

Minutes

Title Minutes of the Meeting of the Board held at 1-2 Royal Exchange Buildings, London, EC3V 3LF at 09:30 on Thursday 22 February, 2018

Present	Paul Fisher (Chairman)	By Invitation	Anne Dennison (LPPM, Observer)
	Grant Angwin		Andrew Grice (Bank of England, Observer)
	Mehdi Barkhordar		Tim Pearce (LPPM, Observer) (by phone)
	Ruth Crowell		
	Hitoshi Kosai		
	Raj Kumar		
	Steven Lowe	In Attendance	Ed Blight
	Sakhila Mirza		Neil Harby
	Andrew Quinn		Brian Larkman (Independent Consultant)
	Sid Tipples		Jade Maisey

	Action
<p>1. Apologies for Absence None.</p>	
<p>2. Minutes The minutes of the meeting held on the 14 December 2017 were reviewed and approved.</p>	
<p>3. Matters Arising The Board was notified that the matters arising from the previous minutes, were either complete or contained within the agenda. The Board noted the engagement of a Senior Advisor, which was to provide the LBMA with suitable representation across Asia. It was also noted that the Global Precious Metals Code public register was an ongoing work stream.</p>	
<p>4. Chief Executive's Report The Board considered the outcomes for the year and noted the key focus areas, including: global outreach, member engagement and market development.</p> <p>The Board reviewed the progress of the Trade Reporting project, in which it was agreed a full analysis was to be made to how best ensure the sustainability of the unique project.</p>	SMM/RC/EB
<p>5. LBMA Strategy & Governance</p> <p>(a) <u>LBMA Three-Year Plan</u> The Board agreed to hold an offsite meeting to commence the work towards drafting and implementing a three-year plan. The Board was also asked to note the review of the PMPL Board to include the presence of one Non-Executive Director at each meeting. The Board agreed.</p>	RC/JLM
<p>(b) <u>Global Precious Metals Code</u> The Board was asked to note the approaching implementation deadline and the member engagement so far. The Board was also informed that work had begun on developing the training modules with the service provider that had developed training for the FX Code.</p> <p>It was recognised that the Bank of England had publicly attested their adherence to the Code and the LBMA was now focusing its efforts in encouraging the remaining central banks and mints to follow. It was also noted the Code was to be translated into other relevant languages.</p>	PF/AQ
<p>(c) <u>Gold Bar Integrity RfP</u> <i>(MB declared a possible conflict of interest and excused himself from the room for this item</i></p>	

only)

The Board was provided with a summary of the interest and feedback that had been received from over 30 service providers since the press announcement in January. For clarification, it was confirmed that the RfP was to be split into two parts: the first part was to focus on the supply chain and provenance and the second part was to identify suitable security features. It was noted any solution was ultimately intended to be scalable to address all bars.

It was also noted that the RfP was to be launched in two stages, with the first stage to be launched in Q1, 2018 and the second stage in Q3, 2018.

(d) Sub-Committee Terms of Reference

The Board was formally notified that the Chair of the Physical Committee was to step down. The Board went on to thank and commend him for the invaluable service he had provided for more than 26 years.

The Board considered the Terms of Reference (TOR's) for committees and **agreed** that the review was to continue to ensure appropriate governance was in place.

RC/SMM

6. LBMA Procedural & Compliance Reports

(a) Responsible Sourcing

The Board was advised of the latest reports received and noted the work that was ongoing with producers to define the environmental and sustainability aspects within the Responsible Gold Guidance Version 8.

It was also noted that the third draft of the Responsible Platinum and Palladium Guidance was to be reviewed at the LPPM Board on the 5 March.

(SMM excused herself from the meeting at this point)

(b) Membership Update & Due Diligence Report

The Board noted the latest membership position, applications in process and resignations submitted within the 2018 subscription invoicing process. The Board was also advised of the membership policy, due diligence process and rule book work streams under consideration by the Membership Committee.

(AG excused himself from the meeting at this point)

(c) REACH

The Board was provided with background on the conditions of REACH and were invited to comment on the LBMA's intent to assure precious metals were to be registered as articles, not substances. It was **agreed** the position paper was to be circulated to the Board for review.

SMM

7. Finance Report

(a) Management Accounts

The Board reviewed the Management Accounts noting all positions within the LBMA Group. A special thanks was extended to EB and the Financial Controller for their diligent work towards the 2017 audit.

(b) Conference 2018 Budget

The Board reviewed the proposed budget, noting: the assumptions applied, the financial risks under review and the provisions in place for the year.

(GA excused himself from the meeting at this point)

8. Any Other Business

(a) Brexit

It was noted that the LBMA Executive will continue to address the potential impact of Brexit on the precious metals market.

(b) Gold & Climate Change

The Board noted the incorporation of environmental issues within the Responsible Gold

Guidance Version 8. It was **agreed** the Board was to lend its support to further this initiative.

RC/PF/NH

(c) Referees

The Board was notified that the Referees application process was in its final stages.