

CONFLICTS OF INTEREST POLICY



This policy is periodically reviewed to ensure that it complies with the relevant legislation.

The London Bullion Market Association (LBMA) represents global OTC precious metal market participants. As the global authority for precious metals, our mission is to ensure the highest levels of integrity, transparency and leadership for the global precious metals industry by setting standards and developing market services.

1. PURPOSE AND SCOPE

- 1.1 LBMA has prepared this policy to identify and manage conflicts of interest. This policy applies to all directors, employees, consultants and contractors of LBMA (LBMA Staff).
- 1.2 LBMA will conduct reviews on at least an annual basis to ensure that it has identified all actual and potential conflicts of interest, and to keep this policy up to date, in order to maintain effective and appropriate management. The identification and management of conflicts of interest will also be identified through the ongoing LBMA compliance monitoring programme.

2. IDENTIFICATION OF CONFLICTS OF INTEREST

- 2.1 A conflict of interest occurs where competing obligations or motivations result in, or are likely to result in, material risk of damage to the interests of another person or entity.
- 2.2 LBMA has established a framework based on existing policies and a system of controls to ensure that existing or potential conflicts of interest are identified so that LBMA's role in representing its members is not inappropriately influenced.

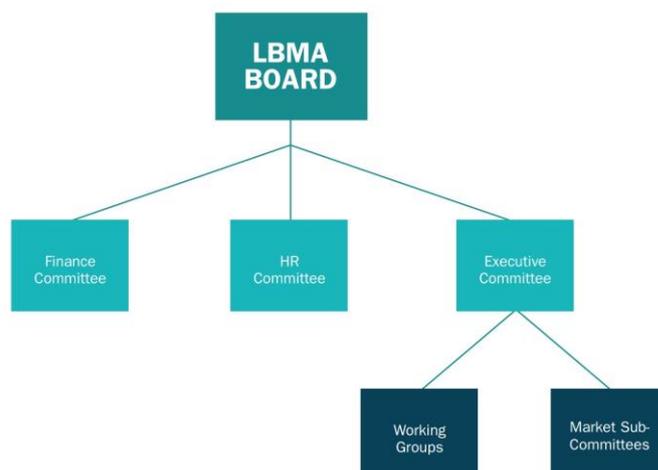
3. MANAGEMENT OF CONFLICTS OF INTEREST

- 3.1 LBMA seeks first to avoid any existing or potential conflicts of interest. Those which cannot be avoided, in particular those created by its ownership structure and control, or due to other interests LBMA Staff may have, must be actively managed through the following arrangements:

(A) Internal Arrangements

- (1) Committee Independence

LBMA's Board and Sub-Committees have clear reporting lines to ensure their independence:



(2) **Control of Information**

Information flows are controlled to avoid conflicts of interest. For example, discussions of the Physical Committee (a market sub-committee) surrounding a Good Delivery List refiner are not disclosed to the Board due to competitive refiners' presence on the Board.

Agendas are set to reflect this Policy; each Committee begins with a reminder of their confidentiality agreements in place and their obligations under competition law.

When a conflict of interest arises, procedures set out in the Employee Handbook are also in place to restrict the exchange of information between LBMA Staff engaged in activities which involve a risk of conflicts of interest.

LBMA Staff must ensure that confidential and sensitive information is kept secure and comply with the policies set out in the Employee Handbook and the Data Protection, Data Retention and Data Security Policies (LBMA Data Policies).

(3) **Committee Confidentiality**

External members of all LBMA Committees are required to sign a confidentiality agreement with LBMA in which they confirm that they:

- (a) understand the scope and scope of information which is to be deemed confidential;
- (b) agree during the term of their appointment and at all times after termination of their appointment, to keep such confidential information secret and confidential and not, without the prior written consent of LBMA, to reproduce such confidential information or disclose it to any third party, or to use it for any purpose except as necessary and appropriate in the performance of his/her role as a member of the Committee(s);
- (c) acknowledge that the restrictions on use and disclosure shall not apply to any information obtained in their capacity as a member of the Committee(s), if such information is already in the public domain, if it must be disclosed by law, or if they can demonstrate that it was in their possession before it was disclosed to him/her in their capacity as a member of the Committee(s);
- (d) acknowledge their obligation to report potential or existing breaches of the confidentiality agreement; and
- (e) agree that if they are responsible for any breach of the terms of the confidentiality agreement they may be required to resign as a member of the Committee(s).

(B) **Disclosure**

If the measures implemented to manage conflicts of interest are insufficient then the nature of any conflicts of interest must be disclosed as appropriate, prior to any relevant discussions.

4. LBMA STAFF TRAINING

- 4.1 LBMA Staff are reminded that the Employee Handbook provides further guidance and includes policies and procedures for the identification, reporting, disclosure, management, mitigation and avoidance of conflicts of interest.

5. MONITORING AND REPORTING

- 5.1 LBMA may from time to time monitor the activities and communications of LBMA Staff as set out in the Employee Handbook.
- 5.2 LBMA Staff must comply at all times with the Outside Business Interest Policy, contained within the Employee Handbook, which details policies in relation to reporting conflicts of interest that LBMA Staff may have.
- 5.3 LBMA Staff may not without prior approval devote any time to any business other than the business of LBMA which may:
- (A) conflict with LBMA's business interests;
 - (B) adversely affect LBMA's reputation or relations with others; or
 - (C) prejudicially affect LBMA Staff's ability to carry out their job duties and responsibilities efficiently.
- 5.4 The decision as to whether or not an activity conflicts with LBMA's business interests, adversely affects LBMA's reputation, or relations with others, or has a prejudicial effect on the ability of LBMA Staff to carry out job duties and responsibilities shall be at the absolute discretion of the CEO.
- 5.5 Any approval for LBMA Staff should be decided by the CEO. For any approvals related to the CEO, approval falls to the Chairman of the Board.
- 5.6 All LBMA Staff should promptly disclose to their manager any information which they reasonably believe should be disclosed in line with the LBMA Whistleblowing Policy.

6. RECORD KEEPING AND CONFIDENTIALITY

- 6.1 LBMA's strict policy is to ensure that all information submitted to, received by or produced by LBMA are kept confidential, subject to any disclosure obligations. The LBMA Data Policies set out processes in relation to the record keeping of confidential information and relevant personal data.
- 6.2 Unlawful disclosure of confidential information relating to LBMA by LBMA Staff will be considered to be gross misconduct. All LBMA Staff must not access or attempt to access any information which they know or ought to know is confidential.
- 6.3 All LBMA Staff must ensure that they comply at all times with the Employee Handbook and the LBMA Data Policies.

7. QUERIES

For any questions or concerns please contact Sakhila Mirza, General Counsel.