

Minutes

Title	Minutes of the Meeting of the Board held at 1-2 Royal Exchange Buildings, London, EC3V 3LF at 15:00 on Thursday 13 December, 2018		
Present	Paul Fisher (Chairman, Non-Executive Director) Grant Angwin (Asahi Refining USA Inc) Mehdi Barkhordar (MKS PAMP Group) Ruth Crowell (LBMA) Hitoshi Kosai (Tanaka Kikinzoku Group) Raj Kumar (ICBC Standard Bank Plc) Sakhila Mirza (LBMA) Andrew Quinn (Non-Executive Director) Sid Tipples (JP Morgan) Edel Tully (UBS Investment Bank)	By	Anne Dennison (LPPM, Observer)
		Invitation	Jack Garrett-Jones (Bank of England, Observer) Tim Pearce (LPPM, Observer)
		In	Ed Blight (LBMA)
		Attendance	Neil Harby (LBMA) Jade Maisey (LBMA)

	Action
<p>1. Apologies for Absence Jack Garrett-Jones attended the meeting as an alternate for Andrew Grice.</p>	
<p>2. Confidentiality & Competition Law Reminder The Board was reminded of their obligations under Confidentiality & Competition Law.</p>	
<p>3. Conflicts of Interest The Board reported no new Conflicts of Interest.</p>	
<p>4. Minutes The minutes of the meeting held on the 4 October 2018 were reviewed and approved for publication.</p>	
<p>5. Matters Arising The Board was notified that all matters arising from the previous minutes were either complete or included within the agenda.</p>	
<p>6. CEO Report The Board reviewed the outcome dashboards which met with year-end expectations. The Board was to define the objectives for 2019 under the Three-Year Plan.</p> <p>The Board noted that the 50% reduced required stable funding (RSF) factor for precious metals had been rejected and that the European Banking Authority (EBA) was to undertake a liquidity assessment of the precious metals market that could look to justify a reduction of the RSF factor. It was noted that under the EBA there was potential to achieve a 0% RSF factor. It was agreed that lobbying efforts were to continue whilst also working towards identifying a contingency plan.</p>	SMM
<p>7. LBMA Strategy & Governance</p> <p>(a) <u>Three-Year Plan</u> The Board was presented with the proposed deliverables by 2021 summarised into the following key themes:</p> <ul style="list-style-type: none"> ▪ Good Delivery enhancements; ▪ communications and information services; ▪ global outreach and Membership; ▪ LBMA business model and governance; ▪ financial market development. <p>(b) <u>LBMA-i Update</u> LBMA-i had launched on 20 November with all Market Makers and some Full Members reporting. Work was to continue to on-board the remaining Members, as well as providing</p>	NH

more frequent and additional data sets and expanding the scope to include platinum and palladium. It was also noted that the current focus had been on marketing the data and encouraging non-members to report.

(c) Global Precious Metals Code

The Board reviewed the number of Statements of Commitment received from both LBMA Members and non-members. The Code was now pending FCA recognition which was expected to formalise in Q1, 2019.

8. LBMA Procedural & Compliance Reports

(a) Responsible Sourcing

The Board noted the current work of the Good Delivery team and was presented with the proposal to charge the list of Approved Auditors a maintenance fee. The case had been identified due to the continuing training and support provided by the LBMA. The Board **agreed** with this proposal.

NH

(b) Membership Update & Due Diligence Report

The Board was presented with two Membership applications:

- Full Member: the application was reviewed and **endorsed** by the Board, subject to a final letter of support.
- Affiliate Member: the application was reviewed and **endorsed** by the Board.

EB

EB

(c) Membership Rulebook

The Board reviewed the Membership Rulebook which had undergone rounds of consultation within the Membership Committee and EXCOM. The Board proposed a number of amendments which were to be made prior to final circulation.

(d) Sub-Committee Terms of Reference

The Board reviewed the Sub-Committee Terms of Reference. A number of amendments were **agreed** and were to be made before publication onto the LBMA website.

SMM

9. Finance Report

(a) Management Accounts

The Board reviewed the Management Accounts and considered the Finance Committee's recommendation to increase Membership fees for 2019. The Board **agreed** with the increase and noted that a full review of Membership categories was planned for 2019 and to be communicated at the AGM.

RC/EB

(b) 2018 Conference P&L Position

The Board noted the reconciled figures pertaining to the Boston Conference.

(c) 2019 Budget & Expected Projects

The Board was presented with the 2019 budget and forecast out to 2021, outlining the Group's risks and opportunities.

10. HR Update

The Board noted the long term sickness arrangements with an interim plan to cover the role.