the nature and circumstances of the Offence and any penalty imposed.

11.6.6 The Ring Disciplinary Committee may impose a penalty for Dealing Offences as described in Regulation 11.3 in accordance with the table of fines and penalty points listed below:

		Fine	Penalty Points
1st offence	up to	£5000	20
2nd offence	up to	£10000	40
3rd offence	up to	£20000	80
4th offence	up to	£50000	160

11.6.7 The Ring Disciplinary Committee may impose a penalty for Minor Offences as described in Regulation 11.4 in accordance with the tables of fines and penalty points listed below:-

(a) Conduct of an unprofessional nature, as described in Regulation 11.4.2 of the Trading Regulations:-

		Fine	Penalty Points
1st offence	up to	£500	20
2nd offence	up to	£1000	40
3rd offence	up to	£2000	80
4th offence	up to	£4000	160

(b) Conduct likely to interfere with trading activity or to cause disorder or offence or damage on Exchange premises, as described in Regulation 11.4.3 of the Trading Regulations:-

		Fine	Penalty Points
1st offence	up to	£1000	20
2nd offence	up to	£2000	40
3rd offence	up to	£4000	80
4th offence	up to	£8000	160

11.6.8 Ring Appeals

(a) Any Dealer or Member Representative who is the subject of an RDC Decision and who is dissatisfied with that RDC Decision including with any penalty imposed in the RDC Decision may, within five (5) Business Days of receiving the RDC Decision, lodge a Ring Appeal in the form of a Ring Notice of Appeal with the Head of Enforcement. The Head of Enforcement shall refer the Ring Appeal to the Chairman of the Disciplinary Panel who will convene a Disciplinary Committee in accordance with Regulation 14 of the Membership Regulations in order to determine the Ring Appeal. The Ring Appeal shall be conducted in accordance with Regulations 14.51-14.59 of the Membership Regulations.

(b) The RDC Decision, including any sanction imposed in the RDC Decision, shall be suspended from the date on which the Head of Enforcement receives the Ring Notice of Appeal up until the date of determination of any such Ring Appeal by the Disciplinary Committee.

11.7 **Investigations and Enforcement for Serious Offences**

11.7.1 A Serious Offence by a Dealer or Member Representative will be an Act of Misconduct for the purposes of Regulations 13 and 14 of the Membership Regulations.

11.7.2 Any member of the Ring Disciplinary Committee who believes in good faith in their absolute discretion that a Serious Offence has been committed by any person may request that such person immediately leave the Exchange premises for the remainder of the trading day, and if necessary and proportionate to the Serious Offence believed to have been committed, for such further period as is considered appropriate, and such person shall comply with any such request.

11.8 **Disciplinary Record**

11.8.1 A Minor Offence and a Dealing Offence will be considered spent after a period of twelve calendar months has elapsed from the date that the Dealing Offence or Minor Offence occurred.

11.8.2 Any person who accumulates: (i) 60 or more penalty points within a period of three calendar months; (ii) 140 or more penalty points within a period of six calendar months; or (iii) 300 or more penalty points within a period of twelve calendar months, shall automatically be suspended from trading in the Ring for two Business Days. In such case, the Ring Disciplinary Committee shall inform the person of the fact of their suspension and the date it shall commence by notice in writing.

11.8.3 Any person who accumulates 140 or more penalty points within a period of three calendar months or 300 or more penalty points within a period of six calendar months will be considered to have committed a Serious Offence.

12. **DEALINGS ON LME SELECT**

12.1 All business on LME Select shall be conducted in accordance with the Rules.

12.2 Only LME Select Participants may have direct access to LME Select and such LME Select Participants must have entered into relevant contractual agreement as stipulated by the Exchange from time to time.

12.3 LME Select Participants are required to maintain adequate internal procedures and controls in order to ensure that they comply with their obligations under the Rules, including without limitation, to maintain the confidentiality and anonymity of LME Select trading activity.

12.4 LME Select Participants must advise the Exchange in writing if any Dealer leaves the employment of an LME Select Participant. Until such time as a Dealer's access to LME Select has been revoked, the relevant LME Select Participant shall remain responsible and liable for all activity undertaken by such Dealer.

12.4A LME Select Participants are required to:

(a) maintain the confidentiality and anonymity of LME Select trading activity (including the identity of any counterparties);

(b) not disclose LME Select trading activity (including the identity of any counterparties) to third parties other than as compelled by law or regulation; and

(c) ensure that only internal authorised personnel are able to access data relating to the identity of trading counterparties. LME Select Participants must ensure that:

(i) such internal authorised personnel are those individuals who, from an operational perspective, require access to the identity of trading counterparties in order to action a price adjustment in accordance with a direction from the Exchange pursuant to the Exchange's 'Error Trades and Erroneous Order Submissions Policy'; and

(ii) such internal authorised personnel do not include any individuals that are involved in trading decisions or the taking of orders from clients or counterparties.

12.4B LME Select Participants must comply with the obligations in Rule 12.4A Part 3, above in relation to any trading activity undertaken on any of the Execution Venues where such trading activity is being undertaken in order to re-book LME Select trading activity which has been cancelled or reversed.

12.5 LME Select Participants must ensure that appropriate and adequate training has been provided to all staff that has access to LME Select. All relevant staff should be regularly reviewed, and additional training provided if required or if the Exchange notifies the LME Select Participant that further training of a particular staff member is required.

12.6 LME Select Participants and Clients may not distribute, disseminate or share LME Select price, volume, trade and/or any other data, unless they have entered into the appropriate licence agreement with the Exchange to do so.

12.7 The following rules of trading procedure shall apply at all times when the central order book is open for order and trading activity:-

12.7.1 bids or offers deemed by the Exchange to be frivolous are prohibited and may be deemed to be a prohibited practice pursuant to Trading Regulation 14;

12.7.2 the Exchange may apply such algorithm as it may from time to time determine to effect the matching of orders submitted to LME Select; the matching algorithm applicable to each Contract shall be set out on the LME website or distributed by any other means deemed appropriate;

12.7.3 orders entered into LME Select must be in multiples of Lots and placed in incremements that comply with the minimum price fluctuations as shall be prescribed by the Exchange from time to time;

12.7.4 LME Select Participants must act with due skill care and diligence at all times whilst dealing on LME Select;

12.7.5 where any LME Select Participant enters any order, or otherwise undertakes trading activity, such LME Select Participant:

(a) must not do so with the intention of such order or trading activity having an adverse impact on the orderliness of trading on LME Select; and

(b) must take reasonable steps to ensure that such order or trading activity does not have an adverse impact on the orderliness of trading on LME Select; and

12.7.6 permitted orders shall be in accordance with those prescribed by the Exchange from time to time.

12.7A The Exchange may, in its sole discretion following appropriate testing (as determined by the Exchange), implement, modify or withdraw implied pricing routes pursuant to which the matching engine of LME Select combines orders in two or more instruments to generate new orders in other instruments. The implied pricing routes in operation on LME Select are set out from time to time on the LME website.

Investigations and Enforcement for LME Select Offences

12.8 Any breach or breaches by LME Select Participants of the provisions of Regulation 12 of the Trading Regulations will be deemed to be an LME Select Offence(s). An LME Select Offence will be an Act of Misconduct for the purposes of Regulations 13 and 14 of the Membership Regulations.

Order routing services (Direct Electronic Access)

12.9 LME Select Participants who meet the Order-routing Eligibility Requirement (so far as applicable) may offer order-routing facilities (also known as direct electronic access under MiFID II) to a Client, but in such cases the LME Select Participant retains responsibility for, and remains liable for, all trading activity conducted by such Client, including all orders submitted and trades executed using the order-routing facility. Any Sponsored Access order-routing arrangements are subject to prior authorisation by the Exchange.

12.10 LME Select Participants must have in place appropriate pre- and post-trade risk controls and procedures for LME Select activity. Such pre-and post-trade risk controls and procedures must at all times comply with any minimum standards prescribed by the Exchange from time to time. LME Select Participants offering order-routing facilities to Clients must ensure that all orders submitted by Clients are subject to appropriate pre- and post-trade risk controls and procedures that have been implemented by the LME Select Participant concerned. Such controls must be equivalent to, and not less effective or robust than, the controls that the

Exchange requires Members to establish in respect of their own LME Select activities. Sponsored Access providers must at all times be exclusively entitled to set and modify the parameters of these controls. LME Select Participants may not rely upon any pre- or post-trade risk controls or procedures that Clients may have implemented themselves to satisfy these requirements.

12.11 LME Select Participants offering order-routing facilities to Clients must:

(a) comply with the relevant requirements under MiFID II regarding the provision of Direct Electronic Access services, as they apply to Direct Market Access and Sponsored Access arrangements (and in relation to Sponsored Access, including but not limited to, article 22 of the MiFID II Algorithmic Trading RTS);

(b) ensure that Clients using their order-routing services comply with MiFID II and all relevant Rules;

(c) meet all of the applicable requirements prescribed by the Exchange for providing order-routing services, including conditions and requirements established by Notice, as amended by the Exchange from time to time; and

(d) where relevant, observe the requirements relating to Members from jurisdictions other than the UK, specified by way of Notice in accordance with Regulation 12.6(j) of the Membership Regulations

12.12 Any LME Select Participant offering order-routing facilities to its Clients must monitor such Clients' use of such facilities and any transactions executed through such facilities in order to identify infringements of the requirements in MiFID II and/or the Rules. In the event that an LME Select Participant identifies any such infringement, it must notify the Exchange in accordance with Regulation 12.6(m) of the Membership Regulations.

12.13 The Exchange will monitor trading activity carried on via order-routing facilities and may, in the event of (i) an infringement of MiFID II, the Rules, or the requirements prescribed by the Exchange for order-routing services or (ii) any other situation where the Exchange may deem it necessary, acting reasonably and at its absolute discretion:

(a) stop orders or trading by a person using order-routing services; and/or

(b) suspend or terminate the provision of order-routing services by the relevant LME Select Participant.

LME Select API Client Trades

12.14 Trading Regulation 2.7 shall apply in the event that:

(a) a Member makes available to a Client the order-routing facility of the LME Select API; and

(b) due to any use by a Client of the order-routing facility of the LME Select API, one or more Cleared Contracts come into effect between the Clearing House and a Clearing Member.

Identification of Clearing House Accounts

12.15 LME Select Participants must, when submitting orders into LME Select, correctly identify the appropriate account of the Clearing Member for the resulting Agreed Trade at the Clearing House.

12.16 Any failure by:

(a) an LME Select Participant to comply with Trading Regulation 12.15 above; or

(b) a Clearing Member to comply with its obligation to correct an incorrectly allocated Cleared Contract in accordance with the Administrative Procedures,

shall be an act of misconduct for the purposes of Regulation 14 of the Membership Regulations, and may result in disciplinary action against the Member by the Exchange.

Transparent Reporting of Orders to LME Select

12.17 Where any LME Select Participant:

(a) submits its own orders into LME Select; or

(b) offers Direct Electronic Access services to enable Clients to submit orders into LME Select,

such LME Select Participant must ensure that:

(i) all such orders are submitted into LME Select without delay; and

(ii) no such order is withheld from submission into LME Select for the purpose of offsetting such order against any other order or orders that would ordinarily be submitted into LME Select, including but not limited to offsetting one Client order against another Client order.

13. TRADE INVALIDATION AND CANCELLATION

13.1 The Exchange may, in certain circumstances, invalidate transactions in accordance with the relevant procedures established by Notice.

13.2 Where an LME Select Participant has made an error in the execution of a transaction undertaken on LME Select, such LME Select Participant may request that the Exchange contact the counterparty(ies) to determine whether such counterparty(ies)would agree to the transaction being cancelled. In the event that the counterparty(ies) do not agree to the request, then the transaction will not be cancelled.

13.3 Notwithstanding Trading Regulation 13.2, the Exchange may in its absolute discretion review any transaction undertaken on LME Select and invalidate or adjust the price of any trade in accordance with any policy that the Exchange issues from time to time on erroneous trades.

14. PROHIBITED PRACTICES

14.1 No person shall manipulate or attempt to manipulate or otherwise abuse or attempt to abuse the market or create or attempt to create an artificial market.

14.2 No person shall enter into or attempt to enter into a transaction or series of transactions designed to create an artificial market whereby prices and turnover do not truly reflect the business transacted.

14.3 No person shall undertake or attempt to undertake wash or bogus transactions.

14.4 No person shall demonstrate or attempt to demonstrate that trading activity has taken place when it has not in fact occurred nor shall any person mislead or attempt to mislead Exchange staff as to the nature of any trading activity.

14.5 No person shall, either intentionally or unintentionally, create or attempt to create a disorderly market.

14.6 No person shall trade, place orders to trade or encourage any other person to trade in the same direction (purchase or sale) as a Client order with a view to realising a profit or avoiding a loss, pursuant to any price movement brought about by such Client order.

14.7 No person shall mislead or attempt to mislead Exchange staff as to the nature of any orders or transactions.

14.8 No person shall manipulate or attempt to manipulate any prices or indices set or published by the Exchange.

14.9 No person shall undertake, attempt to undertake, procure that another person undertakes or attempts to procure that another person undertakes any behaviour that is contrary to applicable law or regulation preventing market abuse.

14.10 No person shall undertake, or attempt to undertake, any trading activity or strategy on one Execution Venue that in the reasonable opinion of the Exchange, in whole or in part:

(a) disrupts, inappropriately influences or manipulates the determination of prices on another Execution Venue; or

(b) is intended to have any of the effects specified in (a).

15. WHEN THE CLEARING HOUSE MAY SET PRICES

15.1 If the Quotations Committee fails at any time to determine or announce to the Clearing House a Closing Price or a Settlement Price in accordance with the Trading Regulations, the Clearing House may set a Closing Price or Settlement Price as the case may require, of such amount as it may in its absolute discretion determine, and may apply the same in accordance with the Trading Regulations and the Clearing House Rules as if it had been determined by the Quotations Committee.

15.2 If the Exchange fails to set an Invoicing Back price under Trading Regulation 10.4 or Trading Regulation 17.7, then the Closing Price (or, where bid and offered prices are fixed as the Closing Price, the mean of the two) or Settlement Price last fixed under these Trading Regulations (whichever was fixed the later) shall be the Invoicing Back price and such Invoicing Back price shall be deemed to have been fixed by the Exchange.

15.3 A Closing Price, or a Settlement Price or an Invoicing Back price fixed under Trading Regulation 15.1 or 15.2 above shall be binding on the parties to a Contract. No dispute as to such price may be referred to arbitration but, in the case of an Invoicing Back price, the

completion of Invoicing Back shall be without prejudice to the right of either party to refer an issue between them to arbitration under the Rules.

16. WHO MAY TRADE IN THE RING OR ON LME SELECT

16.1 Every Category 1 Member shall nominate one or more Dealers to trade in the Ring on its behalf, and shall at all times be bound by the actions of such Dealer.

16.2 Names and particulars of proposed Dealers shall be submitted in writing to the Exchange which shall have the right to approve or refuse every such application after such consultation with the Ring Committee as it thinks fit.

16.3 A list of Dealers, together with the names of the Category 1 Members whom they represent, shall be made available by the Exchange, together with names of any Dealers authorised since compilation of such list.

16.4 Types of Dealer

16.4.1 There shall be two categories of Dealer, viz Authorised Dealers and Probationary Dealers. Unless the express permission is obtained from the Exchange no Probationary Dealer may trade in the Ring save under the supervision of an Authorised Dealer from the same Member as the Probationary Dealer who has been authorised for a period of not less than one year.

16.4.2 A Probationary Dealer cannot apply for full authorisation until they have dealt in the ring for a period of not less than six months.

16.4.3 If a Probationary Dealer has not gained full authorisation to deal after a period of eighteen months they will be re-registered as a Registered Clerk subject to the discretion of the Ring Committee.

16.5 Qualification requirements for Authorised and Probationary Dealers shall be as prescribed by the Exchange after consultation with the Ring Committee and shall be available on application to the Secretary.

16.6 The names of proposed Authorised and Probationary Dealers shall be published by the Exchange not less than 10 Business Days before each application for authorisation is due for consideration by the Exchange, and during this period any Category 1 Member having any objection to the nominee may communicate the same to the Exchange stating the reasons therefor.

16.7 Any withdrawal of, or withdrawal of authority from, a nominated Dealer of a Category 1 Member shall likewise be communicated immediately to the Exchange, which shall forthwith advise all other Category 1 Members.

16.8 No more than one Authorised Dealer representing a Category 1 Member may trade in the Ring at any one time during official Ring trading sessions.

16.9 No person other than a Dealer or other representative of a Category 1 Member shall be admitted to the Ring or the area adjacent thereto for the purposes of or incidental to trading during Ring or kerb trading sessions unless expressly authorised by, or under the authority of, the Exchange.

16.10 Every LME Select Participant shall nominate one or more Dealers to trade on LME Select on its behalf, and at all times shall be bound by the actions of such Dealers.

16.11 The Exchange will grant each Dealer access to LME Select provided such Dealer has met all the requirements for LME Select access that are set out in the Rules.

16.12 Applications for Dealer authorisation to trade on LME Select shall be submitted by the relevant LME Select Participant, in writing, to the LME who shall have the right to approve or refuse every such application after such due diligence as it deems appropriate.

16.13 Any withdrawal of, or withdrawal of authority from, a nominated Dealer shall likewise be communicated immediately to the Exchange.

17. DISCRETIONARY ACTIONS, EXTERNAL EVENTS AND EMERGENCIES

17.1 In the event of the Special Committee or the Clearing House having cause to suspect the existence or to anticipate the development or likely development of a corner or undesirable situation or undesirable or improper trading practice which in their opinion has affected or is likely to affect the market, the Special Committee after consultation with the Clearing House may take such steps as in their absolute discretion they deem necessary to contain or rectify the situation and they may give directions to Members accordingly. Such directions to a Member may include, but are not limited to:-

(a) trading out Client Contract positions with one or more particular Clients;

(b) trading out Cleared Contract positions or positions otherwise related to Cleared Contracts; and

(c) reducing its net trading position.

17.2 Without prejudice to the generality of this Trading Regulation, such steps may include the suspension or halting or curtailment of trading for such period or for such Prompt Dates in such metals or Contracts as may be specified or the direction that trading be limited to the liquidation of open Contracts and deferral of settlement of some or all Contracts with Prompt Dates in the current month or in the two succeeding months thereafter, subject to such compensation (if any) as the Special Committee may determine being paid to sellers or buyers.

17.3 Any decision of the Special Committee pursuant to this Trading Regulation shall be effective on the publication of an appropriate Notice by the Exchange and it shall thereafter be incumbent upon the Exchange to ensure that all steps are taken to ensure that normal trading is resumed with the least delay.

17.4 Any Member contravening or failing to comply with any direction or instruction issued under the provisions of Trading Regulations 17.1 to 17.3 above shall be liable to the same sanctions as if a breach of the Rules had been committed by such Member.

17.5 The Exchange may at its absolute discretion suspend or remove a Contract from trading, including where the Exchange has determined that the Contract no longer complies with the Rules or for any other reason.

17.5A Upon becoming aware of significant disruptions to any of the Exchange's systems and/or the Clearing House's systems, which have the potential to impact the orderly functioning of the Exchange, including such disruption caused by any misuse of a computer or system, the Exchange after consultation with the Clearing House may take such steps as in its absolute discretion it deems necessary to contain or rectify the situation and may give directions to Members accordingly. Such steps may include, but are not limited to:

(a) varying the last trading time on the Last Trading Day for a Contract;

(b) inputting any particulars into the Matching System on behalf of a Member in order to result in the Execution of one or more Contracts or to otherwise ensure that such particulars are recorded within the systems of the Exchange and the Clearing House, without liability in damages for anything done or omitted to be done in the exercise of such power unless shown to be in bad faith, and without prejudice to Regulation 19 below; and

(c) deferral of settlement of some or all Contracts with Prompt Dates in the current month or in the two succeeding months thereafter, subject to such compensation (if any) as the Exchange may determine being paid to sellers or buyers.

17.6 Upon the occurrence of any event outside the Exchange which is outside the control of the Exchange, including the commencement of a state of war, revolution, political or economic disturbance or the enactment of legislation or the commencement, suspension or determination of any international agreement, such as may in the opinion of the Exchange prevent free trading in any Contract or so distort the same or the price of any metal (including any Precious Metal), Monthly Average Future, Premium Contract, Warrant, Cash-Settled Future or Cash-Settled Future Index or the level of the Index as no longer to be truly representative of conditions in the international market in any metal, the Exchange shall have the authority to order a complete cessation of trading in such metal, LMEmini Contract, Monthly Average Future, Premium Contract, Warrant, Cash-Settled Future, LMEprecious Future or Index Contract until such time as the Exchange in its absolute discretion deems it appropriate to resume, or to take any of the steps set out in Trading Regulations 17.1 to 17.3 above as it deems necessary at the time. The Exchange shall not take such action as aforesaid without first consulting the Clearing House.

17.7 In the event that a cessation or halting or suspension or limitation of trading in any metal, LMEmini Contract, Monthly Average Future, Premium Contract, Warrant, Cash-Settled Future. LMEprecious Future or Index Contract imposed by the Exchange in accordance with Trading Regulations 17.1 to 17.3 or 17.5 above be such as to prevent delivery of the said metal (including any Precious Metal) or settlement of the said LMEmini Contract, Monthly Average Future, Premium Contract, Warrant, Cash-Settled Future, LMEprecious Future or Index Contract or to prevent the closing of an open position, any open Contracts so affected shall be closed by Invoicing Back to the seller at special settlement prices to be determined by the Exchange on the date of announcement of cessation or halting or suspension or limitation of trading.

17.8 Notwithstanding anything set out in Trading Regulations 17.1 to 17.7 above:

(a) neither the Exchange nor the Special Committee shall be required to exercise their power to suspend or remove from trading any Contract which no longer complies with the Rules, where in their judgment such step would be likely to cause significant damage to the interests of investors or the orderly functioning of the financial markets; and

(b) the Exchange shall suspend or remove from trading a Contract when required to do so by the FCA.

17.9 The Exchange shall notify the FCA of:

(a) any Notice of the suspension or removal from trading of a Contract which no longer complies with the Rules or which is suspended or removed from trading; and

(b) any Notice of the lifting of a suspension or readmission to trading of a Contract that was previously suspended or removed from trading by the Exchange.

17.10 In the event that a Regulator intervenes to prohibit or restrict:

(a) the marketing, distribution or sale of a specific financial instrument or a type of financial instrument with specific features; or

(b) a type of financial activity or practice,

the Exchange may be required to suspend trading activity, whether on a temporary or indefinite basis, in any Contract that is within the scope of the prohibition or restriction. Nothing set out in these Trading Regulations shall restrict the Exchange from complying with any such requirement.

18. LENDING RULES

18.1 Members shall comply with the Lending Rules and shall co-operate with the Exchange to ensure that each of their Clients shall comply with the Lending Rules.

18.2 Where the Exchange has reasonable cause to suspect that a Client has failed or is likely to fail to comply with the Lending Rules, the Exchange may give directions to one or more Members with whom that Client has Client Contracts to take action designed to make the same number of Lots available for borrowing in the market as would have been the case if the Client were prepared to abide by the Lending Rules. Such directions to a Member may include but are not limited to those set out in the Exchange's Policy Relating to Position Management Arrangements.

18.3 Compliance with the Lending Rules is subject to the power of the Special Committee to take steps or give directions under Trading Regulations 17.1 to 17.3 above. Without prejudice to the generality of Trading Regulations 17.1 to 17.3 above, such steps or directions may include suspending, amending or supplementing the Lending Rules for such period or in respect of such metals as the Special Committee in its absolute discretion deems necessary.

19. LIABILITY

Neither the Company nor any of its directors or other officers nor any of its employees nor any member of any committee shall, except in the case of fraud or wilful default, be under any liability whatsoever in contract, in tort (including but not limited to negligence), or under any other theory of law to any Member or other person in respect of the matters set out in Trading Regulations 19.1, 19.2 and 19.3 below:

19.1 Any act or omission relating to duties, powers and/or authorities contained in the Articles or the Rules including in relation to the following:-

(a) the input of prices into the price reporting service or the setting and dissemination of Closing Prices, Settlement Prices or other prices pursuant to the Rules;

(b) the creation, calculation, publication or variation of a price;

(c) the approval or listing of any warehouse or the maintenance of any such listing;

(d) the listing or delisting of any producer or brand of metal or the maintenance of any such listing;

(e) the collection of information and publication of reports in relation to levels of metal stocks represented by Warrants;

(f) the initiation or enforcement of disciplinary or emergency procedures or the exercise of any right to suspend access to any systems or facilities of the Exchange;

(g) any other events not set out in (a) to (f) above.

19.2 Any failure, malfunction, delay or other defect in or affecting any computer system, including LME Select, screens, equipment, telephones or other communications media or facilities used by the Exchange, its Members or others, whether at the Exchange or otherwise.

19.3 Any Agreed Trade that is input into the Matching System by a Registered Intermediating Broker and which is, for any reason, either (i) rejected; or (ii) not approved and/or Executed, including (but not limited to) any circumstance falling within Regulation 19.2 above.

20. POSITION LIMITS

20.1 Members shall comply with and shall co-operate with the Exchange to ensure that each of their Clients shall comply with the Position Limits and any directions issued by the Exchange in accordance with the requirements for such Position Limits as the Exchange may specify in Administrative Procedures or as the Exchange may otherwise notify Members from time to time.

20.2 Compliance with the Position Limits is subject to the power of the Special Committee to take steps or give directions under Trading Regulations 17.1 to 17.3 above. Without prejudice to the generality of Trading Regulations 17.1 to 17.3 above, such steps or directions may include suspending, amending or supplementing the Position Limits for such period or in respect of such metals as the Special Committee in its absolute discretion deems necessary.

20.3 With effect from 3 January 2018, Members shall provide a daily position report to the Exchange in accordance with the format required by the Exchange and other requirements as specified in the relevant Notice from time to time.

20.4 In accordance with their powers of position management under MiFID II, a Regulator may:

(a) request information from a Member or a Client of the Member regarding the size or purpose of a position or exposure under a Contract;

(b) require the Member or Client to reduce the size of, or eliminate, its position or exposure under that Contract; and/or

(c) limit the ability of a Member or Client to enter into commodity derivatives,

and any Member shall comply with any such requests, requirements, or limitations. To the extent that a Member is informed of any exercise of position management powers by a Regulator in relation to its Client, it shall procure that its Client complies with any such requests, requirements, or limitations.

20.5 If a Member becomes aware that it or its Client is the subject of a notice issued by the Regulator in the exercise of its position management powers, the Member must alert the

Exchange immediately. The Member shall co-operate with the Exchange to take such action as may be appropriate on the basis of the notice issued by the Regulator, and which may require the Member to reduce the size of, or eliminate, a trading position.

21. CONFORMANCE TESTING, ALGORITHMIC TRADING AND MARKET MAKING

21.1 Prior to any deployment or substantial update of (a) LME Select or (b) a Member's trading system, trading algorithm, or trading strategy, each Member must carry out conformance testing, including the appropriate testing of algorithms, in accordance with the conditions established by Notice from time to time.

21.2 Members must flag orders generated by Algorithmic Trading to the Exchange, identifying:

(a) the different algorithms used for the creation of orders; and

(b) the persons initiating those orders,

such flagging of orders being made in accordance with the relevant requirements established by Notice.

21.3 Where any Member, or any Client of a Member engages in Algorithmic Trading, to pursue a Market Making Strategy:

(a) the Member shall provide, and shall ensure that any such Client provides, market making continuously during the opening hours of the Exchange, with the result of providing liquidity on a regular and predictable basis;

(b) the Member shall, and shall procure that any such Client shall, enter into a market making agreement with the Exchange where required to do so by Regulation 21.4 regarding its obligations in (a) in relation to the Contracts in which it or, where appropriate, its Client, pursues a Market Making Strategy;

(c) the Member must have in place, and ensure that any such Client has in place, the systems and controls required to ensure it performs its obligations under the market making agreement specified in (b); and

(d) the Member shall comply with any additional requirements that the Exchange may specify by Administrative Procedure.

21.4 A Member shall, and shall procure that a Client shall, enter into a market making agreement with the Exchange:

(a) if it or such Client, during half of the trading days over a one-month period, in execution of such Market Making Strategy:

(1) posts Firm Quotes that are simultaneous two-way quotes of comparable size and competitive prices; and

(2) Deals On Own Account in at least one Contract on the Exchange for at least 50 per cent of the daily trading hours of continuous trading at the Exchange, or

(b) where otherwise required to do so pursuant to MiFID II or any law or regulations made pursuant thereto.

21.5 For the purposes of Regulation 21.4:

(a) Firm Quotes shall be deemed to be simultaneous two-way quotes if they are posted in such a way that both the bid and the ask-price are present in the order book at the same time;

(b) two Firm Quotes shall be deemed of comparable size when their sizes do not diverge by more than 50 per cent from each other; and

(c) Firm Quotes shall be deemed to have competitive prices where they are posted within the maximum bid-ask range for the relevant Contract, as specified by the Exchange from time to time by Notice.

21.6 A Member shall not be required to comply with Regulation 21.3(a) if it or, where appropriate, its Client, is unable to provide liquidity on a regular and predictable basis due to the exceptional circumstances listed in Article 3 of Commission Delegated Regulation (EU) 2017/578.

21.7 Where a Member considers that it or, where appropriate, its Client, is unable to comply with its obligation to provide liquidity on a regular and predictable basis due to the exceptional circumstances specified in Article 3(d) of Commission Delegated Regulation (EU) 2017/578 (circumstances preventing prudent risk management practices), it must provide to the Exchange, upon request, evidence satisfactory to the Exchange of such circumstances and how the condition in Article 3(d) is satisfied.

21.8 In order to assist Members to identify such exceptional circumstances, the Exchange will endeavour to determine in its absolute discretion and make public the occurrence of exceptional circumstances falling within Article 3(a), (b), (c), or (e) of Commission Delegated Regulation (EU) 2017/578. In the event of such an occurrence, the Exchange may issue a Notice to Members. The Exchange shall not extend the declaration of such exceptional circumstance beyond the close of the opening hours of the relevant Execution Venue on the Business Day on which the exceptional circumstance(s) occurred unless, in the determination of the Exchange, this is necessary in the circumstances set out in Article 3(b), (c) or (e) of Commission Delegated Regulation (EU) 2017/578.

21.9 Following the ending of any such exceptional circumstances, the Exchange may announce the resumption of normal trading in accordance with its standard procedures.

21.10 This Trading Regulation 21 shall apply with effect from 3 January 2018.

22. ORDER CANCELLATION AND CONTROLS

22.1 Notwithstanding, and without prejudice to, the general power set out at Trading Regulation 1.3, the Exchange may temporarily halt or constrain trading in accordance with the relevant procedures established by Notice if there is a significant price movement during a short period in a financial instrument on the Exchange or a related trading venue (as such term is defined in Article 4(1)(24) of the MiFID II Directive). Where the Exchange considers it appropriate, the Exchange may cancel, vary or correct any Agreed Trade or Contract.

23. TRANSACTION REPORTING

23.1 The Exchange is required to report to the FCA details of transactions in financial instruments traded on its platform which are executed through its systems by a firm that is not subject to

MiFID II. Members shall confirm to the Exchange if they are writing Client Contracts for Clients that are not firms subject to MiFID II and provide details of all Agreed Trades and Contracts in respect of such Clients at the time of submission of the details of the Agreed Trade into the Matching System in accordance with the timescales set out in Trading Regulation 3.5.

23.2 Any Member that is not a firm subject to MiFID II shall:

(a) provide the Exchange with a validated, issued and duly renewed ISO 17442 legal entity identifier code; and

(b) obtain from each of its Clients that is not a firm subject to MiFID II a validated, issued and duly renewed ISO 17442 legal entity identifier code, which the Member shall provide to the Exchange.

23.3 It shall be the responsibility of such a Member to ensure that the reference data related to its legal entity identifier is renewed in accordance with the terms of any of the accredited local operating units of the Global Legal Entity Identifier System, and also to ensure that each of its Clients renews such data.

24. BACKWARDATION CAP AND DELIVERY DEFERRAL POWERS FOR PHYSICALLY DELIVERABLE TOM-NEXT CONTRACTS

Backwardation Cap

24.1 Members shall be prohibited from placing, and shall procure that any order-routing Clients shall not place, Cash Today to Cash Carry orders (known as "Tom-next" orders) on any Execution Venue, at a price in excess of 1% (or such other level as the Exchange may determine in its sole discretion and communicate to the market by Notice from time to time), of the Cash Official Price for the previous Business Day for the relevant Tom-next Contract (the "**Backwardation Cap**").

24.2 Where the Exchange considers it necessary or otherwise prudent to amend the Backwardation Cap, the Exchange shall use reasonable efforts to provide five (5) Business Days' notice of any change to the level at which the Backwardation Cap is set, subject that the Exchange shall have the right to implement changes on such shorter notice as it determines, in its sole discretion, to be necessary in the relevant circumstances.

24.3 In the event that a Member has borrowed above the applicable Backwardation Cap, the borrowing Member must take all reasonable steps to notify the Exchange as soon as possible during the same Business Day in which the Contract has been Executed, by contacting the Exchange.

24.4 Where a Member has borrowed at a price above the Backwardation Cap, the Exchange may price adjust the relevant Contract to the Backwardation Cap level. All counterparties to the price adjusted Agreed Trade or Executed trade, as applicable, shall be issued with instructions by the Exchange to reverse or cancel and re-book the Agreed Trade or Executed trade, as applicable, at the adjusted price. In this regard, Members are reminded of their obligations under the LME Rules to ensure the confidential treatment of counterparty information.

24.5 For the avoidance of doubt, where a Member has borrowed at a price above the Backwardation Cap, this shall constitute a breach of the Rules by the Member.

Delivery deferral mechanism for short position-holders

24.6 In the event that:

24.6.1 a Member reasonably considers that it is unable to perform any Delivery Obligation to the Clearing House on the date on which such obligation is due to be fulfilled; and (ii) is unable to borrow the relevant Metal at a price that is no more than 1% (or such other level as the Exchange may determine in its sole discretion and communicate to the market by Notice from time to time), of the Cash Official Price for the previous Business Day for the relevant Tom-next Carry, the Member may, as a last resort, request to defer their Delivery Obligation; or

24.6.2 a Member appears (or Members appear) to the Exchange or to the Clearing House unable, or likely to become unable, to perform any Delivery Obligation to the Clearing House, the Exchange may on its own initiative, or following a request of the Clearing House, defer such Delivery Obligation.

24.7 In such circumstances as set out in Trading Regulation 24.6, the Exchange may, after consultation with the Clearing House, subsequently:

(a) direct the Member with the Delivery Obligation to the Clearing House to enter into a Carry, with the effect that the Underlying Asset (as such term is defined in the Clearing House Rules) shall be delivered by such Member on the Business Day next following the Prompt Date;

(b) direct that the buying Member(s), who shall be selected by the Clearing House in accordance with the deferred delivery procedure published on the LME website by the Clearing House from time to time shall be subject to a postponement of the performance by the Clearing House of its Delivery Obligation(s) until a Business Day on which the Clearing House is able to make delivery;

(c) extend the matching deadline set out in the Matching Rules, to facilitate the entry of relevant trades into the Matching System;

(d) direct the imposition of specified adjustments to the terms of:

(i) any Contract or Carry between the Member(s) with the Delivery Obligation and the Clearing House; and/or

(ii) the Contracts between the Clearing House and the affected buying Member(s) where the Delivery Obligation under such Contract has been postponed,

where such adjustments may include, without limitation, adjustments to:

(A) the Contract(s) under paragraph (d)(i) above, in order to give effect to such rate of compensation from the Clearing House to the affected buying Member(s) as the Exchange may determine in its absolute discretion is appropriate to account for the postponement of the date of performance of the Delivery Obligation under such Contracts; and

(B) any Contract or Carry under paragraph (d)(i) that has the effect of compensating the Clearing House for any compensation to be

provided to any affected buying Member(s) under paragraph (A) immediately above,

provided that any such compensation arrangements shall be determined in accordance with the principle that the Clearing House shall be held harmless, by the Member(s) whose inability, or likely inability, to perform a Delivery Obligation, for any compensation afforded to affected buying Members pursuant to the exercise of the powers of the Exchange under this Regulation 24.

24.8 A Member wishing to defer its Delivery Obligation under Regulation 24.6 must notify the Exchange in accordance with such requirements, and by such time on the Business Day prior to the Prompt Date, as published on the LME website from time to time.

24.9 If the Exchange agrees to defer delivery under Regulation 24.6, it shall issue instructions to the Member with the Delivery Obligation and to the buying Member(s) to book Carry trades in the Matching System to give effect to the deferral. In this regard, Members are reminded of their obligations under the LME Rules to ensure the confidential treatment of counterparty information.

24.10 A Member may defer a Delivery Obligation under Regulation 24 as a last resort to avoid breach of its obligations under the Rules and/or the Clearing House Rules. Misuse of the deferral mechanism shall be subject to the Exchange's investigation and enforcement powers.

Supporting provisions

24.11 Capitalised terms used within this Regulation 24 that are defined only in the Clearing House Rules shall have the meaning given to them in the Clearing House Rules.

24.12 In this Regulation 24, a "buying Member" means a Member who has a Receive Entitlement in respect of an Underlying Asset under one or more Contracts that is of the same type as that which would not be delivered to the Clearing House due to failure of the Member to perform a relevant Delivery Obligation, such that the failure of a Member to perform its Delivery Obligation may adversely affect the ability of the Clearing House to perform its own Delivery Obligation to the Member with such Receive Entitlement.

27. EXEMPTIONS AND EXEMPTION CEILINGS

27.1 For the purposes of holding a position in a Critical and Related Contract in excess of a Regulatory Position Limit, Members, Clients and Persons Subject to the Rules may apply to the Exchange for an Exemption from a Regulatory Position Limit and for an Exemption Ceiling.

PART 4

CONTRACT REGULATIONS

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PART 4: CONTRACT REGULATIONS

1. RELATIONSHIP WITH RULES AND REGULATIONS

1.1 These Contract Regulations shall apply to Contracts made subject to the Rules of the Exchange, whether between a Clearing Member and the Clearing House or between a Clearing Member and a Member who is not a Clearing Member or between a Member and any other person.

1.2 Contracts shall in addition be subject to the Trading Regulations and, in case of discrepancy, the Trading Regulations shall prevail over these Contract Regulations. Contracts for Traded Options shall, in addition, be governed by the Traded Options Regulations. Contracts for Monthly Average Futures shall, in addition, be governed by the Monthly Average Future Regulations. Premium Contracts shall, in addition, be governed by the Premium Contract Regulations. LMEprecious Contracts shall, in addition, be governed by the LMEprecious Regulations.

1.3 Any provision of, or any provision incorporated into, any Contract (other than a provision incorporated by virtue of the Clearing House Rules) which purports to exclude or is otherwise in conflict with the Rules shall be void.

1.4 All Agreed Trades must be entered into the Matching System in order to provide evidence to the Clearing House of the Contracts formed pursuant to the Execution of such Agreed Trades. Any dispute as to failure to enter or the reason for non-entry of such Agreed Trades may be referred to arbitration in accordance with the Arbitration Regulations.

1.5 A Member may not enter into a contract expressed to be "subject to the Rules and Regulations of the Exchange" or similar expression unless it is a Contract. Written confirmation of a Client Contract must state clearly and in bold capitals the phrase **"THIS IS AN LME REGISTERED CLIENT CONTRACT".** Written confirmation of an over-the-counter contract in respect of LME-deliverable metal must state clearly and in bold capitals **"THIS IS NOT AN LME REGISTERED CLIENT CONTRACT".**

1.6 Upon Execution of an Agreed Trade, Cleared Contracts shall come into effect in accordance with the Clearing House Rules between the Clearing House and each Clearing Member that was a party to, or responsible for clearing, the Agreed Trade.

1.7 Upon Execution of an Agreed Trade between a Client and a Member, one or more Client Contracts shall automatically and immediately come into effect:

(a) between the Clearing Member responsible for clearing the Agreed Trade and its Client that is party to the Agreed Trade; and

(b) where the Agreed Trade is between a Category 4 Member or LMEprecious Non-Clearing Member and its own Client, between such Member and its Client.

1.8 All Cleared Contracts shall be performed and settled in accordance with the Trading Regulations and the Clearing House Rules. Accordingly, in this Part 4, all references to any category of Contract shall, where that Contract has been registered at the Clearing House, be

construed to include any Cleared Contract that has arisen pursuant to the Clearing House Rules, such that:

(a) references to any type of "Cleared Contract" shall include the Cleared Contracts that have arisen pursuant to the Execution of an Agreed Trade under the Clearing House Rules;

(b) references to any type of "Client Contract" shall:

(i) include the Client Contract to the extent that such remains in force between the parties thereto; and

(ii) not include the Cleared Contracts that correspond to such Client Contract, the settlement and performance of which shall be in accordance with the provisions applying to Cleared Contracts.

2. STATUS OF PARTIES

2.1 All Contracts shall be between the parties acting as principals. Any percentage charged by one party to the other on the price shall, by whatever name called, be regarded as part of the price.

2.2 Any such percentage charged by a Member may be shared with any agent or other person introducing the business.

3. MARGIN CLIENT CONTRACTS

3.1 In the case of any Client Contract between a Clearing Member and a Member who is not a Clearing Member or between a Member and a non-Member, the Clearing Member or, as the case may be, the Member shall have the right at any time or times to require the other party to pay Variation Margin to the Member in cash and/or to deposit with them security in such other form as they may require in order to secure fulfilment by the other party of their obligations under the Contract. If the other party fails to perform this obligation, the Clearing Member or, as the case may be, the Member may immediately appropriate any Variation Margin held and/or realise any security lodged in addition to any other rights they may have under the Contract.

3.2 Variation Margin shall be due on demand and shall be without prejudice to payment of any other sum or provision of other security that may have been agreed between the parties.

4. SETTLEMENT

4.1 Settlement Basis for Different Types of Contracts

(a) Except as provided in the Traded Options Regulations and the Default Regulations, Metal Contracts shall be settled by offset or delivery on their Prompt Dates.

(b) Index Futures shall be cash settled on the Settlement Business Day following their Prompt Dates and also daily settled in accordance with the Trading Regulations and, in the case of Cleared Index Futures, the Clearing House Rules.

(c) Index Options shall be cash settled on the Settlement Business Day following their Prompt Date. LMEmini Futures shall be cash settled on their Prompt Date and also

daily settled in accordance with the Trading Regulations and the Clearing House Rules.

(d) Monthly Average Futures shall be cash settled on their prompt date and also daily marked to market in accordance with the Trading Regulations and the Clearing House Rules.

(e) Cash-Settled Futures shall be cash settled on the Settlement Business Day specified in the Special Contract Rules for Cash-Settled Futures and also daily settled in accordance with the Trading Regulations and, in the case of Cleared Cash-Settled Futures, the Clearing House Rules.

(f) Premium Contracts shall be settled in accordance with the Premium Contract Regulations and the Clearing House Rules.

(g) LMEprecious Futures shall be settled by delivery on their Prompt Dates and also daily settled in accordance with Trading Regulation 9 and, in the case of Cleared LMEprecious Futures, the Clearing House Rules.

(h) LMEprecious Options shall be settled by automatic exercise into LMEprecious Futures on their Prompt Date.

4.2 Settlement of Cleared Contracts shall be in accordance with the Trading Regulations and the Clearing House Rules.

4.3 **Offsetting**

4.3.1 Offsetting Client Metal Contracts for the same number of Lots of the same metal and in the same currency and with the same Prompt Date shall be settled in accordance with the Trading Regulations on the Prompt Date, buyer and seller paying or receiving (as the case may be) any difference between the Contract prices in the currency of the Contracts. Non-offsetting Client Metal Contracts shall be performed by delivery.

4.3.2 Premium Contracts shall be subject to offsetting in accordance with the Premium Contract Regulations.

4.4 The application of Regulations 8.7 and 9 of the Trading Regulations and Regulations 4.1, 4.2 and 4.3 above shall not be construed so as to frustrate the application of Regulation 14 of the Contract Regulations and:

(i) a Contract may be subject to Compression notwithstanding that it would otherwise not be settled until the time specified in Regulations 8.7 and 9 of the Trading Regulations and Regulations 4.1, 4.2 or 4.3 above; and

(ii) any reference to the settlement of a Contract shall be construed to mean the settlement of any Post-Compression Client Contract that arises upon Compression of such Contract.

5. **DELIVERY**

5.1 Delivery due under Cleared Metal Contracts shall be effected in accordance with the Trading Regulations.

5.2 Delivery due under a Client Metal Contract shall be effected on the Prompt Date by delivery of Warrants. Warrants shall be delivered by way of a transfer pursuant to LMEsword in accordance with the LMEsword Regulations and Operating Procedures governing ex-cleared transfers.

5.3 Subject to the Special Contract Rules pertaining to the relevant metal, Warrants shall be for one Lot each.

5.4 In relation to Client Metal Contracts, Warrants shall be invoiced and paid for at the Contract weight and at the Settlement Price pertaining to the Prompt Date, buyer and seller paying and receiving (as the case may be) any difference between Settlement Price and Contract price in the currency of the Contract. If the currency of the Contract is not the Major Currency for the relevant metal the Settlement Price may be translated into the currency of the Contract at such rate as the parties may determine.

5.5 In relation to Client Metal Contracts weight differences (between Contract weight and actual Warrant weight) shall be settled at the Settlement Price in the Major Currency of the relevant metal. Warehouse rental accruals (where relevant) shall be allowed on the invoice and shall be accounted for in the Major Currency of the relevant metal.

5.6 Delivery of Warrants pursuant to Client Metal Contracts shall be effected no later than 09.00 hours where the buyer is a Clearing Member and no later than 13.30 hours where the seller is a Clearing Member (so far as enabled by the Clearing Member's best endeavours). In all other cases delivery under Client Metal Contracts shall be effected at such time on or before the Prompt Date as the parties may agree.

5.7 Warrant weights in all cases shall be accepted as between buyer and seller.

5.8 Delivery due under a Premium Contract shall be effected in accordance with the Premium Contract Regulations.

5.9 Delivery due under Cleared LMEprecious Futures shall be effected in accordance with the Trading Regulations and the Clearing House Rules.

5.10 Delivery due under Client LMEprecious Futures shall be effected on the Prompt Date by the delivery of unallocated Precious Metal corresponding to the number of Lots represented by the Contracts to be settled. The manner of delivery shall be as agreed by the parties or, in the absence of agreement at the seller's option. Precious Metal shall be paid for at the Contract weight and at the LMEprecious Final Settlement Price pertaining to the Prompt Date.

5.11 Delivery of unallocated Precious Metal pursuant to Client LMEprecious Futures shall be effected no later than 16:00 hours where the buyer is an LMEprecious General Clearing Member and no later than 16:00 hours where the seller is an LMEprecious General Clearing Member (so far as enabled by the LMEprecious General Clearing Member's best endeavours). In all other cases delivery under Client LMEprecious Futures shall be effected at such time on or before the Prompt Date as the parties may agree.

5.12 Upon the exercise of an LMEprecious Option (including any Cleared LMEprecious Option and any Client LMEprecious Option), the Option Contract shall expire and shall be replaced by an LMEprecious Future, in accordance with the LMEprecious Option Regulations. Delivery under such an LMEprecious Future shall be due and made in accordance with Regulations 5.9 to 5.11 above.

6. SPECIAL CONTRACT RULES FOR METAL, LMEMINI CONTRACTS, CASH-SETTLED FUTURES AND FOR THE CONSTRUCTION OF THE INDEX

6.1 Quality and other matters dealt with in the Special Contract Rules for the relevant metal shall be as prescribed therein at the time of delivery.

6.2 The Exchange may make additions to, deletions from or modifications to the Special Contract Rules for any metal, such additions, deletions or modifications to take effect from such date as the Exchange may prescribe which shall be not less than three months after announcement thereof. For the avoidance of doubt, the Exchange shall admit new Contracts to trading in accordance with the Exchange's interpretation of applicable legal and regulatory requirements including, but not limited to, relevant MiFID II obligations, and shall admit new Contracts in accordance with its internal procedures for Contract design and admission.

6.3 The terms of Index Futures, including details of the Constituent Metals and the method of calculating the Index, shall be as described in the Special Contract Rules for the Construction of the Index.

6.4 The terms of the Index Options shall be as prescribed in the Index Options Regulations or as otherwise specified by the Exchange.

6.5 The composition and calculation of the Index as provided for in the Special Contract Rules for the Construction of the Index shall be as described therein at the time of settlement of an Index Contract.

6.6 The Exchange may amend the Special Contract Rules for the Construction of the Index, or any other Rules relevant to the calculation of the Index or settlement of an Index Contract, such amendment to take effect from such date as the Exchange may prescribe.

6.7 The terms of LMEmini Futures shall be as prescribed in the Special Contract Rules for LMEmini Contracts or as otherwise specified by the Exchange.

6.8 The Exchange may amend the Special Contract Rules for the LMEmini Contracts, or any other Rules relevant to the trading and/or settlement of an LMEmini Contract, such amendment to take effect from such date as the Exchange may prescribe.

6.9 The terms of Cash-Settled Futures shall be as prescribed in the relevant Special Contract Rules for Cash-Settled Futures or as otherwise specified by the Exchange.

6.10 The Exchange may amend the Special Contract Rules for Cash-Settled Futures, or any other Rules relevant to the trading and/or settlement of a Cash-Settled Future Contract, such amendment to take effect from such date as the Exchange may prescribe.

6.11 The provisions of Regulations 6.1, 6.2, 6.5, and 6.6 to 6.10 above are without prejudice to the powers of the Exchange to make and alter Rules generally.

6.12 In addition to Regulation 6.2, 6.6, 6.8 and 6.10 above, Regulation 15 shall apply to any non-material modifications to the terms of any Contract.

7. WARRANTS

Warrants must be issued by a warehouse listed by the Exchange and have the characteristics prescribed by the Special Contract Rules for the relevant metal.

8. DELIVERY POINTS

8.1 The Exchange may introduce any new Delivery Point with effect from at least three months after announcement of approval of such Delivery Point.

8.2 Good Delivery

8.2.1 Warrants issued by any listed warehouse shall constitute a good delivery with effect from such time as the Exchange may decide after announcement by the Exchange of approval and listing of the said warehouse.

8.2.2 No Warrant shall constitute good delivery where it is marked as "not valid" in the LMEsword System as provided for in the LMEsword Regulations and Operating Procedures. The Exchange shall in addition give notice to Members on any Warrant, Immobilised Warrant or Extracted Warrant being marked "not valid" (or ceasing to be marked "not valid") by publishing a Notice to all Members to that effect.

9. DEFAULT

9.1 The Default Regulations forming Part 9 of the Rules shall apply to all Contracts.

9.2 Upon the happening of an Event of Default in relation to any person (the "**defaulting party**"), including a non-member, who is not

(a) a Category 1, 2 or 4 Member; or

(b) an LMEprecious General Clearing Member or an LMEprecious Non-Clearing Member,

any Category 1, 2 or 4 Member, LMEprecious General Clearing Member or LMEprecious Non-Clearing Member who has open with the defaulting party any Client Contract shall have the right at any time thereafter to close-out the same by selling out or buying in against the defaulting party at the prevailing market price. In the event that this right is invoked, the obligations arising under the Client Contract may, if so provided for in any agreement between the Member and the defaulting party, be terminated upon entering into the closing Contract, except for any settlement payment due from one party to the other in respect of the closed out Contracts.

10. DISPUTES

10.1 Subject as provided in Regulation 10.2, any dispute as to the existence, completion or validity of or arising out of any Contract shall be referred to arbitration in accordance with the Rules.

10.2 Any dispute arising from or in relation to any Cleared Contract shall, unless resolved between the Clearing House and the Clearing Member concerned, be referred to arbitration under the Rules. In that event the provisions of the Clearing House Rules shall apply to such arbitration as if incorporated into Part 8 of the Rules.

10.3 Any dispute arising from or in relation to any Contingent Agreement to Trade shall, unless resolved between the parties, be referred to arbitration under the Rules.

11. GENERAL

11.1 Time shall be of the essence of every Contract, but failure by any party to exercise or enforce any rights shall not be deemed to be a waiver thereof.

11.2 The Rules (which term shall for the purposes of this Regulation 11.2 include all Administrative Procedures and Regulations, as the context may require) and all Agreed Trades, Contingent Agreements to Trade and Contracts, and any non-contractual obligations of any kind arising out of or in relation to the Rules and any Agreed Trades, Contingent Agreements to Trade and Contracts, are governed by, and shall be interpreted and construed in accordance with, English law.

11.3 The courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with these Rules, save for any matter that is dealt with by way of arbitration pursuant to Regulation 10. Each Member irrevocably submits to that jurisdiction for the exclusive benefit of the Exchange and waives any objection on the grounds of venue or forum non conveniens or any similar grounds.

11.4 Any Member that is not incorporated or registered in England and Wales shall at all times appoint and maintain an agent for service of process in England and Wales ("**Service Agent**"). Any such Member shall not revoke the authority of a Service Agent unless it has first notified the Exchange of its replacement Service Agent. If a Service Agent ceases to be able to act as such or ceases to have an address within the jurisdiction of the English courts, the Member shall promptly appoint another Service Agent (with an address for service within the jurisdiction of the English courts). Nothing in the Rules, any Administrative Procedure, any Agreed Trade, any Contingent Agreement to Trade or any Contract shall affect the right of the Exchange to serve process in any other manner permitted by law. Any Member that has appointed a Service Agent pursuant to this Regulation 11.4 shall ensure that the Exchange is at all times in receipt of the full name and address of such Service Agent.

11.5 The provisions of (1) the "Uniform Law on the Formation of Contracts for the International Sale of Goods" and the Convention relating thereto, (2) the "Uniform Law on the International Sale of Goods 1964" and the Convention relating thereto, and (3) the "United Nations Convention on Contracts for the International Sale of Goods of 1980" shall not apply to any Contract.

11.6 Entry into any Contract shall constitute a waiver by both parties thereto of any immunity from suit or arbitral process or execution of any judgement or award on the ground of sovereignty, nationality, domicile, residence or otherwise.

12. TRANSITIONAL PROVISION FOR NON-SEGREGATED CLIENT CONTRACTS

12.1 This provision shall apply to any Client Contract entered into, prior to the date on which this Regulation 12 came into force in its current form (the "EMIR Amendment Date"), as a "Non-Segregated Client Contract", and/or which was treated, in accordance with the Rules in force prior to the EMIR Amendment Date as a "Non-Segregated Client Contract".

12.2 From the EMIR Amendment Date, no "Non-Segregated Client Contract" shall be a Contract for the purpose of, or governed by, these Rules.

12.3 In order for any Non-Segregated Client Contract to be treated as a Contract pursuant to these Rules:

(a) a Counterparty to that Non-Segregated Client Contract must have ensured that a Clearing Member shall have entered such contract into the Matching System as a Client Contract (other than a Non-Segregated Client Contract) on or before EMIR Amendment Date, in accordance with Regulation 3.5 of the Trading Regulations, and including all information required by the Clearing House to allocate such Contract (or the Cleared Contracts arising upon registration of such Client Contract) to either an "omnibus" segregated client account or an "individual client" segregated client account of the Clearing Member; and

(b) the contract must have been accepted by, and registered by, the Clearing House, in accordance with the Clearing House Rules, no later than the EMIR Amendment Date.

12.4 The performance and settlement of any Non-Segregated Client Contract that has ceased to be a Contract under these Rules, in accordance with Regulation 12.2 shall be a matter for the Counterparties thereto and the Exchange shall have no powers, obligations or other responsibilities in respect of such Non-Segregated Client Contracts.

13. PORTING OF UNDERLYING CLIENT CONTRACTS IN THE ABSENCE OF DEFAULT

Where and to the extent that the Clearing House Rules permit the transfer of Client-Related Cleared Contracts either:

(a) between Clearing Members; or

(b) between accounts maintained by a Clearing Member in respect of different Clients,

and such transfers are permitted in circumstances where the Clearing Member that is the party to such Client-Related Cleared Contracts is not a Defaulter, then Regulation 7 of the Default Rules shall apply in respect of the corresponding Underlying Client Contracts and any associated transfer of Warrants, notwithstanding that no party to any such Underlying Client Contract may be a Defaulter.

14. COMPRESSION

14.1 This Regulation 14 shall apply in respect of:

(a) any Clearing Member that has opted, under the Clearing House Rules, to apply Compression to any Client Related Cleared Contracts allocated to any of its client accounts at the Clearing House; and

(b) any Client that is a counterparty to any Client Contract with any such Clearing Member; and

(c) any Client Contract that is an Underlying Client Contract in respect of any Client-Related Cleared Contract that is:

(i) allocated to a client account of the Clearing Member at the Clearing House; and

(ii) subject to Compression at the Clearing House.

14.2 For the avoidance of doubt, this Regulation 14 shall not apply to any Compression at the Clearing House of any Cleared Contract that is allocated to a house account of a Clearing Member at the Clearing House.

14.3 In the event that any Client-Related Cleared Contracts that are allocated to a client account of a Clearing Member at the Clearing House are subject to Compression at the Clearing House, the Underlying Client Contracts shall also be automatically and simultaneously subject to Compression under the Exchange Rules, on the following basis:

(a) the Clearing Member and the Client (each acting as principal) shall be released from further obligations towards one another under such Underlying Client Contracts and their respective rights against one another under such Contracts shall be cancelled; and

(b) simultaneously, new Post-Compression Client Contracts shall, by operation of this Regulation, come into full force and effect between the Clearing Member and the Client, such that the Clearing Member and the Client (each acting as principal) shall assume obligations towards one another and/or acquire rights against one another under the Post-Compression Client Contracts; and

(c) such Post-Compression Client Contracts shall represent back-to-back Contracts to each Post-Compression Cleared Contract that is in effect following the Compression at the Clearing House, such that:

(i) for each Post-Compression Cleared Contract, there shall be a corresponding Post-Compression Client Contract, having:

(1) the same direction; and

(2) the same commercial terms, including in relation to the amount of underlying metal and prices; and

(ii) the Variation Margin applicable to a Post-Compression Client Contract shall be the net of the Variation Margin amounts applicable to the Underlying Client Contracts immediately prior to Compression under the Exchange Rules,

save that Compression at the Exchange shall not affect any terms or contractual rights or obligations between the Clearing Member and the Client that were not comprised in the terms of any Underlying Client Contract that was subject to Compression under the Exchange Rules.

14.4 Each Clearing Member that opts, under the Clearing House Rules, to apply Compression to any Client Related Cleared Contracts allocated to any of its client accounts at the Clearing House must:

(a) have ensured that, prior to the implementation of any Compression at the Clearing House, its terms of business or other contractual arrangements with the relevant Clients contain provisions that operate in a manner that is consistent with this Regulation 14, and do not contain provisions which would conflict with or frustrate the Compression of any Underlying Client Contract in accordance with this Regulation 14;

(b) ensure that any Client that is party to an Underlying Client Contract that is or may be subject to Compression under the Exchange Rules:

(i) is notified of the fact that such Compression may occur, and when such Compression will take effect; and

(ii) upon Compression under the Exchange Rules, is promptly notified of the effect of Compression, such that the Client is at all times on notice of the Client Contracts (including the Post-Compression Client Contracts) that are in force between the Clearing Member and the Client;

(c) ensure that its books and records relating to the Client Contracts and Cleared Contracts to which it is a party are at all times reconciled and up to date, such that it is at all times possible to identify which Cleared Contract (including a Post-Compression Client Contract) represents the clearing of which Client Contract (including a Post-Compression Cleared Contract); and

(d) promptly upon request by the Exchange or Clearing House provide a copy of such books and records described in (c) above, in such a format that would easily enable Compression Client Contracts) with the corresponding Cleared Contracts (including the Post-Compression Cleared Contracts).

15. NEW CONTRACTS AND NON-MATERIAL AMENDMENTS TO EXISTING CONTRACTS

15.1 The Exchange may introduce new types of Contract ("**New Contracts**"), or make non-material modifications to the specifications of existing Contracts ("**Non-Material Amendments**") from time to time, in accordance with the following process. This process shall not apply to any material modification of the features of any Contract that is, at the relevant time, already a Contract under the Rules.

15.2 The Exchange may introduce a New Contract or a Non-Material Amendment by providing, by way of Notice, the following information to Members:

(a) the specifications of such New Contract or Non-Material Amendment;

(b) the changes to these Rules that the Exchange proposes to apply in order to facilitate the introduction of such New Contract or Non-Material Amendment, including:

(i) the addition of new "Special Contract Rules" for the New Contract in Part 6 to this Rulebook and/or the addition of a new Part or sub-section to any existing Part of these Rules to introduce new Regulations specific to the New Contract; or

(ii) the amendment of any Rule to reflect a Non-Material Amendment; and

(iii) any additional changes to these Rules to facilitate the introduction of the New Contract or Non-Material Amendment;

(c) any Administrative Procedures, or amendments to existing Administrative Procedures that the Exchange proposes to apply in order to facilitate the introduction of such New Contract or Non-Material Amendment;

(d) any additional requirements to be satisfied in order to enable a Member to trade or clear the New Contract or Non-Material Amendment (including, without limitation, any operational requirements and any fees specific to the New Contract or Non-Material Amendment); and

(e) the date from which the changes to the Rules and / or Administrative Procedures shall come into effect and, if different, the date from which the New Contract shall be available for trading. The Exchange may, by the provision of a subsequent Notice, postpone such dates, where the Exchange deems appropriate.

15.3 The Exchange shall provide Members with such advance notice of the dates specified pursuant to Rule 15.2(e) above as the Exchange considers reasonable and appropriate having regard to the circumstances.

15.4 Any changes to the Rules and / or Administrative Procedures shall come into effect from the date(s) specified pursuant to Rule 15.2(e).

15.5 The Exchange shall not consult with Members in advance of the introduction of any New Contract or Non-Material Amendment unless, and except to the extent that:

(a) the Exchange considers that, in the context of the circumstances of the introduction of the New Contract Non-Material Amendment, it would be required by law or regulation to do so (including the Recognition Requirements Regulations and REC); or

(b) the Exchange is required to do so by a Regulator;

(c) the Exchange, in its absolute discretion, considers it prudent or appropriate to do so.

PART 5

TRADED OPTIONS REGULATIONS

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PART 5A: METAL OPTIONS REGULATIONS

1. RELATIONSHIP WITH TRADING REGULATIONS

1.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these Metal Options Regulations or unless the context otherwise requires, apply to Metal Options.

1.2 The Clearing House Rules shall apply to Cleared Contracts that arise pursuant to the registration of Cleared Metal Options or Client Option Contracts with the Clearing House.

1.3 References in this Part 5A to Metal Options or any "Contracts" relating to such Metal Options shall be construed to include any Cleared Contract that has arisen pursuant to the registration of the Metal Option at the Clearing House (provided that Cleared Contracts that arise pursuant to the registration of Metal Options that are Client Contracts shall be treated in the same way as Cleared Contracts that are pursuant to the registration of Cleared Metal Options).

2. PERMITTED OPTIONS

2.1 Metal Options shall be available in respect of such metals and denominated in such currencies as may from time to time be prescribed by the Exchange. The months traded, Strike Price gradations and numbers and sequences above and below the Strike Price closest to the current market price shall be determined by the Exchange from time to time after consultation with the Clearing House and shall be published by the Exchange.

2.2 Trading may be conducted, in respect of any Metal Option authorised by the Traded Options Committee, until the close of the business on the Last Trading Day for such Metal Option. A new month for the metal concerned will become available for trading at the opening of business on the Business Day following the Last Declaration Day.

2.3 The minimum permitted spread between buyers' and sellers' premiums bid or offered in respect of Cleared Metal Options, and the minimum fluctuation in such premiums, shall be at such levels as the Exchange may from time to time prescribe according to the currency in which the Metal Option is denominated.

2.4 All Metal Options shall be input into the Matching System and registered as such with the Clearing House, subject to and in accordance with the Trading Regulations and the Clearing House Rules.

3. DECLARATION

3.1 Subject where relevant to Regulation 8 of the Trading Regulations, Prompt Dates for futures Contracts resulting from declarations under Metal Options shall be the third Wednesday in the relevant month or, if that day is not a Business Day, the next succeeding day which is a Business Day.

3.2 Declaration of a Cleared Metal Option may only be made on the Clearing House by a Clearing Member Taker if it forms part of that Member's open registered position as at the close of business on the preceding Business Day. Declaration shall be made in such manner as may be prescribed or accepted by the Clearing House no earlier than 07.30 hours and no later than 11.15 hours on any Business Day up to and including the Last Declaration Day for the relevant Metal Option.

3.3 Upon receipt of declaration of a Cleared Metal Option or Options by a Clearing Member Taker or Takers, the Clearing House shall declare a like Cleared Metal Option or Options on any Clearing Member Granter or Granters selected by it who had corresponding open registered positions as at the close of business on the preceding Business Day. The Clearing House shall use its best endeavours to notify the relevant Granter no later than 11.30 hours on the day upon which the Cleared Metal Option is declared on the Clearing House, provided however that Granters shall be obliged to accept later declarations if made in accordance with the Clearing House Rules.

3.4.1 Takers of Client Metal Options from Clearing Member Granters shall declare Metal Options on their Clearing Member Granters in such manner as has been agreed between them, no later than 11.10 hours on any Business Day up to and including the Last Declaration Day for the relevant Metal Option.

3.4.2 Trading-Only Member Takers or non-Member Takers of Client Metal Options from Trading-Only Member Granters shall declare Metal Options on such Trading-Only Member Granters in such manner as has been agreed between them no later than 11.10 hours on any Business Day up to and including the Last Declaration Day for the relevant Metal Option.

3.5.1 Clearing Member Takers of Client Metal Options shall declare the same on their Granters no later than 11.40 hours on any Business Day up to and including the Last Declaration Day, in such manner as has been agreed between them, provided that if the Clearing House declares on the Clearing Member later than 11.30 hours pursuant to Regulation 3.3 the Granter shall be obliged to accept a correspondingly later declaration from the Clearing Member Taker.

3.5.2 Trading-Only Member Takers of Client Metal Options from non-Members shall declare the same on their Granters in such manner as has been agreed between them no later than 11.40 hours on any Business Day up to and including the Last Declaration Day for the relevant option.

3.6 Any Metal Option described in Regulations 3.2 to 3.5 above not declared as above prescribed shall be deemed to have been abandoned.

4. EFFECT OF DECLARATION

4.1 Metal Options are American-style options.

4.2 On the declaration of a Metal Option a futures Contract shall arise between Granter and Taker of the declared Metal Option, the price of such futures Contract being the Strike Price in the Metal Options Contract.

4.3 Metal Futures Contracts which arise on declaration of a Metal Option shall be settled in accordance with the Trading Regulations.

4.4 Offsetting Cleared Metal Option Contracts of a Clearing Member for the same quantity, metal, Strike Price, type, month and currency shall be closed automatically by the Clearing House in accordance with the Clearing House Rules, and all rights and obligations attaching to or arising from those Cleared Metal Option Contracts will terminate. The provision of this Regulation 4.4 shall be applied separately to each relevant account of the relevant Clearing Member at the Clearing House (which may, for the avoidance of doubt, include a "house" or "proprietary" account and a "client" account that is either segregated on an "omnibus" basis or an "individual client" basis).

4.5.1 On the declaration of a Client Metal Option where either the Granter or the Taker is a Clearing Member, the Clearing Member must record a Cross in relation to the futures Contract resulting from the said declaration.

4.5.2 On the declaration of a Client Metal Option where neither party is a Clearing Member then each Trading-Only Member must arrange for a Clearing Member to record a Cross in relation to that declaration.

4.6 Offsetting Client Metal Option Contracts for the same quantity, metal, Strike Price, type, month and currency shall be closed automatically unless otherwise agreed between the Granter and the Taker as the Taker otherwise requests at or before the time when the offsetting Metal Option is granted.

5. PREMIUMS

5.1 The amount of the premium payable on opening every Metal Option Contract shall be the premium input into the Matching System, as determined via LME Select or by the Granter and the Taker in the inter-office market.

5.2.1 Payment of the premium by the Taker of a Cleared Metal Option to the Granter shall be effected through the payment system, in accordance with the Clearing House Rules, prior to 12.00 hours on the next Business Day following the day on which the Metal Option is traded.

5.2.2 Payment of the premium by the Taker of a Client Metal Option to the Granter shall be effected prior to 12.00 hours on the next Business Day following the day on which the Metal Option is traded.

5.3 The Taker of a Cleared Metal Option may apply the value of such Metal Option as determined by the Clearing House against Variation Margin due to the Clearing House in respect of open Cleared Contracts of the said Taker, subject to, and in accordance with the Clearing House Rules.

5.4 The Taker of a Cleared Metal Option or Client Metal Option shall not be permitted to receive cash payment in respect of any positive value of such Metal Option nor apply any credit arising therefrom to the purchase of another Option Contract.

5.5 For the avoidance of doubt, this Regulation 5 has no relevance to any premium (including any Premium Contract Price) under a Premium Contract

PART 5B: TRADED AVERAGE PRICE OPTIONS REGULATIONS

6. RELATIONSHIP WITH TRADING REGULATIONS

6.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these Traded Average Price Options Regulations or unless the context otherwise requires, apply to Traded Average Price Option Contracts.

6.2 The Clearing House Rules shall apply to Cleared Contracts that arise pursuant to the registration of Exchange Traded Average Price Options or Client Traded Average Price Options with the Clearing House.

6.3 References in this Part 5B to Traded Average Price Options or any "Contracts" relating to such Traded Average Price Options shall be construed to include any Cleared Contract that has arisen pursuant to the registration of the Traded Average Price Option at the Clearing House (provided that Cleared Contracts that arise pursuant to the registration of Client Traded Average Price Options shall be treated in the same way as Cleared Contracts that arise pursuant to the registration of Exchange Traded Average Price Options).

7. PERMITTED TRADED AVERAGE PRICE OPTIONS

7.1 Traded Average Price Option Contracts shall be available in respect of such metals and denominated in such currencies as may from time to time be prescribed by the Exchange. The months traded, Strike Price gradations and numbers and sequences above and below the Strike Price closest to the current market price shall be determined by the Exchange from time to time after consultation with the Clearing House and shall be published by the Exchange.

7.2 Trading may be conducted, in respect of any Traded Average Price Option authorised by the Exchange in consultation with the Traded Options Committee, until the close of business on the Last Trading Day for such Traded Average Price Option. A new month for the metal concerned will become available for trading at the opening of business on the Business Day following the Declaration Day.

7.3 The minimum permitted spread between buyers' and sellers' premiums bid or offered in respect of Exchange Traded Average Price Options, and the minimum fluctuation in such premiums, shall be at such levels as the Exchange may from time to time prescribe according to the currency in which the Traded Average Price Option is denominated.

7.4 All Traded Average Price Options shall be input into the Matching System and registered as such with the Clearing House, subject to and in accordance with the Trading Regulations and the Clearing House Rules.

8. DECLARATION

8.1 Subject where relevant to Regulation 8 of the Trading Regulations, Prompt Dates for futures Contracts resulting from declarations under Traded Average Price Option Contracts shall be the second Business Day following the Declaration Day for the relevant tradeable month.

8.2 The declaration of an Exchange Traded Average Price Option shall be deemed to have been made on the Clearing House by a Clearing Member Taker at 15.00 hours on the Declaration Day for the relevant Traded Average Price Option if it is In The Money and forms part of that Member's open registered position as at the close of business on the preceding Business Day. The declaration shall be accepted and made by the Clearing House no later than 15.00 hours

on the Declaration Day for the relevant Traded Average Price Option and it shall use its best endeavours to notify the relevant Granter no later than 15.00 hours on the Declaration Day provided however that Granters shall be obliged to accept later declarations if made in accordance with the Clearing House Rules.

8.3 The declaration of a Client Traded Average Price Option shall be deemed to have been made on the Granter by the Taker at 15.00 hours on the Declaration Day for the relevant Traded Average Price Option if it is In The Money and notification of the said declaration shall be made in such manner as has been agreed between them.

8.4 Any Traded Average Price Option described in Regulations 8.2 and 8.3 above not declared as above prescribed shall be deemed to have been abandoned.

9. EFFECT OF DECLARATION

9.1 Traded Average Price Options are European-style options.

9.2 On the declaration of a Traded Average Price Option two futures Contracts each for the full tonnage of the Contract shall arise between Granter and Taker of the declared Traded Average Price Option:-

9.2.1 in the case of a declared Average Price Call Option, the Taker will buy from the Granter at the Strike Price in the Traded Average Price Options Contract and sell to the Granter at the Monthly Average Settlement Price for the relevant month;

9.2.2 in the case of a declared Average Price Put Option, the Taker will sell to the Granter at the Strike Price in the Traded Average Price Options Contract and buy from the Granter at the Monthly Average Settlement Price for the relevant month.

9.3 Futures Contracts which arise on declaration of a Traded Average Price Option shall be settled in accordance with the Trading Regulations.

9.4 Offsetting Exchange Traded Average Price Option Contracts of a Clearing Member for the same quantity, metal, Strike Price, type, month and currency shall be closed automatically by the Clearing House in accordance with the Clearing House Rules, and all rights and obligations attaching to or arising from those Exchange Traded Average Price Options Contracts will terminate. The provision of this Regulation 9.4 shall be applied separately to each relevant account of the relevant Clearing Member at the Clearing House (which may, for the avoidance of doubt, include a "house" or "proprietary" account and a "client" account that is either segregated on an "omnibus" basis or on an "individual client" basis).

9.4.1 On the declaration of a Client Traded Average Price Option where either the Granter or the Taker is a Clearing Member, the Clearing Member must record Crosses in relation to the futures Contracts resulting from the said declarations.

9.4.2 On the declaration of a Client Traded Average Price Option where neither party is a Clearing Member then each relevant Trading-Only Member must arrange for a Clearing Member to record Crosses in relation to that declaration.

9.5 Offsetting Client Average Price Contracts for the same quantity, metal, Strike Price, type, month and currency shall be closed automatically unless otherwise agreed between the Granter and the Taker as the Taker otherwise requests at or before the time when the offsetting Traded Average Price Option is granted.

10. PREMIUMS

10.1 The amount of the premium payable on opening every Traded Average Price Option shall be the premium input into the Matching System, as determined via LME Select or by the Granter and the Taker in the inter-office market.

10.1.1 Payment of the premium by the Taker of an Exchange Traded Average Price Option to the Granter shall be effected through the payment system, in accordance with the Clearing House Rules, prior to 12.00 hours on the next Business Day following the day on which the Traded Average Price Option is traded.

10.1.2 Payment of the premium by the Taker of a Client Traded Average Price Option to the Granter shall be effected prior to 12.00 hours on the next Business Day following the day on which the Traded Average Price Option is traded.

10.2 The Taker of an Exchange Traded Average Price Option may apply the value of such Traded Average Price Option as determined by the Clearing House against Variation Margin due to the Clearing House in respect of open Cleared Contracts of the said Taker, subject to, and in accordance with the Clearing House Rules.

10.3 The Taker of an Exchange Traded Average Price Option or Client Traded Average Price Option shall not be permitted to receive cash payment in respect of any positive value of such Traded Average Price Option nor apply any credit arising therefrom to the purchase of another Traded Average Price Option.

10.4 For the avoidance of doubt, this Regulation 10 has no relevance to any premium (including any Premium Contract Price) under a Premium contract.

PART 5C: INDEX OPTIONS REGULATIONS [CONTRACT NOT CURRENTLY AVAILABLE]

11. RELATIONSHIP WITH TRADING REGULATIONS

11.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these Index Options Regulations or unless the context otherwise requires, apply to Index Options.

11.2 The Clearing House Rules shall apply to Cleared Contracts that arise pursuant to the registration of Cleared Index Options with the Clearing House.

11.3 References in this Part 5C to "Index Options" or any "Contracts" relating to such Index Options shall be construed to include any Cleared Contract that has arisen pursuant to the registration of the Index Option at the Clearing House (provided that Cleared Contracts that arise pursuant to the registration of Client Index Options shall be treated in the same way as Cleared Contracts that arise pursuant to the registration of Cleared Index Options).

12. PERMITTED OPTIONS

12.1 Index Options shall be available in respect of such contract sizes as may from time to time be prescribed by the Exchange but shall be traded in US dollars only. The months traded, Strike Price gradations and numbers and sequences above and below the Strike Price closest to the current market price and any other specifications shall be determined by the Exchange from time to time after consultation with the Clearing House and shall be published by the Exchange.

12.2 Trading may be conducted, in respect of any Index Option authorised by the Traded Options Committee, until 16.35 hours on the Last Trading Day for such Index Option. A new month for the Index Option concerned will become available for trading at the opening of business on the Business Day following the Prompt Date.

12.3 The minimum permitted spread between buyers' and sellers' premiums bid or offered in respect of Cleared Index Options, and the minimum fluctuation in such premiums, shall be at such levels as the Exchange may from time to time prescribe.

12.4 All Index Options shall be input into the Matching System and registered as such with the Clearing House, subject to and in accordance with the Trading Regulations and the Clearing House Rules.

13. AUTOMATIC EXERCISE

13.1 Index Options are European-style options.

13.2 A Cleared Index Option shall be automatically exercised on its Granter at about 19.15 hours on the Prompt Date for the relevant Index Option if at that time it is In the Money and forms part of a Member's open registered position with the Clearing House.

13.3 A Client Index Option shall automatically exercise on its Granter at about 19.15 hours on the Index Exercise Date for the relevant Index Option if at that time it is In The Money.

13.4 Notification of automatic exercise of a Client Index Option shall be made in such manner as has been agreed between Granter and Taker.

13.5 Any Index Option not exercised as prescribed shall be deemed after its Prompt Date to have been abandoned.

14. EFFECT OF AUTOMATIC EXERCISE

14.1 On the automatic exercise of an Index Option on the Prompt Date it shall settle in cash as described in the Trading Regulations.

15. PREMIUMS

15.1 The amount of the premium payable on opening every Index Option shall be the premium input into the Matching System, as determined via LME Select or by the Granter and the Taker in the inter-office market.

15.1.1 Payment of the premium by the Taker of a Cleared Index Option to the Granter shall be effected through the payment system, in accordance with Clearing House Rules, prior to 12.00 hours on the next Business Day following the day on which the Index Option is traded.

15.1.2 Payment of the premium by the Taker of a Client Index Option to the Granter shall be effected prior to 12.00 hours on the next Business Day following the day on which the Index Option is traded.

15.2 The Taker of a Cleared Index Option may apply the value of such Index Option as determined by the Clearing House against Variation Margin due to the Clearing House in respect of open Cleared Contracts of the said Taker, subject to, and in accordance with the Clearing House Rules.

15.3 The Taker of a Cleared Index Option or Client Index Option shall not be permitted to receive cash payment in respect of any positive value of such Option nor apply any credit arising therefrom to the purchase of another Index Option.

15.4 For the avoidance of doubt, this Regulation 15 has no relevance to any premium (including any Premium Contract Price) under a Premium Contract.

Part 6

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PART 6

SPECIAL CONTRACT RULES FOR HIGH GRADE PRIMARY ALUMINIUM

1. QUALITY

The aluminium delivered under this contract must:

(a) be:

(i) Primary aluminium with impurities no greater than in the registered designation P1020A in the North American and International Registration Record entitled "International Designations and Chemical Composition Limits for Unalloyed Aluminum" (revised January 2018), or

(ii) Primary aluminium that conforms to the registered designation Al99.70 in the GB/T 1196-2018 Standard entitled "Unalloyed aluminium ingots for remelting", or

(iii) For warrants created up to and including 31 December 2009 primary aluminium of minimum 99.70% purity with maximum permissible iron content 0.20% and maximum permissible silicon content 0.10%.

(b) be in the shape of ingots each weighing not less than 9 kilos and not more than 26 kilos and T-bars or sows weighing not more than 788 kilos.

(c) be of brands listed in the LME approved list.

2. SIZE OF LOT

25 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 25 tonnes (2% either more or less).

3.2 The aluminium in each Warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject, in the case of ingots, to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 2.0 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles of ingots or the number of T-bars or sows making up each lot.

3.4 Each Warrant must bear the following clause;

WARNING: the buyer is advised that this metal may contain crevices and hidden recesses holding entrapped moisture. The metal should be handled and processed with this possibility in mind. Entrapped moisture may cause an explosion if the metal is introduced into a melting furnace without proper drying.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of aluminium to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the aluminium comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of aluminium must be accompanied by an Enhanced eCOA and a completed LME Carbon Adjustment Mechanism ("CBAM") emissions reporting form, as specified by the Exchange by way of Notice. The Exchange may update the CBAM emissions reporting form from time to time by way of Notice.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of aluminium and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above)

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of aluminium must demonstrate compliance with one of the relevant standard and grades listed in Special Contract Rule 1(a)(i) or (ii) by illustrating the detected level of impurity for each element. Warrants created up to and including 31 December 2009, may additionally demonstrate compliance with the standard and grade listed in Special Contract Rule 1(a)(iii). In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of aluminium may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR ALUMINIUM WARRANTS

5.1 The listed brand name and/or brand identifiable logo must be indelibly marked on each ingot within a bundle or on each T-bar or sow.

5.2 In the case of ingots, the production cast reference must be indelibly marked on each ingot within the bundle or on the surface of the bundle or on a durable bundle label. In the case of T-bars and sows, the production cast reference must be marked on each T-bar or sow either indelibly or by a durable bundle label.

5.3 If a Warrant relates to metal, in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All documentation for placing aluminium on Warrant must include the English language.

5.5 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strapping standards.

6. MAJOR CURRENCY

US dollars

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are: -

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR ALUMINIUM ALLOY

1. **QUALITY**

The aluminium alloy delivered under this contract must be:

(a) Aluminium alloy conforming to one of the specifications listed below:

(1) **A380.1** produced in conformity with The Aluminum Association Inc. specification (2015);

(2) **226** produced in conformity with LME 226 as described below:

Elements	Composition, % (m/m)
Cu	2.0 – 3.5
Si	8.0 –11.0
Mg	0.1 – 0.5
Zn	1.2 max
Fe	1.0 max
Mn	0.1 – 0.4
Ni	0.3 max
Sn	0.1 max
Ti	0.15 max
Pb	0.2 max
Others	0.05 max each
Al	Remainder
The sum of 'others' 0.15% max	

(3) **AD12.1** produced in conformity with JIS H2118-2006, Class 12: (Note: this specification to be read in conjunction with the provision that there be an allowance as follows: Others, total 0.50% max, Al remainder).

(b) In the shape of ingot, small sows (four way entry sows), large sows (low profile sows) and T-bars.

(c) Of brands listed in the LME-approved list of aluminium alloy brands.

2. **SIZE OF LOT**

20 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 20 tonnes each (2% either more or less).

3.2 The aluminium alloy in each Warrant shall consist of one brand which is listed as being good delivery and of one shape and dimension.

3.3 Each lot shall contain aluminium alloy derived from no more than five production batches, and, in the case of ingots, each bundle shall contain aluminium alloy from only one production batch.

3.4 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles of ingots, small sows, large sows or T-bars making up each lot;

(g) each Warrant must bear the following clause;

WARNING: the buyer is advised that this metal may contain crevices and hidden recesses holding entrapped moisture. The metal should be handled and processed with this possibility in mind. Entrapped moisture may cause an explosion if the metal is introduced into a melting furnace without proper drying.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of aluminium alloy to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the aluminium alloy comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of aluminium alloy must be accompanied by an Enhanced eCOA and a completed LME Carbon Adjustment Mechanism ("CBAM") emissions reporting form, as specified by the Exchange by way of Notice. The Exchange may update the CBAM emissions reporting form from time to time by way of Notice.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of aluminium alloy and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of aluminium alloy must demonstrate compliance with one of the relevant standards and grades listed in Special Contract Rule 1(a) (1), (2) or (3) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of aluminium alloy may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR ALUMINIUM ALLOY WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot, sow and T-bar.

5.2 The production cast reference and alloy grade reference must be indelibly marked on each ingot within the bundle or on the top surface of the bundle or on a durable bundle label and on each sow and T-bar.

5.3 If a Warrant relates to metal, in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All ingots and sows shall be produced by a single pouring process. "Multi-pour" or "capping" the surface with additional metal after the ingot or sow is formed is not permitted.

5.5 All ingots, T-bars and sows delivered under the contract shall be flat in order to permit safe stacking and handling using forklifts.

5.6 Metal surfaces shall be smooth and free of open shrinkage, porosity, layers and seams.

5.7 The metal must be free of the visible presence of foreign substances.

5.8 The edges and surfaces of metal shall be free of sharp edges, spurs and flashings that might present safety hazards in handling.

5.9 All documentation for placing aluminium alloy on Warrant must include the English language.

5.10 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strapping standards.

6. SHAPES, WEIGHTS AND DIMENSIONS

(a) Ingots

Ingots shall weigh not less than 4 kilos and not more than 25 kilos. Each ingot in each bundle and lot shall be of the same weight and dimensions but not exceed 800mm in length; the only exception to be the cast feet for the purpose of bundle stability.

Bundles shall weigh not less than 500 kilos and not more than 1000 kilos of equal weight and dimension in each lot suitable for stacking. One makeweight bundle in any one lot is permissible. Bundles must be securely strapped for safe handling and transport without bundle distortion and breakage.

(b) Small sows (four-way entry sows)

Small sows shall weigh not less than 408 kilos and not more than 590 kilos. Each small sow in each lot shall be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length and width shall be the same, between 837mm - 990mm.
Bottom	Length and width shall be the same, between 406mm - 559mm.
Height	Between 304mm – 432mm.
Shape	The tapering of all four sides should include an indentation to allow for the safe and easy handling by forklift trucks.

(c) Large sows (low profile sows)

Large sows shall weigh not less than 300 kilos and not more than 726 kilos. Each large sow in each lot shall be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length shall be between 1015mm – 1320mm.
	Width shall be between 812mm – 1142mm.
Bottom	Length shall be between 900mm – 1320mm.
	Width shall be between 406mm – 520mm.
Height	Between 200mm – 305mm.
Shape	The tapering of the long sides should include an indentation to allow for the safe and easy handling by forklift trucks.

(d) T-bars

T-bars shall weigh not less than 408 kilos and not more than 726 kilos. Each T-bar in each lot shall be of the same weight and dimensions.

Top	Length shall be between 837mm – 1320mm.
	Width shall be between 760mm – 1015mm.
Bottom	Length shall be between 837mm – 1320mm.
	Width shall be between 406mm – 634mm.
Height	Overall between 254mm – 432mm.
	To shoulder minimum 76mm.
Shape	The indentation of the shoulder on the long sides should be a minimum of 101mm (4 inches) on each side and allow for the safe and easy handling by forklift trucks.

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR COPPER - GRADE A

1. QUALITY

The copper delivered under this contract must be:

(a) Refined electrolytic copper conforming to the chemical composition of one of the following Standards:

(i) BS EN 1978:2022 (cathode grade designation Cu-CATH-1).

(ii) GB/T 467-2010 (high purity Copper Cathode (Cu-CATH-1)).

(iii) ASTM B115-10 (2021) (cathode Grade 1).

(b) In the shape of full plate cathodes;

(c) Of brands listed in the LME approved list.

2. SIZE OF LOT

25 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants must be for 25 tonnes (2% either more or less).

3.2 The copper in each Warrant shall consist of one brand which is listed as being good delivery and must be in bundles not exceeding 4.0 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant must state:

(a) the name of the brand;

(b) the country of origin;

(c) the shape;

(d) the weight;

(e) the number of bundles making up each lot.

4. ADDITIONAL REQUIREMENTS FOR COPPER WARRANTS

4.1 The LME listed brand name must be indelibly marked on clips attached to the producer's bundle strapping or marked continuously on the strapping.

4.2 No opening of producer bundles with producer markings is permitted by a Warehouse upon receipt except as follows:

(a) Where packaging is damaged such that it may cause a hazard in subsequent handling and storage in which case the Warehouse must repack and label if necessary in accordance with (b) and (c) below;

(b) Where to create a Warrant lot it is necessary to break one or more bundles provided that with such adjustment at least 80% of the bundles in the Warrant have the original producer's clips or straps showing the brand name. The remaining bundles in the Warrant must have a durable label provided by the Warehouse attached to the top cathode in a bundle showing the brand name;

(c) Straps replaced by a Warehouse must be of corrosion resistant materials and in compliance with LME strap standards.

5. MAJOR CURRENCY

US dollars.

6. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LME Listed Sampler and Assayer (LSA) to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The LME will bear the costs of such tests.

The conditions referred to above are that:-

(a) there are reasonable grounds to suspect that copper on Warrant does not comply with these rules;

(b) there is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR LEAD

1. QUALITY

The lead delivered under this contract must be:

(a) Refined lead of a minimum 99.970% purity conforming to one of the following Standards and specific grades:

(i) BS EN 12659:1999 Standard entitled "Lead and Lead Alloys – Lead". Permitted grades: Material Numbers PB970R, PB985R and PB990R.

(ii) GB/T 469/2013 Standard entitled "Lead Ingots". Permitted Grades: 99.970%, 99.985%, 99.990% and 99.994%.

(iii) ASTM B29-19 Standard entitled "Standard Specification for Refined Lead". Permitted grades: 99.97% and 99.995%.

(b) In the shape of ingots weighing not more than 55kgs.

(c) Of brands listed in the LME approved list.

2. SIZE OF LOT

25 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 25 tonnes (2% either more or less).

3.2 The lead in each Warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 1.5 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles making up each lot.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of lead to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the lead comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of lead must be accompanied by an Enhanced eCOA.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of lead and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.6 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of lead must demonstrate compliance with one of the relevant standards and grades listed in Special Contract Rule 1(a)(i), (ii) or (iii) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of lead may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR LEAD WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot within a bundle.

5.2 The production cast reference must be indelibly marked on each ingot within the bundle or on the top surface of the bundle or on a durable label.

5.3 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All documentation for placing lead on Warrant must include the English language.

5.5 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. MAJOR CURRENCY

US dollars

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules, and

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR PRIMARY NICKEL

1. QUALITY

The nickel delivered under this contract must be:

(a) Primary Nickel that conforms to either the ASTM specification B39-79 (2023) – min 99.80% purity or the GB/T specification 6516-2010 – Ni9990 grade;

(b) In the shape of cathodes (full plate or cut), briquettes, pellets or rounds; and

(c) Of brands listed in the LME approved list.

2. SIZE OF LOT

6 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 6 tonnes (2% more or less).

3.2 The nickel in each Warrant shall consist of one brand which is listed as being good delivery and of one shape and size.

3.3 Each Warrant shall state:-

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and identification reference of the certificates of analysis lodged with the Warehouse[1];

(e) the total gross and net weights; and

(f) the number of steel drums or bags or bundles making up each lot.

3.4 Each Warrant for drummed and bagged nickel shall bear the following legend:

'**WARNING** The buyer is advised that steel drums or bags (as applicable) may contain water and nickel should be handled and processed with this possibility in mind. Water contained in steel drums or bags (as applicable) may cause an explosion if the nickel is introduced into a melting-furnace without proper procedures being followed'.

3.5 Each Warrant for full plate cathode nickel shall bear the following legend:

'**WARNING** The buyer is advised that full plate nickel cathode edges may pose a handling risk and proper procedures for handling should be following'.

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[1] For full plate nickel cathodes placed on Warrant on or before 10 January 2011, a certificate of conformity in lieu of a certificate of analysis is permissible.

4. SHAPES AND WEIGHTS

4.1 Nickel delivered under this contract shall be packed according to shape as follows:

(a) Cut cathodes of either 100mm x 100mm (4" x 4"), 50mm x 50mm (2" x 2") or 25mm x 25mm (1" x 1"), shall be packed in sound steel drums of uniform size and even net weight (+/- 2% more or less) of 200kgs or 250kgs or 400kgs or 500kgs each with the production batch reference, gross and net weights and brand name indelibly marked on each individual steel drum. Part filled drums are not permitted.

(b) Briquettes, pellets and rounds shall be packed in steel drums, sizes as 4.1 (a) above, or in 2000kgs (+/- 2% more or less) bags and marked in the same manner as cut cathodes in 4.1 (a) above. Part filled bags are not permitted.

(c) Full plate cathodes up to 1000mm x 1400mm maximum with a thickness range of 2mm to 17mm, shall be packed in bundles not exceeding 2040kgs, strapped in two dimensions with corrosion resistant material to permit safe handling and transport without bundle distortion and breakage on steel or wooden skids (pallets not permitted) with a minimum ground clearance of 75mm with the production batch reference and gross and net weights indelibly marked on the top cathode of each bundle. The brand name must be marked indelibly either a) on clips attached to the bundle strapping, or b) on the producer strapping, or c) on each cathode within each bundle.

5. CERTIFICATE OF ANALYSIS

Requirement for eCOA to place metal on Warrant

5.1 Each delivery of a Lot of nickel to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

5.2 Where the nickel comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of nickel must be accompanied by an Enhanced eCOA.

5.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 5.2 above, where a Warehouse is unable to identify the production date of a Lot of nickel and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above):

5.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 5.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

5.5 In order to be a valid eCOA, any eCOA that is produced in respect of nickel must demonstrate compliance with one of the relevant specifications listed in Special Contract Rule 1(a) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal, drums or bags to identical numbers on the eCOA.

5.6 An Enhanced eCOA for a Lot of nickel may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 5.2 above must be an Enhanced eCOA.

5.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

6. REQUIREMENTS FOR NICKEL WARRANTS

6.1 Nickel may be placed on Warrant provided that:

(a) Drummed nickel is in original sound producer steel drums with producer listed markings and with ring sealing and tamper proof producer seals intact.

(b) For drummed nickel received in original but unsound producer steel drums with broken/damaged producer seals or damaged while stored in the warehouse from an unintended incident, the Warehouse must, without exception, open every such drum and inspect the contents for conformance with the producer listed product and weight before re-packing in sound steel drums of capacity of 200kgs or 250kgs or 400kgs or 500kgs using the sizing of drums initially supplied and with ring sealing system and with unique Warehouse tamper proof numbered seals. All replacement steel drums must be marked with the original producer batch reference, listed brand and Warehouse established gross and net weights.

(c) Bagged nickel is in original sound producer bags with producer listed markings and with tamper proof seals intact.

(d) For bagged nickel received in original but unsound producer bags with broken/damaged producer seals or damaged while stored in the warehouse from an unintended incident, the Warehouse must, without exception, open every such bag and inspect the contents for conformance with the producer listed product and weight before re-packing in replacement bags supplied by the producer or in new bags in compliance with ISO 21898:2004 (or National equivalent) with unique Warehouse tamper proof numbered seals. All replacement bags must be marked with the original producer batch reference, listed brand and Warehouse established gross and net weight.

(e) For both drummed and bagged nickel producer approved third party packaging is permitted provided sealing methods are as per 5.1 (a) and 5.1 (c) above, using unique tamper proof numbered seals.

(f) For full plate bundled nickel received in original sound producer bundles with producer listed markings no opening of bundles is permitted except as follows:

(i) Where it is necessary to break bundles in order to ensure nickel is placed on acceptable skids.

(ii) Where packaging is damaged such that it may cause a hazard in subsequent handling and storage.

(iii) Where to create a Warrant lot it is necessary to break one or more bundles from a single shipment quantity. Note that only two bundles in a lot may be constructed by a Warehouse, all other bundles must be original producer bundles. The Warehouse must indelibly mark each replacement strap with the brand name.

6.2 Straps replaced by a Warehouse must be of corrosion resistant material to permit safe handling and transport without bundle distortion and breakage and in compliance with LME strap Standards. The Warehouse must mark the top cathode of any new/reconstructed bundles with the producer production batch reference together with the gross and net weights.

7. ADDITIONAL REQUIREMENTS FOR NICKEL WARRANTS

7.1 All drummed nickel must be securely stored in warehouses on pallets.

7.2 The Warehouse must keep a record of all seals by number and date cross reference to each Warrant.

7.3 Drummed or bagged nickel previously on Warrant which has been supplied to another Warehouse may be placed back on Warrant provided that any drum or bag opened by the previous Warehouse is re-opened and their seal(s) replaced by the new Warehouse unique tamper proof seal(s). This rule does not apply to original sound producer drums or bags with producer listed markings and with tamper proof producer seals intact and to producer third party packaging where listed by the LME or for such packaging supported by an LME Listed Sampler and Assayer (LSA) certificate of analysis and having LSAs seals.

7.4 Drummed or bagged nickel previously on Warrant which has been returned to the same Warehouse may be placed back on Warrant without the need to open any packaging provided that all seals at the time of original warranting remain intact.

7.5 All markings on packaging and information on supporting documentation required for placing nickel on Warrant must include the English language.

7.6 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

8. MAJOR CURRENCY

US dollars

9. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are: -

(a) that there are reasonable grounds to suspect that metal on Warrant does not comply with these rules, and

(b) that there is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR NORTH AMERICAN SPECIAL ALUMINIUM ALLOY

1. QUALITY

The aluminium alloy delivered under this contract must be:

(a) Aluminium alloy conforming to the "LME NA380.1" specification (an LME modification of The Aluminum Association Inc. A380.1 specification (1989)), produced in conformity with the following specification:

Element	Minimum	Maximum
Copper	3.00	3.50
Silicon	8.50	9.50
Iron	0.80	1.00
Magnesium	-	0.10
Zinc	-	3.00
Manganese	-	0.45
Nickel	-	0.50
Tin	-	0.10
Lead	-	0.10
Titanium	-	0.10
Chrome (chromium)	-	0.10
Others – each	-	0.10
Others – total	-	0.50
Sludge = Fe + 2Mn + 3Cr		1.80
Production must be filtered.		

(b) In the shape of ingots, small sows (four way entry sows), large sows (low profile sows) and T-bars.

(c) Of brands listed in the LME-approved.

2. SIZE OF LOT

20 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants must be for 20 tonnes (2% either more or less).

3.2 The aluminium alloy in each Warrant must consist of one brand which is listed as being good delivery and of one shape and dimension.

3.3 Each lot must contain aluminium alloy derived from no more than five production batches, and, in the case of ingots, each bundle must contain aluminium alloy from only one production batch.

3.4 Each Warrant must state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles of ingots, small sows, large sows or T-bars making up each lot.

3.5 Each Warrant must bear the following clause;

WARNING: The buyer is advised that this metal may contain crevices and hidden recesses holding entrapped moisture. The metal should be handled and processed with this possibility in mind. Entrapped moisture may cause an explosion if the metal is introduced into a melting-furnace without proper drying.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of aluminium alloy to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the aluminium alloy comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of aluminium alloy must be accompanied by an Enhanced eCOA and a completed LME Carbon Adjustment Mechanism ("CBAM") emissions reporting form, as specified by the Exchange by way of Notice. The Exchange may update the CBAM emissions reporting form from time to time by way of Notice.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of aluminium alloy and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of aluminium alloy must demonstrate compliance with the specification listed in Special Contract Rule 1(a) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of aluminium alloy may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR NASAAC WARRANTS

5.1 The LME listed brand name must be indelibly marked on each ingot, sow and T-bar.

5.2 For ingots, the production cast reference and alloy grade reference must be indelibly marked on each ingot within a bundle or on the top surface of a bundle or on a durable label attached to the bundle. For sows and T-bars the production cast reference and alloy grade reference must be indelibly marked either directly on the surface or on a durable label attached to the metal.

5.3 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All ingots and sows must be produced by a single pouring process. "Multi-pour" or "capping" the surface with additional metal after the ingot or sow is formed is not permitted.

5.5 All ingots, sows and T-bars delivered under this contract must be flat in order to permit safe stacking and handling using forklifts.

5.6 Metal surfaces must be smooth and free of open shrinkage, porosity, layers and seams.

5.7 The metal must be free of the visible presence of foreign substances.

5.8 The edges and surfaces of metal must be free of sharp edges, spurs and flashings that might present safety hazards in handling.

5.9 All documentation for placing aluminium alloy on Warrant must include the English language.

5.10 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. SHAPES, WEIGHTS AND DIMENSIONS

(a) Ingots

Ingots must weigh not less than 4 kilos (9lbs) and not more than 17.3 kilos (38lbs). Each ingot in each bundle and lot must be of the same weight and dimensions but not exceed 800mm (35 inches) in length; the only exception to be the cast feet for the purpose of bundle stability.

Bundles must weigh not less than 500 kilos (1100lbs) and not more than 1000 kilos (2200lbs) of equal weight and dimension in each lot suitable for stacking. One makeweight bundle in any one lot will be permissible. Bundles must be securely strapped for safe handling and transport without bundle distortion and breakage.

(b) Small sows (four-way entry sows)

Small sows must weigh not less than 408 kilos (900lbs) and not more than 590 kilos (1300lbs). Each small sow in each lot must be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length and width must be the same, between 837mm – 990mm (33 – 39 inches).
Bottom	Length and width must be the same, between 406mm – 559mm (16 – 22 inches).
Height	Between 304mm – 432mm (12 – 17 inches).
Shape	The tapering of all four sides must include an indentation to allow for the safe and easy handling by forklift trucks.

(c) Large sows (low profile sows)

Large sows must weigh not less than 500 kilos (1100lbs) and not more than 726 kilos (1600lbs). Each large sow in each lot must be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length must be between 1015mm – 1320mm (40 – 52 inches).
	Width must be between 812mm – 1142mm (32 – 45 inches).
Bottom	Length must be between 1015mm – 1320mm (40 – 52 inches).
	Width must be between 406mm – 533mm (16 – 21 inches).
Height	Between 216mm – 305mm (8.5 – 12 inches).
Shape	The tapering of the long sides should include an indentation to allow for the safe and easy handling by forklift trucks.

(d) T-bars

T-bars shall weight not less than 408 kilos (900lbs) and not more than 726 kilos (1600lbs). Each T-bar in each lot shall be one of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length must be between 837mm – 1320mm (33 – 52 inches).
	Width must be between 760mm – 1015mm (30 – 40 inches).
Bottom	Length must be between 837mm – 1320mm (33 - 52 inches).
	Width must be between 406mm – 634mm (16 – 25 inches).
Height	Overall between 254mm – 432mm (10 – 17 inches).
	To shoulder minimum 76mm (3 inches).

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR TIN

1. QUALITY

The tin delivered under this contract must be:

(a) Refined tin of minimum 99.85% purity conforming to BS EN 610:1996.

(b) In the shape of ingots each weighing not less than 12 kilos and not more than 30 kilos.

(c) Of brands listed in the LME approved list.

2. SIZE OF LOT

5 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 5 tonnes (2% either more or less).

3.2 The tin in each Warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 1.2 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles making up each lot.

3.4 Each Warrant must be made up of not more than two cast batches.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of tin to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the tin comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of tin must be accompanied by an Enhanced eCOA.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of tin and the

relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of tin must demonstrate compliance with the specification listed in Special Contract Rule 1(a) by illustrating the detected level of impurity. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of tin may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR TIN WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot within a bundle.

5.2 The production cast reference must be indelibly marked on each ingot within the bundle.

5.3 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All documentation for placing tin on Warrant must include the English language.

5.5 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. MAJOR CURRENCY

US dollars

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the Exchange's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR SPECIAL HIGH GRADE ZINC

1. QUALITY

The zinc delivered under this contract must be:

(a) Refined zinc of minimum 99.995% purity conforming to one of the following Standards and specific grades:

(i) BS EN 1179:2003 Standard entitled "Zinc and Zinc Alloys – Primary Zinc", 99.995% grade

(ii) ISO 752:2004 entitled "Zinc ingots", ZN-1 grade

(iii) ASTM B6-23 entitled "Standard Specification for Zinc", LME grade

(iv) GB/T 470-2008 entitled "Zinc ingots", Zn99.995 grade

(b) In the shape of ingots and jumbos.

(c) Of brands in the LME approved list.

2. SIZE OF LOT

25 tonnes (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 25 tonnes (2% either more or less).

3.2 The zinc in each warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject, in the case of ingots, to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 1.5 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles making up each lot.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of zinc to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the zinc comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of zinc must be accompanied by an Enhanced eCOA.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of zinc and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.6 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of zinc must demonstrate compliance with one of the relevant standards and grades listed in Special Contract Rule 1(a)(i), (ii), (iii) or (iv) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of zinc may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR ZINC WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot and jumbo.

5.2 The production cast reference must be:

(a) indelibly marked on each ingot within a bundle or on the top surface of the bundle or on a durable label.

(b) indelibly marked on each jumbo.

5.3 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All documentation for placing zinc on Warrant must include the English language.

5.5 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. SHAPES, WEIGHTS AND DIMENSIONS

(a) Ingots

Ingots shall weigh not more than 30 kilos.

(b) Jumbos

Jumbos shall weigh not less than 900 kilos and not more than 1200 kilos. Each jumbo in each lot shall be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Length	Not more than 1450mm
Width	Not more than 600mm
Height	Not more than 350mm
Shape	Jumbos shall have a minimum of two top holes for handling, which shall have a minimum diameter of 70mm each. Each jumbo should be suitable for stacking and allow for safe and easy handling by fork lift trucks.

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably

believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR STEEL BILLET

[CONTRACT NOT CURRENTLY AVAILABLE]

1. **QUALITY**

The steel billet deliverable under this contract shall be:

(a) steel billet conforming to one of the specifications listed below:

LME Grade	C	Si	Mn	S	P	Cu	Ni	Cr	N	CEV*	LME Grade
1	0.08-0.13	0.10-0.30	0.30-0.60	0.050	0.040	0.40	0.20	0.20	0.012	-	1
2	0.10-0.15	0.15-0.30	0.50-0.80	0.045	0.045	0.40	0.20	0.20	0.009**	-	2
3	0.14-0.22	0.05-0.15	0.40-0.65	0.05	0.04	0.40	0.30	0.30	0.012	-	3
4	0.14-0.22	0.15-0.30	0.40-0.65	0.05	0.04	0.40	0.30	0.30	0.012	-	4
5	0.15-0.22	0.15-0.30	0.60-1.00	0.05	0.05	0.50	0.20	0.20	0.012	0.50	5
6	0.17-0.25	0.40-0.80	1.20-1.60	0.045	0.045	0.50	0.20	0.20	-	0.52	6
7	0.28-0.37	0.05-0.15	0.50-0.80	0.05	0.04	0.40	0.30	0.30	0.012	-	7
8	0.28-0.37	0.15-0.30	0.50-0.80	0.05	0.04	0.40	0.30	0.30	0.012	-	8
9	0.36-0.42	0.15-0.30	1.00-1.40	0.05	0.05	0.50	0.20	0.20	-	-	9

All limits are max unless otherwise indicated.

* CEV= %C + %Mn/6 + (%Cr + %Mo + %V)/5 + (%Cu + %Ni)/15

** %N max may increase by 0.001% for every 0.005% reduction in %P

An allowable tolerance of analysis taken on products made from the above casting grades is permitted as follows:-

C, +0.02%; Cr, +0.05%; Cu, +0.05%; Mn, +/- 0.10%; N, +0.002%; Ni, +0.05%; S, 0.005%; Si, +/- 0.02%; P, 0.005%; CEV + 0.02%.

(b) of brands listed in the LME-approved list of steel billet brands.

2. **DIMENSIONS**

Steel delivered must be in the form of billets and conform to one of the following dimensions:-

Length	Metric	Imperial
100 S or 100 L	100 x 100mm	4" x 4"
120 S or 120 L	120 x 120mm	4¾ " x 4¾ "
125 S or 125 L	125 x 125mm	5" x 5"
130 S or 130 L	130 x 130mm	5¼ " x 5¼ "
140 S or 140 L	140 x 140mm	5½ " x 5½ "
150 S or 150 L	150 x 150mm	6" x 6"

All metric section dimensions are subject to a +/- 3mm tolerance.

All imperial section dimensions are subject to +/- one-eighth of an inch tolerance.

All metric S lengths are to be nominally 5,800 – 6000mm in 100mm increments. Each nominal length is subject to a +/- 100mm tolerance.

All imperial S lengths are 19' 8" with a tolerance of +/- 4".

All metric L lengths are to be nominally 11,700mm – 12,000mm in 100mm increments. Each nominal length is subject to a +/- 100mm tolerance.

All imperial L lengths are 39' 4" with a tolerance of +/- 4".

3. **SIZE OF LOT**

65 tonnes

4. **WARRANTS**

4.1 Warrants shall be for 65 tonnes each (3.5% either more or less).

4.2 Each parcel particularised in each warrant shall lie at one facility, be of one brand and shall consist of billets of one dimension and one specification.

5. **MAJOR CURRENCY**

US dollars

6. **TESTING OF WARRANTED METAL**

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LME approved Sampler and Assayer to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the Exchange's cost.

The conditions referred to above are: -

(a) that there are reasonable grounds to suspect that metal on Warrant does not comply with these rules, and

(b) that there is a risk of disruption to the LME's market.

SPECIAL RULES GOVERNING THE PLACING OF STEEL BILLET ON WARRANT

1. Each Delivery of billet for placing on warrant shall be accompanied by a Certificate of Origin and a producer's Mill Test Certificate or certificate of Analysis, both of which must be lodged with the warehouseman. The Mill Test Certificate/Certificate of Analysis must be within the quality specification set out in Special Contract Rule 1 and must show the full chemical analysis per heat number. Additionally the Mill Test Certificate/Certificate of Analysis must be on the applicable producers headed paper stating the plant and/or brand name. Bulk certificates or a copy thereof is acceptable.

2. Each warrant shall state the total weight of the parcel particularised thereon, its country / region of origin, brand, no of billets making up each parcel and the date(s) and reference number(s) of the Mill Test Certificate/Certificate of Analysis lodged with the warehouseman. The warehouse company is required to keep a record of the date and reference number of the Certificate of Origin.

3. The Warehouse Company is required to inform the LME of the name of the party that requests the warrant to be issued.

4. On request, the warehouseman is obliged to submit to the holder of the Warrant the Certificates of Origin, plus Analysis or Mill Test Certificate, or copies thereof if the 65 tonne parcel forms part of a larger delivery covered by bulk certificates.

5. All documentation required for placing material on warrant must be in English.

SPECIAL CONTRACT RULES FOR COBALT

1. QUALITY

The cobalt delivered under this contract must be:-

(a) Of a minimum 99.80% purity. Other elements are as specified by producers of each brand in the LME-approved list.

(b) In the form of cathodes (broken or cut, cut cathodes must be of uniform sizes no greater than 50mm and offcuts are not permitted), rounds, briquettes or coarse grain powder (must be <0.01% of a respirable size fraction).

(c) Of brands listed in the LME approved list.

2. SIZE OF LOT

1 tonne (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 1 tonne (2% either more or less).

3.2 The cobalt in each Warrant shall consist of one brand which is listed as being good delivery, of one shape and size and from not more than two production batches.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificates of analysis lodged with the Warehouse;

(e) the gross and net weights; and

(f) the number of steel drums making up each lot.

3.4 Each Warrant shall bear the following legend:

'**WARNING** The buyer is advised that drums may contain water and cobalt should be handled and processed with this possibility in mind. Water contained in drums may cause an explosion if the cobalt is introduced into a melting-furnace without proper procedures being followed'.

4. DRUMMING REQUIREMENTS

4.1 All cobalt delivered under this contract shall be packed in sound steel drums of uniform size and weight of 200kgs, 250kgs or 500kgs (+/-2%). Part filled steel drums are not permitted.

4.2 Each drum shall be indelibly marked with production batch reference, gross and net weights and brand name.

4.3 Only drums that are original sound producer or producer approved third party steel drums with the producer or approved third party ring closing system and with tamper proof seals intact may be put on Warrant.

4.4 Warehouses are not permitted to place on Warrant cobalt supplied in unsound producer or producer approved third party steel drums with broken seals.

5. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

5.1 Each delivery of a Lot of cobalt to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

5.2 Where the cobalt comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of cobalt must be accompanied by an Enhanced eCOA.

5.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 5.2 above, where a Warehouse is unable to identify the production date of a Lot of cobalt and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above):

5.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 5.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

5.5 In order to be a valid eCOA, any eCOA that is produced in respect of cobalt must demonstrate compliance with the purity listed in Special Contract Rule 1(a) and illustrate the detected level of impurity for all elements specified by the producer for the relevant brand. In all cases, it must be possible to cross-reference the production cast reference on the drum to identical numbers on the eCOA.

5.6 An Enhanced eCOA for a Lot of cobalt may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 5.2 above must be an Enhanced eCOA.

5.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

6. ADDITIONAL REQUIREMENTS FOR ALL COBALT WARRANTS

6.1 All cobalt Warrants require a packing list cross referenced to the Certificate(s) of Analysis and individual producer drum seal numbers in English. Bulk Certificates of Analysis are permitted.

6.2 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the holder of the Warrant the Certificate(s) of Analysis and packing list or copies thereof if the Warrant lot forms part of a larger batch, on request.

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

8.1 If the Exchange believes that the conditions at rule 7.2(a) and (b) below are satisfied, the Exchange may instruct an LME Listed Sampler and Assayer (LSA) to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these Rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The LME will bear the costs of such tests.

8.2 The conditions referred to above are that:-

(a) there are reasonable grounds to suspect that cobalt on Warrant does not comply with these rules; and

(b) there is a risk of disruption to the LME's market

SPECIAL CONTRACT RULES FOR ROASTED MOLYBDENUM CONCENTRATE

[CONTRACT NOT CURRENTLY AVAILABLE]

1. QUALITY

The roasted molybdenum concentrate ("RMC") delivered under this contract shall be:

(a) between 57 and 63% molybdenum purity with maximum permissible impurities of Cu 0.50%; P 0.05%; Pb 0.05%; S 0.10%; C 0.10%; Moisture 0.1%.

(b) in the form of powder packed in drums, of which only 5% of the powder can comprise particles in excess of 4mm and 0% in excess of 10mm.

(c) of brands listed in the LME approved list.

2. SIZE OF LOT

6 tonnes molybdenum (+/-5%) contained in RMC.

3. WARRANTS

3.1 Warrants shall be for 10 tonnes of RMC.

3.2 The RMC in each Warrant shall be of one production batch and brand and shall lie in one warehouse.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the date and reference number of the certificate of analysis lodged with the warehouseman;

(d) the gross and net weights of RMC together with the net weight contained of molybdenum; and

(e) the number of steel drums making up each Warrant.

3.4 Each Warrant shall bear the following legend:

'**WARNING** The buyer is advised that drums may contain water and RMC should be handled and processed with this possibility in mind. Water contained in drums may cause an explosion if the RMC is introduced into a melting-furnace without proper procedures being followed.'

4. WEIGHTS

4.1 All RMC delivered under this contract shall be packed in sound steel drums of uniform size and of exact net weight of 200 or 250 kilos. Part filled steel drums are not permitted.

4.2 Each steel drum shall have the gross and net weights, brand name, origin and batch reference clearly and indelibly marked or stamped on the outside of the drum.

5. DRUMMED RMC REQUIREMENTS

5.1 RMC contained in drums may be placed on Warrant provided that:

(a) the steel drums are original sound producer drums with a ring closing system and tamper proof producer seals intact;

(b) the Warehouse opens every steel drum in a Warrant quantity of a single producer batch in the presence of an LME Listed Sampler and Assayer (LSA) for the purpose of taking samples and establishing an independent Certificate of Analysis specific to each Warrant lot. The Warehouse shall be responsible for resealing all steel drums using their own unique tamper proof numbered seals using a ring closing system and identifying the warehouse of storage after sampling is complete and still in the presence of the LSA. All costs incurred will be for account of the party instructing the warehouse to place the material on warrant; and

(c) all markings on steel drums conform to those of the listed brand.

5.2 Warehouses are not permitted to place on Warrant any RMC supplied in unsound producer steel drums or steel drums with broken seals.

6. CERTIFICATES OF ANALYSIS

6.1 A Certificate of Analysis shall be issued for each Warrant lot by an LSA in accordance with the following:

(a) LSAs will sample and analyse each lot for LME warranting in accordance with LME specified procedures ensuring that any one lot comes from a single producer batch; and

(b) LSA Certificates of Analysis shall be cross-referenced to the listed producer brand, batch number and Warehouse seal numbers.

6.2 Any party cancelling Warrants should note that the LSA Certificate of Analysis is subject to a variation tolerance of Mo content of +/- 0.5%. If any additional sampling and analysis is required this must be done in accordance with LME procedures within 15 working days after cancelling the Warrant at the warehouse of storage in the presence of the LSA who issued the original Certificate of Analysis. Any disputes about analysis shall be settled in accordance with LME procedures. All costs for any analysis taken at time of cancellation of warrants are for the account of the party cancelling Warrants

7. ADDITIONAL REQUIREMENTS FOR ALL RMC WARRANTS

7.1 Note that in order to create RMC warrants a producer weight certificate and analysis certificate covering all elements of the Contract specification in 1(a) above is to be supplied with all deliveries to a warehouse.

7.2 All RMC Warrants require as supporting documentation a certificate of origin and a LSA certificate of analysis in English.

7.3 On request the Warehouse is obliged to submit to the holder of the Warrant the certificate of origin and analysis or a copy thereof.

7.4 The Warehouse Company is required to inform the LME of the name of the party that requests the warrant to be issued.

8. MAJOR CURRENCY

US dollars

9. TESTING OF WARRANTED METAL

9.1 If the Exchange believes that the conditions at rule 9.2(a) and (b) below are satisfied, the Exchange may instruct an LME Listed Sampler and Assayer to undertake such tests as are necessary to form a reasonable opinion of whether or not metal on Warrant conforms with these Rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The LME will bear the costs of such tests.

9.2 The conditions referred to above are that:-

(a) there are reasonable grounds to suspect that RMC on Warrant does not comply with these rules, and

(b) there is a risk of disruption to the LME's market.

PART 6A

SPECIAL CONTRACT RULES FOR THE CONSTRUCTION OF THE INDEX

[CONTRACT NOT CURRENTLY AVAILABLE]

1. **INDEX CONSTRUCTION**

The Index is an Index on the six designated LME primary metals contracts denominated in US dollars.

2. **INDEX WEIGHTING**

Weightings of the six metals are derived from global production volume and trade liquidity averaged over the preceding five-year period. Weightings of the Constituent Metals of the Index will be published by way of Notice from time to time.

The Exchange shall periodically re-assess the weighting of the Index and, where in the Exchange's absolute discretion, it determines it appropriate to do so, the Exchange may revise the weighting. Any such revisions will be published by way of Notice.

3. **INDEX VALUE**

The Index value is calculated as the sum of the prices for the three qualifying months multiplied by the corresponding weights, multiplied by a constant:

Index = (WAI x (Al 1 mth + Al 2 mth + Al 3 mth) + ([other metals as Al]) x K

where:

WAI = % weight of primary aluminium ("Al")

Al 1 mth = first month third Wednesday primary aluminium future price

Al 2 mth = second month third Wednesday primary aluminium future price

Al 3 mth = third month third Wednesday primary aluminium future price

K = the reference constant which creates the initial Index value at 4 January 1999 of 1,000. The constant is changed at each reweighting point to rebalance the Index at that time.

Note that primary aluminium, designated "Al", has been used as the first Constituent Metal.

4. **THE INDEX FUTURES CONTRACT SPECIFICATION**

4.1 **Contract Size**

$10 per Index point.

4.2 **Prompt Date**

Second Wednesday of maturity month, subject to the Trading Regulations.

4.3 **Index point Value Basis**

Average of the third Wednesday prices for the first three qualifying trading months of the Constituent metals.

4.4 **Maturity Months**

Monthly for twelve months.

4.5 **Last Trading Day and Time**

17.00 hours on Prompt Date.

4.6 **Settlement Basis**

Cash Settlement based on the difference between Settlement Price of the Index on the Prompt Date and the value of the Index in the Contract, multiplied by the Contract size.

4.7 **Cash Settlement**

Settlement Business Day following the Prompt Date. (See Regulation 9, Settlement of Contracts, in Part 3, Trading Regulations.)

4.8 **Quotation**

Index points.

4.9 **Minimum Price Move**

0.1 Index point.

5. **INDEX OPTIONS CONTRACT SPECIFICATION**

5.1 **Contract Size**

$10 per Index point.

5.2 **Prompt Date and Time**

Automatic exercise for In The Money Index Options as at 19.15 hours on the second Wednesday of relevant maturity month, subject to the Trading Regulations.

5.3 **Last Trading Day and Time**

16.35 hours on the Prompt Date.

5.4 **Settlement Basis**

Cash settlement based on the difference between Settlement Price of the Index and the Strike Price, multiplied by the Contracts size.

5.5 **Cash Settlement**

The Settlement Business Day following the Prompt Date.

5.6 **Maturity Months**

Monthly for the front three months.

5.7 **Option Premium Date**

Paid on first Business Day following trade.

5.8 **Minimum Price Movement (tick size)**

0.01 Index points.

5.9 **Strike Price Gradation**

10 Index points.

PART 6B

SPECIAL CONTRACT RULES FOR LMEMINI CONTRACTS

1. THE LMEmini FUTURES CONTRACT SPECIFICATION

1.1 Lot Size

The Lot size for each LMEmini Future is as follows:

Constituent Metal	Lot size (tonnes)
Primary Aluminium	5
Copper Grade A	5
Special High Grade Zinc	5

1.2 Prompt Date

Third Wednesday of each maturity month, subject to the Trading Regulations.

1.3 Maturity Months

Monthly for twelve months, unless the Contract is made after the LMEmini Last Trading Time (see 1.5 below) for the calendar month on which the Contract is made, in which case, eleven months.

1.4 Trading Platform

LMEmini Contracts may not be traded in the Ring.

1.5 LMEmini Last Trading Time

The last trading time for all LMEmini Contracts shall be 12.30 hours London time on the Business Day which is two Business Days before the Prompt Date.

1.6 Settlement Basis

Cash settlement by reference to the Settlement Price determined for the Prompt Date for the relevant underlying metal.

1.7 Cash Settlement

On the Prompt Date.

1.8 Currency

US Dollars.

1.9 Minimum Price Movement

$0.25; $0.01 for a carry.

PART 6C

SPECIAL CONTRACT RULES FOR CASH-SETTLED FUTURES - FERROUS

1. THE FERROUS FUTURES CONTRACT SPECIFICATIONS

1.1 Lot Size

The Lot size for each Ferrous Future is as follows:

Contract	Lot size	Code
LME Steel Scrap	10 Metric Tonnes	SC
LME Steel Rebar	10 Metric Tonnes	SR
LME Steel HRC N.America	10 Short Tons	HU
LME Steel HRC FOB China	10 Metric Tonnes	HC
LME Steel HRC NW Europe	10 Metric Tonnes	HN
LME Steel Scrap CFR Taiwan	10 Metric Tonnes	ST
LME Steel Scrap CFR India	10 Metric Tonnes	SI

1.2 Prompt Dates

The meaning and specification of the Prompt Dates for each Ferrous Future shall be determined as follows:

Meaning of Prompt Date	Contracts	Valid Prompt Dates
Having regard, where relevant, to Regulation 8 of the Trading Regulations, the Last Trading Day (as defined in Regulation of 1.6 this Part 6C).	LME Steel Scrap LME Steel Rebar LME Steel HRC FOB China LME Steel HRC N. America LME Steel HRC NW Europe LME Steel Scrap CFR Taiwan	The last Business Day of each month (subject to Regulation 8 of the Trading Regulations)

	LME Steel Scrap CFR India	

1.3 **Maturity Months**

The maturity months for Ferrous Futures Contracts shall be as follows:

Contract	Maturity Months
LME Steel Scrap	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Steel Rebar	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Steel HRC N. America	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Steel HRC FOB China	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Steel HRC NW Europe	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Steel Scrap CFR Taiwan	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Steel Scrap CFR India	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.

1.4 **Execution Venue**

Ferrous Futures may be traded in the inter-office market and on LME Select but not in the Ring.

1.5 **Trading Hours**

Ferrous Futures may be traded on the following Execution Venues at the following times:

Execution Venue	Trading Hours
LME Select	Between 01:00 and 19:00 London time on a Business Day
Inter-office market	24 hours a day during a Business Day

1.6 **Last Trading Day and Last Trading Time**

The last trading time for Ferrous Futures Contracts shall be as follows:

Contract	Last Trading Day	Last Trading Time
LME Steel Scrap	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	16:30 hours London time on the Last Trading Day
LME Steel Rebar	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	16:30 hours London time on the Last Trading Day
LME Steel HRC N. America	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	19:00 hours London time on the Last Trading Day
LME Steel HRC FOB China	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	10:30 hours London time on the Last Trading Day
LME Steel HRC NW Europe	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	16:30 hours London time on the Last Trading Day
LME Steel Scrap CFR Taiwan	The last Business Day of the relevant tradeable month (where each calendar	09:00 hours London time on the Last Trading Day

	month shall be a tradeable month)	
LME Steel Scrap CFR India	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	16:30 hours London time on the Last Trading Day

1.7 **Settlement Basis**

Cash Settlement based on the difference between the relevant Cash-Settled Future Final Settlement Price and the value of the Contract, multiplied by the Lot size.

1.8 **Cash Settlement**

Contract	Final Settlement Date
LME Steel Scrap	Settlement Business Day following the Prompt Date
LME Steel Rebar	Settlement Business Day following the Prompt Date
LME Steel HRC N. America	Second Settlement Business Day following the Prompt Date
LME Steel HRC FOB China	Settlement Business Day following the Prompt Date
LME Steel HRC NW Europe	Settlement Business Day following the Prompt Date
LME Steel Scrap CFR Taiwan	Settlement Business Day following the Prompt Date
LME Steel Scrap CFR India	Settlement Business Day following the Prompt Date

Notwithstanding the above, where the Exchange has adjusted a Reference Price Publication Date in respect of a Cash-Settled Future as provided for in Regulation 1.11(a) of this Part 6C, the Final Settlement Date shall be similarly automatically adjusted to the next Business Day following the Exchange's publication of the Cash-Settled Future's Cash-Settled Future Final Settlement Price.

(See Regulation 9, Settlement of Contracts, in Part 3, Trading Regulations.)

1.9 **Minimum Price Movement**

The minimum price movement for any Ferrous Future other than LME Steel HRC NW Europe, LME Steel Scrap CFR Taiwan and LME Steel Scrap CFR India shall be as follows:

	Minimum price movement per tonne	
Execution Venue	Outright	Carries
LME Select	$0.50	$0.01

Inter-office market	$0.01	$0.01

The minimum price movement for any Ferrous Futures in LME Steel HRC NW Europe, LME Steel Scrap CFR Taiwan and LME Steel Scrap CFR India shall be as follows:

	Minimum price movement per tonne	
Execution Venue	Outright	Carries
LME Select	$0.50	$0.50
Inter-office market	$0.01	$0.01

1.10 **Notification of Procedures for determining the Cash-Settled Future Final Settlement Prices**

The Exchange shall specify, by way of Administrative Procedure issued to the Members, the procedures that it shall apply in order to determine the Cash-Settled Future Final Settlement Price for each Ferrous Future.

1.11 **Specification of the Cash-Settled Future Indices**

(a) The Cash-Settled Future Index relevant to each Ferrous Future shall be used by the Exchange to determine the Cash-Settled Future Final Settlement Price for that Ferrous Future and which shall be published by the Exchange on the Reference Price Publication Date as set out by Notice,, in accordance with the procedures specified pursuant to Regulation 1.10 above. Where an Reference Price Publication Date falls on a day which is not both a Business Day and a normal business day in the jurisdiction where the Cash-Settled Future Index provider determines the Cash-Settled Future Index, the Exchange shall have the right to adjust the Reference Price Publication Date to the next Business Day following receipt by the Exchange of the relevant Cash-Settled Future Index.

(b) The Exchange shall specify, by way of Notice issued to the Members, the relevant index or indices that shall constitute the Cash-Settled Future Index for each type of Ferrous Future.

1.12 **Currency**

US Dollars.

PART 6D

SPECIAL CONTRACT RULES FOR CASH-SETTLED FUTURES - NON-FERROUS

1. THE NON-FERROUS FUTURES CONTRACT SPECIFICATIONS

1.1 Lot Size

The Lot size for each Non-Ferrous Future is as follows:

Contract	Lot size	Code
LME Aluminium Premium Duty Paid US Midwest	25 Metric Tonnes	UP
LME Alumina	50 Metric Tonnes	AM
LME Molybdenum	2205 lbs (pounds)	MD
LME Cobalt	1 Metric Tonne	CB
LME Aluminium Premium Duty Unpaid European	25 Metric Tonnes	EA
LME Aluminium Premium Duty Unpaid European	25 Metric Tonnes	ED
LME Aluminium UBC Scrap US	25 Metric Tonnes	UC
LME Lithium Hydroxide CIF	1 Metric Tonne	LH

1.2 Prompt Dates

The meaning and specification of the Prompt Dates for each Non-Ferrous Future shall be determined as follows:

Meaning of Prompt Date	Contracts	Valid Prompt Dates
Having regard, where relevant, to Regulation 8 of the Trading Regulations, the Last Trading Day (as defined in Regulation 1.6 of this Part 6D).	LME Alumina LME Molybdenum LME Cobalt LME Aluminium Premium Duty Unpaid European LME Aluminium Premium Duty Paid US Midwest	The last Business Day of each month (subject to Regulation 8 of the Trading Regulations)

	LME Aluminium Premium Duty Paid European LME Aluminium UBC Scrap US LME Lithium Hydroxide CIF	

1.3 **Maturity Months**

The maturity months for Non-Ferrous Futures Contracts shall be as follows:

Contract	Maturity Months
LME Aluminium Premium Duty Paid US Midwest	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Alumina	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Molybdenum	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Cobalt	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Aluminium Premium Duty Unpaid European	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Aluminium Premium Duty Paid European	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Aluminium UBC ScrapUS	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.
LME Lithium Hydroxide CIF	Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months.

1.4 **Execution Venue**

Non-Ferrous Futures may be traded on in the inter-office market and on LME Select but not in the Ring.

1.5 **Trading Hours**

Non-Ferrous Futures may be traded on the following Execution Venues at the following times:

Execution Venue	Trading Hours
LME Select	Between 01:00 and 19:00 London time on a Business Day
Inter-office market	24 hours a day during a Business Day

1.6 **Last Trading Day and Last Trading Time**

The last trading time for Non-Ferrous Futures Contracts shall be as follows:

Contract	Last Trading Day	Last Trading Time
LME Aluminium Premium Duty Paid US Midwest	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	19:00 hours London time on the Last Trading Day
LME Alumina	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	16:00 hours London time on the Last Trading Day
LME Molybdenum	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	13:00 hours London time on the Last Trading Day
LME Cobalt	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	14:00 hours London time on the Last Trading Day
LME Aluminium Premium Duty Unpaid European	The last Business Day of the relevant tradeable month (where each calendar	15:00 hours London time on the Last Trading Day

	month shall be a tradeable month)	
LME Aluminium Premium Duty Paid European	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	15:00 hours London time on the Last Trading Day
LME Aluminium UBC Scrap US	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	19:00 hours London time on the Last Trading Day
LME Lithium Hydroxide CIF	The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month)	16:00 hours London time on the Last Trading Day

1.7 **Settlement Basis**

Cash Settlement based on the difference between the relevant Cash-Settled Future Final Settlement Price and the value of the Contract, multiplied by the Lot size.

1.8 **Cash Settlement**

Contract	Final Settlement Date
LME Aluminium Premium Duty Paid US Midwest	Second Settlement Business Day following the Prompt Date
LME Alumina	Settlement Business Day following the Prompt Date
LME Molybdenum	Settlement Business Day following the Prompt Date
LME Cobalt	Settlement Business Day following the Prompt Date
LME Aluminium Premium Duty Unpaid European	Settlement Business Day following the Prompt Date
LME Aluminium Premium Duty Paid European	Settlement Business Day following the Prompt Date
LME Aluminium UBC Scrap US	Second Settlement Business Day following the Prompt Date
LME Lithium Hydroxide CIF	Settlement Business Day following the Prompt Date

Notwithstanding the above, where the Exchange has adjusted a Reference Price Publication Date in respect of a Cash-Settled Future as provided for in Regulation 1.11(a) of this Part 6D, the Final Settlement Date shall be similarly automatically adjusted to the next Business Day following the Exchange's publication of the Cash-Settled Future's Cash-Settled Future Final Settlement Price.

(See Regulation 9, Settlement of Contracts, in Part 3, Trading Regulations.)

1.9 **Minimum Price Movement**

The minimum price movement for any Non-Ferrous Future other than Molybdenum, Cobalt, LME Aluminium UBC Scrap US and Lithium Hydroxide shall be as follows:

	Minimum price movement per tonne	
Execution Venue	Outright	Carries
LME Select	$0.50	$0.01
Inter-office market	$0.01	$0.01

The minimum price movement for Non-Ferrous Futures in Molybdenum shall be as follows:

	Minimum price movement per pound	
Execution Venue	Outright	Carries
LME Select	$0.05	$0.01
Inter-office market	$0.01	$0.01

The minimum price movement for Non-Ferrous Futures in Cobalt shall be as follows:

	Minimum price movement per tonne	
Execution Venue	Outright	Carries
LME Select	$50	$0.01
Inter-office market	$0.01	$0.01

The minimum price movement for Non-Ferrous Futures in LME Aluminium UBC Scrap US shall be as follows:

	Minimum price movement per tonne	
Execution Venue	Outright	Carries
LME Select	$0.50	$0.50
Inter-office market	$0.01	$0.01

The minimum price movement for Non-Ferrous Futures in Lithium Hydroxide shall be as follows:

	Minimum price movement per tonne	
Execution Venue	Outright	Carries
LME Select	$10	$10
Inter-office market	$0.01	$0.01

1.10 **Notification of Procedures for determining the Cash-Settled Future Final Settlement Price**

The Exchange shall specify, by way of Administrative Procedure issued to the Members, the procedures that it shall apply in order to determine the Cash-Settled Future Final Settlement Price for each Non-Ferrous Future.

1.11 **Specification of the Cash-Settled Future Indices**

(a) The Cash-Settled Future Index relevant to each Non-Ferrous Future shall be used by the Exchange to determine the Cash-Settled Future Final Settlement Price for that Non-Ferrous Future and which shall be published by the Exchange on the Reference Price Publication Date as set out by Notice, in accordance with the procedures specified pursuant to Regulation 1.10 above. Where a Reference Price Publication Date falls on a day which is not both a Business Day and a normal business day in the jurisdiction where the Cash-Settled Future Index provider determines the Cash-Settled Future Index, the Exchange shall have the right to adjust the Reference Price Publication Date to the next Business Day following receipt by the Exchange of the relevant Cash-Settled Future Index.

(b) The Exchange shall specify, by way of Notice issued to the Members, the relevant index or indices that shall constitute the Cash-Settled Future Index for each type of Non-Ferrous Future.

(c) Where the Exchange uses multiple indices to constitute the Cash-Settled Future Index for a specific type of Non-Ferrous Future, the manner in which such indices shall be used for such purpose shall be as determined by the Exchange.

1.12 **Currency**

US Dollars.

PART 7: REQUIREMENTS FOR THE LISTING OF BRANDS

1. APPLICATIONS FOR LISTING

Where applicable, an application for listing a brand must be submitted on behalf of the producer through a Category 1, 2, 3 or 4 Member or a Brand Lister.

2. GUIDANCE NOTES FOR LISTING OF BRANDS (QUALITY STANDARDS)

Guidance Notes for listing of brands of each metal are available on the LME website or from the Exchange. Applicants should not proceed with an application prior to reading the applicable guidance notes.

The general procedures outlined in the Guidance Notes include the following requirements:-

2.1 Except in the case of molybdenum and steel that the producer supplies a written undertaking that:

(a) the brand to be listed will conform to the quality of the applicable Special Contract Rules for Metals and that such quality will be maintained in accordance with the lots supplied for testing purposes (see 2.2 below); and

(b) that a producer will undertake to investigate any complaints as to the quality of the brand without time limit.

2.2 That testing of commercial quantities of the metal be undertaken by Exchange approved fabricators who will provide the Exchange with information as to metal quality, suitability and compliance with the applicable Special Contract Rules for Metals.

2.3 That a Fee is paid to the Exchange for the listing of a brand.

3. LME POLICY ON RESPONSIBLE SOURCING OF LISTED BRANDS

The listing of a brand shall also be subject to the application of the LME's Policy on Responsible Sourcing of Listed Brands.

4. CHANGES TO BRANDS, SUSPENSION AND DELISTING

(a) Subsequent to listing any alteration or addition to the details given at the time of listing by the producer are to be notified to the Exchange. A brand may be suspended from listing or delisted at the discretion of the Exchange if any such changes are not notified to the Exchange promptly or if there are changes in the information given at the time of listing which the Exchange considers to be material or if the producer fails to comply with any undertaking given to the Exchange.

(b) Brands may be listed, suspended or delisted at the discretion of the Exchange, which shall be entitled to make such investigations into the producer as it may deem appropriate at any time before, during or after the application for listing. No listing shall become valid until particulars of the brand concerned have been posted on the Exchange for 28 days.

(c) In addition to Regulations 4(a) and (b) above, brands may also be listed, suspended or delisted by the Directors, subject to and in accordance with the LME's Policy on Responsible Sourcing of Listed Brands.

5. COMPLAINTS ABOUT BRANDS

(a) Any complaint as to the quality of any listed brand should be made to the Complaints Officer of the Exchange. Should the Exchange think it appropriate, the Exchange may suspend deliveries onto warrant until quality is proven to the satisfaction of the Exchange. If after investigation by the Complaints Officer the Directors are not satisfied with the quality of the listed brand, then the brand may be delisted at the discretion of the Exchange.

(b) Any complaint about the compliance of a brand with the requirements of the LME's Policy on Responsible Sourcing of Listed Brands should be made in accordance with, and shall be dealt with by the LME in accordance with, the requirements of that policy.

6. COMPLIANCE WITH REQUIREMENTS

The Exchange may, at its discretion, waive or amend any of the listing requirements. Producers must comply with this Part of the Rules and Regulations, the listing requirements, and the LME's Policy on Responsible Sourcing of Listed Brands, as well as with any variations to those and with any applicable Administrative Procedures issued by the Exchange.

7. LIMITATION ON LME'S LIABILITY

Neither the Company nor any of its Directors, staff or other officers shall be under any liability whatsoever either in contract or in tort to any Member or other person in respect of any act or omission in relation to the listing of any brand of metal or the maintenance, suspension or termination of any such listing.

PART 8

ARBITRATION REGULATIONS

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These Arbitration Regulations form part of the Rules and Regulations of the Exchange. They may also be used as a stand-alone document. Contractual arrangements may include a reference to arbitration in accordance with these Arbitration Regulations. For the avoidance of doubt, such a reference does not of itself mean those contractual arrangements are subject to the remaining Rules and Regulations of the Exchange, nor that any resulting contract is an LME Contract.

PART 8: ARBITRATION REGULATIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these Arbitration Regulations, the following words and expressions shall, unless the context otherwise requires, bear the meanings set opposite them:-

"Administrative Procedure"	a notice published by the Exchange containing a procedure for implementing the Rules or any part thereof;
"Arbitration Regulations"	the regulations set out in Part 8 of the Rules;
"Claimant"	the person commencing an arbitration by serving a Notice to Arbitrate;
"Close of Pleadings"	the end of a period of 28 days after the time for submission of the points of reply, unless otherwise ordered by the Tribunal;
"the Company"	The London Metal Exchange;
"Counter Notice"	a notice served by the Respondent pursuant to Regulation 2.5 of Part 8 of the Rules;
"Deposit"	such sum as may be specified by Administrative Procedure from time to time;
"the Directors"	the Board of Directors of the Company;
"Member"	a member of the Exchange;
"Notice to Arbitrate"	a Notice served by the Claimant pursuant to Regulation 2.1 of Part 8 of the Rules;
"Panel"	the Arbitration Panel of the Company;
"Panel Committee"	a committee appointed by the Directors to oversee the conduct of arbitrations pursuant to the Arbitration Regulations, and in particular to perform the functions and powers referred to in the Arbitration Regulations;
"Registration Fee"	such sum as may be specified by Administrative Procedure from time to time;
"Respondent"	the person receiving a Notice to Arbitrate served by the Claimant;
"Rules"	means these rules and regulations as the same may be amended in accordance with the Articles;
"Secretary"	any person appointed to perform the duties of Secretary of the Company, and for the purpose only of Part 8 of the Rules, any person to whom the functions and powers of the Secretary referred to therein may be delegated from time to

time;

"Tribunal"	the tribunal of one, two or three arbitrators appointed in accordance with Regulation 3 of Part 8 of the Rules;
"Working Day"	any weekday, Monday to Friday inclusive, which is not a public holiday in England and Wales.

1.2 Reference to a period of days shall mean consecutive days, calculated with reference to London Time, whether or not they are Working Days. Where an act is required to be done within a specified period of days after a specified event, the first day of the period shall be the day after the specified event occurs. The period shall end at 5.00pm (London Time) on the last day of the period.

1.3 (a) Words importing the singular shall, where the context permits, include the plural and *vice versa*. Words importing gender shall include each gender. Words importing persons shall, where the context permits or requires, include partnerships and corporations.

(b) Where reference is made to a Regulation in any Part of the Rules it shall be deemed to be a reference to a Regulation in that Part unless the context otherwise requires.

1.4 The headings in these Arbitration Rules are inserted for convenience only and are to be ignored for the purposes of construction.

2. COMMENCEMENT

2.1 A Claimant shall commence an arbitration pursuant to these Arbitration Regulations by serving a Notice to Arbitrate on the Respondent, and by sending a copy of the Notice to Arbitrate to the Secretary accompanied by the Registration Fee and Deposit. The Deposit shall be any of the methods detailed in the Arbitration section of the website of the Exchange, as updated from time to time.

2.2 Subject to Regulation 6.3, the Notice to Arbitrate shall contain at least the following information:-

(a) the address for service of the Claimant;

(b) a brief statement of the nature and circumstances of the dispute including a brief description of any contract, sufficient to enable the Respondent to identify it, to which the dispute relates;

(c) a brief statement of the relief claimed;

(d) the Claimant's proposal with regard to the number of arbitrators to form the Tribunal;

(e) the Claimant's nomination of one arbitrator from the Panel; and

(f) the person and address of the Respondent to which the Notice to Arbitrate has been sent.

2.3 The Secretary shall acknowledge receipt of the Deposit and Registration Fee, indicating the date on which payment was made, and shall copy such acknowledgement to the Respondent.

The Notice to Arbitrate shall not be valid, and time shall not start to run for the purpose of any other provisions of these Arbitration Regulations until the Deposit and Registration Fee have been paid and all the above information has been supplied to the Respondent and to the Secretary.

2.4 The date of receipt by the Respondent of a valid Notice to Arbitrate shall be deemed to be the date on which the arbitration has commenced.

2.5 Within 21 days of receipt of the Notice to Arbitrate, the Respondent shall send to the Claimant, with a copy to the Secretary, a Counter Notice which shall contain:-

(a) the address for service of the Respondent;

(b) confirmation that the Respondent agrees to the number of arbitrators proposed by the Claimant, or the Respondent's counter proposal;

(c) if relevant, the Respondent's nomination of one arbitrator from the Panel.

2.6 If the Respondent fails to serve the Counter Notice then, on application by the Claimant in writing to the Secretary, the Secretary shall proceed with the appointment of the Tribunal as set out in Regulation 3.

3. APPOINTMENT OF TRIBUNAL

3.1 Subject to Regulation 3.5, two arbitrators shall form the Tribunal unless the parties to the dispute agree that either one or three arbitrators should form the Tribunal.

3.2 Within 7 days of receipt of the Counter Notice, or of the Claimant's application referred to in Regulation 2.6, the Secretary shall:-

(a) if the Tribunal is to consist of a single arbitrator

(1) appoint the arbitrator agreed by the parties; or

(2) if the parties do not agree on the identity of the arbitrator, appoint an arbitrator who may, but need not, be an arbitrator nominated by one of the parties;

(b) unless the Tribunal is to consist of a single arbitrator, appoint

(1) the arbitrator nominated by the Claimant; and

(2) the arbitrator nominated by the Respondent or, in default, an arbitrator;

(c) send to each arbitrator a copy of the Notice to Arbitrate and the Counter Notice, if any, and any accompanying documents;

(d) notify the parties of steps taken pursuant to Regulations 3.2(a), 3.2(b) and 3.2(c).

3.3 If the Tribunal is to consist of three arbitrators, the two arbitrators appointed pursuant to Regulation 3.2(b) shall, within 7 days of their appointment, nominate the third (in accordance with the criteria in Regulation 3.6) and notify the Secretary of their choice or inform the Secretary that they are unable to agree. The Secretary shall within 7 days thereafter:-

(a) appoint the third arbitrator if necessary having made the choice of third arbitrator themself (in accordance with the criteria in Regulation 3.6);

(b) send the third arbitrator a copy of the documents referred to in Regulation 3.2(c);

(c) notify the parties and other arbitrators of steps taken pursuant to Regulations 3.3(a) and 3.3(b).

3.4 For the purpose of these Arbitration Regulations, the Tribunal shall be taken to have been appointed on the date the Secretary sends notification to the parties pursuant to Regulation 3.2(d) or 3.3(c) as the case may be.

3.5 If the Tribunal consists of two arbitrators then, upon request to the Secretary by

(a) either party at any time prior to 14 days after Close of Pleadings, or

(b) either of the arbitrators at any time before an award is made,

the Secretary shall, in consultation with the existing arbitrators and providing, in the event the request is made by a party, at least one arbitrator is of the view that a third arbitrator should be appointed, appoint a third arbitrator (in accordance with the criteria in Regulation 3.6).

3.6 The third arbitrator, who shall be the chairman of the Tribunal, shall be a lawyer unless the other arbitrators are both lawyers, in which case the chairman shall be a non-lawyer.

3.7 Any arbitrator chosen and appointed by the Secretary shall be chosen from the Panel.

3.8 In every case in which the Secretary appoints an arbitrator the Secretary shall, before doing so, ascertain the arbitrator's ability and willingness to act. If any arbitrator is unable or unwilling to act, the Secretary shall, subject to Regulation 3.13, appoint a replacement.

3.9 The arbitrators may only nominate arbitrators who are members of the Panel.

3.10 All arbitrators, whether or not nominated by the parties, shall be and remain at all times wholly independent and impartial and shall not act as advocates for either party.

3.11 If at any time after their appointment any arbitrator is unable or unwilling to act for any reason, then within 7 days of receipt of a written request from the arbitrator themself, any of the other members of the Tribunal, or either party, the Secretary shall, subject to Regulation 3.13, appoint a replacement.

3.12 Either party may challenge the appointment of an arbitrator within 28 days of the appointment of that arbitrator or, if later, within 28 days of becoming aware of the facts and circumstances on which the challenge is based, on grounds of non-independence, partiality, unfitness or inability to act by sending a written statement of its reasons for the challenge to the Secretary. Unless the other party agrees to the challenge or the arbitrator withdraws within 7 days, the Secretary shall refer the matter to the Panel Committee who shall determine whether the challenge should be sustained and, if so and subject to Regulation 3.13, the Secretary shall appoint a replacement within a further 7 days.

3.13 If the arbitrator to be replaced pursuant to Regulations 3.7, 3.11 or 3.12 is one who either party was originally entitled to nominate, that party shall be entitled to nominate the

replacement (in accordance with the criteria in Regulation 3.6). If the arbitrator to be replaced was the third arbitrator, the other two shall be entitled to nominate the replacement. The Secretary, before appointing the replacement, shall consult with the parties or arbitrators accordingly. The Secretary shall appoint the arbitrator so nominated or, in default of any such nomination within a time specified by the Secretary, choose and appoint the replacement arbitrator (if applicable, in accordance with the criteria in Regulation 3.6).

3.14 The Secretary shall have power, on the application of either party or on their own motion, and on notice to both parties, to extend or abridge any of the time limits specified in this Regulation 3 or in Regulation 2.

4. PROCEDURE

In the absence of any express provision in these Arbitration Regulations the Tribunal shall have the widest discretion permitted by law to determine the procedure to be adopted, and to ensure the just, expeditious, economical and final determination of the dispute.

5. NOTICES AND COMMUNICATIONS

5.1 Unless otherwise ordered by the Tribunal, all notices required by these Arbitration Regulations shall be in writing. Notices and all other documents shall be sent by first class post where available, or airmail, electronic message or delivered by hand.

5.2 Documents sent between the parties shall be sent to the other party's address for service or, if none has yet been specified, to the address of the other party specified in the contract containing the agreement to refer the dispute to arbitration, failing which to the principal place of business of the other party.

5.3 In every case in which either party sends any document to the Secretary or the Tribunal that party shall where relevant provide sufficient copies for each member of the Tribunal, and shall also at the same time send a copy to the other party.

5.4 Subject to satisfactory evidence being produced by the sender and unless the intended recipient proves otherwise:-

(a) documents sent by post shall be deemed to have been received;

(1) if posted within the United Kingdom to an address in the United Kingdom, 2 Working Days after posting;

(2) in all other cases, 5 Working Days after posting;

(b) electronic messages shall be deemed to have been received at the time transmission ceases;

(c) by hand deliveries shall be deemed to have been received at the time of delivery to the address stated on their face.

In the event that the sender utilises more than one of the methods above then documents shall be deemed to have been received by the faster method used.

References in these Arbitration Regulations to receipt of documents shall be construed accordingly. In the event of a dispute prior to the appointment of the Tribunal the Secretary shall in their absolute discretion determine if and/or when receipt is deemed to have occurred.

5.5 Unless these Arbitration Regulations otherwise state, or unless otherwise directed by the Secretary (if no Tribunal has been appointed) or by the Tribunal, all notices and other documents received on a day which is not a Working Day, or after 5.00 pm on any Working Day, shall be deemed to have been received on the next following Working Day. Time of receipt shall be determined with reference to local time in the place where the notice or other document is received.

6. SUBMISSION AND DOCUMENTS

6.1 Unless otherwise ordered by the Tribunal, the procedure following appointment of the Tribunal shall be as set out in the rest of this Regulation.

6.2 Within 21 days after the appointment of the Tribunal, the Claimant shall send to the Tribunal and to the Respondent written points of claim which set out any facts or contentions of law on which it relies, and the relief claimed.

6.3 The Claimant may serve the points of claim on the Respondent at the same time as the Notice to Arbitrate. If so, the information required by Regulations 2.2(b) and 2.2(c) need not be contained in the Notice to Arbitrate, and no further copies of the points of claim need be served pursuant to Regulation 6.2.

6.4 Within 21 days of receipt of the points of claim, or of the appointment of the Tribunal if later, the Respondent shall send to the Tribunal and to the Claimant written points of defence stating in sufficient detail which of the facts and contentions of law in the points of claim it admits or not, or denies, on what grounds, and on what other facts and contentions of law it relies. Any counterclaims shall be submitted with the points of defence in the same manner as claims are set out in the points of claim.

6.5 Within 21 days of receipt of the points of defence, the Claimant may send to the Tribunal and to the Respondent written points of reply which, where there are counterclaims, shall include points of defence to counterclaims.

6.6 If the points of reply contain points of defence to counterclaims, the Respondent may, within 21 days of receipt, send to the Tribunal and to the Claimant written points of reply regarding counterclaims.

6.7 No further submissions shall be served without an order from the Tribunal.

6.8 All submissions referred to in this Regulation shall be accompanied by legible copies, or if they are especially voluminous, lists of all essential documents on which the party concerned relies, and where appropriate, by any relevant samples.

6.9 Any document not in English shall be accompanied by a translation into English and a note explaining who prepared the translation and their qualifications, if any, to do so. Translations may but do not need to be notarised. The authority to be accorded to any translation is a matter for the Tribunal.

6.10 Within 7 days after Close of Pleadings the Tribunal shall give directions for the subsequent procedure of the arbitration and may convene a hearing for this purpose.

6.11 Unless the parties agree to the contrary in writing, the parties, the Tribunal, the Secretary and the Panel Committee shall keep the award (and all other submissions, other documents and information introduced into the proceedings not otherwise in the public domain) confidential in perpetuity save to the extent that disclosure may be required by legal duty or to protect a legal right.

7. HEARINGS AND SEAT OF ARBITRATION

7.1 Each party has the right to be heard before the Tribunal, unless the parties have agreed on a documents-only arbitration.

7.2 The Tribunal shall fix the date, time and place of any meetings and hearings in the arbitration, and shall give the parties reasonable notice thereof. Unless otherwise agreed as provided in Regulation 7.3, all meetings and hearings shall take place at a venue in England and Wales.

7.3 The Tribunal may, with the consent of each of the parties to the arbitration, authorise one or more meetings or hearings to be held at a venue outside England and Wales.

7.4 The Tribunal may in its discretion direct hearings to be conducted without the physical presence of each participant in the same place but on the basis that each participant is linked, for the duration of their participation, through a telecommunication or video link system permitting each participant clearly to hear and speak to every other participant and, if the Tribunal so directs, to see every other participant.

7.5 The Tribunal may in advance of hearings submit to the parties a list of questions which it wishes them to treat with special attention.

7.6 The language of the arbitration shall be English, provided that interpreters shall be permitted by the Tribunal for participants and witnesses for whom English is not their main language.

7.7 The seat of the arbitration shall be England and Wales.

8. PARTY REPRESENTATIVES

8.1 Neither party shall be represented at any hearing by a legal practitioner without the consent of the Tribunal, such consent to be requested not later than Close of Pleadings. If such consent be granted by the Tribunal to one party the other party shall automatically have an equivalent right.

8.2 Nothing in Regulation 8.1 shall preclude either party from otherwise seeking legal advice.

8.3 Subject to Regulation 8.1, either party may be represented at any hearing by any representative, subject to such proof of authority as the Tribunal may require.

9. WITNESSES

9.1 Before any hearing, the Tribunal may require either party to give notice of the identity and qualification of witnesses it wishes to call and may require the parties to exchange statements of evidence to be given by the witnesses a specified time in advance of the hearing.

9.2 The Tribunal may allow, refuse, or limit the appearance of witnesses, whether witnesses of fact or expert witnesses.

9.3 Any witness who gives oral evidence may be questioned by each of the parties or their representative, under the control of the Tribunal. The Tribunal may put questions at any stage of the examination of the witnesses.

9.4 The Tribunal may allow the evidence of a witness to be presented in written form either as a signed statement or by a duly sworn affidavit. Subject to Regulation 9.2 either party may request that such a witness should attend for oral examination at a hearing. If the witness fails to attend, the Tribunal may place such weight on the written evidence as it thinks fit, or exclude it altogether.

10. POWERS OF TRIBUNAL

10.1 Without prejudice to any powers which may be given to the Tribunal elsewhere by law or in these Arbitration Regulations, the Tribunal shall have power either on its own motion or on the application of either party:-

(a) to order either party to take specified steps within a specified time;

(b) to extend or abridge any time limits specified in these Arbitration Regulations, or in any order;

(c) to continue with the reference in default of appearance or of any other act by either party in like manner as a judge of the High Court might continue with proceedings in that court where a party fails to comply with an order of that court or a requirement of rules of the court, including, for the avoidance of doubt and without limitation, power to strike out all or any part of any submission and to make any award consequent upon any such striking out, in the event a party fails

(1) within the time specified in these Arbitration Regulations or in any order or

(2) if no time is specified, within a reasonable time

to do any act required by these Arbitration Regulations or to comply with any order;

(d) at any time to permit either party to amend any submissions;

(e) to stay arbitration proceedings in favour of proceedings in the High Court or other forum and, in an appropriate case, to make it a condition of the stay that one of the parties commence proceedings in the High Court or such other forum forthwith;

(f) to order either party to produce and to supply copies of, any documents in that party's possession, custody or power, which, in the event of dispute, the Tribunal determines to be relevant;

(g) to order either party to answer interrogatories;

(h) to require the parties to provide a written statement of their respective cases in relation to particular issues, to provide a written answer and to give reasons for any disagreement;

(i) to order the inspection, preservation, storage, interim custody, sale or other disposal of any property or thing relevant to the arbitration under the control of either party;

(j) to make orders authorising any samples to be taken, or any observation to be made, or experiment to be tried which may, in the Tribunal's discretion, be necessary or expedient for the purposes of obtaining full information or evidence;

(k) to appoint one or more investigators or experts to report to the Tribunal on specified issues;

(l) to order either party, "the payer", to make an interim payment to the other party, "the payee", of such amount as the Tribunal shall in its discretion think just, not exceeding a reasonable proportion of the monetary award which in the opinion of the Tribunal is likely to be recovered by the payee after taking into account any set-off or counterclaim on which the payer may be entitled to rely;

(m) to order either party to provide security for all or part of any amount in dispute in the arbitration;

(n) to make an interim order that either party shall pay to the other party or to the Tribunal or to the Company a proportion of any costs of an administrative nature necessarily incurred by that party or by the Tribunal or by the Company or by an investigator or expert in respect of the progress or conduct of the arbitration, with the intent that such costs should, so far as reasonably possible, be borne equally by the parties pending the final award of the Tribunal;

(o) to order either party to provide security for the legal or other costs of the other party in any manner the Tribunal thinks fit;

(p) to order specific performance of any contract;

(q) to open up, revise and review any certificate, opinion or decision of any person whose certificate, opinion or decision is subject to reference to arbitration;

(r) to order the rectification of any agreement subject to any rule of law which would restrict this power;

(s) to delegate the power to make procedural rulings to the chairman of the Tribunal, including the power to determine in the event of dispute, whether a ruling is procedural.

10.2 The Tribunal shall have the power to rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement, or of the existence of validity of the contract of which the arbitration clause forms part. For this purpose, an arbitration clause which forms part of a contract and which provides for arbitration under these Arbitration Regulations shall be treated as an agreement independent of the other terms of the contract. A decision by the Tribunal that the contract is null and void shall not entail *ipso jure* the invalidity of the arbitration clause.

10.3 A plea that the Tribunal does not have jurisdiction shall be raised not later than in the points of defence. A plea that the Tribunal is exceeding the scope of its authority shall be raised promptly after the Tribunal has indicated its intention to decide on the matter alleged to be

beyond the scope of its authority. In either case the Tribunal may nevertheless admit a late plea under this Regulation 10.3 if it considers the delay justified.

11. CONSOLIDATION

11.1 On the appointment of a Tribunal, and whenever requested to do so by either party, the Panel Committee shall review pending arbitrations and, if it appears to the Panel Committee that

(a) some common question of law or fact arises in two or more of them, or

(b) the rights to relief claimed therein are in respect of or arise out of the same transaction or series of transactions, or

(c) for some other reason it is desirable to make a direction under this Regulation, the Panel Committee shall so inform the parties to all relevant arbitrations and may, upon the application of one or more of the parties to any of the arbitrations, and after consultation with the Tribunals and the parties, direct those arbitrations to be consolidated on such terms as it considers just or may direct them to be heard at the same time or one immediately after another or may order any of them to be stayed until after the determination of any of them.

11.2 For the purposes of Regulation 11.1, the Panel Committee may require any party to any relevant arbitration to provide it with copies of all that party's submissions and other documents connected with the arbitration which appear to the Panel Committee to be relevant.

11.3 If two or more arbitrations are to be consolidated pursuant to Regulation 11.1 above, and all parties to the consolidated arbitration are in agreement as to the choice of arbitrators the same shall be appointed by the Secretary but if all parties cannot agree within 21 days after the date of the direction under Regulation 11.1 the Panel Committee shall have power to choose and appoint three arbitrators as the Tribunal for the consolidated arbitration and to choose and appoint any replacement arbitrators which may thereafter be necessary.

11.4 The Tribunal in any consolidated arbitration shall have power at any time, on the application of any party to the consolidated arbitration or on its own motion, and on such terms as it considers just to order that the arbitration as between any two or more parties proceed separately, but under the same Tribunal, from the arbitration as between any other two or more parties, and to make any directions consequent thereon as the Tribunal considers expedient for the future conduct of all such proceedings.

12. AWARDS

12.1 The Tribunal shall make its award in writing and give its reasons for the award.

12.2 Composition

12.2.1 If the Tribunal consists of two arbitrators and they fail to agree on any issue they shall request the Secretary to appoint a third arbitrator pursuant to Regulation 3.5.

12.2.2 If the Tribunal consists of three arbitrators and they fail to agree on any issue, they shall decide by a majority. If an arbitrator refuses or fails to sign the award, the signatures of the majority shall be sufficient, provided that the reason for the omitted signature is stated.

12.3 Where a decision on any issue is by a majority, the award may contain reasons by the dissenting arbitrator for their dissent, in the discretion of that arbitrator.

12.4 Awards may be expressed in any currency claimed in the arbitration.

12.5 The award shall state the date by which payment shall be made for any sum due under the award. In addition to the statutory power to award interest, the Tribunal shall have the power to award interest at such rate and for such period as it considers fit on any sum after its due date but before commencement of the arbitration.

12.6 The Tribunal may make separate final awards on different issues at different times.

12.7 In the event of a settlement, the Tribunal may make an award recording the settlement if either party so requests.

12.8 Every award shall be final and binding on the parties as from the date that it is taken up by one of the parties. The parties undertake to carry out any award without any delay. Unless otherwise agreed by the parties in writing, the parties waive irrevocably any right to any form of appeal, review or resource to any state court or other legal authority, insofar as such waiver shall not be prohibited under any applicable law.

12.9 If all members of the Tribunal consider that the award contains any points which are of significant importance or interest to Members, they shall communicate such points to the Legal Department of the Exchange. The Legal Department, in consultation with the Tribunal, shall determine whether and how such points should be brought to the attention of Members while keeping the names of the parties confidential.

12.10 The Tribunal shall notify the Secretary and each party to the arbitration of completion of its award (which expression shall include any partial or interim award). At the same time, the Tribunal shall notify the parties whether payment of the Tribunal's Fees and any other costs and expenses of the arbitration (together, the "**Costs**"), by the parties or one of them, is required before release. Payment of the Costs may be made by either party or in part by each of them and shall be without prejudice to any order or subsequent order regarding ultimate liability for the costs of the arbitration.

12.11 Until the award is taken up by one or both of the parties it shall confer no rights upon either party. In the event of the award not being taken up by either party within a period of 28 days from the notification that it is available or such longer period as the Tribunal and Secretary may agree, the Deposit referred to in Regulation 2.1 above shall be forfeited, and (i) the Secretary may in their absolute discretion utilise the funds firstly to pay any sums due to the LME in relation to the proceedings and secondly to pay the Fees due, or part thereof to the extent held, to the Tribunal, and (ii) the Secretary may in their absolute discretion call upon the parties for either of them (a) to take up the award and (b) to pay forthwith the Costs or any part or proportion thereof whereupon the party or parties so called upon shall forthwith pay the Costs as aforesaid and take up the award.

12.12 Regulations 12.12 to 12.16 shall apply to any agreement entered into on or after 1 June 2010 by a Category 1, 2 or 4 Member of the Exchange with another Category 1, 2 or 4 Member or with any other person which provides for any dispute arising out of or in connection with the agreement to be resolved by arbitration in accordance with these Regulations.

12.13 Where:-

(a) the date for payment of any amount due under the award has elapsed,

(b) the period for any appeal against the award under English law has elapsed, and

(c) the party against whom the award was made has failed to make payment of any amount due under the award,

the party in whose favour the award was made may send a notice of application to the Secretary, and shall copy such notice of application to the other party, requesting that the Secretary communicate to Members such failure to make payment. The Secretary shall acknowledge receipt of the notice of application, indicating the date on which it was received, and shall copy such acknowledgement to the other party.

12.14 If, at any time following receipt of a copy of the notice of application pursuant to Regulation 12.12, the party against whom the award was made makes payment in full of all amounts due under the award, both (a) the party in whose favour the award was made and (b) the party against whom the award was made, shall promptly send to the Secretary a notice of confirmation in writing that payment of all amounts due under the award has been made in full, and shall copy such notice of confirmation to the other party.

12.15 If the Secretary has not, within 14 days of receipt of the notice of application in accordance with Regulation 12.12, received from both (a) the party in whose favour the award was made and (b) the party against whom the award was made, a notice of confirmation in writing that payment of all amounts due under the award have been made in full, the Secretary shall communicate to Members such failure to make payment.

12.16 If, following the making of any communication pursuant to Regulation 12.14, the Secretary receives from both (a) the party in whose favour the award was made and (b) the party against whom the award was made, a notice of confirmation in writing that payment of all amounts due under the award has been made in full, the Secretary shall communicate this to Members.

13. COSTS AND DEPOSIT

13.1 Unless otherwise agreed by the parties, the Tribunal may direct, at their discretion and not later than fourteen days after the date for receipt of points of reply, that the recoverable costs of the arbitration, or any part of the arbitration proceedings that it can order to be paid pursuant to Regulation 13.3(a), shall be limited to a specific amount.

13.2 The Tribunal shall have power to specify in the award the amount of the costs of the arbitration (which expression shall, for the purpose of this Regulation 13, include the Tribunal's own remuneration, and any costs relating to the progress or conduct of the arbitration incurred by the Tribunal or by the Company including the costs of and fees payable to any person who has reported to or advised the Tribunal or the Company on any matter and shall include any costs incurred in conducting one or more meetings or hearings at a venue outside England and Wales pursuant to Regulation 7.3), and shall determine the proportions in which they shall be borne by the parties.

13.3 The Tribunal shall have power:-

(a) to order in its award that all or part of the legal or other costs of one party be paid by the other party; and

(b) to determine or assess the amount of those costs, at the request of either party, and for this purpose shall not be *functus officio*.

13.4 If the arbitration is abandoned, suspended, stayed or concluded, by agreement or otherwise, before the final award is made, the parties shall be jointly and severally liable to pay the costs of the arbitration, as determined by the Tribunal, and for this purpose the Tribunal shall not be *functus officio*.

13.5 In any determination or award made by the Tribunal pursuant to Regulations 13.2, 13.3 and 13.4 the Tribunal shall, or at any time on the application of either party the Tribunal may provide for the return or other disposal of the Deposit or any part thereof to such persons as it shall in its absolute discretion consider fit.

14. THE SECRETARY AND THE PANEL COMMITTEE

14.1 Subject only to Regulations 14.2 and 14.3, the Secretary and the Panel Committee shall have sole and exclusive jurisdiction over all matters referred for decision to each of them respectively by any provision of these Arbitration Regulations, and their decisions upon such matters shall be final and binding.

14.2 The Panel Committee may exercise any of the functions and powers of the Secretary referred to in these Arbitration Regulations. It may delegate to the Secretary any of its own functions and powers, either generally or in relation to specific matters.

14.3 In the event of conflict between a decision of the Secretary and a decision of the Panel Committee, the latter shall prevail.

15. EXCLUSION OF LIABILITY

None of the Secretary, the Panel Committee, any arbitrator, or the Company shall be liable to any party for any act or omission in connection with any arbitration, save that the Secretary, the Panel Committee and the arbitrators may be liable for the consequences of conscious and deliberate wrongdoing.

16. GOVERNING LAW

These Arbitration Regulations shall be governed by and construed in accordance with English law. Except where the Arbitration Regulations provide otherwise, all arbitrations hereunder will be conducted in accordance with the provisions of the Arbitration Act 1996 as amended from time to time.

PART 9

DEFAULT REGULATIONS

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PART 9: DEFAULT REGULATIONS

1. EVENTS OF DEFAULT

The expression "Event of Default" in relation to any person shall mean:-

1.1 failure by that person duly to perform or comply with any obligation to make payment or deliver Warrants under the terms of a Contract;

1.2 failure by that person to satisfy any margin liability in respect of a Contract or to comply with any other obligation binding on that person under a Contract,

1.3 that person:

(a) being (or being, or being capable of being, deemed by law or a court to be) insolvent or unable to pay their debts,

(b) stopping, suspending or threatening to stop or suspend payment of all or a material part of their debts,

(c) beginning negotiations or taking any other step with a view to the deferral, rescheduling or other readjustment of all of (or all of a particular type of) their debts (or of any part which they will or might otherwise be unable to pay when due),

(d) proposing or making a general assignment, or an arrangement or composition with or for the benefit of the relevant creditors,

(e) suffering a moratorium to be agreed or declared in respect of or affecting all or a material part of (or of a particular type of) their debts, or

(f) taking any step, or any step being taken by any other person, with a view to the administration of the first-mentioned person;

1.4 an execution, distress, sequestration, attachment or other legal process being levied or enforced or sued out against any substantial part of that person's revenues or assets and not being discharged or stayed within seven days of being so levied, enforced or sued out or any security over any such substantial part becoming enforceable and any step (including the appointment of a receiver, administrative receiver, manager or similar person) being taken to enforce the same;

1.5 any step being taken (either by that person or by any other person) with a view to the winding-up or dissolution of that person except for the purpose of and followed by a reconstruction, amalgamation, merger, reorganisation or consolidation on terms previously approved by the Exchange;

1.6 that person, being a Member, failing to satisfy the Exchange or any relevant designated agency or self-regulating organisation at any time that they meet any minimum net worth or other financial requirement for Membership or continued authorisation from time to time stipulated by the Exchange or any such designated agency or self-regulating organisation; or

1.7 that person, being a Member, becoming or being declared in default under the default rules of any recognised investment exchange or recognised clearing-house (as those expressions are defined in section 188 and section 190 of the Companies Act 1989).

2. APPLICATION OF DEFAULT REGULATIONS AND DETERMINATION OF DEFAULT

2.1 These Default Regulations apply in relation to:

(a) Cleared Contracts of a Defaulter (subject as provided in Regulation 3.4); and

(b) Client Contracts of a Defaulter,

and, subject to Regulation 2.3 below, shall not apply to any other contracts nor shall they apply to any default by any Category 5, 6 or 7 Member or by any non-Member unless, in the making of Contracts, they are for the time being subject to the Rules.

2.2 If a Trading Member appears to the Exchange to be unable or to be likely to become unable to meet their obligations in respect of one or more Contracts or, without prejudice to the generality of the foregoing, upon the occurrence of an Event of Default in relation to a Trading Member, or at any time thereafter whilst such Event of Default is continuing, the Exchange may in its absolute discretion determine that the Member is a Defaulter, whereupon the provisions of Regulation 3 shall have effect.

2.3 Regulation 7 shall apply to Cleared Contracts and Client Contracts of a Member that is not a Defaulter in the circumstances described in Regulation 7.1(b).

3. DEFAULT PROCEEDINGS

3.1 The Exchange shall, promptly following a determination that a Member is a Defaulter, take any one or more of the steps referred to in Regulation 3.3 as it considers appropriate. The steps referred to in Regulation 3.3 shall be taken by the Exchange without prejudice to any other rights exercisable by the Exchange, or any other provisions in the Rules.

3.2 If the Exchange is directed by the FCA pursuant to the provisions of Section 166 Companies Act 1989 to take action under this part of the Rules in relation to a Member, any action which the Exchange may take pursuant to such direction shall be deemed to be action taken by the Exchange pursuant to this Regulation 3 notwithstanding that the Exchange may not have determined pursuant to Regulation 2 that the Member is a Defaulter.

3.3 The steps referred to in Regulation 3.1 are:-

3.3.1 to direct any or all Unsettled Contracts to which the Defaulter is party as principal, which are In The Money Traded Option Contracts and to which the Defaulter is party as Taker, to be exercised by the Defaulter on a day such exercise may occur under the terms of the relevant Contract, whereupon such exercise shall be deemed to occur on the next available such day and the rights and liabilities of the parties to each futures Contract resulting from the exercise of a Metal Option, Traded Average Price Option or LMEprecious Option shall be discharged as provided in Regulation 3.3.4 on that day;

3.3.2 to permit any or all Unsettled Contracts to which the Defaulter is party as principal which are In The Money Traded Option Contracts and to which the Defaulter is party as Granter, to be exercised by the relevant Takers within such period or periods as may be specified by the Exchange and to declare that all such rights of exercise shall thereafter lapse. The rights and liabilities of the parties to each futures Contract resulting from any such permitted exercise of a Metal Option, Traded Average Price Option or LMEprecious Option shall be discharged as provided in Regulation 3.3.4 on the date of such exercise;

3.3.3 to direct that any Unsettled Contract to which the Defaulter is party as principal whose Prompt Date is on, or on the Business Day after, the date of publication of the Default Notice is, with the consent of any Relevant Office Holder, discharged by performance either in whole or in part;

3.3.4 subject as provided and after taking any action specified, in 3.3.1 to 3.3.3 above, to declare that all rights and liabilities of the parties to each Unsettled Contract to which the Defaulter is party as principal shall be discharged whereupon they shall be so discharged and there shall arise in their place an obligation of the Defaulter to pay to the Counterparty or *vice versa* the appropriate Default Settlement Amount provided that such discharge shall not extend to rights and liabilities for or in respect of margin which has been paid to the Defaulter by any Counterparty or *vice versa* nor to rights and liabilities arising out of a failure to perform a Contract in accordance with its terms;

3.3.5 to direct that any Unsettled Contract to which the Defaulter was party as agent (notwithstanding the prohibition thereon in the Rules) be discharged by performance in accordance with its terms by those persons party to it as principals and for this purpose to make such directions as the Exchange may consider necessary or expedient;

3.3.6 to input into the Matching System the particulars of any Agreed Trade agreed by the Defaulter in the Ring that the Defaulter has failed to input into the Matching System, in accordance with Regulation 3.11 of the Trading Regulations;

3.3.7 at the request of the Clearing House, to effect a transfer of any Warrants in LMEsword that the Defaulter had, prior to the Member becoming a Defaulter, instructed LMEsword to transfer to the Clearing House in settlement of any Contract, continue to grant access to electronic systems operated by the Exchange (including LME Select, the Matching System and LMEsword, and any successor systems) to a Defaulter, and to restrict the use of such access to activities relating directly to the orderly management of the Event of Default. Where continued access is granted under this Regulation 3.3.7 to a Defaulter, the scope of the permitted activities (including, but not limited to, the relevant systems that may be accessed, permitted uses and personnel permitted to use the relevant systems), shall be determined by the Exchange and communicated in writing to the Defaulter and, where known, to the Relevant Office Holder of the Defaulter.

3.4 Subject to Regulation 3.5, all unsettled Cleared Contracts to which a Defaulter is party which have at the time of the relevant determination pursuant to Regulation 2.2 been registered or are thereafter registered with the Clearing House under the terms of the Clearing House Rules shall be dealt with in accordance with the Clearing House Rules (including default rules of the Clearing House) and not in accordance with these Default Regulations.

3.5 In the event that the Clearing House is unable to meet its obligations in respect of one or more unsettled Cleared Contracts in accordance with the Clearing House Rules, such unsettled Cleared Contracts shall be subject to these Default Rules as if Regulation 3.4 did not apply.

3.6 Where, following a determination that a Member is a Defaulter, the Clearing House makes any change to the terms of a Client-Related Cleared Contract to which the Defaulter is a party, in accordance with the Clearing House Rules, a corresponding change shall be deemed to have been made, simultaneously, to the terms of the relevant Underlying Client Contract. Where such change involves the postponement of the Prompt Date of the Client-Related Cleared Contract, whether by (i) the establishment of a new Prompt Date for that Contract, or by (ii) the close out of the Contract with the original Prompt Date, and the establishment of a new Client-

Related Cleared Contract with a different Prompt Date, the Underlying Client Contract shall be deemed to have been amended so as to reflect the new Prompt Date.

3.7 The Default Settlement Amount in respect of each Unsettled Contract in respect of which the rights and liabilities of the parties are discharged pursuant to Regulation 3.3.4 shall be an amount determined by the Exchange in its absolute discretion taking into account market conditions and any compensation that the Exchange considers should be paid by or to the Defaulter, but without prejudice to the generality of the foregoing may be the difference (if any) between the value of the Unsettled Contract at the contract price (or premium) and its value at the Default Settlement Price provided that if, pursuant to the terms of the relevant Contract or any other agreement between the parties, the said rights and liabilities have become or been converted into an obligation to pay, and a corresponding right to receive, a single liquidated sum the Exchange may treat that sum as the Settlement Amount. In calculating the Default Settlement Amount in relation to a Client Contract, the Exchange shall take into account any amount that may have been paid by the Clearing House directly to the Client pursuant to any provision of the Clearing House Rules that gives effect to Article 48(7) of EMIR.

3.8 For each Unsettled Contract in respect of which action is taken under Regulation 3.3 the determination of the Default Settlement Amount by the Exchange shall be final, conclusive and binding upon the Defaulter and each Counterparty.

3.9 The Exchange shall draw up an account between the Defaulter and each Counterparty to a Contract settled under these Default Regulations. Each such account shall include the Default Settlement Amounts calculated in respect of each Unsettled Contract which amounts shall be credited or debited, as appropriate, to the relevant account. Where, for any reason, there is uncertainty or a dispute as to the existence and/or terms of a Contract or it is not practicable to determine the Default Settlement Amount in respect of any Contract that fact or those facts shall be stated by way of note to the account and/or its certification as provided below. On each account, all credits and debits shall be aggregated and the aggregated amount of such credits and debits shall be set-off against each other, so as to produce a nett sum payable by or to the Defaulter on each account. The nett sum payable, or, where relevant, the fact that no sum is payable shall be certified by or on behalf of the Exchange provided that where the account and/or such certification is qualified by reason of uncertainty or a dispute as to the existence and/or terms of any Contract or as to the Default Settlement Amount in relation to any Contract the nett sum shall not be payable until those uncertainties are resolved unless the Defaulter or Relevant Office Holder and the Counterparty otherwise agree.

3.10 Where it appears to the Exchange that the Defaulter has entered into Contracts as trustee, a separate account or accounts shall be taken of Unsettled Contracts entered into as trustee in respect of each relevant trust or trusts as appropriate.

3.11 Where it appears to the Exchange that Unsettled Contracts with a Counterparty of the Defaulter include a Contract or Contracts entered into by the Counterparty in relation to that Counterparty's Clients and/or include a Contract or Contracts entered into by the Defaulter in relation to the Defaulter's Clients a separate account or separate accounts shall be drawn up in relation to the Contract or Contracts of each Client.

3.12 The Exchange shall be entitled in its discretion, without notice to the Defaulter or a Counterparty, to make any currency conversions which the Exchange considers necessary or desirable for the purposes of these Default Regulations at such rate or rates as the Exchange may reasonably determine.

3.13 Where the Defaulter is incorporated outside the United Kingdom and the Exchange determines that rights and liabilities under Unsettled Contracts to which the Defaulter is party are likely to be settled under the law of some place outside the United Kingdom it may elect not to draw up the account or accounts referred to in this Regulation.

4. NOTIFICATION

4.1 Promptly following a determination by the Exchange that a Member is a Defaulter, the Exchange shall cause notice of such determination to be published on the LME's website and shall thereafter as soon as reasonably practicable take such steps as it considers appropriate to notify Counterparties to Unsettled Contracts with the Defaulter (and, where the Defaulter has, notwithstanding the prohibition thereon, contracted as agent, the Defaulter's principal) and such other persons as it thinks fit that the Defaulter has been determined by the Exchange to be a Defaulter and of decisions taken under these Regulations which affect them.

4.2 A Member shall forthwith give notice to the Exchange of the occurrence of any Event of Default in relation to it.

5. PROCEDURES

5.1 For the purposes of complying with its obligations under the Default Regulations the Exchange shall have the right at all times following the issue of a Default Notice through its employees and agents to enter any premises belonging to or in the occupation of the Defaulter, to examine and take copies of or extracts from the trading, accounting and other records of the Defaulter and to operate any accounting or computer systems of the Defaulter for the purposes of establishing the names and addresses of all Counterparties of the Defaulter, details of all Unsettled Contracts of the Defaulter, details of Warrants, Immobilised Warrants and Extracted Warrants held by the Defaulter for the account of Counterparties, details of money and other property held for the account of Counterparties and such other information as may appear to the Exchange to be necessary or expedient.

5.2 The Defaulter, all Members and the Clearing House shall cooperate fully with the Exchange in relation to the provisions of the Default Regulations and in particular shall promptly provide such information as the Exchange or its employees or agents may request in relation to the Defaulter and its Contracts.

5.3 As soon as practicable following the issue of a Default Notice the Exchange shall, in addition to contacting all known Counterparties, publish a Notice and in the press inviting Counterparties of the Defaulter to submit to the Exchange details of their Unsettled Contracts with the Defaulter together with evidence in support thereof.

5.4 The Exchange shall not be obliged to draw up any account in relation to any Counterparty or alleged Counterparty of which it does not have actual notice prior to the date specified for that purpose in the notice referred to in Regulation 5.3 which shall be not less than three months after the date of publication thereof.

5.5 If any dispute between a Defaulter and a Counterparty as to the existence or terms of any Unsettled Contract comes to the notice of the Exchange it shall cause notice of that dispute to be included in the account to be drawn up by it pursuant to Regulation 4 in relation to that Counterparty and may otherwise omit from such account any Default Settlement Amount in relation to the disputed Contract or Contracts and shall not be obliged to adjudicate in respect of such dispute in any way.

5.6 Subject as provided in Section 157 Companies Act 1989 the Exchange may from time to time prescribe further procedures for the purposes of these Default Regulations and provide for the manner in which its powers and obligations thereunder or in relation thereto shall be exercised or discharged.

6. PORTING

6.1 This Regulation 6 shall apply to:

(a) transfers of Underlying Client Contracts of a Defaulter; and

(b) notwithstanding Regulation 2.1, transfers of Underlying Client Contracts of a Member that is not a Defaulter,

in each case where the transfer of a corresponding Client-Related Cleared Contract takes effect pursuant to the Clearing House Rules.

Porting between Clearing Members

6.2 The following provisions apply where any Client-Related Cleared Contract is transferred from a Clearing Member Transferor to a Clearing Member Transferee in accordance with the Clearing House Rules.

(a) In the event that the Client-Related Cleared Contract is transferred from a Clearing Member Transferor to a Clearing Member Transferee in accordance with the Clearing House Rules (whether without the consent of the Clearing Member Transferor pursuant to the default rules of the Clearing House or otherwise where permitted under the Clearing House Rules), the rights and obligations of the Clearing Member Transferor in relation to the Underlying Client Contract shall be deemed by virtue of these Rules to be transferred and novated to the Clearing Member Transferee, such that any rights and obligations of the other party to the Underlying Client Contract shall, from the time of such transfer and novation, be against and to the Clearing Member Transferee and not the Clearing Member Transferor.

(b) Such transfer and novation of the Underlying Client Contract pursuant to these Rules shall occur at the same time as the transfer of the Client-Related Cleared Contract under the Clearing House Rules.

(c) For the avoidance of doubt, this provision shall not affect any rights or obligations between the Clearing Member Transferor and the other party to the Underlying Client Contract that do not directly relate to the performance or settlement of the Underlying Client Contract.

(d) The process described in this Regulation 6.2 applies only to:

(1) Underlying Client Contracts that have been submitted to the Matching System and registered at the Clearing House, such that one or more Client-Related Clearing Contracts have arisen in relation to such Underlying Client Contracts; and

(2) any Post-Compression Client Contracts resulting from the application of Compression to such Underlying Client Contracts.

Porting between Category 4 Members (same Clearing Member)

6.3 The following provisions apply where (i) a Clearing Member has allocated a Client-Related Cleared Contract to an Indirect Client Account at the Clearing House (a "**Transferor Indirect Client Account**") that the Clearing Member is maintaining in respect of one or more Indirect Clients of a Category 4 Member (the "**Transferor Client**") and (ii) the Clearing Member exercises any rights to request or require the Clearing House to transfer the positions associated to the Client-Related Cleared Contract to another Indirect Client Account maintained by the Clearing Member at the Clearing House (a "**Transferee Indirect Client Account**"), which the Clearing Member is maintaining, or will maintain, in respect of the Indirect Client(s) of a different Category 4 Member (a "**Transferee Client**"). This Regulation 6.3 shall also apply to an LMEprecious Non-Clearing Member on the basis that any reference to Category 4 Member shall be read as "LMEprecious Non-Clearing Member".

(a) In the event that the positions associated to a Client-Related Cleared Contract are transferred from a Transferor Indirect Client Account to a Transferee Indirect Client Account in accordance with the Clearing House Rules, the rights and obligations of the Transferor Client in relation to the Underlying Client Contract shall be deemed by virtue of these Rules to be transferred and novated to the Transferee Client, such that any rights and obligations of the other party to the Underlying Client Contract shall, from the time of such transfer and novation, be against and to the Transferee Client and not the Transferor Client.

(b) Such transfer and novation of the Underlying Client Contract pursuant to these Rules shall occur at the same time as the transfer of the positions associated to the Client-Related Cleared Contract from the Transferor Indirect Client Account to the Transferee Indirect Client Account under the Clearing House Rules.

(c) For the avoidance of doubt, this provision shall not affect any rights or obligations between the Transferor Client and the other party to the Underlying Client Contract that do not directly relate to the performance or settlement of the Underlying Client Contract.

(d) The process described in this Regulation 6.3 applies only to:

(1) Underlying Client Contracts that have been submitted to the Matching System and registered at the Clearing House, such that one or more Client-Related Clearing Contracts have arisen in relation to such Underlying Client Contracts; and

(2) any Post-Compression Client Contracts resulting from the application of Compression to such Underlying Client Contracts.

6.4 Each Member must ensure that it does not include in its terms of business or other contractual arrangements with its Clients or counterparties any provisions which would frustrate the transfer of an Underlying Client Contract in accordance with Regulation 6.2 or 6.3 above.

Porting from Category 4 Members to other Clearing Member Accounts

6.5 In the event that a Clearing Member (the "**Original Clearing Member**") has allocated a Client-Related Cleared Contract to an Indirect Client Account at the Clearing House that the Original Clearing Member is maintaining in respect of one or more Indirect Clients of a Category 4 and such Original Clearing Member or its Indirect Client(s) wish to effect a transfer of the positions associated with that Client-Related Cleared Contract:

(a) from the Indirect Client Account maintained by that Clearing Member; and

(b) to (i) a client account of the Original Clearing Member allocated to the Indirect Client(s), such that the Indirect Client(s) would, following the such transfer, be treated as the direct Client(s) of the Original Clearing Member; or (ii) a client account of another Clearing Member (being, accordingly the Clearing Member Transferee), such that the Indirect Client would, following such transfer, be treated as the direct Client(s) of the Clearing Member Transferee,

and in any case otherwise than in accordance with Regulations 6.2 or 6.3 above, then, where such transfer is permitted by, and effected subject to and in accordance with, the Clearing House Rules the transfer and novation of the rights and obligations of the Category 4 Member under the Underlying Client Contracts associated with such positions to the Original Clearing Member or the Clearing Member Transferee (as applicable), shall be subject the following conditions:

(c) the following parties all consent to the transfer of the Underlying Client Contracts and their associated positions:

(1) each Clearing Member that is to transfer and receive the respective positions;

(2) the Category 4 Member, or any insolvency practitioner appointed in respect of the Category 4 Member;

(3) the Indirect Client(s) that are party to the Underlying Client Contracts; and

(4) the Clearing House,

and any such agreement may include agreement as to whether, if at all, any Warrants shall be transferred from any account operated by either Clearing Member at LMEsword to the other (or to any other party); and

(d) the Exchange has not identified any legal, regulatory, technical or operational impediments to the transfer of such Underlying Client Contracts, the associated positions or (where applicable) any Warrants.

This Regulation 6.5 shall also apply to an LMEprecious Non-Clearing Member on the basis that any reference to Category 4 Member shall be read as "LMEprecious Non-Clearing Member".

6.6 In the event that an Underlying Client Contract is transferred between Members in accordance with Regulations 6.2 or 6.3 above, following such transfer the then current parties to the Underlying Client Contract may request that any Warrants that are held in an account at LMEsword that is operated by the Clearing Member Transferor or a Clearing Member responsible for the Transferor Client (as applicable), shall be transferred to an account at LMEsword that is operated by the Clearing Member Transferee or a Clearing Member responsible for the Transferee Client (as applicable), provided that any such request will only be acted upon by the Exchange (as the operator of the LMEsword), in the event that all of the following conditions are met:

(a) the request is submitted in writing to the Exchange, copied to the Clearing House, identifying the specific Warrants to which the request relates and specifying the

grounds on which the Clearing Member Transferee or Transferee Client should be entitled to receipt of the Warrants;

(b) the following parties all consent to the transfer of the Warrants in accordance with the request:

(i) the Clearing Member Transferee or Transferee Client (as applicable);

(ii) the Clearing House;

(iii) the Clearing Member Transferor or Transferor Client (as applicable) or any insolvency practitioner appointed in respect of the Clearing Member Transferor or Transferor Client (as applicable);

(iv) in the case of any Warrants that relate to an Underlying Client Contract that has been transferred pursuant to Regulation 6.2 above, the other party to the Underlying Client Contract that is not the Clearing Member Transferee; and

(v) in the case of any Warrants that relate to an Underlying Client Contract that has been transferred pursuant to Regulation 6.3 above, the other party to the Underlying Client Contract that is not the Transferee Client;

(c) the Exchange has not identified any legal, regulatory, technical or operational impediments to the transfer of such Warrants in accordance with such request.

6.7 In the event that the conditions set out in Regulation 6.6 are met in relation to any request for a transfer of Warrants, the Exchange will facilitate such transfer within such timescales as the Exchange may reasonably specify.

6.8 In the event that an Underlying Client Contract is subject to a transfer and novation pursuant to this Regulation 6 and any law binding on any Member would have the effect of frustrating, preventing or in any manner inhibiting the enforceability of such transfer and novation against such Member, then such transfer and novation shall be deemed to have taken effect by way of:

(a) the termination of such Underlying Client Contract as between its original parties (subject to Regulations 6.2(c) and 6.3(c)); and

(b) the establishment of an Underlying Client Contract on the same terms between the parties to whom the relevant transfer is intended to take effect pursuant to the terms of this Regulation 6.

7. DELEGATION OF FUNCTIONS

The Exchange may from time to time appoint one or more persons to perform on its behalf any of the functions which it may or may be required to exercise under these Default Regulations.

8. COSTS

A Defaulter shall be liable to indemnify the Exchange in respect of the Exchange's costs, charges and expenses in taking any action under the Default Regulations in relation to the Defaulter, including the costs of any person appointed to perform functions on behalf of the Exchange pursuant to Regulation 6.

9. COOPERATION WITH OTHER BODIES

Without prejudice to any other provisions of the Rules the Exchange may pass on any details of or other information in its possession relating to a Member its Contracts or a recognised clearing house or another recognised investment exchange to the Treasury, to the Secretary of State, any Relevant Office Holder, any recognised investment exchange or recognised clearing house or regulatory body, to any other exchange or clearing house approved under the Companies Act 1989 for the purposes of Part VII of that Act, or to any other authority or body having responsibility for any matter arising out of or connected with the default the relevant Member or the default of a recognised clearing house or another recognised investment exchange.

PART 10

LMESWORD REGULATIONS

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PART 10: LMEsword REGULATIONS

1 INTRODUCTION

1.1 LMEsword Regulations

These LMEsword Regulations are the regulations governing the operation of LMEsword. All LMEsword Participants are subject to them, and to the LMEsword Operating Procedures issued pursuant to them. The LMEsword Regulations and LMEsword Operating Procedures are adopted by the Exchange under its Articles of Association, form part of the Rules and may be amended from time to time by the Exchange in accordance therewith. Warehouses agree to be bound by the terms of these LMEsword Regulations pursuant to the Warehouse Agreement.

1.2 Purpose

1.2.1 The principal purpose of LMEsword is to provide a system for the creation, withdrawal and electronic transfer of Warrants and Immobilised Warrants and in respect of electronic transfers, the related constructive delivery between Account Holders of the Underlying Metal, for so long as the Underlying Metal is in the physical possession of the related Warehouse and subject to a Warrant or Immobilised Warrant recorded within the LMEsword System.

1.2.2 Except with regard to Underlying Metal located in a Title Transfer Jurisdiction, the LMEsword System does not purport to create a register of Underlying Metal ownership. Rather it purports to be a record of the bailment rights of each Account Holder for whom the relevant Warehouse and the Depository, respectively, hold Underlying Metal as sub-bailee and bailee from time to time.

1.2.3 These LMEsword Regulations are without prejudice to any right or remedy to which any LMEsword Participant would otherwise be entitled (whether by operation of law, contract or otherwise).

1.3 Relationship between LMEsword Regulations and LMEsword Operating Procedures

These LMEsword Regulations set out the principal rights and obligations of LMEsword Participants and the Depository in relation to the operation of LMEsword. They are supplemented by the LMEsword Operating Procedures, which set out detailed procedures and information relating to the operation of the LMEsword System. In the event of a conflict between the LMEsword Regulations and the LMEsword Operating Procedures, the LMEsword Regulations shall prevail.

1.4 Status of Warrants

1.4.1 Without prejudice to any other provision of these LMEsword Regulations, it is the intention of all LMEsword Participants that:

(i) the mere transfer of a Warrant within the LMEsword System should have the effect of the transfer of a document of title with respect to the Underlying Metal; and

(ii) the effect of a transfer of a Warrant within the LMEsword System shall be given effect to in priority over any other purported transfer outside the LMEsword System of the Warrant or the Underlying Metal.

1.4.2 Each Warehouse shall at all times ensure that:

(i) each Warrant it causes to be created is:

(a) issued by or on behalf of that Warehouse in accordance with the relevant Warehouse Agreement;

(b) transferable electronically; and

(c) capable, upon a transfer in accordance with the LMEsword Regulations, of transferring rights with respect to the Underlying Metal that may be transferred as if the Warrant were a document of title (and, where applicable, the equivalent concept under its governing law);

(ii) each Immobilised Warrant it causes to be created:

(a) is issued by or on behalf of that Warehouse in accordance with the relevant Warehouse Agreement;

(b) is in bearer form, and, subject to Regulation 1.4.2(ii)(c), is capable of legal transfer by delivery or delivery and endorsement; and

(c) shall not confer upon any transferee any title or other interest in the Immobilised Warrant that is greater than the title or interest transferred to it by the Depository.

1.5 Jurisdictional-specific provisions

1.5.1 The provisions of Schedule 1 shall apply in respect of any U.S. Warrant and any other Warrant where the Underlying Metal is located in a Title Transfer Jurisdiction.

1.5.2 The provisions of Schedule 2 shall apply in respect of any South Korean Warrant.

2 LMESWORD PARTICIPATION

2.1 Operation of LMEsword

The Exchange is the operator of the LMEsword System.

2.2 The Depository

2.2.1 Subject to Regulations 2.2.2 and 2.2.3, the Exchange shall act as the Depository.

2.2.2 By and upon giving notice to each LMEsword Participant to this effect, the Exchange may from time to time, in its discretion carry out one or more of the following:

(i) elect to terminate its appointment to act as the Depository;

(ii) nominate one or more persons (including one or more Affiliates of the Exchange) to perform some or all of the functions of the Depository; and

(iii) having previously nominated one or more persons in accordance with Regulation 2.2.2(i), elect to terminate such appointment and begin or resume acting as the Depository, or nominate another person or persons to perform some or all of the functions of the Depository,

and in each case such nomination or termination, as applicable, shall take effect upon the date specified in such notice.

2.2.3 In the event that the Exchange nominates one or more persons to perform some or all of the functions of the Depository:

(i) the Exchange shall enter into a Service Level Agreement with each such person, under which that person agrees to act as the Depository and comply with the LMEsword Regulations, the LMEsword Operating Procedures and the obligations imposed on it by such agreement;

(ii) the Exchange shall use all reasonable endeavours to ensure that at all times a suitable person is appointed to act as the Depository and take all reasonable steps to ensure that such person acts in accordance with the Service Level Agreement to which it is a party;

(iii) each such person may cease to act as the Depository only in accordance with the terms of the Service Level Agreement; and

(iv) if, following such nomination, more than one person is then currently nominated to perform functions of the Depository in respect of specified Warrants or Immobilised Warrants (as applicable), each such person respectively shall perform the functions of the Depository in relation only to those specified Warrants or Immobilised Warrants (as applicable), and references in the LMEsword Regulations or the LMEsword Operating Procedures to the Depository shall be construed accordingly.

2.2.4 It shall be a condition to the termination of the appointment of the Depository (the "Terminating Depository"), whether by virtue of Regulation 2.2.2 or for any other reason, that effective arrangements have been established to ensure that all Warrants recorded to an Account with that Depository (and any related rights) be cancelled in accordance with Regulation 9 or transferred to the account of one or more replacement Depositories (each a "Replacement Depository") recorded by the LMEsword System, where such Replacement Depository is either the Exchange or appointed by the Exchange in accordance with Regulations 2.2.2 and 2.2.3.

2.2.5 In the event of the Depository ceasing for any reason to act as such, the Exchange is entitled and is hereby appointed for and on behalf of:

(i) each Account Holder, to direct the transfer to a Replacement Depository of all Warrants and Immobilised Warrants (and all related rights), in each case then recorded to an Account with or held by the Terminating Depository;

(ii) the Terminating Depository, to direct the transfer to a Replacement Depository by the Warehouse of any right of the Terminating Depository to immediate possession of the Underlying Metal subject to any Warrant; and

(iii) each Warehouse:

(a) to receive instructions concerning the holding of Underlying Metal represented by a Warrant in the event of a replacement of the Depository; and

(b) for the purposes of making attornment in the event of a replacement of the Depository.

2.3 **Legal Effect of Replacement of the Depository**

2.3.1 By and upon the termination of the Terminating Depository and appointment of a Replacement Depository as Depository becoming effective and the identity of the Replacement Depository being recorded within the LMEsword System,

(i) that Replacement Depository shall act as bailee and the Warehouse shall act as sub-bailee with regard to the Underlying Metal to which each Warrant in respect of which it performs the functions of the Depository and recorded within the LMEsword System relates; and

(ii) if applicable, that Replacement Depository shall act as bailee of any related Immobilised Warrant in respect of which it performs the functions of the Depository,

in each case to the order of the Account Holder to whose Account the relevant Warrant is recorded, for so long as the Warrant remains in its Account.

2.3.2 The termination of the Terminating Depository and appointment of a Replacement Depository shall constitute an instruction by the Exchange, on behalf of each Account Holder, to each of the Depository and Warehouse, to act in accordance with Regulation 2.3.1.

2.3.3 By and upon the appointment of a Replacement Depository and the identity of that Replacement Depository being recorded within the LMEsword System (thereby constituting the accounts with that Replacement Depository):

(i) that Replacement Depository makes attornment, to the effect that it from that point acts as bailee in respect of:

(a) the Underlying Metal represented by each Warrant in respect of which it performs the functions of the Depository; and

(b) if applicable, any related Immobilised Warrant in respect of which it performs the functions of the Depository,

in each case, to the order of the Account Holder to whose Account the Warrant is recorded as bailor; and

(ii) the Exchange makes attornment for and on behalf of the Warehouse that caused (or whose London Agent caused) the relevant Warrant to be created, to the effect that the Underlying Metal shall from that moment be held by the Warehouse to the order of:

(a) the Replacement Depository that performs the functions of the Depository in respect of that Warrant, as bailee for the Account Holder; and

(b) the Account Holder, as bailor,

in each case subject to the terms of Regulations 3.3.1 and 3.3.2.

2.4 **Warehouses**

A warehouse company shall become a Warehouse (and consequently an LMEsword Participant) if:

(i) it applies for such status on the form prescribed by the Exchange from time to time, including all information requested, and pays the prescribed Fee;

(ii) it executes a Warehouse Agreement;

(iii) it appoints a London Agent and procures that the London Agent executes a Software Licence Agreement with the Exchange; and

(iv) its application is accepted by the Exchange.

2.5 **Account Holders - Process**

The Exchange shall admit persons to participate in LMEsword as Account Holders in accordance with these LMEsword Regulations and the LMEsword Operating Procedures. To become an Account Holder the applicant must satisfy the relevant eligibility criteria set out in Regulation 2.6, make or be deemed to make application in accordance with Regulation 2.7 and be accepted as an Account Holder by the Exchange. All persons applying to become Clearing Members must apply to become Account Holders as part of their application to become Clearing Members.

2.6 **Eligibility**

2.6.1 A Clearing Member shall be eligible to become an Account Holder if:

(i) either:

(a) it has entered into a Software Licence Agreement with the Exchange; or

(b) it has entered into a Remote Participant Agreement with an Account Holder which has satisfied the requirements of sub-paragraph (a) or another person approved by the Exchange;

(ii) it has an office within the United Kingdom or European Union, or, if it does not have an office within the United Kingdom or European Union, it has satisfied any special criteria for participation in LMEsword from outside the United Kingdom or European Union that the Exchange may at its discretion from time to time prescribe; and

(iii) it satisfies any and all other criteria for Clearing Participants which the Exchange may from time to time prescribe.

2.6.2 A Category 4 Member shall be eligible to become an Account Holder if:

(i) either:

(a) it has entered into a Software Licence Agreement with the Exchange; or

(b) it has entered into a Remote Participant Agreement with an Account Holder which has satisfied the requirements of sub-paragraph (a) or another person approved by the Exchange;

(ii) it has an office within the United Kingdom or European Union, or, if it does not have an office within the United Kingdom or European Union, it has satisfied any special criteria for participation in LMEsword from outside the United Kingdom or European Union that the Exchange may at its discretion from time to time prescribe; and

(iii) it satisfies any and all other criteria for Account Holders which the Exchange may from time to time prescribe.

2.6.3 Notwithstanding any other provision of this Regulation 2.6, the Clearing House shall be deemed eligible to become an Account Holder.

2.6.4 For the avoidance of doubt, no person is eligible to become an Account Holder unless they are:

(i) a Clearing Member;

(ii) a Category 4 Member; or

(iii) the Clearing House.

2.7 **Applications for Account Holder Status**

2.7.1 An application for admission as an Account Holder shall be made on the form prescribed by the Exchange from time to time, including all information requested, and be accompanied by the prescribed Fee.

2.7.2 The Exchange shall consider each application received and determine whether, in its discretion, the applicant is eligible to become an Account Holder in accordance with these LMEsword Regulations and is a fit and proper person to be an Account Holder.

2.7.3 The Exchange may require from the applicant such information, and institute such investigations to verify information submitted by the applicant, as it deems necessary. The Exchange may require the applicant to attend for interview by the Exchange prior to determining whether to accept an application or admit an applicant as an Account Holder.

2.7.4 If the Exchange determines to admit an applicant as an Account Holder, it shall promptly notify the applicant in writing thereof, the further steps it must take prior to its admission becoming effective (if any) and subject to the carrying out of any such steps to the satisfaction of the Exchange, the date upon which that admission shall become effective.

2.7.5 If the Exchange determines not to admit an applicant as an Account Holder, it shall notify the applicant with a statement of reasons for the refusal and the applicant may within 14 days of being notified of the Exchange's determination lodge a notice of appeal with the

Secretary. Appeal under this Regulation shall be dealt with in the same way as under Regulation 2.8 of Part 2 of the Rules.

2.8 **Withdrawal from Participation in LMEsword**

2.8.1 Without prejudice to Regulation 2.9, an LMEsword Participant shall only cease to be an LMEsword Participant as follows:

(i) a Warehouse shall cease to be a LMEsword Participant at the same time as it ceases to be an Exchange listed warehouse in accordance with the terms of the Warehouse Agreement, but not otherwise;

(ii) a Clearing Participant may withdraw from LMEsword in accordance with the remainder of this Regulation 2.8 at the same time as it ceases to be a Clearing Member, but not otherwise; and

(iii) the Clearing House shall cease to be an Account Holder only on its ceasing to act as the Clearing House.

2.8.2 An Account Holder wishing to cease to be an LMEsword Participant must issue a Withdrawal Notice to the Secretary. Prior to issuing a Withdrawal Notice, the Account Holder shall transfer or cancel all of its Warrants in accordance with Regulation 7 or 9 respectively.

2.8.3 The Exchange may, in its discretion, refuse a Withdrawal Notice, postpone the effective date of the proposed withdrawal and/or make the effective date of the proposed withdrawal dependent upon any condition specified by the Exchange if it considers it necessary for the protection of clients, or otherwise in the interests of the market, or if the Account Holder in question has any outstanding liabilities to the Exchange or is the subject of any investigation or action under the Rules or Regulation 2.9.

2.8.4 On the Exchange accepting a Withdrawal Notice, the Exchange shall notify the Account Holder in writing of its acceptance thereof and the effective date of the withdrawal (subject to any condition specified by the Exchange) and notify all other LMEsword Participants and the Depository thereof.

2.8.5 On the withdrawal of any LMEsword Participant under this Regulation 2.8, it shall cease to be entitled to exercise any right which it would have been entitled to exercise in its capacity as an LMEsword Participant immediately prior to such withdrawal, or otherwise. An Account Holder which withdraws from LMEsword shall (for the avoidance of doubt) continue to be subject to the Rules for as long as it remains a Member and thereafter in accordance with Regulation 10 (Withdrawal from Membership) of Part 2 of the Rules.

2.9 **Removal from LMEsword Participation and Discipline**

2.9.1 An Account Holder shall be subject to discipline in respect of any breach by it of the LMEsword Regulations or the LMEsword Operating Procedures in the same way as it is in respect of a breach of any other Rule, and in respect of any other act undertaken in connection with LMEsword if it constitutes an act of misconduct within the meaning of Regulations 13 (Investigation) and 14 (Discipline) of Part 2 of the Rules. In addition, Clearing Participants shall be subject to discipline for breach of any LMEsword Regulation or Operating Procedure relating to the transfer of Warrants to the Clearing

House. The procedures and penalties in respect of such discipline shall be as prescribed by the Exchange from time to time.

2.9.2 An Account Holder may have its LMEsword Participant status removed by notice served on it by the Exchange where it ceases to be eligible therefor in accordance with Regulation 2.6.

2.9.3 Where an Account Holder has its status removed, it must transfer or cancel all Warrants credited to its Accounts forthwith in accordance with Regulation 7 or 9, respectively.

2.9.4 A Warehouse shall be liable to discipline for any breach by it or its London Agent of the LMEsword Regulations, the LMEsword Operating Procedures and the Software Licence Agreement in the same way as it is for a breach of any of its other obligations under the Warehouse Agreement. It accepts responsibility for and undertakes to procure compliance by its London Agent with any obligations applicable to or performed by or purportedly performed by the London Agent thereunder. Where a London Agent has breached any of its (or the Warehouse's) obligations under the LMEsword Regulations the Exchange may direct that the relevant Warehouse appoint a different London Agent as a pre-condition to the Warehouse continuing as such.

2.10 Change of Account Holder Status

An Account Holder shall cease to be an Account Holder at the time it ceases to be a Member.

2.11 Replacement of the LMEsword System

The Exchange may terminate the use of the LMEsword System by serving not less than 3 months' prior written notice on all LMEsword Participants and (unless the Exchange or its Affiliate acts as the Depository) the Depository where it determines, after consultation with LMEsword Participants and the Depository (if applicable), that it is necessary or desirable for the LMEsword System to be replaced by another system for the transfer of Warrants or delivery of Underlying Metal, or for its use otherwise to be terminated.

2.12 Security

Each LMEsword Participant and the Depository must comply with the requirements and procedures relating to security set out in the LMEsword Operating Procedures. If and for so long as the Exchange (or any of its Affiliates) performs the functions of the Depository, it shall comply with such security requirements and procedures as may be specified in the LMEsword Operating Procedures for this purpose.

3 CREATION OF WARRANTS

3.1 Responsibility for Warrant Creation

3.1.1 Each Warehouse shall be responsible for the creation of all of its Warrants and Immobilised Warrants.

3.1.2 Each Warehouse shall be responsible for ensuring that each of its Warrants and Immobilised Warrants created within LMEsword is created in accordance with the requirements of the law under which they are issued, as well as the terms of the Warehouse Agreement.

3.1.3 The Warehouse and its London Agent shall be responsible to ensure that the details of each Warrant Lodgement Instruction, each Warrant and Immobilised Warrant (in each case, including any replacement) are accurate at all times, including with regard to the specific and ascertained Underlying Metal. The Warehouse shall be solely responsible for any loss caused as a result of any inaccurate Warrant Lodgement Instruction, Warrant or Immobilised Warrant.

3.1.4 The terms of each Warehouse Agreement shall govern the requirements relating to the issue of Warrants and Immobilised Warrants.

3.1.5 Each Warehouse shall procure that its London Agent shall execute and comply with the terms of the Software Licence Agreement and gain LMEsword accreditation in accordance with the LMEsword Operating Procedures. Each Warehouse shall procure that its London Agent shall comply with the procedures laid down in the LMEsword Operating Procedures.

3.1.6 Each Warehouse, pursuant to the relevant Warehouse Agreement, has appointed (failing which it hereby appoints) as its agent:

(i) the Exchange, for the purposes of the creation of Warrants; and

(ii) the Depository, for the purposes of the creation of Immobilised Warrants.

3.2 **Warrant Creation**

3.2.1 All Warrants and Immobilised Warrants shall be created utilising the LMEsword Software.

3.2.2 An Account Holder may request the creation of a Warrant where:

(i) it has obtained a Metal Entitlement on its own behalf (whether or not as owner);

(ii) it has obtained a Metal Entitlement on behalf of a Customer; or

(iii) a person other than the Account Holder, which may be a Customer, has a Metal Entitlement and has instructed the Account Holder to request the creation of a Warrant on its behalf.

3.2.3 By and upon requesting the creation of a Warrant, the relevant Account Holder warrants, represents and undertakes that it or such other person referred to in Regulation 3.2.2(iii) has lawfully obtained a Metal Entitlement and that no other person has any right, title or interest in relation to or the Underlying Metal.

3.2.4 Nothing shall constitute a Metal Entitlement unless it:

(i) has been issued by or on behalf of a Warehouse;

(ii) is either:

(a) held by the original depositor of the Underlying Metal, who would otherwise be entitled to the issuance, by or on behalf of the relevant Warehouse and in respect of such Underlying Metal, to a negotiable instrument in bearer form or capable of being endorsed to a transferee, in

each case that is capable of transferring property in the Underlying Metal by virtue of transfer of the instrument; or

(b) a negotiable instrument in bearer form, or duly endorsed to the Account Holder, its Customer or such other person referred to in Regulation 3.2.2(iii) by the original depositor of the Underlying Metal or the last named transferee taking title under a continuous chain of endorsements, and is capable of transferring property in the Underlying Metal by delivery of such instrument, or where endorsed, by endorsement and delivery;

(iii) remains valid in accordance with its terms and has not been marked "cancelled" or with any other language indicating that it has or may have ceased to be valid; and

(iv) is not materially damaged or defaced.

3.2.5 In order to request the creation of a Warrant, an Account Holder shall present a Metal Entitlement to the London Agent of the relevant Warehouse, together with a request for the creation of a Warrant.

3.2.6 The Warehouse shall procure that its London Agent shall, on behalf of the Warehouse:

(i) satisfy itself that the conditions for the creation of a Warrant prescribed in the LMEsword Regulations are met, including as to the relevant Metal Entitlement and that it has been presented by an Account Holder or its authorised representative;

(ii) verify that the details of the Metal Entitlement and the Underlying Metal correspond to those recorded in the Warehouse's books and records;

(iii) as applicable, hold or record the Metal Entitlement to the order of the person presenting the Metal Entitlement to the London Agent until its cancellation in accordance with paragraph (vii);

(iv) undertake reasonable enquiries to ensure that:

(a) no person other than the Account Holder, its Customer or such other person referred to in Regulation 3.2.2(iii) and that has been disclosed to the London Agent has any right, title or interest in the Underlying Metal; and

(b) no other Metal Entitlement or other warehouse warrant, warehouse receipt or other document representing or acknowledging receipt of the Underlying Metal by the warehouse has been issued;

(v) issue a Warrant Lodgement Instruction within the LMEsword System in accordance with the LMEsword Operating Procedures;

(vi) notify the Warrant Lodgement Instruction to the Account Holder within the LMEsword System and otherwise than by means of the LMEsword System, provide the Account Holder with a security code for the purposes of verifying and approving the Warrant Lodgement Instruction; and

(vii) immediately upon creation of the relevant Warrant within the LMEsword System, mark or record, as applicable, the corresponding Metal Entitlement "cancelled" or, if the relevant Warrant is not created within the LMEsword System, make the Metal Entitlement available for collection by the person presenting it, if applicable.

3.2.7 Upon being notified of the Warrant Lodgement Instruction, the Account Holder shall, in accordance with the LMEsword Operating Procedures, be required to verify and approve each Warrant Lodgement Instruction it causes to be issued, failing which that Warrant Lodgement Instruction shall be rejected within the LMEsword System.

3.2.8 Subject to Regulations 3.2.9 and 12.3.2, as soon as reasonably practicable following the verification and approval of a Warrant Lodgement Instruction and the satisfactory completion of any other authorisation or verification requirements prescribed in the LMEsword Operating Procedures from time to time:

(i) the Exchange shall, acting as agent of the Warehouse, create a Warrant and cause it to be recorded in the LMEsword System to the Account of the Account Holder identified as such in the Warrant Lodgement Instruction; and

(ii) if the Warrant Lodgement Instruction was in relation to Underlying Metal located in an Immobilisation Jurisdiction, in addition to the creation of a Warrant, the Depository shall, acting as agent of the Warehouse, also create an Immobilised Warrant and, from that moment and subject to Regulation 3.2.9(iv), hold it in accordance with Regulations 3.3.1 and 3.3.2. Such an Immobilised Warrant shall be created in accordance with the LMEsword Operating Procedures.

3.2.9 Neither the Exchange nor the Depository:

(i) shall be required to verify any of the details of any Metal Entitlement, Warrant Lodgement Instruction, Warrant, Immobilised Warrant or the Underlying Metal;

(ii) shall verify, or be under any obligation to verify, the authenticity or validity of any Metal Entitlement, Warrant Lodgement Instruction, Warrant or Immobilised Warrant;

(iii) is under any obligation to create any Warrant or Immobilised Warrant (as applicable) in circumstances in which it is not satisfied, in its discretion, that the requirements of these LMEsword Regulations are met, and each of the Exchange and the Depository may at any time in its discretion refuse to create a Warrant or Immobilised Warrant (as applicable), in which case the relevant Warrant Lodgement Instruction shall be rejected by the LMEsword System; or

(iv) shall have any responsibility in relation to a Warrant or Immobilised Warrant until it has been recorded to an Account.

3.3 **Legal Effect of Account Entries**

3.3.1 By and upon the crediting of a Warrant by the LMEsword System to an Account Holder's Account on creation of a Warrant, and for as long as it is so recorded:

(i) that Account Holder shall be bailor, the Depository shall be bailee and the Warehouse shall be sub-bailee, in each case in respect of the Underlying Metal and on the terms set out in Regulation 3.3.2;

(ii) unless and until the relevant Warrant is withdrawn in accordance with Regulation 8 or cancelled in accordance with Regulation 9:

(a) subject to Regulation 3.3.1(ii)(b), no person other than the Account Holder to whose Account that Warrant is credited from time to time shall be entitled to immediate possession of the Underlying Metal, such right being exercisable solely and exclusively in accordance with the terms of Regulation 9. Any arrangement otherwise agreed between the Warehouse on the one hand, and any person referred to in Regulation 3.2.2 on the other, is varied accordingly; and

(b) the Depository shall be entitled to immediate possession of the Underlying Metal, as bailee on behalf of the Account Holder to whose Account that Warrant is credited from time to time;

(iii) other than through the exercise of its right to immediate possession in accordance with Regulation 9, the Account Holder shall have no right to call for delivery or possession of the Underlying Metal, or otherwise to terminate the bailments arising under Regulation 3.3.1(i) or cause to be terminated the Depository's right to immediate possession arising under Regulation 3.3.1(ii)(b); and

(iv) with regard to any Immobilised Warrant, the Depository shall be a bailee and the Account Holder shall be bailor on the terms set out in this Regulation 3.3.1 and Regulation 6.7.1.

3.3.2 The bailment relationships arising pursuant to Regulation 3.3.1(i) shall be:

(i) governed by and construed in accordance with English law;

(ii) on the terms of these LMEsword Regulations (including Regulation 3.3.1(ii)(a)); and

(iii) in respect of the Warehouse's obligations as bailee:

(a) subject to the contractual terms forming part of the arrangements otherwise agreed between the Warehouse and that Account Holder or, to the extent no such arrangements have expressly been agreed, the Warehouse's standard terms of business, in each case subject to these LMEsword Regulations or the Rules which shall prevail insofar as they conflict with such contractual terms; and

(b) on the undertaking hereby from that Warehouse to the Account Holder from time to time that, in receiving the Underlying Metal and placing it on Warrant, the Warehouse is not aware of any latent defects in the

Underlying Metal, and has complied with, and will comply with, all requirements of the Warehouse Agreement (including concerning the storage of Underlying Metal), all applicable laws and regulations.

3.3.3 A Warrant Lodgement Instruction shall constitute an instruction by the Account Holder on its own account and, if it had obtained the related Metal Entitlement for a Customer or was instructed by such other person referred to in Regulation 3.2.2(iii), as agent of that Customer or such other person (as applicable), to each of the Depository, Warehouse and, if applicable, the Account Holder, to act in accordance with Regulation 3.3.1.

3.3.4 By and upon the crediting of a Warrant to the Account of an Account Holder on creation of that Warrant, the Depository makes attornment:

(i) on its own behalf, to the effect that it from that point acts as bailee in respect of:

(a) the Underlying Metal; and

(b) if applicable, any related Immobilised Warrant,

in each case, with that Account Holder as bailor in accordance with the terms of Regulations 3.3.1 and 3.3.2; and

(ii) for and on behalf of the Warehouse that caused (or whose London Agent caused) the Warrant to be created, to the effect that the Underlying Metal shall from the moment of the crediting of the Warrant to the Account Holder's Account be held by the Warehouse to the order of the Depository and the Account Holder, respectively, in accordance with the terms of Regulations 3.3.1 and 3.3.2.

3.3.5 Unless the Account Holder and Depository expressly agree otherwise, it is intended that constructive possession of (being a property interest in) the Underlying Metal shall pass by virtue of these LMEsword Regulations, so as to be held in accordance with the terms of Regulations 3.3.1 and 3.3.2, at the time the Underlying Metal is constructively delivered in accordance with Regulation 3.3.4, that is, at the time the Account of the Account Holder is credited with the corresponding Warrant immediately following its creation within LMEsword.

3.3.6 The Depository, and each Warehouse respectively, each acknowledge that the Account Holder may itself be a bailee with its Customer as bailor in respect of any Underlying Metal or Immobilised Warrant relating to a Warrant recorded to that Customer's Account; however, neither the Depository, nor any Warehouse, shall be bound by or recognise any interest in any Warrant, Immobilised Warrant or any related Underlying Metal, other than the interest of the Account Holder to whose Account the relevant Warrant is recorded.

3.3.7 Each Account Holder warrants, represents and undertakes that, for so long as a Warrant is recorded within LMEsword to its Account, it shall not, with regard to the Underlying Metal, purport to:

(i) effect any transfer of any right, title or interest in or to that Underlying Metal, other than pursuant to the LMEsword Regulations; or

(ii) exercise any right to possession in that Underlying Metal, other than in accordance with Regulation 9,

and, in each case, it shall only do so in compliance with all laws and regulations of each jurisdiction which are or may be applicable to one or more of the Account Holder, the Warrant, any Immobilised Warrant (if applicable), the Underlying Metal or any transfer agreement or security arrangement.

3.3.8 Each Account Holder agrees that upon the crediting of a Warrant to its Account, the storage terms of business of the relevant Warehouse shall be deemed to apply between the Account Holder and the Warehouse, unless alternative contractual terms have otherwise been agreed between the parties. In each case, such Warehouse storage terms of business or alternative contractual terms shall be subject to these LMEsword Regulations or the Rules, which shall prevail in the case of any conflict.

4 THE DEPOSITORY

4.1 Role of the Depository

4.1.1 The Depository agrees with each Account Holder to act as bailee in accordance with Regulations 3.3.1, 3.3.2 and 4.2, and keep safe all Immobilised Warrants held by it in accordance with these LMEsword Regulations to the order of the Account Holder to whose Account they are credited from time to time in accordance with these LMEsword Regulations.

4.1.2 Each Warehouse, pursuant to the relevant Warehouse Agreement (failing which, it hereby appoints) appoints the Depository as its agent:

(i) to receive instructions concerning the holding of the Underlying Metal; and

(ii) for the purposes of making attornments for and on behalf of that Warehouse in accordance with these LMEsword Regulations.

4.1.3 The Depository shall use all reasonable care in the performance of its duties expressly set out in these LMEsword Regulations (but shall not assume any obligation or liability other that as specifically set out in these LMEsword Regulations) and shall act honestly, in good faith and without negligence or recklessness so as to preserve and protect all Immobilised Warrants held by it and shall exercise the degree of care, diligence and skill in the performance of those duties that may be reasonably expected of a prudent custodian in comparable circumstances.

4.1.4 Where an Account Holder has duly established a Customer Account and a Warrant is credited to such a Customer Account, subject to Regulation 6.4.4, where it would otherwise act as the bailee of the Account Holder under these LMEsword Regulations, the Depository will instead act as sub-bailee to the order of the Account Holder in its capacity as bailee for its Customer. The Account Holder's Customer shall not, however, be a customer of the Depository and any duties to the Customer shall be owed by the Account Holder alone. Without prejudice to Regulation 5.1.3, the Depository acts as sub-bailee pursuant to this Regulation 4.1.4 to the order only of the Account Holder exclusively and except as required by law the Depository shall not be bound by or recognise any other interest whatsoever in any Warrant, Immobilised Warrant or any Underlying Metal (including, any interest of any Customer of the Account Holder for which the Depository may act as sub-bailee). Each Account Holder agrees to incorporate this Regulation 4.1.4 as a term in each agreement the Account Holder holds with its

Customer, and such term shall take precedence over any contrary provision in any such agreement.

4.1.5 The Depository agrees to hold or record any Warrant that belongs to it, if any, separately from any Warrant credited to an Account of an Account Holder.

4.1.6 The Depository shall have a lien or right of retention over a Warrant or Immobilised Warrant credited to an Account, and the related Underlying Metal, where a person other than the Account Holder shall claim an interest in such Warrant or Immobilised Warrant or the related Underlying Metal. The Depository will not otherwise claim any lien or right of retention or sale over any Warrant or Immobilised Warrant credited to an Account or related Underlying Metal.

4.2 **Delivery up**

4.2.1 Each Account Holder agrees that, except as expressly provided in Regulation 4.2.2:

(i) all rights and remedies to which that Account Holder may otherwise be entitled as bailor with regard to the Depository as its bailee are hereby expressly excluded; and

(ii) correspondingly the Depository shall owe no duty or obligation to that Account Holder as bailee.

4.2.2 The sole obligations of the Depository as bailee towards any Account Holder as bailor shall be, with respect to:

(i) the Underlying Metal relating to each Warrant recorded to the Account of that Account Holder:

(a) to direct and otherwise assist with the delivery, as bailee with the Warehouse as sub-bailee, of the Underlying Metal to the order of the Account Holder, provided that the Depository shall not be required to take any action or expend or risk its own funds or otherwise incur any risk or financial liability in the performance of its duties or the exercise of any power, rights, authority or discretion in connection with its role as Depository if it has grounds for believing that the taking of any such action or the expenditure or risk of its liability or own funds may expose it to a risk of cost or loss, including the non-repayment of the funds, the recovery of which is not assured to it unless and until it has first been provided with an indemnity and/or security and/or pre-funding as it determines to be satisfactory to it against such risk or liability; and

(b) subject to Regulations 12.8.4 and 12.8.5, to account to the Account Holder for any other proceeds of the Underlying Metal then in the hands of the Depository,

provided at all times that the Account Holder has first sought to exercise all other rights and remedies, or potential rights or remedies, as against the Warehouse and any third party against whom it may have such a right or remedy, including under Regulations 8 and 9, and any arrangements agreed with the Warehouse; and

(ii) any Immobilised Warrant held by the Depository as bailee for that Account Holder as bailor, to deliver up that Immobilised Warrant in circumstances in which physical possession by the Account Holder of the Immobilised Warrant is the sole means for the Account Holder effectively to exercise or enforce its rights in relation to the Underlying Metal relating to that Immobilised Warrant (for example, where the Immobilised Warrant is required in court proceedings), in which case the Immobilised Warrant shall be delivered up by the Depository:

(a) in exchange for receipt by the Depository of an indemnity in an amount not less than the value of the Underlying Metal, or such other amount as the Depository, in its discretion, determines;

(b) subject to the satisfaction of the Depository that appropriate arrangements have been made to safeguard the Immobilised Warrant and ensure its redelivery to the Depository; and

(c) provided that the related Warrant is recorded in the LMEsword System as "out of depository" for so long as the relevant Immobilised Warrant is not in the physical possession of the Depository,

in each case provided that the relevant Warrant is recorded to the Account of that Account Holder and is not marked "out of depository", "cancelled", "not valid" or "rent not paid".

4.2.3 Nothing in these LMEsword Regulations shall require the Depository to oppose any court order legally enforceable against the Depository in respect of any Underlying Metal, Immobilised Warrant, or the proceeds thereof.

5 ACCOUNTS

5.1 Requirement to hold Accounts

5.1.1 All Account Holders must have at least one Account to which Warrants created on their behalf or transferred to them under the LMEsword Regulations shall be credited. An Account Holder may establish more than one Account.

5.1.2 All Accounts shall be established in accordance with the LMEsword Operating Procedures.

5.1.3 Each Account Holder agrees that, in the context of any Warrant credited to an Account, the Depository shall act as bailee (or in the case of a Customer Account, sub-bailee), and the Warehouse shall act as sub-bailee (or in the case of a Customer Account, ultimate sub-bailee) in accordance with Regulations 3.3.1 and 3.3.2 to the order of the Account Holder exclusively and, except as required by law, neither the Depository nor the Warehouse shall be bound by or recognise any other interest in respect of any Warrant, Immobilised Warrant or Underlying Metal whatsoever (including any interest of any Customer of the Account Holder).

5.2 Customer Accounts

Only an Account Holder permitted by applicable law to hold Warrants and, if applicable, Immobilised Warrants for Customers may establish a Customer Account. Any Account Holder wishing to establish a Customer Account must obtain the express written agreement of each Customer authorising them to cause the creation of Warrants and, if

applicable, Immobilised Warrants held for the Customer with the Depository on the terms of the LMEsword Regulations and to deal with such Warrants and, if applicable, Immobilised Warrants on the Customer's behalf. Subject to Regulation 6.4.4, only where an Account Holder acts as a bailee for a Customer may Warrants be credited to a Customer Account in accordance with the LMEsword Regulations.

5.3 **Clearing Participant Accounts**

Each Clearing Participant shall have an Account (a "House Collection Account") for the purpose of receiving transfers of Warrants in respect of the account maintained with the Clearing House to reflect the Clearing Participant's proprietary business, and another Account (a "Customer Collection Account") for the purpose of receiving transfers of Warrants in respect of its client account(s) with the Clearing House, as provided for in Regulation 6.4. A Customer Collection Account shall not constitute a Customer Account and the Account Holder shall promptly effect Inter-Account Transfers of Warrants credited to it to one or more Customer Accounts in satisfaction of its delivery obligations to Customers.

6 TRANSFER OF WARRANTS WITHIN LMESWORD

6.1 **Transfers**

An Account Holder shall be entitled to transfer within LMEsword in accordance with Regulation 6.2, 6.3, 6.4 or 6.5 any Warrant which is credited to its Account provided (other than for an Inter-Account Transfer between House Accounts under Regulation 6.5) it has not been marked "rent not paid" in accordance with Regulation 7 or "not valid" in accordance with Regulation 11.

6.2 **Ex-cleared Transfers**

6.2.1 An Account Holder wishing to transfer a Warrant or Warrants credited to its Account (referred to as the "Giver") to another Account Holder (the "Taker") shall issue an Ex-cleared Transfer Instruction identifying the Taker in accordance with the LMEsword Operating Procedures and specifying manual or automatic release. No Ex-cleared Transfer Instruction shall be accepted by the LMEsword System in respect of a Warrant which is subject to a prior and outstanding Ex-cleared Transfer Instruction.

6.2.2 The Taker shall be notified of any Ex-cleared Transfer Instruction issued identifying it as the Taker and of the details of the Warrants the subject of the Instruction. The Taker shall then either:

(i) issue an Ex-cleared Transfer Accept Instruction in accordance with the LMEsword Operating Procedures, specifying the Account the Warrants should be credited to; or

(ii) issue an Ex-cleared Transfer Reject Instruction in accordance with the LMEsword Operating Procedures.

6.2.3 Where a Taker has issued an Ex-cleared Transfer Reject Instruction, the relevant Ex-cleared Transfer Instruction shall be automatically cancelled and the Giver may issue a further Ex-cleared Transfer Instruction in respect of the same or different Warrants.

6.2.4 Where a Taker duly issues an Ex-cleared Transfer Accept Instruction in respect of an Ex-cleared Transfer Instruction in which the Giver specified automatic release, the Warrants subject to the Ex-cleared Transfer Instruction shall immediately upon receipt by the LMEsword System of the Ex-cleared Transfer Accept Instruction be credited to the specified Account of the Taker.

6.2.5 Where a Taker duly issues an Ex-cleared Transfer Accept Instruction in respect of an Ex-cleared Transfer Instruction in which the Giver specified manual release, the Giver shall be notified and, if it wishes to effect the transfer, shall issue an Ex-cleared Release Instruction in accordance with the LMEsword Operating Procedures. Immediately upon receipt by the LMEsword System of such Ex-cleared Release Instruction the Warrants subject to the Ex-cleared Transfer Instruction shall be debited from the Giver's Account(s) and credited to the relevant Account of the Taker.

6.3 **Pledging**

6.3.1 Where an Account Holder wishes to effect a pledge in favour of another Account Holder, it may carry out an ex-cleared transfer under Regulation 6.2.

6.3.2 Following such a transfer and the debiting and crediting of the relevant Accounts, the Depository shall act as bailee of the Taker exclusively, without notice of any interest of the Giver, whether as pledgor or otherwise. The Taker shall accordingly as against the Depository be entitled to transfer any Warrant transferred to it by the Giver and credited to its Account to any other Account Holder in accordance with this Regulation 6, or to effect a withdrawal or cancellation in accordance with Regulation 8 or 9.

6.3.3 In the event that such a Taker (the "Original Taker") re-transfers a Warrant by way of an ex-cleared transfer under Regulation 6.2 to the original Giver (the "Original Giver") pursuant to a trust receipt agreement entered into by them, the Depository shall act as bailee to the order of the Original Giver (which will be a Taker under the second transfer) exclusively, without notice of the Original Taker's interest therein. The Original Giver shall accordingly as against the Depository be entitled to transfer any such Warrant to any other Account Holder in accordance with this Regulation 6 and effect a withdrawal or cancellation in accordance with Regulation 8 or 9.

6.3.4 Neither the Exchange nor the Depository assumes any responsibility as to the efficacy of any pledge or other security arrangement, or any trust receipt agreement or other arrangement in respect of which a transfer is effected through the LMEsword System. Neither the Exchange nor the Depository shall have any liability for any damage, loss, expense or liability of any nature (except to the extent of any direct losses or expenses attributable to its fraud or wilful deceit) in relation to any such agreement or arrangement.

6.3.5 Each Account Holder represents, warrants and undertakes that, to the extent it seeks to effect a transfer within the LMEsword System by way of enforcement of its rights under any pledge or other security arrangement, such transfer is in full compliance with the laws and regulations of each jurisdiction which are or may be applicable to one or more of that transfer, the pledge or other security arrangement (or the parties thereto, including their insolvency, if applicable), the Account Holder, the Warrant and, if applicable, any Immobilised Warrant, and the Underlying Metal.

6.4 **Cleared Transfers**

6.4.1 This section relates only to Account Holders which are Clearing Members ("Clearing Participants") and the Clearing House.

6.4.2 Subject to and in accordance with the Clearing House Rules and the LMEsword Operating Procedures and the terms of the relevant Contract, each Clearing Participant (a "Giving Clearing Participant") which has an obligation to transfer Warrants to the Clearing House in respect of any of its accounts (including, if applicable, its client account(s)) with the Clearing House for that day shall be notified by the LMEsword System of its obligations to transfer Warrants.

6.4.3 By the time specified in the LMEsword Operating Procedures, each Giving Clearing Participant shall issue a Cleared Transfer Instruction in respect of each of its obligations to transfer Warrants, in accordance with the LMEsword Operating Procedures, specifying the Warrants to be transferred and the Account(s) from which they should be debited and identifying the Clearing House as the taker of the Warrants.

6.4.4 At the time that a transfer is required to be made to the Clearing House under the LMEsword Operating Procedures, the Warrants subject to the Cleared Transfer Instruction shall be debited from the relevant Account(s) of the Giving Clearing Participant and credited to the Clearing House's Account. Where a Customer Account is so debited, the Warrant(s) in question shall be deemed to be transferred first to the Giving Clearing Participant and then immediately transferred on by the Giving Clearing Participant to the Clearing House.

6.4.5 Subject to and in accordance with the Clearing House Rules and the LMEsword Operating Procedures, the LMEsword System shall allocate the transferred Warrants for transfer to each Clearing Participant which has a transfer entitlement in respect of any of its accounts (including, if applicable, its client account) with the Clearing House for that day (a "Taking Clearing Participant"). At the time determined by the Clearing House in accordance with the LMEsword Operating Procedures, the Clearing House shall issue a Cleared Transfer Instruction in accordance with the LMEsword Operating Procedures in respect of each such transfer entitlement, specifying the Warrants to be transferred, whereupon such Warrants shall be debited from the Clearing House's Account and credited to each Taking Clearing Participant's Customer Collection Account (in the case of Warrants allocated in satisfaction of a transfer entitlement in respect of a Taking Clearing Participant's client account(s) with the Clearing House) or House Collection Account (in the case of other Warrants). For the avoidance of doubt, each transfer of Warrants to Taking Clearing Participants shall occur on their Accounts being credited and not at the time of allocation.

6.4.6 The LMEsword System shall calculate and notify to the Clearing House the liabilities arising consequent on such cleared transfers due to differences between the weight of metal agreed to be sold and the actual weight of the Underlying Metal represented by the Warrants so transferred and accrued but unpaid rent thereon.

6.4.7 Where a Taking Clearing Participant is or may be a defaulter under the default rules of the Clearing House, Warrants shall be credited to the Taking Clearing Participant's account as provided for in Regulation 6.4.5. If the Clearing House so determines, such Warrants shall, however, immediately be re-transferred back to the Clearing House and

in those circumstances the Warrants in question shall be deemed for all purposes not to have been so credited but to have remained in the Clearing House's account.

6.5 **Inter-Account Transfers**

6.5.1 An Account Holder which has more than one Account shall be entitled to transfer Warrants held in any of its Accounts to any other of its Accounts by issuing an Inter-Account Transfer Instruction in accordance with the LMEsword Operating Procedures, provided that in the case of such transfers to or from a Customer Account the Warrant is not marked "rent not paid" in accordance with Regulation 8 or "not valid" in accordance with Regulation 11. On the issue of an Inter-Account Transfer Instruction in accordance with the LMEsword Operating Procedures, each Warrant subject to the Inter-Account Transfer Instruction shall be debited from and credited to the relevant Accounts.

6.5.2 Where an Account Holder issues an Inter-Account Transfer Instruction pursuant to which a Warrant will be transferred to a Customer Account from a House Account, the Depository acknowledges that following the debiting of the Warrant from the House Account and its crediting to the Customer Account it shall hold the Warrant in accordance with Regulation 4.1.4.

6.5.3 Where an Account Holder issues an Inter-Account Transfer Instruction pursuant to which a Warrant will be transferred from a Customer Account to a House Account, the Depository acknowledges that following transfer it shall cease to hold the Warrant in accordance with Regulation 4.1.4.

6.6 **Use of LMEsword for Settlement of Non-Platform Contracts**

LMEsword shall not be used to settle Non-LME Platform Contracts in breach of the requirements specified in Regulation 20 of Part 2 of the Rules (*Restrictions on use of LME Property or Systems for Non-Exchange Contracts*). Such restriction shall apply to any Account Holder (whether with regard to Warrants recorded to a House Account or a Customer Account).

6.7 **Legal Effect of Transfers**

6.7.1 By and upon the debiting of a Warrant by the LMEsword System from the Account of the Transferor and its crediting to the Account of the Transferee:

(i) the Depository shall act as bailee and the Warehouse shall act as sub-bailee with regard to the Underlying Metal; and

(ii) if applicable, the Depository shall act as bailee of any related Immobilised Warrant,

in each case to the order of the Transferee as bailor for as long as the Warrant remains in its Account, and in accordance with the terms of Regulations 3.3.1 and 3.3.2.

6.7.2 The Ex-cleared Release Instruction (in the case of ex-cleared transfers under Regulation 6.2.5), the Ex-cleared Transfer Instruction and Ex-cleared Transfer Accept Instruction (in the case of ex-cleared transfers under Regulation 6.2.4) and the Cleared Transfer Instruction (in the case of cleared transfers under Regulation 6.4) shall constitute an instruction by the Transferor (and, as applicable, the Transferee), on behalf of the

Transferor and Transferee, to each of the Depository and Warehouse, to act in accordance with Regulation 6.7.1.

6.7.3 By and upon the crediting of a Warrant by the LMEsword System to the Account of the Transferee from the Account of the Transferor, the Depository makes attornment:

(i) to the effect that it from that point acts as bailee in respect of:

(a) the Underlying Metal; and

(b) if applicable, any related Immobilised Warrant,

in each case, to the order of the Transferee as bailor in accordance with the terms of Regulations 3.3.1 and 3.3.2; and

(ii) for and on behalf of the Warehouse that caused (or whose London Agent caused) the Warrant to be created, to the effect that the Underlying Metal shall from the moment of the crediting of the Warrant to the Account Holder's Account be held by the Warehouse to the order of:

(a) the Depository, as bailee for the Account Holder; and

(b) the Transferee, as bailor,

in each case in accordance with the terms of Regulation 3.3.1 and 3.3.2.

6.7.4 Unless the parties otherwise agree, property in the Underlying Metal shall pass at the time the Warrant is transferred, that is at the time the parties' Accounts are debited and credited.

6.7.5 The Depository shall not disclose to any Warehouse the identity of any Account Holder to whose order Underlying Metal is held from time to time, unless explicitly provided for in these Regulations or the Exchange directs it to.

7 LIABILITY FOR RENT PAYMENTS, INSURANCE, TAX AND OTHER CHARGES

7.1 Rent Schedules

7.1.1 Each Account Holder may in accordance with the LMEsword Operating Procedures obtain from the LMEsword System a rent schedule report setting out its accrued and due rent payment obligations in respect of Warrants credited to its Accounts.

7.1.2 Each London Agent may in accordance with the LMEsword Operating Procedures obtain from the LMEsword System a rent schedule report setting out the aggregate amount of rent accrued and due in respect of all Warrants or Immobilised Warrants issued by it, including those which are available to be transferred within LMEsword, together with such other information as shall be provided for in the LMEsword Operating Procedures.

7.2 Liability, rent and insurance

7.2.1 Liability for rent in respect of all Warrants and Immobilised Warrants shall be unaffected by LMEsword, and the obligations of London Agents in respect thereof, including the endorsement of Immobilised Warrants, shall continue to be governed by the Warehouse Agreement, as supplemented by this Regulation 7.

7.2.2 The Depository shall in no circumstances have any liability for the payment of rent, insurance or other charges in respect of Warrants or Immobilised Warrants, or otherwise in respect of the Underlying Metal. Responsibility for insuring the Underlying Metal lies with the relevant Account Holder.

7.3 **Payment**

7.3.1 On the receipt by a Warehouse or its London Agent of any rent payment in respect of a Warrant or Immobilised Warrant within LMEsword (whether by the due date or afterwards), the Warehouse shall procure that such London Agent shall issue a Warrant Endorse Instruction in accordance with the LMEsword Operating Procedures. On receipt, the LMEsword System shall mark the Warrant "rent paid". The fact that the Warrant is marked "rent paid" shall as against the Warehouse and for all Account Holders and the Depository, subject only to Regulation 12.9, be conclusive evidence of due payment of rent and a London Agent (and the Warehouse it represents) shall not be entitled to claim otherwise.

7.3.2 The Depository shall not, for the avoidance of doubt, endorse any Immobilised Warrant as "rent paid".

7.3.3 On withdrawal in accordance with Regulation 8.2, if rent has been paid on the Warrant or Immobilised Warrant (as applicable) whilst it has been recorded within the LMEsword System, the London Agent shall endorse the Extracted Warrant “rent paid", provided that the London Agent has previously issued a Warrant Endorse Instruction in respect of the corresponding Warrant within the LMEsword System.

7.3.4 Warrant holders must approach the Warehouse or its London Agent directly to settle the rent.

7.3.5 The London Agent and the Exchange will be informed of the withdrawing Account Holder's identity.

7.4 **Non-payment**

7.4.1 Where rent in respect of any Warrant or Immobilised Warrant is not paid by the end of Rent Payment Day, or the relevant London Agent has not issued a Warrant Endorse Instruction in respect of it, the LMEsword System shall mark the Warrant as "rent not paid".

7.4.2 Where rent is subsequently paid in respect of any Warrant or Immobilised Warrant which is marked "rent not paid", on the issue of a Warrant Endorse Instruction by the relevant London Agent, the "rent not paid" mark shall be deleted and be replaced by "rent paid".

7.5 **Customs Charges and Tax**

In no circumstances shall the Depository or the Exchange have any liability for or in respect of any Customs Charges or Tax arising in relation to any Warrant, Immobilised Warrant, Extracted Warrant or Underlying Metal. Any such liability, and the responsibility for determining whether any such liability exists, shall be the sole responsibility of the relevant Account Holder.

8 DELIVERY OF EXTRACTED WARRANTS

8.1 Entitlement

Each Warehouse shall procure that, on demand in accordance with this Regulation 8 from an Account Holder in respect of any Warrant credited to that Account Holder's Account (including any of its Customer Accounts) from time to time, the Warehouse's London Agent shall deliver to that Account Holder an Extracted Warrant.

8.2 Withdrawal of Warrants

8.2.1 Where an Account Holder wishes to take delivery of an Extracted Warrant outside the LMEsword System, it shall issue a Warrant Withdrawal Instruction in accordance with the LMEsword Operating Procedures for Warrant withdrawal.

8.2.2 On receipt of a Warrant Withdrawal Instruction, the LMEsword System shall notify the relevant London Agent by way of a Warrant Withdrawal Notification of the withdrawal request, the identity of the Account Holder and the Warrants subject to the Warrant Withdrawal Instruction. Each Warrant Withdrawal Notification shall be deemed to have been sent by the Depository, as agent of the Warehouse as appointed under these LMEsword Regulations.

8.2.3 Each Warehouse shall procure that on receipt of a Warrant Withdrawal Notification, its London Agent shall either approve or reject the Warrant Withdrawal Notification and if such notification is approved, otherwise than by means of the LMEsword System, issue the Account Holder with a security code.

8.2.4 The Account Holder shall make arrangements for the collection of the Extracted Warrant in question from the London Agent, in accordance with the LMEsword Operating Procedures.

8.2.5 On attendance at the London Agent, the Account Holder or its representative shall present the relevant security code and any necessary identification in accordance with the LMEsword Operating Procedures.

8.2.6 Each Warehouse shall procure that its London Agent shall, on presentation of the relevant security code and in accordance with the LMEsword Operating Procedures:

(i) verify the security code and identification details presented to it;

(ii) verify the details of the Warrant subject to the Warrant Withdrawal Instruction, including that they correspond to the Warehouse's books and records; and

(iii) if satisfied, issue a Warrant Withdrawal Acknowledgement and simultaneously issue and release to the Account Holder or its representative the Extracted Warrant.

8.2.7 Each Warehouse shall procure that, in the event that, immediately prior to the issuance of a Warrant Withdrawal Acknowledgement, or the delivery up of an Immobilised Warrant pursuant to Regulation 4.2.2(ii), the Warrant to which that acknowledgement relates is marked:

(i) "rent not paid" in accordance with Regulation 7;

(ii) "amended" in accordance with Regulation 10.2; or

(iii) "not valid" in accordance with Regulation 11.2;

its London Agent shall also stamp the corresponding Extracted Warrant, or the Depository shall also stamp that Immobilised Warrant (as applicable), accordingly on its release.

8.2.8 Subject to Regulations 8.2.9 and 12.3:

(i) upon receipt of a Warrant Withdrawal Acknowledgement, the LMEsword System shall thereupon debit the Warrant from the Account Holder's Account and mark it "out of depository"; and

(ii) as soon as reasonably practicable thereafter, if the Warrant Withdrawal Instruction relates to an Immobilised Warrant, the Depository shall mark that Immobilised Warrant "out of depository".

8.2.9 Neither the Exchange nor the Depository:

(i) shall be required to verify any of the details of any Warrant Withdrawal Instruction, Warrant, Extracted Warrant or the Underlying Metal;

(ii) shall verify, or be under any obligation to verify, the authenticity or validity of any Warrant Withdrawal Instruction, Warrant or Extracted Warrant;

(iii) is under any obligation to accept any Warrant Withdrawal Instruction in circumstances in which it is not satisfied, in its discretion, that the requirements of these LMEsword Regulations are met, and each of the Exchange and the Depository may at any time in its discretion refuse to cancel a Warrant, in which case the relevant Warrant Withdrawal Instruction shall be rejected by the LMEsword System; or

(iv) shall have any responsibility in relation to an Extracted Warrant or its delivery to an Account Holder or its representative.

9 WARRANT CANCELLATION AND METAL TAKE UP

9.1 Entitlement

9.1.1 The obligations of each LMEsword Participant on the cancellation of a Warrant shall be governed by the arrangements agreed between the Warehouse and the person for whom the Warehouse holds the Underlying Metal, insofar as they do not conflict with these LMEsword Regulations or the Rules. To the extent that no such arrangements have expressly been agreed, each Warehouse agrees that each Account Holder to whose Account a Warrant is recorded from time to time shall be treated by the Warehouse as having the benefit of a contract of storage of the Underlying Metal and shall be subject to the Warehouse's standard terms of business insofar as they do not conflict with these LMEsword Regulations or the Rules.

9.1.2 In addition, each LMEsword Participant agrees that for so long as any Warrant is recorded within the LMEsword System to the Account of an Account Holder, these LMEsword Regulations give rise, with regard to that Account Holder, to the relationships, and related rights and obligations, described in Regulations 3.3.1 and 3.3.2.

9.1.3 Neither the Exchange nor, subject to Regulation 4.2.2(i), the Depository, shall have any responsibility in relation to the cancellation of Warrants or the delivery of Underlying Metal.

9.2 **Warrant Cancellation**

9.2.1 Where an Account Holder wishes to take delivery of the Underlying Metal to which a Warrant relates outside the LMEsword System, it shall issue a Warrant Cancel Instruction in accordance with the LMEsword Operating Procedures for Warrant withdrawal.

9.2.2 On receipt of a Warrant Cancel Instruction, the LMEsword System shall notify the relevant London Agent by way of a Warrant Cancel Notification of the cancellation request, the identity of the Account Holder and the Warrants subject to the Warrant Cancel Instruction. Each Warrant Cancel Notification shall be deemed to have been sent by the Depository, as agent of the Warehouse as appointed under these LMEsword Regulations.

9.2.3 Each Warehouse shall procure that on receipt of a Warrant Cancel Notification, its London Agent shall either approve or reject the Warrant Cancel Notification.

9.2.4 The Account Holder shall make arrangements for the confirmation of the Warrant Cancel Instruction with the London Agent, in accordance with the LMEsword Operating Procedures.

9.2.5 Each Warehouse shall procure that its London Agent shall, on presentation of the relevant security code and in accordance with the LMEsword Operating Procedures:

(i) verify the details of the Warrant subject to the Warrant Cancel Instruction, including that they correspond to the Warehouse's books and records; and

(ii) if satisfied, issue a Warrant Cancel Acknowledgement and simultaneously print and mark "cancelled" a Metal Entitlement in the form of a warehouse warrant.

9.2.6 On the London Agent issuing a Warrant Cancel Acknowledgement, the Warehouse shall apply, and shall procure that its London Agent applies, the standard procedures for that Warehouse and London Agent in relation to the cancellation of warehouse warrants issued by that Warehouse and the related take-up of metal, resulting in the delivery of that Underlying Metal to the Account Holder or to its order.

9.2.7 Subject to Regulations 9.2.9 and 12.3:

(i) upon receipt of a Warrant Cancel Acknowledgement, the LMEsword System shall thereupon debit the Warrant from the Account Holder's Account and mark it "cancelled"; and

(ii) as soon as reasonably practicable thereafter, if the Warrant Cancel Instruction relates to an Immobilised Warrant, the Depository shall mark that Immobilised Warrant "cancelled".

9.2.8 Neither the Exchange nor the Depository:

(i) shall be required to verify any of the details of any Warrant Cancel Instruction, Warrant, Metal Entitlement or the Underlying Metal;

(ii) shall verify, or be under any obligation to verify, the authenticity or validity of any Warrant Cancel Instruction, Warrant or Metal Entitlement;

(iii) is under any obligation to accept any Warrant Cancel Instruction in circumstances in which it is not satisfied, in its discretion, that the requirements of these LMEsword Regulations are met, and each of the Exchange and the Depository may at any time in its discretion refuse to cancel a Warrant, in which case the relevant Warrant Cancel Instruction shall be rejected by the LMEsword System; or

(iv) shall have any responsibility in relation to any Warrant, Metal Entitlement or the delivery of the Underlying Metal to an Account Holder or its representative.

9.2.9 Each Warehouse agrees that no Underlying Metal that is or has been the subject of a Warrant may be delivered to any person unless that Warrant is marked "cancelled" within the LMEsword System.

9.3 **Remove Warrant**

9.3.1 On the Underlying Metal represented by a cancelled Warrant being delivered out by a Warehouse, the Warehouse shall notify its London Agent which shall issue a Remove Warrant Instruction in accordance with the LMEsword Operating Procedures. The Exchange shall prescribe by Notice or in the LMEsword Operating Procedures from time to time the procedure for dealing with the reporting of deliveries out of only part of the Underlying Metal.

9.3.2 Following receipt of a Remove Warrant Instruction in accordance with the LMEsword Operating Procedures, and provided the Warrant in question is marked "cancelled" within the LMEsword System, the Warrant shall be removed from the LMEsword System (save that a record of its existence shall be retained within it solely for audit purposes).

9.3.3 Each Warehouse shall procure that its London Agent shall issue a Remove Warrant Instruction in other circumstances, as prescribed from time to time by the LMEsword Operating Procedures.

10 **WARRANT AMENDMENT AND REPLACEMENT**

10.1 **General Duties**

10.1.1 The requirements and procedures relating to the amendment and replacement of a Warrant or any Immobilised Warrant shall be governed by the terms of the Warehouse Agreement and the Warrant or Immobilised Warrant (as applicable) itself, as supplemented by this Regulation 10. Endorsement of an Immobilised Warrant or Extracted Warrant (as the case may be) "rent paid" shall be subject to Regulation 7.

10.1.2 It shall be the responsibility of the Warehouse and its London Agent to ensure that each Warrant and Immobilised Warrant, including any replacement Warrant or Immobilised Warrant (as applicable), accurately refers to the specific and ascertained Underlying Metal. The Warehouse and London Agent shall be solely responsible for any loss caused by the inaccuracy of any Warrant or Immobilised Warrant.

10.1.3 If a Warehouse or its London Agent becomes aware of any discrepancy between a Warrant or Immobilised Warrant and the Underlying Metal, including by reason of a change in the

exact location of the Underlying Metal or other act on the part of the Warehouse, it shall comply with the requirements of Regulation 11.

10.2 **Notification of Amendments**

10.2.1 On any LMEsword Participant becoming aware of a need to make an amendment to a detail of a Warrant or Immobilised Warrant which is prescribed in the LMEsword Operating Procedures (an "amendable detail"), it shall notify the relevant London Agent which caused the Warrant or Immobilised Warrant, as applicable, to be created.

10.2.2 On a London Agent becoming aware or being notified of a need to make an amendment to an amendable detail of a Warrant or Immobilised Warrant, it shall issue a Warrant Amend Instruction in accordance with the LMEsword Operating Procedures.

10.2.3 On receipt of a Warrant Amend Instruction in respect of a Warrant or Immobilised Warrant, as applicable, the LMEsword System shall notify the relevant Account Holder of the amendment and amend the Warrant and, if applicable, the Depository shall surrender to itself the related Immobilised Warrant, mark it as cancelled in accordance with Regulation 9.2.7(ii) and create a new replacement Immobilised Warrant in accordance with Regulation 3.2.8(ii) reflecting the revisions set out in the Warrant Amend Instruction. Each such Warrant or Immobilised Warrant (as applicable) shall be marked as “amended”.

10.2.4 On the amendment of an amendable detail of a Warrant or Immobilised Warrant, the Exchange and the London Agent may take such steps as they deem appropriate to publicise the fact of such amendment.

10.3 **Replacement of Warrants**

10.3.1 Where, pursuant to Regulation 8, an Account Holder procures the delivery of an Extracted Warrant outside the LMEsword System in circumstances in which the corresponding Warrant within the LMEsword System is marked “amended”, the Account Holder must present that Extracted Warrant to the London Agent which issued it.

10.3.2 On presentation to a London Agent of an Extracted Warrant in accordance with this Regulation 10, the London Agent shall issue a replacement Extracted Warrant, reflecting the amendment as appropriate.

10.3.3 A London Agent may cause the creation of a replacement Immobilised Warrant in accordance with the terms of the Warehouse Agreement, by utilising the LMEsword Software in accordance with the LMEsword Operating Procedures.

11 **INCORRECT OR INVALID WARRANTS**

11.1 **Notification**

11.1.1 The obligations of LMEsword Participants in relation to a Warrant, Immobilised Warrant or the Underlying Metal, which does not comply with the requirements of the Exchange, shall be as set out in the Rules and the Warehouse Agreement, as supplemented by this Regulation 11.

11.1.2 On a LMEsword Participant becoming aware at any time of:

(i) any irregularity in respect of a Warrant, Immobilised Warrant or the Underlying Metal (not being the need to amend an amendable detail);

(ii) any transfer or purported transfer of any interest in any Warrant, Immobilised Warrant or Underlying Metal other than a transfer given effect to using the LMEsword System; or

(iii) the issuance or circulation of any additional warehouse warrant (other than, in the case of a Warrant marked "out of depository", an Extracted Warrant), Metal Entitlement or other document representing or acknowledging receipt, in respect of Underlying Metal relating to any Warrant not marked "cancelled",

it shall immediately notify the Exchange thereof, in which case the Exchange may make such enquiries and take such steps as it sees fit with respect thereto.

11.1.3 On a LMEsword Participant other than the Clearing House being made aware of the need for a Warrant or Immobilised Warrant to be cancelled and reissued, it shall take all necessary steps to bring this to the attention of the London Agent, which must cause the relevant Warrant or Immobilised Warrant to be cancelled and a new Warrant or Immobilised Warrant issued in accordance with the Warehouse Agreement.

11.2 **Invalid Warrant Instruction**

11.2.1 In the event that the Exchange concludes that there is a material irregularity in a Warrant, Immobilised Warrant or the Underlying Metal, or some other relevant regulatory event has occurred, it may issue an Invalid Warrant Instruction in accordance with the LMEsword Operating Procedures. On receipt, the LMEsword System shall mark the Warrant "not valid".

11.2.2 Transfer of a Warrant (or any related rights) which is marked "not valid", or of the related Immobilised Warrant, shall not constitute good delivery under a Contract.

11.2.3 The Exchange may, where it is satisfied that the irregularity or event has been remedied, reverse an Invalid Warrant Instruction in accordance with the LMEsword Operating Procedures. On receipt, the LMEsword System shall remove the "not valid" mark from the Warrant.

11.2.4 Where a Warehouse ceases to be listed in Appendix III of the Rules, Warrants previously issued by it shall continue to be treated as Warrants for the purposes of these LMEsword Regulations until the Exchange otherwise directs or issues an Invalid Warrant Instruction in accordance with this Regulation 11.2.

11.2.5 Each Account Holder agrees to withdraw or cancel any Warrant credited to its Account where the Exchange so directs.

12 **GENERAL**

12.1 **Charges and Fees**

12.1.1 The Exchange shall fix the subscription, transaction and other Fees payable by LMEsword Participants from time to time and publish them in an Administrative Procedure and will

publish the same on the LME website. Such Fees may vary for different classes of LMEsword Participant. Such Fees shall be debts due to the Exchange and shall be payable in accordance with the LMEsword Operating Procedures.

12.1.2 Each LMEsword Participant agrees to pay all Fees payable under the LMEsword Regulations promptly. Failure to pay such Fees when due shall constitute a breach of the LMEsword Regulations by the LMEsword Participant in question.

12.1.3 If an LMEsword Participant serves a Withdrawal Notice in accordance with Regulation 2.8 but that Notice is not received by the Secretary on or before the 30th day of November of the year in which the LMEsword Participant intends its participation to cease, it will be liable for payment of the relevant annual subscription for the following year.

12.2 **Reports and Enquiries**

LMEsword Participants may obtain reports from and make enquiries of the LMEsword System as described in the LMEsword Operating Procedures. Reports will be available at all times that the LMEsword System is operational and each Account Holder agrees that these will be transmitted electronically and can be printed by the Account Holder. Reports will detail the description and amounts of all Warrants credited to an Account or Accounts of the Account Holder. Each Account Holder agrees to treat such a report as a sufficient statement of its Warrants held by the Depository.

12.3 **Instructions and Notices**

12.3.1 All Instructions must be issued in accordance with the LMEsword Operating Procedures. In the event that for any reason it is impossible for a LMEsword Participant, the Depository or the Exchange to issue or receive an Instruction, or the LMEsword System is unable to receive an Instruction, the Exchange shall specify the steps the affected person(s) should take. Instructions shall be deemed issued when received by the LMEsword System, and shall be processed in the order determined by the LMEsword System. References in Regulations 12.3.3 to 12.3.6 to a notice or other communication shall not include an Instruction.

12.3.2 Any Instruction may be rejected by the LMEsword System at any time, including if:

(i) the same Underlying Metal or Warrant is at the relevant time the subject of a prior and outstanding Instruction;

(ii) any verification or authentication requirement prescribed in the LMEsword Operating Procedures is not satisfied; or

(iii) any other requirement of these LMEsword Regulations is not satisfied, as determined by the Exchange in its discretion.

12.3.3 All notices and other communications to be served under the LMEsword Regulations or LMEsword Operating Procedures shall be served as follows:

(i) if to the Exchange, to:

Post Trade Operations
The London Metal Exchange
10 Finsbury Square

London EC2A 1AJ
E-mail: posttradeoperations@lme.com

(ii) if to another LMEsword Participant or the Depository, to the postal address or email address notified to the Exchange by the LMEsword Participant or, as the case may be, the Depository from time to time.

12.3.4 All notices and other communications under the LMEsword Regulations shall be served in writing and delivered in person, by courier, post or email, with such service in respect of notices delivered by courier or post deemed effective on the date of receipt, and in respect of notices delivered in person or by email, at the date and time such notice is delivered, in each case, unless that date is not a Business Day in which case the notice shall be deemed given and effective on the first following day that is a Business Day. Notices or other communications shall not be capable of having the effect of an Instruction unless the Exchange provides otherwise in the LMEsword Operating Procedures or in a notice issued by the Exchange, for example in the event of an emergency.

12.3.5 All notices and other communications shall be in writing and in the English language.

12.3.6 Notices and other communications delivered in person, by courier or by post, shall only be validly served by a LMEsword Participant if they are signed by a designated signatory notified to the Exchange.

12.3.7 Neither the Exchange nor the Depository shall be liable for any actions taken or omitted to be taken in good faith on the basis of any Instruction served in accordance with the LMEsword Operating Procedures or notice or other communication however served which purports to have been given by or on behalf of a LMEsword Participant, nor shall any of them be taken to have notice of any matter disclosed in an Instruction (other than the existence of the Instruction). Neither the Exchange nor the Depository shall be under any duty to verify the genuineness of any Instruction or of the signature or the authority of the person which purports to sign a notice or other communication on behalf of a LMEsword Participant.

12.3.8 The Depository shall not be obliged to take account of or act on any direction of an Account Holder other than an Instruction or notice or communication permitted by the Exchange.

12.4 **Release**

Any liability to the Exchange under the LMEsword Regulations may in whole or in part be released, compounded or compromised or time or indulgence given by the Exchange in its discretion as regards any LMEsword Participant under such liability without in any way prejudicing or affecting its rights against any other or others of the LMEsword Participants under the same or a like liability, whether joint and several, or otherwise.

12.5 **Waiver**

Without prejudice to Regulation 2.6 of Part 1 of the Rules, no failure of the Exchange to exercise, and no delay by it in exercising, any right, power or remedy in connection with the LMEsword Regulations (each a "Right") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right. The Rights provided in the LMEsword Regulations

are cumulative and not exclusive of any other Rights (whether provided by law or otherwise). Any express waiver of any breach of the LMEsword Regulations shall not be deemed to be a waiver of any subsequent breach.

12.6 **Invalidity**

If any provision in the LMEsword Regulations shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of the LMEsword Regulations but the legality, validity and enforceability of the remainder of the LMEsword Regulations shall not be affected.

12.7 **Governing Law and Submission to the Jurisdiction**

12.7.1 The LMEsword Regulations shall be governed by and construed in accordance with English law.

12.7.2 Any dispute arising out of or in connection with the LMEsword Regulations shall be referred to arbitration in accordance with the Rules, except to the extent the Warehouse Agreement (in the case of Warehouses) or the relevant Service Level Agreement (in the case of the Depository) expressly provides that any such dispute shall not be subject to such arbitration.

12.8 **Exclusion of Liability**

12.8.1 The Exchange shall not have any liability for any damage, loss, expense or liability of any nature which a LMEsword Participant may suffer or incur due to or connected with it being or acting as a LMEsword Participant, including liability for negligence or liability arising out of the development and operation of the LMEsword System, except to the extent of direct losses or expenses, in each case attributable to its fraud or wilful default. The exclusions of liability set out in this Regulation 12.8.1 do not apply to death or personal injury arising from any failure by the Exchange to take reasonable care or to exercise reasonable skill.

12.8.2 The Depository shall have no liability for any damage, loss, expense or liability of any nature which a LMEsword Participant may suffer or incur due to or connected with it being or acting as a LMEsword Participant, except to the extent of direct losses or expenses, in each case attributable to the Depository's fraud or wilful default in the performance of its obligations expressly set out in these Regulations and provided that the Depository shall not be liable to the extent that any such damage, loss, expense or liability is caused by a person other than the Depository. The exclusions of liability set out in this Regulation 12.8.2 and Regulation 12.8.3 do not apply to death or personal injury arising from any failure by the Depository to take reasonable care or to exercise reasonable skill, or to any direct loss attributable to a failure of the Depository to perform the obligations expressly provided for in Regulation 4.2.2.

12.8.3 In circumstances in which the Exchange or Depository, respectively, is liable in accordance with Regulation 12.8.1 or 12.8.2 or otherwise (other than in respect of fraud or wilful default, or liability for death or personal injury arising from any failure by the Depository to take reasonable care or to exercise reasonable skill), the maximum liability and obligation of the Exchange or Depository shall be limited to the lower of (i) an amount not exceeding the aggregate holding Fees paid by the LMEsword Participant to whose

Account the relevant Warrant was last credited, in the most recent annual period; and (ii) USD 5,000.

12.8.4 In no event shall the Exchange or Depository be liable for special, indirect or consequential damages or loss of any kind whatsoever (including loss of bargain or profits) regardless of whether it has notice of the likelihood of such damages or loss and regardless of the form of action.

12.8.5 Each Account Holder agrees to indemnify the Depository and to keep it indemnified against any costs, claims, losses, liabilities, damages, fines, penalties, Taxes, Customs Charges and other amounts (including any associated costs, charges, penalties or interest, whether in connection with any failure to pay or any delay in paying, or otherwise) which may be imposed on, incurred by or asserted against the Depository in respect of any liability arising from the performance of its obligations under these LMEsword Regulations (including, any liability to pay any Tax, Customs Charge or any other duty, levy or charge, or in respect of insurance in relation to any Warrants, Immobilised Warrants or entitlement to Underlying Metal) which is determined by the Depository to be attributable to that Account Holder and which is not due to the Depository's fraud or wilful default.

12.8.6 The Depository may set off or apply any amount due from an Account Holder in satisfaction of any amount owed by the Depository to that Account Holder. If the obligations are in different currencies, the Depository may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

12.8.7 Each Account Holder (the "First Account Holder") agrees to indemnify each other Account Holder, the Exchange and the Depository and to keep it indemnified against any costs, claims, losses, liabilities, damages, fines, penalties, Taxes and other amounts which may be imposed on, incurred by or asserted against that other Account Holder, the Exchange or the Depository (as applicable) as a result of:

(i) the representation and warranty given by the First Account Holder in Regulation 3.2.3 being false or materially incorrect, or a breach of the undertaking given in that Regulation; or

(ii) any transfer or purported transfer by the First Account Holder of any Warrant, Immobilised Warrant or any Underlying Metal (or any right, title or interest to any such Warrant, Immobilised Warrant or Underlying Metal) outside the LMEsword System during such time as the related Warrant is recorded to an Account of the First Account Holder and not marked "out of depository" or "cancelled",

other than due to the fraud or wilful default of that other Account Holder, the Exchange or the Depository, respectively.

12.8.8 Each Warehouse agrees to indemnify each Account Holder, the Exchange and the Depository and to keep it indemnified against any costs, claims, losses, liabilities, damages, fines, penalties, Taxes and other amounts which may be imposed on, incurred by or asserted against that Account Holder, the Exchange or the Depository (as applicable) as a result of a breach by that Warehouse of Regulation 9.2.9, other than due to the fraud or wilful default of that Account Holder, the Exchange or the Depository, respectively.

12.8.9 Nothing in these LMEsword Regulations shall require the Depository to expend or risk its own funds or otherwise incur or risk incurring any liability in the performance of its duties or the exercise of any power, rights, authority or discretion in connection with its role as Depository under these LMEsword Regulations, if it has grounds for believing that the taking of any such action or the expenditure or risk of its liability or own funds may expose it to a risk of cost or loss, including the non-repayment of the funds, the recovery of which is not assured to it unless and until it has first been provided with an indemnity and/or security and/or pre-funding as it determines to be satisfactory to it against such risk or liability.

12.8.10 The Depository is not responsible for the production or the accuracy of reports generated by the LMEsword System and is not responsible for the operation or efficacy of the LMEsword System.

12.8.11 Any complaint arising in relation to the obligations owed by the Exchange in connection with the LMEsword System (including where the Exchange acts as Depository, in relation to its obligations as such) shall be dealt with in accordance with the LME's complaints procedure as amended from time to time.

12.8.12 This Regulation 12.8 is without prejudice to any other right which may be exercised, or exclusion or limitation of liability which may be relied upon, by the Depository or Exchange (as the case may be).

12.9 **Errors**

12.9.1 In the event that a Warrant is mistakenly credited to or debited from an Account Holder's Account, the affected Account Holder shall immediately on their becoming aware of that event notify the Exchange which shall notify the affected parties and, if there is no disagreement as to the facts, make the necessary change to the LMEsword System's records, if any.

12.9.2 In the event that any LMEsword Participant becomes aware that any detail of a Warrant or Immobilised Warrant is or appears to be incorrect, it shall notify the Exchange which shall notify the London Agent which initiated the creation of the Warrant, the Account Holder to whose Account the Warrant is credited and the Depository. If there is no disagreement as to the facts, the Exchange shall make the necessary change to the LMEsword System's records and, in the case of an Immobilised Warrant, the Depository shall make the necessary change to the Immobilised Warrant.

12.9.3 In the event that there is disagreement as to the facts, the matter shall be referred to arbitration in accordance with the Rules.

12.10 **Amendment of LMEsword Regulations**

The Exchange may amend the LMEsword Regulations or the LMEsword Operating Procedures in the same way as it may amend any other of its Rules. All LMEsword Participants shall be notified of any such amendment prior to its taking effect, except where an immediate amendment is in the opinion of the Exchange essential for the proper functioning of LMEsword.

12.11 **Force Majeure**

Nothing in these LMEsword Regulations shall require any person to do anything contrary to English law or regulation and no person shall be liable for a breach of these LMEsword Regulations where compliance is impossible due to a failure of the LMEsword System and they have not caused the LMEsword System failure in question.

12.12 **Representation by Account Holder**

On each occasion the Depository is required to release an Immobilised Warrant to an Account Holder in accordance with Regulation 4.2.2(ii), or on the relevant Warrant being marked “out of depository” or “cancelled” in the Account of an Account Holder in accordance with Regulation 8 or 9, the Account Holder is deemed to represent to the Exchange and the Depository that the Account Holder is in full compliance with the laws and regulations of each jurisdiction which are or may be applicable to one or more of the withdrawal of the Immobilised Warrant, or the delivery of an Extracted Warrant or the Underlying Metal, as applicable.

12.13 **Insolvency or Delisting of a Warehouse**

In the event of the insolvency or delisting of a warehouse, the Exchange may undertake such acts, or require such acts to be performed, as it considers in its discretion are necessary in order to ensure the orderly functioning of the market. This may include, suspending relevant Warrants in LMEsword, or requiring Warrant-holders to cancel relevant Warrants in LMEsword and create new Warrants at a later date (either at the same location or a different location and either at the same warehouse company or at a different warehouse company). The provision shall be without prejudice to any rights or obligations the Exchange may have under its agreement with warehouse companies or any relevant warehousing policy from time to time.

13 **INTERPRETATION**

13.1 **Definitions**

In these LMEsword Regulations, terms defined in the Rules and not defined below shall have the same meanings and the following words and expressions shall, unless the context otherwise requires, bear the following meanings:

"Account" means an account of an Account Holder with the Depository, recorded by the LMEsword System and established in accordance with the LMEsword Regulations and LMEsword Operating Procedures, to which Warrants may be credited and debited;

"Account Holder" means the Clearing House and any person admitted as an Account Holder by the Exchange, and which has not withdrawn or ceased to be an Account Holder, under Regulation 2;

"Amendment Date" means the date on which these Regulations took effect in their current form;

"Business Day" has the meaning given in the Rules;

"Clearing House" means the clearing house designated by the Exchange from time to time;

"Clearing Member" has the meaning given in the Rules;

"Clearing Participant" means a Clearing Member which is an Account Holder;

"Customer" means a person with whom an Account Holder has entered into a written agreement under which the Account Holder has authority to act for the Customer as bailee of Underlying Metal and, if applicable, Immobilised Warrants, where the related Warrants or the Immobilised Warrants are held by the Account Holder within the LMEsword System, subject to the terms of the LMEsword Regulations and with authority to effect transfers of such Warrants for and on behalf of the Customer;

"Customer Account" means an Account to which Warrants recorded in favour of an Account Holder as bailee for its Customer may be credited and debited, which may comprise a single Account for Warrants held for some or all of the Account Holders' Customers and/or specific Accounts for one or more specific Customers;

"Customer Collection Account" has the meaning given in Regulation 5.3;

"Customs Charges" means any levy, impost, fee, assessment or charge of a similar nature arising in respect of customs or excise duty (including any charges imposed on the import or export of Underlying Metal, or any cost, charge, penalty or interest payable in connection with any failure to pay or any delay in paying, or otherwise);

"Depository" means the person or persons appointed from time to time by the Exchange to act as the Depository for LMEsword and which has or have agreed to be bound by the LMEsword Regulations;

"the Exchange" means the London Metal Exchange;

"Extracted Warrant" means a Metal Entitlement in the form of a warehouse warrant, issued pursuant to Regulation 8.2;

"Giver" has the meaning given in Regulation 6.2.1;

"Giving Clearing Participant" has the meaning given in Regulation 6.4.2;

"House Account" means an Account which is not a Customer Account;

"House Collection Account" has the meaning given in Regulation 5.3;

"Immobilisation Jurisdiction" means each jurisdiction notified as such from time to time by the Exchange to each LMEsword Participant;

"Immobilised Warrant" means a physical warehouse warrant issued in accordance with Regulation 3 and in a form prescribed by the LMEsword Operating Procedures and the Warehouse Agreement from time to time;

"Instruction" shall be construed in accordance with Regulation 13.2;

"Instruction Deadline" means a time and date prior to the Cut-Over Time notified as such by the Exchange to each LMEsword Participant;

"Legacy LMEsword Regulations" means the LMEsword Regulations as in force immediately prior to the Amendment Date and available on the LME website at https://www.lme.com/About/Market-Regulation/Rules/Rulebook;

"LMEsword Operating Procedures" means the manual issued by the Exchange pursuant to the LMEsword Regulations setting out detailed procedures and information relating to the operation of LMEsword, as amended from time to time in accordance with its terms;

"LMEsword Participant" means an Account Holder or a Warehouse;

"LMEsword Regulations" means the Regulations governing the operation of LMEsword issued by the Exchange as amended from time to time in accordance with its terms and forming Part 10 of the Rules;

"LMEsword Software" means the software licensed to each Account Holder and London Agent for the purpose of facilitating the issue of Warrants and the provision of details thereof to the LMEsword System;

"LMEsword System" means the system for, inter alia, the electronic transfer of Warrants, governed and constituted by the LMEsword Regulations;

"London Agent" means a London agent appointed by a Warehouse in accordance with the terms of the Warehouse Agreement or a London office of a Warehouse nominated to act as the Warehouse's London Agent for the purposes of LMEsword;

"Member" means a member of the Exchange;

"Metal Entitlement" means evidence of an entitlement to Underlying Metal (including a warehouse warrant, warehouse receipt or other document representing or acknowledging receipt of Underlying Metal) issued by or on behalf of a Warehouse and which meets the requirements of Regulation 3.2.4;

"person" includes an individual, partnership, unincorporated association and body corporate;

"Premium Warrant" has the meaning given in the Rules;

"Remote Participant Agreement" means an agreement between Account Holders substantially in the form prescribed by the Exchange from time to time under which one Account Holder agrees to act for the other in the giving of Instructions to the LMEsword System in accordance with the LMEsword Regulations and LMEsword Operating Procedures;

"Rent Payment Day" means the day on which rent in respect of the storage of Underlying Metal under Warrant becomes due;

"Rules" means the rules and regulations issued by the Exchange (and incorporating the LMEsword Regulations) governing the London Metal Exchange administered by the Exchange as the same may be amended in accordance with the Articles of Association of the Exchange and a reference to a Rule shall be construed accordingly;

"Secretary" means any person appointed to perform the duties of Secretary of the Exchange;

"Service Level Agreement" means the agreement entered into by the Depository with the Exchange under which it agrees to act as such and comply with the obligations set out therein;

"Software Licence Agreement" means the software licence agreement between the Exchange and an Account Holder or London Agent, as applicable, relating to the LMEsword Software;

“South Korean Warrant” means a Warrant governed by the law of South Korea;

"Taker" has the meaning given in Regulation 6.2.1;

"Taking Clearing Participant" has the meaning given in Regulation 6.4.5;

"Tax" means any tax, value added tax, levy, impost, duty, assessment or other charge or withholding of a similar nature (including any cost, charge, penalty or interest payable in connection with any failure to pay or any delay in paying, or otherwise);

"Title Transfer Jurisdiction" means each jurisdiction notified as such from time to time by the Exchange to each LMEsword Participant;

"Transferee" means, with regard to the transfer of a Warrant within LMEsword, the Account Holder to whose Account that Warrant is, or is to be, credited;

"Transferor" means, with regard to the transfer of a Warrant within LMEsword, the Account Holder from whose Account that Warrant is, or is to be, debited;

"Underlying Metal" means, in relation to a Warrant, Immobilised Warrant, Metal Entitlement or an Extracted Warrant, the metal described therein as (i) relating to that Warrant, Immobilised Warrant, Metal Entitlement or Extracted Warrant (as applicable) and (ii) in the case of a Warrant or Immobilised Warrant only, held by the related Warehouse under these LMEsword Regulations;

"Undertaking" has the same meaning as set out in Section 1161 Companies Act 2006;

"U.S. Warrant" means a Warrant governed by U.S. law;

"Warehouse" means a warehouse company which is party to the Warehouse Agreement and listed in Appendix III of the Rules;

"Warehouse Agreement" means the agreement between the Exchange and a Warehouse setting out the Warehouse's obligations as a Warehouse and under which the Warehouse agrees to abide by the LMEsword Regulations and references to the Warehouse Agreement include the Warehouse Agreement as supplemented and amended by the LMEsword Regulations and supplemented by the LMEsword Operating Procedures;

"Warrant" means, as the case may be:

(i) if that Warrant relates to Underlying Metal located in an Immobilisation Jurisdiction, an electronic record within LMEsword of an Immobilised Warrant; or

(ii) otherwise, an electronic warehouse warrant issued by a Warehouse in accordance with the Warehouse Agreement and these LMEsword Rules;

"Withdrawal Notice" means a notice in writing to the effect that an Account Holder wishes to cease to be an LMEsword Participant.

13.2 **Interpretation**

Unless a contrary intention appears, words and expressions in these LMEsword Regulations are to be construed in accordance with this Regulation 13.2.

13.2.1 Where the LMEsword Regulations refer to a document or thing being "prescribed", that shall mean prescribed by the Exchange from time to time in the LMEsword Operating Procedures or in a Notice issued by it, and the Exchange may prescribe different dates for different purposes, category of LMEsword Participant and Underlying Metal.

13.2.2 Words importing the singular shall, where the context permits, include the plural and vice versa. Words importing gender shall include each gender.

13.2.3 Where the LMEsword Regulations refer to an act being undertaken by the Exchange, that act may be performed by the Exchange acting through any duly authorised committee or any duly authorised individual.

13.2.4 References to an "Instruction" shall mean any instruction referred to in the LMEsword Regulations or otherwise provided for in the LMEsword Software, such as a "Cleared Transfer Instruction", "Ex-cleared Release Instruction", "Ex-cleared Transfer Accept Instruction", "Ex-cleared Transfer Instruction", “Ex-cleared Transfer Reject Instruction”, "Inter-Account Transfer Instruction", "Invalid Warrant Instruction", "Release Instruction" "Remove Warrant Instruction", "Warrant Amend Instruction". "Warrant Cancel Instruction", "Warrant Endorse Instruction", "Warrant Lodgement Instruction" or "Warrant Withdrawal Instruction", each of which shall consist of an electronic communication of the relevant type served by a LMEsword Participant in accordance with the LMEsword Operating Procedures and the LMEsword Software, or as otherwise prescribed by the Exchange from time to time. Any purported service of an Instruction otherwise than in accordance with the LMEsword Operating Procedures and the LMEsword Software shall be of no effect unless the Exchange otherwise directs. The LMEsword Operating Procedures shall provide for the circumstances in which Instructions shall be deemed cancelled and all other details relevant to their issue.

13.2.5 References to an "interest" in an asset shall include a legal, equitable or possessory interest in that asset.

13.2.6 References to the Exchange or the Depository exercising a discretion or making a determination are to the exercise of that discretion or the making of a determination in the sole and absolute discretion of the Exchange or Depository (as applicable).

13.2.7 References to a Warrant being 'issued' shall mean the creation of the Warrant within the Account of the relevant Account Holder.

13.2.8 References to a Warrant being 'withdrawn' shall mean the marking of a Warrant as 'out of depository' within the LMEsword System, in accordance with Regulation 8.

13.2.9 References to a Warrant or Immobilised Warrant being 'marked' shall include any writing, typing, printing or other mode of representing or reproducing words in a visible form, including electronically.

13.2.10 Where reference is made to a London Agent which issued a Warrant, or caused that Warrant to be created, that shall be deemed also to refer to a London Agent which has succeeded to the responsibilities of the London Agent which issued the Warrant, or caused that Warrant to be created.

13.2.11 Where reference is made to "the" or "these" "LMEsword Regulations", that shall be deemed to include the LMEsword Operating Procedures where the context permit.

13.2.12 References to a "Category" of Member shall be construed in accordance with the definitions of the categories of Membership set out in the Rules.

13.2.13 In these LMEsword Regulations only, reference to a "Warrant" or "Warrants" shall include reference to a "Premium Warrant" or "Premium Warrants", as the context may allow.

13.2.14 The words "include", "including", "for example", "such as", "in addition" or any form of those words or similar expressions shall be construed as if they are followed by the words "without limitation".

13.2.15 References to the Rules, including any Regulation, shall be a reference to those Rules or that Regulation of the Rules as interpreted in accordance with Part 1 of the Rules.

Schedule 1: Title Transfer Jurisdictions

1 U.S. Warrants

1.1 The following shall apply in the case of U.S. Warrants, superseding any provisions of the LMEsword Regulations or the LMEsword Operating Procedures that are inconsistent with the following, but otherwise without prejudice to any right or obligation arising under the LMEsword Regulation.

1.2 The Depository shall act as a custodian of each U.S. Warrant.

1.3 Each U.S. Warrant shall at all times be marked "Authoritative Copy" or with a unique identification number, which shall indicate that the relevant Warrant is the authoritative copy.

1.4 Each Warehouse shall at all times ensure that each U.S. Warrant it causes to be created is a negotiable document of title.

1.5 None of the following details shall be amended in respect of any U.S. Warrant other than with the consent of the relevant Account Holder (and any Instruction of the Account Holder to amend any such detail shall be deemed to constitute its consent for these purposes):

1.5.1 the Account Holder;

1.5.2 the identifying characteristics of the Underlying Metal;

1.5.3 the issuing Warehouse; and

1.5.4 any elements necessary for U.S. Warrants to be treated in commercial practice as records evidencing ownership.

1.6 In relation to the transfer of any U.S. Warrant to an Account Holder, by and upon the debiting of a Warrant by the LMEsword System from the Account of a Transferor and its crediting to the Account of a Transferee, the Depository, as agent of the Transferor, will add to the authoritative copy of the U.S. Warrant a notation that the Warrant has been transferred to the Transferee, which notation will be taken to have notified the Transferee of the transfer.

1.7 If an Account Holder issues an instruction to the Depository to transfer any Warrant credited to its Account to a person other than another Account Holder, that instruction will be deemed to constitute a Warrant Withdrawal Instruction, and such transfer shall take effect pursuant to the provisions of Regulation 8, modified as follows:

1.7.1 The London Agent may not reject the notification, and Regulation 8.2.9(iii) does not apply.

1.7.2 The Extracted Warrant, and the security code for it, will be issued to the Account Holder as agent for the transferee named in the Warrant Withdrawal Instruction (referring to that transferee by name), and the Account Holder will thereafter act as the agent for that transferee.

1.7.3 The Extracted Warrant will state that it is issued in substitution for an electronic Warrant.

1.8 With respect to U.S. Warrants covering Underlying Metal located in a U.S. free-trade zone, the LMEsword Regulations shall be governed by and construed in accordance with the law of the U.S. State of New York, without reference to its principles of conflicts of laws.

Schedule 2: South Korean Warrants

1. South Korean Warrants

1.1 The following shall apply in the case of South Korean Warrants, superseding any provisions of the LMEsword Regulations or the LMEsword Operating Procedures that are inconsistent with the following, but otherwise without prejudice to any right or obligation arising under the LMEsword Regulations.

1.2 Each South Korean Warrant shall be issued as a Warehouse Certificate (*Chango Jeung Kwon*) under Article 156 of the Korean Commercial Act.

1.3 The transfer, pledging or exercise of any other rights and entitlements over the Underlying Metal represented by the South Korean Warrant shall be made and perfected by way of the delivery or presentation of the South Korean Warrant, as the case may be.

PART 11

MONTHLY AVERAGE FUTURE REGULATIONS

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30 April 2026

PART 11: MONTHLY AVERAGE FUTURE REGULATIONS

1. RELATIONSHIP WITH TRADING REGULATIONS

1.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these Monthly Average Future Regulations or unless the context otherwise requires, apply to Monthly Average Futures.

1.2 The Clearing House Rules shall apply to Cleared Monthly Average Futures.

2. PERMITTED MONTHLY AVERAGE FUTURES

2.1 Monthly Average Futures shall be available in respect of such metals and in such lot sizes as set out in Table 1.1 below:

Table 1.1

Metal	Lot size (tonnes)	Months
Primary Aluminium	25	63
NASAAC Aluminium Alloy	20	27
Aluminium Alloy	20	27
Special High Grade Zinc	25	27
Tin	5	15
Nickel	6	27
Copper Grade A	25	63
Lead	25	15

2.2 The Monthly Average Settlement Price for a Monthly Average Future month must be calculated by reference to a calendar month.

2.3 For each metal, Monthly Average Futures shall be available in respect of each tradable month from and including the month in which the Contract is made out to the number of months for that metal as set out in Table 1.1 above.

2.4 A new tradable month will become available for trading, in respect of any Monthly Average Future authorised by the Exchange, at the opening of business on the first Business Day of the month in which trading of a Monthly Average Future for the relevant underlying metal is authorised to begin.

2.5 Trading may be conducted, in respect of any Monthly Average Future authorised by the Exchange, until the close of business on the Last Trading Day for such Monthly Average Future. Trading times for all Monthly Average Futures shall not be later than 12.30 hours London time on the Last Business Day.

2.6 Monthly Average Futures shall be traded in US Dollars only.

2.7 Monthly Average Futures may be traded on the telephone and LME Select but not on the Ring.

2.8 The minimum price movement for a Monthly Average Future shall be $0.01 US dollars per metric tonne.

2.9 All Monthly Average Futures shall be input into the Matching System and registered as such with the Clearing House, subject to and in accordance with the Trading Regulations and the Clearing House Rules.

3. CASH SETTLEMENT FEE

3.1 The Exchange may charge a Fee in relation to each Monthly Average Future. The amount of such Fee shall be determined and published by the Exchange from time to time.

4. PRICE INFORMATION

4.1 Regulation 4 of the Trading Regulations shall apply to Monthly Average Futures.

4.2 The Exchange shall publish the Notional Average Price and Monthly Average Settlement Price for the relevant metal for each tradable month.

PART 12

PREMIUM CONTRACT REGULATIONS

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PART 12: PREMIUM CONTRACT REGULATIONS

1. RELATIONSHIP WITH TRADING REGULATIONS

1.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these Premium Contract Regulations or unless the context otherwise requires, apply to Premium Contracts.

1.2 The Clearing House Rules shall apply to Cleared Premium Contracts.

2. ALUMINIUM PREMIUM CONTRACT SPECIFICATION

2.1 Premium Warrant Jurisdictions

The following table sets out the Premium Warrant Jurisdiction for each type of Aluminium Premium Contract:

Premium Contract	Premium Warrant Jurisdiction
LME Aluminium US Premium	The following regions of the United States of America, as defined by the US Census Bureau: • Mid-West • South
LME Aluminium West-Europe Premium	Western Europe, as defined by the UN Geoscheme M49 classification
LME Aluminium East-Asia Premium	Eastern Asia, as defined by the UN Geoscheme M49 classification
LME Aluminium South-East Asia Premium	South-Eastern Asia, as defined by the UN Geoscheme M49 classification

2.2 Metal and Premium Warrant

The underlying metal for each Aluminium Premium Contract shall be high grade primary aluminium satisfying the requirements of Part 6 of the Special Contract Rules for Metals that is:

(a) held by a Qualifying Premium Warrant Warehouse in the Premium Warrant Jurisdiction applicable to the type of Aluminium Premium Contract; and

(b) represented by a Premium Warrant issued by the Qualifying Premium Warrant Warehouse.

2.3 Lot Size

The Lot size for each Aluminium Premium Contract is 25 tonnes.

2.4 **Prompt Date**

The Prompt Date for each Aluminium Premium Contract shall be the third Wednesday of each maturity month, subject to the Trading Regulations.

2.5 **Maturity Months**

Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 2.9 below) for the calendar month on which the Contract is made, in which case, fourteen months.

2.6 **Trading Platform**

Aluminium Premium Contracts may be traded:

(a) in the Ring;

(b) in the inter-office market; or

(c) through LME Select

2.7 **Trading Hours**

Aluminium Premium Contracts may be traded on the following platforms at the following times:

Platform	Trading Hours
Ring	5 minutes during R2 (as specified further on the LME website) Any time during K1 5 minutes during K2 (as specified further on the LME website)
LME Select	Between 01:00 and 19:00 London time on a Business Day
Inter-office market	24 hours a day during a Business Day

2.8 **Last Trading Time**

The last trading time for Aluminium Premium Contracts shall be 12:30 London time on the Last Trading Day.

2.9 **Settlement Basis**

Aluminium Premium Contracts shall be physically settled in accordance with Regulation 3 below.

2.10 **Currency**

US Dollars.

2.11 **Price Information**

(a) Regulation 4 of the Trading Regulations shall apply to Premium Contracts.

(b) Official Prices for Premium Contracts shall be determined in accordance with Trading Regulation 5.

(c) Closing Prices for Premium Contracts shall be determined in accordance with Trading Regulation 6.

2.12 **Minimum Price Movement**

The minimum price movement for any Aluminium Premium Contract shall be as follows:

	Minimum price movement per tonne	
Venue	Outright	Carries
Ring	$0.50	$0.01
LME Select	$0.50	$0.01
Inter-office market	$0.01	$0.01

3. **SETTLEMENT OF ALUMINIUM PREMIUM CONTRACTS**

3.1 Aluminium Premium Contracts shall be settled on the basis set out in this Regulation 3.

3.2 Settlement of Aluminium Premium Contracts that are:

(a) Cleared Premium Contracts shall be made by offset or by delivery and settlement of differences on the Prompt Date in accordance with Regulations 3.4 and 3.5 and 3.7 to 3.9 below;

(b) Client Premium Contracts shall be made by offset or by delivery in accordance with Regulations 3.4 and 3.5 and 3.10 to 3.11 below.

3.3 The net Lots covered by the Aluminium Premium Contracts remaining following offset under Regulation 3.8 or 3.10 (as applicable) shall be settled on their Prompt Date by payment, subject in the case of Cleared Premium Contracts to the Clearing House Rules.

3.4 **Seller's Delivery Obligation**

The seller's obligation under Aluminium Premium Contracts shall be to deliver Premium Warrants corresponding to the net Lots covered by such Contracts to the buyer.

3.5 **Buyer's Delivery and Payment Obligations**

The buyer's obligation under Aluminium Premium Contracts shall be to deliver to the seller:

(a) Standard Warrants, for high grade primary aluminium satisfying the requirements of Part 6C of the Special Contract Rules for Metals, corresponding to the net Lots covered by such Contracts;

plus

(b) the Settlement Price for the Aluminium Premium Contract, subject to any adjustments made pursuant to these Regulations in order to take account of:

(i) any rent and weight adjustments; and

(ii) the "Free on Truck" charges levied by the Qualifying Premium Warrant Warehouse that issued the Premium Warrant delivered under (a) above.

The buyer and seller's respective obligations shall be subject to the application of offsetting and settlement of differences pursuant to Regulations 3.7 and 3.8 below.

3.6 **Cleared Premium Contracts – General**

(a) Settlement of all Cleared Premium Contracts whether by offset or by delivery and the settlement of differences shall be made on the relevant Prompt Date by reference to the Settlement Price determined for that Prompt Date for that Premium Contract.

(b) In the event that:

(i) a buyer under a Cleared Premium Contract with an obligation to deliver Standard Warrants on the Prompt Date is also a buyer under a Cleared Metal Contract with an entitlement to receive Standard Warrants falling within Regulation 3.5(a) above on that Prompt Date; or

(ii) a seller under a Cleared Premium Contract with an entitlement to receive Standard Warrants on the Prompt Date is also a seller under a Cleared Metal Contract with an obligation to deliver Standard Warrants falling within Regulation 3.5(a) above on that Prompt Date,

then the respective obligations and entitlements of the buyer or seller (as applicable) under the Cleared Premium Contract in respect of the delivery of Standard Warrants shall be netted against the respective entitlements and obligations of that party under the Cleared Metal Contract in respect of the delivery of such Standard Warrants, in order to produce a net entitlement to receive or deliver Standard Warrants under both Contracts.

3.7 **Cleared Premium Contracts - Settlement of Differences:**

Differences shall be established on the relevant Prompt Date, in respect of all Cleared Premium Contracts, between the Premium Contract Price and the Settlement Price determined for that Prompt Date. The Clearing House shall account to Clearing Members for differences thus established by placing the same to their credit or debit as the case may require in accordance with the Clearing House Rules.

3.8 **Cleared Premium Contracts – Settlement by Offset:**

Bought and sold Cleared Premium Contracts of a Clearing Member for the same Premium Warrant Jurisdiction and Prompt Date and in the same currency shall, to the extent that they match each other, be settled on their Prompt Date by offsetting.

3.9 **Cleared Premium Contracts - Settlement by Delivery**

(a) The net Lots covered by Cleared Premium Contracts following offset under Regulation 3.8 which match as to Premium Warrant Jurisdiction and tonnage but not necessarily as to currency, shall be offset for the purposes of establishing the net

number of Premium Warrants to be settled by delivery subject to the Clearing House Rules.

(b) Delivery of Premium Warrants under Regulation 3.5(a) above or Standard Warrants under Regulation 3.5(b) above shall be effected pursuant to LMEsword in accordance with the LMEsword Regulations and Operating Procedures and the Clearing House Rules.

(c) The Clearing House shall raise invoices or credit notes for the contract weight of the net Lots covered by such Cleared Premium Contracts at the Settlement Price and in the currency of the relevant Cleared Premium Contract and shall deliver the same to the relevant Clearing Members. Such invoices and credit notes will include the value of the Standard Warrant (if applicable) and shall be for the contract weight without allowance for storage rent accrued and differences between contract weight and Warrant weight.

(d) On the Business Day following the Prompt Date the Clearing House shall call on:

(i) the seller or buyer as requisite in order that allowances for accrued storage rent, and any difference between Premium Warrant weight and contract weight be accounted for in respect of Premium Warrants transferred to the buyer in accordance with the Clearing House Rules; and

(ii) the seller or buyer as requisite in order that allowances for accrued storage rent, and any difference between Standard Warrant weight and contract weight be accounted for in respect of Standard Warrants transferred to the seller in accordance with the Clearing House Rules; and

(iii) the buyer in order that the "Free on Truck" charges applicable to the Premium Warrants received by the buyer are debited from the buyer.

(e) Payments and receipts in respect of the invoices and credit notes raised by the Clearing House under Regulation 3.9(c) shall be effected through the payment system or, in the case of payments to sellers, in such other form as shall be specified by the Clearing House.

(f) If a Clearing Member fails duly to deliver a Premium Warrant or Standard Warrant due to be delivered to the Clearing House, the Clearing House may, without prejudice to its rights under the Clearing House Rules:

(i) without prejudice to the accrued rights for damages of the Clearing House and any other affected Clearing Member(s), direct the Premium Warrant or Standard Warrant be delivered to and by the Clearing Member on the Business Day next following the Prompt Date, that the Contract terms be adjusted accordingly and the parties' payment obligations and entitlements thereunder be adjusted to give such rate of compensation to the party entitled to receive the Premium Warrant or Standard Warrant as the Exchange may from time to time direct; or

(ii) where:

(A) the Exchange has taken steps or issued directions under Trading Regulation 17.1 or 17.2; or

(B) the Exchange or the Clearing House otherwise direct,

Invoice Back the metal due to be delivered in accordance with Trading Regulation 10.4.

This Regulation 3.9(f) shall apply subject to any directions of the Exchange made under Trading Regulation 17.1 or 17.2. The Exchange may prescribe such penalties for non-delivery of Standard Warrants or Premium Warrants as it may from time to time deem fit in the Operating Procedures or by Administrative Procedure.

3.10 **Client Premium Contracts - by Offset:**

(a) Offsetting bought and sold Client Premium Contracts with the same Premium Warrant Jurisdiction, Prompt Date and currency shall be settled on contract (round) weights, buyer and seller paying or receiving as the case may be any difference between the Premium Contract Prices of the Contracts so offset.

(b) In the event that:

(i) a buyer under a Client Premium Contract with an obligation to deliver Standard Warrants on the Prompt Date is also a buyer under a Client Metal Contract with an entitlement to receive Standard Warrants falling within Regulation 3.5(a) above on that Prompt Date; or

(ii) a seller under a Client Premium Contract with an entitlement to receive Standard Warrants on the Prompt Date is also a seller under a Client Metal Contract with an obligation to deliver Standard Warrants falling within Regulation 3.5(a) above on that Prompt Date; and

(iii) the Client counterparty to the Client Premium Contract and the Client counterparty to the Client Metal Contract are allocated to the same Client Account in the Clearing House;

then the respective obligations and entitlements of the buyer or seller (as applicable) under the Client Premium Contract in respect of the delivery of Standard Warrants shall be netted against the respective entitlements and obligations of that party under the Client Metal Contract in respect of the delivery of such Standard Warrants, in order to produce a net entitlement to receive or deliver Standard Warrants under both Contracts.

3.11 **Client Premium Contracts – Settlement by Delivery**

(a) Delivery due under a Client Premium Contract shall be effected on the Prompt Date by delivery of Premium Warrants in exchange for Standard Warrants plus a cash payment in accordance with Regulation 3.5 above. Premium Warrants and Standard Warrants shall be delivered by way of a transfer pursuant to LMEsword in accordance with the LMEsword Regulations and Operating Procedures governing ex-cleared transfers.

(b) In relation to Client Premium Contracts, Premium Warrants shall be invoiced and paid for at the Contract weight and at the Settlement Price pertaining to the Prompt Date, buyer and seller paying and receiving (as the case may be) any difference

between Settlement Price and the Premium Contract Price. Such invoice will include the value of the Standard Warrant (if applicable).

(c) In relation to Client Premium Contracts, weight differences (between Contract weight and actual Warrant weight) shall be settled at the Settlement Price. Warehouse rental accruals (where relevant) shall be allowed on the invoice.

(d) Delivery of Premium Warrants and Standard Warrants and settlement in respect of unmatched Client Premium Contracts shall be effected in accordance with the terms of the Client Premium Contract between the parties and these Regulations. Such terms must require:

(i) Premium Warrants to be delivered by the seller under the Premium Contract:

(A) no later than 09:00 hours on the Prompt Date, when a Trading-Only Member or non- Member is the seller and transferor; and

(B) no later than 11:00 hours (so far as enabled by the seller's best endeavours) when a Clearing Member is the seller and transferor of the Premium Warrants;

(ii) Standard Warrants to be delivered by the buyer under the Premium Contract:

(A) no later than 09:00 hours on the Prompt Date when a Trading-Only Member or non-Member is the buyer and transferor; and

(B) no later than 13.30 hours (so far as enabled by the buyer's best endeavours) when a Clearing Member is the buyer and transferor of the Standard Warrants.

(e) Delivery shall be effected pursuant to LMEsword in accordance with the LMEsword Regulations and Operating Procedures governing ex-cleared transfers.

(f) Weights of Premium Warrants and Standard Warrants in all cases shall be accepted as between buyer and seller.

3.12 **Cleared Contracts**

(a) In these Premium Contract Regulations, references to "Cleared Contracts", "Cleared Metal Contracts" and "Cleared Premium Contracts" shall be construed to include any Cleared Contract that arises pursuant to the Clearing House Rules upon:

(i) the Execution of any Agreed Trade, pursuant to these Rules and the Clearing House Rules; and

(ii) the Execution of any Agreed Trade having equivalent characteristics to such Agreed Trade, pursuant to these Rules and the Clearing House Rules. Trading Regulation 9.1 shall apply to these Premium Contract Regulations for the purposes of explaining the meaning of the term "equivalent characteristics".

(b) Any Cleared Contract that arises between a Clearing Member and the Clearing House pursuant to the Clearing House Rules, following the acceptance by the Clearing House of an Agreed Client Trade in respect of a Client Premium Contract, shall be settled in accordance with (i) Regulations 3.6 to 3.9 above and (ii) the provisions of the Clearing House Rules.

4. MATTERS TO BE AGREED ON EXECUTION OF A PREMIUM CONTRACT

Without prejudice to Trading Regulation 3, a Premium Contract shall be conditional on the agreement between the parties to the Premium Contract of the following matters:

(a) the Premium Warrant Jurisdiction; and

(b) the Premium Contract Price, being the contract price for the Premium Contract, and a Premium Contract may not come into effect unless such matters are so agreed.

PART 13

LMEPRECIOUS REGULATIONS

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LMEPRECIOUS FUTURE REGULATIONS

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LMEPRECIOUS OPTION REGULATIONS

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PART 13A: LMEprecious FUTURE REGULATIONS

1. RELATIONSHIP WITH OTHER REGULATIONS

1.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these LMEprecious Regulations or unless the context otherwise requires, apply to LMEprecious Futures.

1.2 Parts 1, 2, 3, 4, 8 and 9 shall all apply to LMEprecious Futures.

1.3 The Clearing House Rules shall apply to Cleared LMEprecious Futures.

2. LMEPRECIOUS FUTURE SPECIFICATIONS

2.1 Types of LMEprecious Future

The following types of Contract shall be LMEprecious Futures:

(a) "LMEprecious Gold Futures" (being LMEprecious Futures having the characteristics specified in the paragraphs below where the underlying metal is Gold); and

(b) "LMEprecious Silver Futures" (being LMEprecious Futures having the characteristics specified in the paragraphs below where the underlying metal is Silver).

2.2 Metal

The underlying metal for each LMEprecious Future shall be as follows:

Contract	Metal
LMEprecious Gold Future	Gold
LMEprecious Silver Future	Silver

2.3 Lot Size

The Lot size for each LMEprecious Future shall be as follows:

Contract	Lot size	Code
LMEprecious Gold Future	100 fine troy ounces	AU
LMEprecious Silver Future	5000 troy ounces	AG

2.4 Prompt Date

LMEprecious Futures may have the following Prompt Dates:

Type	Prompt Date Structure	Prompt Date

Daily ("**Daily Date**")	T+1 to T+25	The Prompt Dates which are valid Daily Dates are: - T+1, provided that T+1 exists; and - T+2 to T+25. For the avoidance of doubt, a Prompt Date which is a valid Daily Date may also be a valid Monthly Date.
Monthly ("**Monthly Date**")	M1 to either M24 or M25 (dependent on Booking Date and Booking Time as further specified in this table)	The Prompt Dates which are valid Monthly Dates are dependent on the Booking Date and Booking Time: 1. If the Booking Date is between (i) the start of the first calendar day of the Booking Month and (ii) the end of the calendar day being three Business Days prior to the third Wednesday of the Booking Month: • The Prompt Dates which are valid Monthly Dates are M1 to M25 2. If the Booking Date is after the calendar day being three Business Days prior to the third Wednesday of the Booking Month: • The Prompt Dates which are valid Monthly Dates are M1 to M24. For the avoidance of doubt, at midnight at the start of the Business Day two days prior to the third Wednesday of the Booking Month, the Prompt Dates represented by the notation M*n* will each be advanced incrementally by one calendar month. Accordingly, the Prompt Date which immediately prior to such Business Day was identified as M1 will remain available for trading as the T+2 and then the T+1 Daily Date, until the Last Trading Time for the T+1 Prompt Date on the Business Day prior to the third Wednesday of the Booking Month. In each case above, if the third Wednesday of the Booking Month would not be a valid Settlement Business Day, then references to the third Wednesday of the Booking Month should be read as references to the relevant replacement Prompt Date pursuant to Regulation 8.4 of the Trading Regulations.
Quarterly ("**Quarterly Date**")	12 Calendar Quarterly Dates following the Monthly Dates	The Prompt Dates which are valid Quarterly Dates are: • the first Calendar Quarterly Date which is not any of (i) M1-M24, where M25 is not a valid Monthly Date per the definition above, or (ii) M1-M25, where M25 is a valid Monthly Date per the definition above (the "**First Quarterly Date**"); and

		• the eleven subsequent Calendar Quarterly Dates following the First Quarterly Date.

For the purpose of this paragraph 2.4, the following terms have the following meanings.

(a) "**T+n**" (where n is a positive integer) identifies a Prompt Date in reference to the Business Day (for the avoidance of doubt, being a twenty four (24) hour period starting at 00:00 (midnight), London time) on which a Contract is entered into (the "**Booking Date**"). To identify the appropriate settlement date for a given "T+n" reference, first determine whether the first Business Day following the Booking Date is also a Settlement Business Day.

(A) If the first Business Day following the Booking Date is also a Settlement Business Day:

count forward "n" Settlement Business Day(s) from the Booking Date and it will fall upon that Settlement Business Day. For example:

(i) assuming 2 January, 3 January, 4 January, 5 January are all Settlement Business Days;

(ii) if 2 January is the Booking Date:

(A) 3 January is T+1;

(B) 4 January is T+2;

(C) 5 January is T+3, and so on.

(B) If the first Business Day following the Booking Date is not also a Settlement Business Day:

count forward "n" minus one (n-1) Settlement Business Day(s) from the Booking Date and it will fall upon that Settlement Business Day. In this scenario, T+1 will not exist. For example:

(i) assuming 3 January is a Business Day but not a Settlement Business Day, and 2 January, 4 January, 5 January are all Settlement Business Days;

(ii) if 2 January is the Booking Date:

(A) T+1 does not exist;

(B) 4 January is T+2;

(C) 5 January is T+3, and so on.

(b) "**Mn**" (where n is a positive integer) identifies a monthly Prompt Date in reference to the date on which a Contract is entered into (the "**Booking Date**"). Let the "**Booking Month**" be the calendar month in which the Booking Date falls. Then:

(i) if the T+2 Prompt Date in respect of the Booking Date falls before the third Wednesday in the Booking Month, then M1 is the third Wednesday of the Booking Month, M2 is the third Wednesday of the calendar month following the Booking Month, and so on (with each increment of n representing one further calendar month); or

(ii) if the T+2 Prompt Date in respect of the Booking Date falls on or after the third Wednesday in the Booking Month, then M1 is the third Wednesday of the calendar month following the Booking Month, M2 is the third Wednesday of the calendar month following the calendar month following the Booking Month, and so on (with increment of n representing one further calendar month).

In each case above, if the third Wednesday in the Booking Month would not be a Settlement Business Day, then references to the third Wednesday of the Booking Month should be read as references to the relevant replacement Prompt Date pursuant to Regulation 8.4 of the Trading Regulations.

(c) "**Booking Time**" means, in respect of a Contract Executed on a Booking Date, the time of Execution of the Contract.

(d) "**Calendar Quarter**" means a period of three consecutive months, commencing on 1 January, 1 April, 1 July or 1 October in any calendar year.

(e) "**Calendar Quarterly Date**" identifies a quarterly Prompt Date falling on the third Wednesday in the third calendar month of the relevant Calendar Quarter.

2.5 **Trading Platform**

LMEprecious Futures may be traded on LME Select and the inter-office market but not in the Ring.

2.6 **Trading Hours**

LMEprecious Futures may be traded on the following platforms at the following times:

Platform	Trading Hours
LME Select	Between 01:00 and 20:00 London time on a Business Day
Inter-office market	24 hours a day during a Business Day

2.7 **Last Trading Time**

The last trading time for LMEprecious Futures shall be 16:00 London time on the Last Trading Day.

The Last Trading Day for LMEprecious Futures shall be the Business Day which is one Business Day before the Prompt Date.

2.8 **Settlement Basis**

LMEprecious Futures shall be physically settled in accordance with Regulation 9 of the Trading Regulations.

2.9 **Currency**

US Dollars.

2.10 **Minimum Price Movement**

(a) The minimum price movement for any LMEprecious Gold Future shall be as follows:

	Minimum price movement per fine troy ounce	
Venue	Outright	Carries
LME Select	$0.1000	$0.001
Inter-office market	$0.0001	$0.001

(b) The minimum price movement for any LMEprecious Silver Future shall be as follows:

	Minimum price movement per troy ounce	
Venue	Outright	Carries
LME Select	$0.00500	$0.00001
Inter-office market	$0.00001	$0.00001

PART 13B: LMEPRECIOUS OPTION REGULATIONS

1. RELATIONSHIP WITH OTHER REGULATIONS

1.1 The Trading Regulations and the Contract Regulations shall, unless otherwise provided in these LMEprecious Option Regulations or unless the context otherwise requires, apply to LMEprecious Options.

1.2 Parts 1, 2, 3, 4, 8 and 9 shall all apply to LMEprecious Options.

1.3 The Clearing House Rules shall apply to Cleared LMEprecious Options.

1.4 References in this Part 13B to LMEprecious Options or any "Contracts" relating to such LMEprecious Options shall be construed to include any Cleared Contract that has arisen pursuant to the registration of the LMEprecious Option at the Clearing House (provided that Cleared Contracts that arise pursuant to the registration of LMEprecious Options that are Client Contracts shall be treated in the same way as Cleared Contracts that are pursuant to the registration of Cleared LMEprecious Options).

2. PERMITTED LMEPRECIOUS OPTIONS AND SPECIFICATIONS

2.1 Types of LMEprecious Option

The following types of Contract shall be LMEprecious Options:

(a) "LMEprecious Gold Options" (being LMEprecious Options having the characteristics specified in the paragraphs below where the underlying metal is Gold); and

(b) "LMEprecious Silver Options" (being LMEprecious Options having the characteristics specified in the paragraphs below where the underlying metal is Silver).

2.2 Underlying Contract and Lot Size

The underlying for each LMEprecious Option shall be as follows:

Contract	Underlying Contract	Lot size	Code
LMEprecious Gold Option	LMEprecious Gold Future (Monthly)	100 fine troy ounces	AU
LMEprecious Silver Option	LMEprecious Silver Future (Monthly)	5000 troy ounces	AG

2.3 Currency

US Dollars.

2.4 Expiry Day and Time

The Expiry Day for an LMEprecious Option shall be the Business Day which is two Business Days before the Prompt Date for the LMEprecious Option.

The Expiry Time for an LMEprecious Option shall be the time on the Expiry Day that the Exchange Reference Price is determined by the Exchange (which shall be 15:02 or such later time as the Exchange may require).

2.5 **Prompt Date**

Where any reference is made to the Prompt Date of an LMEprecious Option, such reference shall mean the Prompt Date of the underlying LMEprecious Future for such LMEprecious Option.

LMEprecious Options may have as their Prompt Dates each third Wednesday in each calendar month from and including the first calendar month to and including the twenty fourth calendar month.

On the Expiry Day, the current month's third Wednesday date will no longer be tradable as an LMEprecious Option Prompt Date. On that Business Day only there will be twenty three tradable third Wednesday Prompt Dates.

On the Business Day following Expiry Day, the new twenty fourth calendar month will be tradable as a LMEprecious Option Prompt Date.

If any Prompt Date would fall on a day which is not a Settlement Business Day, then the Prompt Date shall be determined in accordance with Regulation 8.4 of the Trading Regulations.

2.6 **Strike Price Gradations**

The months traded, Strike Price gradations and numbers and sequences above and below the Strike Price closest to the current market price shall be determined by the Exchange from time to time after consultation with the Clearing House and shall be published by the Exchange.

2.7 **Trading Platform**

LMEprecious Options may be traded on LME Select and the inter-office market but not in the Ring.

All LMEprecious Options shall be input into the Matching System and registered as such with the Clearing House, subject to and in accordance with the Trading Regulations and the Clearing House Rules.

2.8 **Trading Hours**

LMEprecious Options may be traded on the following platforms at the following times:

Platform	Trading Hours
LME Select	Between 01:00 and 20:00 London time on a Business Day
Inter-office market	24 hours a day during a Business Day

2.9 **Last Trading Time**

The last trading time for LMEprecious Options shall be 20:00 London time on the Last Trading Day.

The Last Trading Day for LMEprecious Options shall be the Business Day which is one Business Day before the Expiry Day. (For example, if the Expiry Day is on a Monday, the Last Trading Day shall be on the preceding Friday.)

2.10 **Minimum Price Movement**

(a) the minimum fluctuation in the Strike Price for LMEprecious Options shall be as follows:

Contract	Minimum Strike Price movement
LMEprecious Gold Option	$5 per fine troy ounce
LMEprecious Silver Option	$0.25 per troy ounce

(b) the minimum fluctuation in premiums for LMEprecious Options shall be as follows:

Contract	Minimum premium movement
LMEprecious Gold Option	$0.01 per fine troy ounce
LMEprecious Silver Option	$0.001 per troy ounce

2.11 **Settlement Basis: Automatic Exercise into Underlying Future**

2.12 LMEprecious Options are European-style options.

2.13 An LMEprecious Option shall be automatically exercised on its Granter at the Expiry Time on the Expiry Day for the relevant LMEprecious Option if at that time it is:

(a) either a Call Option or a Put Option and is In the Money; or

(b) a Call Option and is At the Money,

and in each case forms part of a Member's open registered position with the Clearing House.

2.14 Notification of automatic exercise of a Client LMEprecious Option shall be made in such manner as has been agreed between Granter and Taker.

2.15 Any LMEprecious Option not exercised as prescribed shall be deemed after its Expiry Time on its Expiry Day to have been abandoned.

3. EXERCISE REFERENCE PRICE

3.1 The Exercise Reference Price for LMEprecious Options shall be the Settlement Price determined by the Exchange between 15:00 and 15:02 on the Expiry Day (or such later time on the Expiry Day that the Exchange may specify by Notice), where such Settlement Price is calculated using a VWAP from transactions on LME Select between such periods as shall be specified by way of Notice. Such Exchange Reference Price shall be published by the Exchange following its determination.

The Exchange may specify a minimum volume threshold with respect to each LMEprecious Option that is subject to this Settlement Price process, which shall be advised to the market from time to time by way of Notice.

3.2 In the event that the minimum volume threshold requirement is not reached, then the Exercise Reference Price shall be determined as follows:

(a) it shall be the last traded price within the bid/offer on the close of the pricing period, unless any of the following apply;

(b) if the last traded price is outside of the bid/offer on the close of the pricing period, then the closest price to the last trade that falls within the bid/offer will be used;

(c) if no trades have occurred during the pricing period, then the mid-point of the bid/offer on the close of the pricing period will be used;

(d) if no trades have occurred during the pricing period and no bid/offer exists on the close of the pricing period, then the last traded price may be used but there is no obligation on the Exchange to determine that Exercise Reference Price at that level;

(e) if no trades have occurred during that day and no bid/offer exists, then the Exercise Reference Price will be determined with reference to market activity in related Prompt Dates (in respect of the underlying LMEprecious Future) and/or market activity during the pricing period on the previous Business Day; and

(f) where no such pricing information exists, then the Exercise Reference Price will be determined by the Exchange in its absolute discretion.

4. EFFECT OF AUTOMATIC EXERCISE

4.1 On the automatic exercise of an LMEprecious Option on the Expiry Day an LMEprecious Future Contract, in the form representing the underlying for the LMEprecious Option, shall arise between Granter and Taker of the declared LMEprecious Option, the price of such LMEprecious Future Contract being the Strike Price in the LMEprecious Options Contract.

4.2 Upon such automatic exercise:

(a) a Cleared LMEprecious Option Contract shall be closed automatically and simultaneously replaced with a Cleared LMEprecious Future in accordance with these Rules and the Clearing House Rules;

(b) a Client LMEprecious Option Contract shall be closed automatically and simultaneously replaced with a Client LMEprecious Option, in accordance with these Rules;

(c) in respect of such Contracts as are described in (a) and (b) above:

(i) where a Call Option is exercised:

(1) the Granter under the Option Contract shall be the Seller under the Future Contract; and

(2) the Taker under the Option Contract shall be the Buyer under the Future Contract; and

(ii) where a Put Option is exercised:

(1) the Granter under the Option Contract shall be the Seller under the Future Contract; and

(2) the Taker under the Option Contract shall be the Buyer under the Future Contract; and

(d) the corresponding positions in respect of the LMEprecious Future Contract(s) shall be recorded by the Clearing House in the relevant account(s) of the Clearing Member at the Clearing House (which may, for the avoidance of doubt, include a "house" or "proprietary" account and a "client" account that is either segregated on an "omnibus" basis or an "individual client" basis).

4.3 Prompt Dates for LMEprecious Futures Contracts resulting from the automatic exercise of LMEprecious Options shall be the third Wednesday in the relevant month or, if that day is not a Business Day, the next succeeding day which is a Business Day.

4.4 LMEprecious Futures Contracts which arise on the automatic exercise of an LMEprecious Option shall be settled in accordance with the Trading Regulations and the LMEprecious Future Regulations.

5. PREMIUMS

5.1 The amount of the premium payable on opening every LMEprecious Option shall be the premium input into the Matching System, as determined via LME Select or by the Granter and the Taker in the inter-office market.

(a) Payment of the premium by the Taker of a Cleared LMEprecious Option to the Granter shall be effected through the payment system, in accordance with Clearing House Rules, prior to 12.00 hours on the next Business Day following the day on which the LMEprecious Option is traded.

(b) Payment of the premium by the Taker of a Client LMEprecious Option to the Granter shall be effected prior to 12.00 hours on the next Business Day following the day on which the LMEprecious Option is traded.

5.2 The Taker of a Cleared LMEprecious Option may apply the value of such LMEprecious Option as determined by the Clearing House against Variation Margin due to the Clearing House in respect of open Cleared Contracts of the said Taker, subject to, and in accordance with the Clearing House Rules.

5.3 The Taker of a Cleared LMEprecious Option or Client LMEprecious Option shall not be permitted to receive cash payment in respect of any positive value of such Option nor apply any credit arising therefrom to the purchase of another LMEprecious Option.

5.4 For the avoidance of doubt, this paragraph 4 has no relevance to any premium (including any Premium Contract Price) under a Premium Contract.

APPENDICES

I Listed Brands

This appendix is no longer reproduced in the LME Rulebook but is available on the LME website at http://www.lme.com/trading/warehousing-and-brands/brands/approved-brands/ or in hard copy from the Exchange.

II Listed Samplers and Assayers

This appendix is no longer reproduced in the LME Rulebook but is available on the LME website at http://www.lme.com/trading/warehousing-and-brands/brands/samplers-and-assayers/ or in hard copy from the Exchange.

III Listed Warehouses

This appendix is no longer reproduced in the LME Rulebook but is available on the LME website at http://www.lme.com/trading/warehousing-and-brands/warehousing/approved-warehouses/ or in hard copy from the Exchange.

IV Miscellany

Market Calls – LME trading times are no longer reproduced in the LME Rulebook but are available on the LME website at http://www.lme.com/trading/times-and-dates/

APPENDIX IV

MISCELLANY

In this section may be stored sheets of additional information from time to time distributed. Provided with this book is an example – the current timetable of LME market calls. Users of the book may, as they choose, install further items, recording their titles on the contents table on the following page.

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