



Special Committee

Terms of Reference

Status

- 1.1 The Special Committee (“the Committee”) is a sub-committee of the London Metal Exchange (referred to herein as the “LME”, “the Exchange” and “the Company”) Board (“the Board”) to which the Board has delegated:
- a) Emergency powers under the Exchange’s Rules and Regulations (the “Rulebook”);
 - b) Oversight of, and responsibility for, the imposition of additional load-out requirements on a warehouse pursuant to sub-clause 9.3.6 of the LME Warehouse Agreement (the “Warehouse Agreement”); and
 - c) Consideration and appropriate management of challenges to the Charge Caps in accordance with sub-clause 5.3.6 of the Warehouse Agreement.

Purpose

- 2.1 The Committee is granted certain emergency powers under the Rulebook and the Committee shall exercise those powers in accordance with these Terms of Reference.
- 2.2 The Committee shall have oversight of, and responsibility for, the imposition of additional load-out requirements on a warehouse pursuant to sub-clause 9.3.6 of the Warehouse Agreement.
- 2.3 The Committee shall consider and appropriately manage challenges to the Charge Caps in accordance with sub-clause 5.3.6 of the Warehouse Agreement.
- 2.4 The Committee shall be given sufficient resources and information to enable it to perform its functions, including the ability to seek independent legal and/or professional advice. The Committee shall also have access to the Company Secretary (or his/her nominee) for advice and assistance as required.



Composition

- 3.1 The Board shall appoint to the Committee persons who have no material interest in the contracts traded on the Exchange and who may include one or more of the Independent Non-Executive Directors of the Board, and of the LME Clear Limited Board, and also industry specialists.
- 3.2 The members of the Committee shall appoint a chair from amongst their number (“the Chair”).
- 3.3 The Company Secretary or his/her nominee shall be the Secretary of the Committee, and shall be entitled to attend meetings of the Committee. Members of the LME Executive shall be entitled to attend meetings of the Committee as required.
- 3.4 The Committee will, when appropriate, consult with the LME Clear executive prior to undertaking any action, and appropriate members of the LME Clear executive shall also be invited to meetings of the Committee such that they may be consulted.

Frequency of Meetings

- 4.1 The Committee shall meet quarterly and more frequently when required.
- 4.2 The meeting agenda will be agreed with the Chair in advance and, unless otherwise agreed, shall be forwarded to each member of the Committee, and, as appropriate, any other individual required to attend the Committee meeting, together with supporting papers, where possible, no later than five working days before the date of the meeting.
- 4.3 Minutes, which shall include the recording of the names of those present and in attendance at Committee meetings, will be taken for all meetings by the Secretary of the Committee or his / her nominee and minutes of the preceding meeting shall be approved by the Committee at each meeting. Once approved, the minutes will be authenticated by the Chair as a conclusive record of the



Committee proceedings and as having captured the decisions made by the Committee pursuant to the powers of the Committee.

Quorum

- 5.1 In respect of the matters set out in paragraph 2.1 above, two members shall constitute a quorum.
- 5.2 In respect of the matters set out in paragraphs 2.2 and 2.3 above, at least half of the members, or in the case of uneven number of Committee members, a simple majority, including at least two members drawn from either a) the Independent Non-Executive Directors of the LME or Independent Non-Executive Directors of LME Clear Limited or b) members who are not directors, officers, or employees of any HKEX group company, shall constitute a quorum.
- 5.3 In the event that a vote is required, decisions shall be determined by simple majority and in the event of a tie, the Chair shall have the casting vote.

Reporting

- 6.1 Following any meeting of the Committee and as appropriate, the Company Secretary (or his/her nominee) shall, on behalf of the Chair, promptly report any decision made to the Board.
- 6.2 Further to sub-clause 6.1 above, a report shall be presented to the Board in each Board meeting cycle, should a Committee meeting have taken place since the previous Board meeting, summarising any Committee meeting discussions that have taken place between Board meetings.

Confidentiality and Conflicts of Interest

- 7.1 Committee members must ensure that, unless outside consultation is specifically agreed, all matters discussed and all materials and data made available to them in respect of their Committee-related matters are kept confidential at all times. Furthermore, Committee members must not abuse



their Committee status and must not be involved in any decision-making processes in respect of which they may have a conflict of interest. Where Committee members think they may have a conflict of interest in relation to any matter to be discussed at a Committee meeting or that comes under discussion at a Committee meeting, they must absent themselves from the part of the meeting at which that matter is discussed and the minutes of the meeting must record the absence. Moreover, where the Chair feels that there may be a conflict of interest in respect of any matter to be discussed at a meeting or that comes under discussion at a Committee meeting and it is appropriate for a Committee member to leave all or part of a meeting, the Chair shall ask the member to leave the meeting. No reason need be given. Members that may have a conflict of interest shall receive minutes of the meeting with the matter in respect of which they may have a conflict of interest redacted from the copy of the minutes they receive.

- 7.2 Without prejudice to paragraph 7.1, the Board may request that a Committee member (including the Chair) resigns from the Committee where the Board has reason to believe that such Committee member has an interest or interests of any form which may conflict with the interests of the Company or with any company within the HKEX group, or if the Board believes the Committee member's involvement in the Committee is no longer appropriate, and the Committee member shall comply with such request; no reason need be given.

Other matters

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



Document Distribution

Name	Title	Role	Date of Approval
Hayley Nunn		Review	
Tom Hine		Review	
EXCOM		Review	
Board		Review and Approve	
Special Committee		Review and recommend for approval – annual review	25 April 2023
LME Board		Review and approve – annual review	20 July 2023