



LBMA RULES FOR MEMBERS

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LBMA MEMBERSHIP RULES

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About LBMA: The Independent Precious Metals Authority

LBMA is the pre-eminent standard-setting body for the global wholesale market for precious metals.

Our mission is to ensure the highest levels of leadership, integrity and transparency for the global precious metals industry by setting standards and developing market services.

LBMA plays a key role on behalf of the global precious metals market to ensure business integrity, by advancing standards, acting as a voice and champion for the market, and developing market solutions.

LBMA Membership is diverse, comprising financial institutions, and mining, refining, transportation, trading, vaulting and manufacturing companies, across 20 countries. Joining LBMA provides a seat at the table of an internationally respected body and offers wide-ranging benefits.

Membership Rulebook

This document constitutes the Rulebook for Members of LBMA. It is a condition of continued LBMA Membership that these Rules are accepted and observed. It should be read in conjunction with the Articles of Association.

Section 1: Definitions

Applicable Laws	The laws, rules and regulations applicable to a Member and the precious metals market in each jurisdiction in which it operates or transacts.
Affiliate Member	An organisation appointed as an Affiliate Member of LBMA in accordance with the requirements of the Articles of Association and these Rules.
Articles	The Articles of Association of LBMA.
Board	The Board of Directors of LBMA.
Sub-Board Group	The independent members of the Board, which include the independent Non-Executive Directors, Chief Executive and the Executive Directors of the Board with the delegated authority to review matters arising in relation to Incidents or Enforcement with regard to members. Any decision by this group is considered final.
Clearing Members	Market Making Members that also generally provide the service of clearing gold, silver, platinum and/or palladium.
Sub-Committee	A Committee of the Board that advises on specific areas of expertise, enabling LBMA to benefit from the knowledge, experience and dedication of senior members.
Committee Representative	Employees of Full Members, Market Making Members and Affiliate Members who serve on the relevant Sub-Committees (Committee Representative). Each Committee Representative participates in their personal capacity, on behalf of the market, and not on behalf of their employer.
Due Diligence	Performing checks on each Member as per LBMA's Due Diligence Policy.
Due Diligence Policy	The policy developed by LBMA to govern how its staff perform ongoing and specific Due Diligence on Members, Good Delivery Refiners and all Applicants.
Executive	Comprises the staff employed by LBMA.

ExCom	Comprises the LBMA Executive Committee and the Chief Executive to whom the LBMA Board has delegated some decision-making powers.
FSMA	The Financial Services and Markets Act 2000, together with any implementing legislation and guidance, including the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and the Financial Conduct Authority Handbook.
Full Member	An organisation appointed as a Full Member which, at the time of admission to Membership or following reclassification, is actively engaged in the London Bullion Market.
LBMA	London Bullion Market Association.
LBMA Trade Data	The trade transparency and reporting service for the London Bullion Market.
London Bullion Market	The London gold and/or London silver market and/or London platinum market and/or London palladium market.
Market Maker	An organisation which represents itself as consistently willing to quote prices and enter into transactions, as principal, for the purchase and sale of gold, silver, platinum and/or palladium for spot or forward settlement, or of options on gold, silver, platinum and/or palladium in the London Bullion Market, at prices determined by it generally throughout recognised working hours each business day.
Market Making Member	A Member which, at the time of admission to Membership or following reclassification, is a Market Maker.
Member	An organisation which subscribes to the Memorandum of Association and has been admitted to Membership by the Board in accordance with the Articles and these Rules.
Membership	The group of Members of LBMA.
Membership Committee	The Sub-Committee of the ExCom with delegated authority to make recommendations and provide guidance on Membership.
Office	The registered address of LBMA.
Reporting Member	A Market Making Member or Full Member which trades any of the Reporting Products above the <i>de minimis</i> level (as defined in the LBMA Trade Data Governance Framework).



Reportable Products	All precious metals data in the following instruments: spot; forward; options; swaps; leases/loans/deposits.
Rules	These Rules are published in accordance with Articles 86 to 88 of the Articles.
The Code	The Global Precious Metals Code issued by LBMA (or any relevant entity which may replace it in such function in the future), the most recent version of which was issued in April 2018.



Section 2: Overview

2.1 Purpose and Scope

The role of LBMA includes helping to ensure that the market operates against a fair and effective framework, and it therefore plays a fundamental role in setting standards and providing for quality assurance.

For LBMA to effectively carry out its obligations, these Rules for Members (Rules) have been established as a requirement that all Members must meet on application and at all times throughout their Membership.

The Rulebook details the different Membership categories, the application process and the ongoing reviews of all Members. Section 7 provides the principles and obligations that must be followed by all Member organisations. Section 8 explains the process and requirements for joining the LBMA Board and any of the LBMA Committees. Section 9 focuses on the enforcement process and how LBMA takes a decision if there is a breach of any of the Rules.

2.2 Application, Implementation and Changes

The Rules shall be binding on all Members of LBMA and will come into force on the date of publication on the LBMA website and as notified to Members. No Rule shall be inconsistent with, or shall affect or repeal anything contained in, the Articles. If there is a conflict between the terms of the Articles and any Rules established, the terms of the Articles shall prevail.

The Board has delegated its powers in respect of the Membership Rulebook and Membership processes, under the Articles, to the ExCom. The Rules are set and implemented by the ExCom, as delegated by the Board. The ExCom may issue a Notice that contains an administrative procedure (Notice) for implementing the Rules or any part thereof and shall have the same force as the Rules. Where a Rule has been amended, a Notice shall be sent to the appropriate category of Member to which it applies and the Rule will be updated in this Rulebook. For the purpose of these Rules, both Rules and Notices shall be referred to as Rules collectively.

In exceptional circumstances, the ExCom may grant to a Member a waiver of particular requirements of the Rules in such circumstances and subject to such conditions that the ExCom deems fit. Such waivers may be provided by the ExCom if it is satisfied that:

- a) Compliance with the relevant requirements would be impossible for the Member;
- b) The waiver would not create unacceptable risks for the market generally or any other Member; and
- c) The waiver would not result in unreasonable or inequitable discrimination between Members.

Waivers granted by the ExCom shall be notified at the subsequent meeting of the Board. LBMA reserves the right to make changes to the Rules at any time. Any changes will be communicated in a timely way and all Members will be provided with reasonable notice to implement and comply with the changes. Failure to comply with any of the Rules, decisions of the Board or direction of the ExCom made pursuant to the Rules shall constitute a breach of the



Rules and may lead to potential disciplinary action, up to and including termination of Membership in accordance with the Articles.

2.3 Applicable Laws

Members must be aware of, and comply with, the laws, rules and regulations applicable to them and the precious metals market in each jurisdiction in which they do business (Applicable Laws). These Rules do not represent the judgement of, nor are they intended to bind the discretion of any regulator, supervisor or other official sector entities with responsibility over the relevant markets or Members, and they do not provide a legal defence to a violation of Applicable Laws.

All Members are responsible for adopting their own internal policies and procedures designed to comply with Applicable Laws. In the event of a conflict between the Applicable Laws and the Rules, the Applicable Laws will prevail.



Section 3: Joining LBMA, Benefits and Membership Categories

3.1. Overview

LBMA will admit to Membership an organisation which:

- (a) Meets the criteria for Membership, as set out below in section 4;
- (b) Applies to LBMA using the application process, as detailed below in section 4;
- (c) Passes the necessary Due Diligence;
- (d) Is approved for Membership by the ExCom.

Applicants must make clear which category of Membership they are applying for. If approved, every Member then needs to make sure that the principles and obligations, under section 7, are followed with immediate effect.

3.2. Benefits

Schedule 3 highlights the benefits of becoming an LBMA Member. Changes to any of the benefits will be notified within a reasonable timeframe.

3.3 Membership Categories

LBMA Membership is divided into three categories:

- a) Full Members: Full Membership of LBMA is available to companies located in any geographical location, not just the UK. All Members must be operational in areas that are closely related to the London Bullion Market, as the centre of global bullion over-the-counter (OTC) trading.
- b) Market Making Members: Market Makers have the same rights as Full Members but also have the additional responsibility to quote bid and offer prices to each other, during the London business day, for agreed minimum quantities and tenors in both gold and silver.
- c) Affiliate Members: Affiliate Membership of LBMA is available to a range of international market participants, service providers, technology providers, exchanges and intermediaries.

Membership of LBMA and all related rights are not transferable.

3.4 Reclassification

3.4.1 Changing Membership Category

A Member may change its Membership category or apply for a new category in respect of a new service. This change may only be made if the Member meets the requirements of the new category and approval is provided by the ExCom. The change or addition in category may be subject to an increase in the Membership Fee and would become payable in the year of application.



The ExCom may, at its discretion, reclassify an Affiliate Member as a Full Member, and vice versa. The ExCom may also, at any time, at its discretion, reclassify a Market Making Member as a Full Member and vice versa. All decisions will be subject to prior consultation with the Membership Committee and other Sub-Committees, as appropriate. The final outcome will be determined by ExCom, following such consultation. In the event that any Member wishes to challenge a decision made by the ExCom, it may do so by submitting a case in writing to the Sub-Board Group, within 7 days on being notified of the original decision. The case must set out the reasons for the challenge and provide suitable evidence to support the case. This will be considered by the Sub-Board Group who will review the process and may request further information before making a final ruling.

3.4.2 Market Making Members

In order to apply for classification as a Market Making Member, the entity must first have been accepted as a Full Member. The Full Member should apply in writing, stating for which product(s) it would like to apply for Market Making status. The ExCom may at any time in its absolute discretion reclassify a Market Making Member back to a Full Member.

The Full Member needs to undergo a probationary period of approximately three months, during which time it must provide two-way price quotes to the current Market Making Members in the products it has specified as being able to do so. At the end of the probationary period, the current Market Making Members are consulted for their recommendation in relation to the reclassification. If any current Market Making Members are not satisfied with the service provided by the applicant Full Member, they must provide the ExCom with such detail of the shortcomings as the ExCom reasonably requests. The ExCom will make the final decision.



Section 4: Membership Application Process

This process applies to all applications for all Membership classes. A summary of the membership application process can be found in Schedule 4.

4.1 Application Process Criteria

All new Applicants for Membership (Applicants) must complete an online application form (with the exception of reclassification from one Membership Classification to another, which is done in writing). The application form is accessible via the [MyLBMA](#) portal.

As part of the online application, the Applicant must provide the following documentation before the Due Diligence process can commence:

- Due Diligence documents to support the selected Member category, as highlighted in the application form.
- Three Members as attestors to support its application. The attestors must be current Members with whom the Applicant has had a bullion-based relationship for at least one year. The attestors must each provide a letter of recommendation, confirming the nature and duration of their bullion-based relationship with the Applicant. The detailed attestation requirements can be found on the [MyLBMA Portal](#). This will explain the group of attestors available to the Applicant.
- A Statement of Commitment confirming adherence to the Code, as provided for in Schedule 1.
- The appropriate non-refundable application fee.

The ExCom may at its absolute discretion decline to accept any application for Membership and need not to give reasons for doing so.

4.2 Review Process

The Executive will review the application, carry out Due Diligence and prepare a report for the Membership Committee to review. The Membership Committee may ask additional questions and reserves the right to interview the Applicant. Once satisfied, the Membership Committee will provide a recommendation for the ExCom's consideration.

LBMA aims to process applications in accordance with the process set out in Schedule 4 within approximately three to four months. The timeframe can change, depending on the outcomes of the Due Diligence process and any questions arising from the ExCom and Membership Committee.

4.3 Decision-Making

The ExCom will have the ultimate decision whether to accept or reject an application, and this decision must be ratified by the Board. A letter will then be sent to the Applicant informing them



of the decision. However, LBMA is not obliged to provide any reason for its decision to approve or reject any application for Membership.



Section 5: Periodic and Ad Hoc Reviews of Members

5.1 Periodic Reviews

LBMA reviews every Member periodically. This includes, but is not limited to, a review of the Member's compliance with these Rules and its continuing business practice. In addition, LBMA may request the Member to obtain a renewed letter of attestation from its original three attesters. If one or more of the original attesters is no longer a Member, a new attester must be provided.

5.2 Ad Hoc Reviews and Incident Review Process

Where routine Due Diligence checks or market intelligence raise concerns about a Member, LBMA may carry out an ad hoc review of the Member at any time. Such a review will be subject to the procedure outlined under the Incident Review Process and may be instigated under various circumstances, including but not limited to adverse media coverage, or any allegation or evidence of a potential breach of the Applicable Laws.

LBMA follows the Incident Review Process in response to any incident or escalation. Further information on the process can be found on the LBMA website. LBMA will seek corroboration wherever possible; however, due to the sensitivities involved, LBMA may keep the details of an individual review confidential until the issue has been resolved.

Led by the LBMA General Counsel, the process is designed to ensure a thorough and fair review of the Member's activities. Given that the process involves numerous stakeholders to verify the information, it is difficult to conclude an average lifespan of each incident reviewed under the IRP. However, it must be understood as an iterative process, particularly in situations where new information is produced, or a situation escalates.

Any final outcome of the IRP process will be subject to a quality control check, by a subgroup of the LBMA Board, who will also determine the final decision. This subgroup comprises the independent Non-Executive Directors, the Chief Executive and the Executive Directors of the LBMA Board. The decision by this group will be final.

5.3 Provision of Information

Subject to the Applicable Laws, LBMA reserves the right to ask for information related to a periodic or ad hoc review. This information will be handled confidentially. Information requested can include but is not limited to:

- a) Annual audited accounts (including balance sheet, profit and loss account, and cash flow statement) within four months of the end of its financial year, together with those of its ultimate parent company (if any);
- b) Further information in relation to relevant commercial matters;
- c) Further information in relation to regulatory and compliance matters;
- d) Further information to confirm compliance with the Code and/or Applicable Laws;



- e) Details of systems, controls and procedures attested by the Member's board of directors and/or a reasoned legal opinion from a reputable law firm that such relevant systems, controls and procedures are appropriate to address any applicable legal or regulatory requirements.

Failure to provide requested information may prevent clarification, which could potentially result in a negative result.

5.4 On-Site Inspection

The Chief Executive, and those empowered by him/her, shall be entitled to attend at the premises of any Member for the purpose of inspecting any of the information referred to above and the Member must ensure that all cooperation is afforded.

5.5 Government/Regulatory Enquiry

The Chief Executive, and those empowered by him/her, may cooperate with any governmental or regulatory or enforcement organisations in such manner as they deem fit, without giving notice to the membership. However, LBMA is not obliged to share any trade data that is reported under section 7.3.



Section 6: Fees

6.1 New Application Fee

All Applicants must pay an application fee. The application fee is non-refundable regardless of the application's success.

6.2 Membership Fee

On admittance to LBMA Membership, a Membership Fee is payable. Membership runs from 1 January to 31 December and subscription fees will be adjusted on a pro rata basis throughout the first Membership year. This subscription fee must be made before the publication of any admittance decision is made. This Membership Fee may vary from time to time. All current fees are listed on the [LBMA website](#).

All Members must pay the Membership Fee within 30 days of invoicing on or before 1 January of each year, except for the calendar year in which Membership first commences. Should the payment of any subscription fees be extended beyond the 90-day point, a non-negotiable surcharge will be added to the fees at the rate stated within the annual subscription renewal letter.

A Member is not entitled to exercise any of the rights or privileges of Membership unless and until it has paid all fees owed to LBMA.

If a Member resigns or Membership is terminated/revoked, the Membership Fee will be payable in full for the year in which the resignation or termination occurs. If the Member has already paid the Membership Fee, there is no entitlement to recover such payment or any part thereof from LBMA.

Ultimately, the Board reserves the right to regulate, and therefore amend, any of the fees as provided for under Article 87b of the Articles.



Section 7: Principles and Obligations

7.1 Principles

These Principles represent the overarching spirit of the Rules. All Members must have in place systems and controls that comply with these Principles. Breaching a Principle can potentially lead to removal from Membership as highlighted in section 9.

The Principles apply to all Members.

Principle 1 – Integrity: A Member must act with integrity, including by adopting best practice and responsible business practices, and must be open and cooperative in its dealings with LBMA.

Principle 2 – Skill, care and diligence: A Member must conduct its business with due skill, care and diligence.

Principle 3 – Management and control: A Member must take reasonable care to organise and control its affairs responsibly and effectively, employing adequate risk management systems.

Principle 4 – Financial prudence: A Member must maintain adequate financial resources and records.

Principle 5 – Market conduct: A Member must observe proper standards of market conduct.

7.2 Obligations

All Members must comply with the Code on a continuing basis and follow the Obligations set out below.

These Obligations apply to all Members, with the exception of section 7.3, which applies to Reporting Members only. Failure to meet the requirements of this section can potentially lead to the Membership being suspended or revoked, as provided under section 9. The determination of any sanction is based on the sole discretion of the ExCom.

7.2.1 Governance

Members must have an effective governance framework that ensures accountability and oversight of their business. Members must also have a compliance and risk framework that provides for a robust control and compliance environment, and that identifies and manages the risks associated with their engagement in the market.

Every Member must:

- a) Ensure that it is appropriately incorporated and structured in the relevant jurisdiction.
- b) Ensure that the named contact representing its organisation has the authority to interact with LBMA.



- c) Deal with LBMA or its representatives in an open and cooperative manner, and keep LBMA promptly informed of anything concerning the Member that might reasonably be expected to be disclosed to LBMA.

7.2.2 Legal and Compliance

Every Member must:

- a) Pass Due Diligence checks and procedures on an ongoing basis.
- b) Ensure that any business conducted by it, or through any of its dealers or staff, shall not cause the Member or staff of LBMA to be in breach of any Applicable Laws, which includes, but is not limited to the UK Bribery Act 2010 and FSMA.
- c) Comply with all relevant economic/trade sanctions lists, which for the avoidance of doubt include, but are not limited to the UN, EU, UK and US sanction lists. Breach of relevant economic/trade sanctions lists could lead to immediate removal from Membership.
- d) Have appropriate anti-money laundering and financial crime systems, controls and procedures in place. The adequacy of such procedures must be satisfactory to address the risk that Membership may be used for any improper purpose and to address any requirements under the Applicable Laws.
- e) Ensure that all global wholesale precious metals market business is conducted with integrity and complies with the principles of the Code. The Member must be able to attest its compliance to the Code by signing a Statement of Commitment, which is provided in Schedule 1.

7.2.3 Business Conduct

Every Member must:

- a) Organise and control its internal affairs in a responsible and effective manner by employing appropriate and adequate risk management systems.
- b) Ensure that all of its dealers, staff and directors involved in the conduct of business in any regulated market or on a recognised exchange are fit and proper, suitable, appropriately and adequately trained, properly supervised and, where appropriate, suitably qualified.
- c) Have appropriate and adequate business continuity plans.

7.2.4 Notification of Change

Every Member must promptly notify LBMA if there has been a change in:

- a) Name;
- b) Registered address;
- c) Ownership or majority shareholding and, in particular, where any person becomes or ceases to be, or proposes to become or ceases to be, a controller;
- d) If a person of political influence is an owner, shareholder or director;
- e) Corporate/partnership structure;
- f) LBMA primary contact;
- g) Governance which has a material impact on the organisation;
- h) Any permission(s) or relevant exclusion(s) used by such person to carry on a regulated activity by the UK Financial Conduct Authority (or an equivalent regulator) – for example, if there has been a variation or cancellation of a permission; or
- i) Any other particulars provided in the original application.



This notification of change must be made in writing by the primary contact of the Member, addressed to the Chief Executive and sent to mail@lbma.org.uk.

On receipt of the notification of change, the ExCom may review the suitability of the Member. The ExCom may require the Member to provide additional information to help with the review. If, at the end of the review, the ExCom is not satisfied that the Member continues to fulfil the criteria for Membership, the ExCom may suspend/terminate the rights of the Member as outlined in section 9.

7.3 Additional Obligations for Reporting Members

All Reporting Members are required to comply with the Trade Reporting Requirements and to report all Reportable Products to LBMA Trade Data at the end of each business day, in accordance with the Trade Data reporting standards set out in the LBMA Trade Data Governance Framework. The LBMA Trade Data Governance Framework is available at <https://www.lbma.org.uk/prices-and-data/lbma-trade-data>

Reporting Members must report all Reportable Data to the extent that they do not have any other conflicting commitments, for example, client contractual obligations.

All Reporting Members must pay due regard to the integrity of their reported trade data, ensuring that it is accurate, fair and not misleading. Each Reporting Member is required to ensure that its internal trade record-keeping is appropriate and adequate, and that it is capable of complying with the Trade Reporting Requirements and rules using LBMA Trade Data.

If a Reporting Member consistently fails to report trades promptly and correctly to LBMA Trade Data, or is unwilling to do so, this would be deemed a breach of these Rules and the Reporting Member would be subject to the options outlined in section 9. Consistent failures to report can include: (i) missing deadlines for reporting trades to LBMA; (ii) submitting incorrect trades to LBMA, requiring continuous amendments; or (iii) lack of engagement and response to LBMA in its requests for information relating to Trade Reporting, if any of these occur over a period lasting longer than five consecutive days.

These Trade Reporting Requirements are in addition to any other transaction reporting requirements that may apply to a Reporting Member under the Applicable Laws or otherwise.



Section 8: LBMA Board and Sub-Committees

8.1 Overview

The Board

The LBMA Board sets the strategic and business vision, and scrutinises LBMA's performance, with Sub-Committees advising on specific areas of expertise. The Terms of Reference for each Sub-Committee are provided on the LBMA website.

The ExCom

The Board delegates certain decision-making powers to the ExCom, in order to help manage potential conflicts of interest and the day-to-day functioning of the Association. The ExCom's purpose is to enhance both the governance and delivery of LBMA in full support of its stakeholders' needs. The ExCom also manages stakeholder relationships to develop strategies identified in close collaboration with the Board.

The ExCom Terms of Reference explain the composition and the decision making authority. They take any appropriate decisions in order to mitigate the potential conflicts of interest that may arise at Sub-Committee level and/or Board level.

The ExCom is also responsible for overseeing the work of numerous Sub-Committees.

The Sub-Committees

To support the work of LBMA, there are a number of Market and Board Sub-Committees, who advise on specific areas of expertise, enabling LBMA to benefit from the knowledge, experience and dedication of senior members. Each Sub-Committee has its own Terms of Reference (ToR). Full list of Sub-Committees and the supporting ToRs are held on the LBMA website and are reviewed annually.

8.2 Board Composition

The LBMA Board is as follows:

- a) Six elected or co-opted Member representatives, comprising:
 - a. Three Market Making Members
 - b. Three Full Members
- b) Up to three independent Non-Executive Directors
- c) Up to three LBMA Senior Executive staff – the Chief Executive and up to two senior employees of the Association.

The Board elections are held at the AGM and in accordance with the Articles. All nominations for Board Members should be made to the LBMA Executive, in accordance with the process outlined in the Articles and as notified to Members.



8.3 Sub-Committee Composition

Employees of Full Members, Market Making Members and Affiliate Members can put themselves forward to serve on the relevant Sub-Committees (Committee Representative). The Terms of Reference for each Sub-Committee details the requirements, including the number of Representatives allowed. Each Committee Representative participates in their personal capacity, on behalf of the market, and not on behalf of their employer.

LBMA also has a series of working groups, in which individuals can represent their employers. A full list of working groups is available on the LBMA website.

8.4 Applying to Become a Committee Representative

In order to apply to become a Committee Representative on one of the above-stated Sub-Committees, the following steps should be taken:

- a) The Committee Representative should contact the LBMA Executive in writing, stating which Sub-Committee they would like to apply for representation on; and
- b) The Committee Representative must submit a CV and clearly state their expertise and how it would contribute to the Sub-Committee.

Upon receipt of an application for Committee Representation, the Representative will be reviewed for suitability and be invited to meet with the relevant Sub-Committee Chair. Following this, the application will be discussed and reviewed at the relevant Sub-Committee.

A decision will then be made and ratified by the ExCom and the Board. Following approval, the Representative will be able to join the chosen Sub-Committee and, at the same time, will need to complete an induction process and sign documentation in relation to confidentiality policies, conflicts management and disclosure.

The ExCom may at its absolute discretion decline to accept any application for Committee Representative and need not give reasons for doing so.

The Sub-Committee Chair must be approved by the ExCom every three years.

The Committee Representative of each Sub-Committee are published on the LBMA website.

8.5 Conflict Management

Both Board Members and Committee Representatives will be required to identify any existing or potential conflicts of interests and notify LBMA and the relevant Chair immediately upon becoming aware of these, in order for mitigation procedures to be put in place and documented. A failure to do so may result in removal from the Board and/or Sub-Committee.

A Board Member and/or Committee Representative may also be asked to remove themselves from any Board decision and/or Sub-Committee discussions which might give rise to any potential conflicts of interest. The relevant Chair and/or LBMA Executive will be responsible for ensuring that all conflicts of interest are managed appropriately.



8.6 Removal from the Board and/or a Sub-Committee

A Board Member or a Committee Representative may be removed from the Board or Sub-Committee respectively, with immediate effect, if any of the following occur:

- a) They cease to be an employee of the Member;
- b) The Member they represent ceases to be a Member of the Association;
- c) The Member they represent changes its category of Membership;
- d) They are prohibited by law or statute from being able to carry out their duties or commitments to either the Member they represent or the Sub-Committee or User Group of which they are a member;
- e) Their behaviour is considered unreasonable or inappropriate and may bring LBMA's reputation into disrepute;
- f) They are convicted of a criminal offence;
- g) They are subject to, or otherwise associated with, any investigative proceedings by any regulatory authority;
- h) They have been absent from meetings of the Board/Sub-Committee for a consistent period of six months or more, without a valid reason.



Section 9: Enforcement

The Sub-Board Group, will pursue one the following actions, where a Member fails to comply with the Rules.

Any decision by this group is considered final.

9.1 Level 1 Warning and/or Suspension

If a Member is found to be in breach of these Rules, and provided the breach does not satisfy the criteria provided under Level 2, then the following options are available:

- a) Written warning: a written warning will be issued, asking the Member to remediate the breach within a given time. Failure to remedy the breach could lead to suspension or termination of Membership.
- b) Suspension: LBMA reserves the right to suspend Membership status with immediate effect until further notice should LBMA require time to investigate potential issues/breaches. If, on further analysis, LBMA determines that the Rules are not being adhered to, LBMA reserves the right to terminate or revoke the Membership.

9.2 Level 2 Termination

If a Member:

- a) Commits a serious breach of these Rules;
- b) Repeatedly breaches these Rules (which can amount to a serious breach);
- c) Fails to remedy a breach within six months of first being sent a warning notification;
or
- d) Commits a serious offence under the rules of any relevant regulatory body;

and that, as a result of the breach, the Member's continuing Membership could bring LBMA into disrepute, the Membership may be terminated/revoked. The Sub-Board Group may do this without the Member's consent and the Member shall cease to be a Member from the date of the decision.

Additionally, in the event that:

- (a) A Member ceases carrying on business, is adjudicated bankrupt or makes any scheme, arrangement or composition with its creditors generally, or an administration order is made in respect of any Member, or a resolution is passed or an order is made for the winding-up or dissolution of any Member, or if a Member dies, or if an award of sequestration is made against any Member; or
- (b) Any analogous event (to those specified in paragraph (a) above) occurs under the law of a country outside the United Kingdom; or
- (c) A Member's Membership Fee has not been paid for a period of six months from the date it is deemed to have received the subscription invoice from LBMA;

the membership shall automatically cease.



9.3 Termination by Calling a General Meeting

Alternatively, subject to the provisions of the Applicable Laws, any Member may be removed from Membership or such status of LBMA by a resolution of the Members at a General Meeting. The resolution must be passed by at least three-quarters of the Members of LBMA present and voting at a General Meeting. The General Meeting can only take place if not less than 28 clear days' notice has been provided to the Member whose removal is in question and to all the Members, specifying the intention to propose such a resolution. Notice of the general nature of the grounds on which such a resolution is proposed must be sent to the Member whose removal is in question at least 14 clear days before the meeting, as it is entitled to be heard by the Members at that meeting.



Section 10: Resignation

A Member may at any time resign from LBMA Membership by giving notice in writing to LBMA and shall thereupon cease to be a Member.

As referred to in section 6, if the Member has already paid the Membership Fee, there is no entitlement to recover such payment or any part thereof from LBMA.



Schedule 1: Global Precious Metals Code

Members are asked to sign the following Statement of Commitment. Guidance is provided under the Explanatory Note on the LBMA website of the intention behind this Statement and who should be signing it.

STATEMENT OF COMMITMENT TO THE GLOBAL PRECIOUS METALS CODE

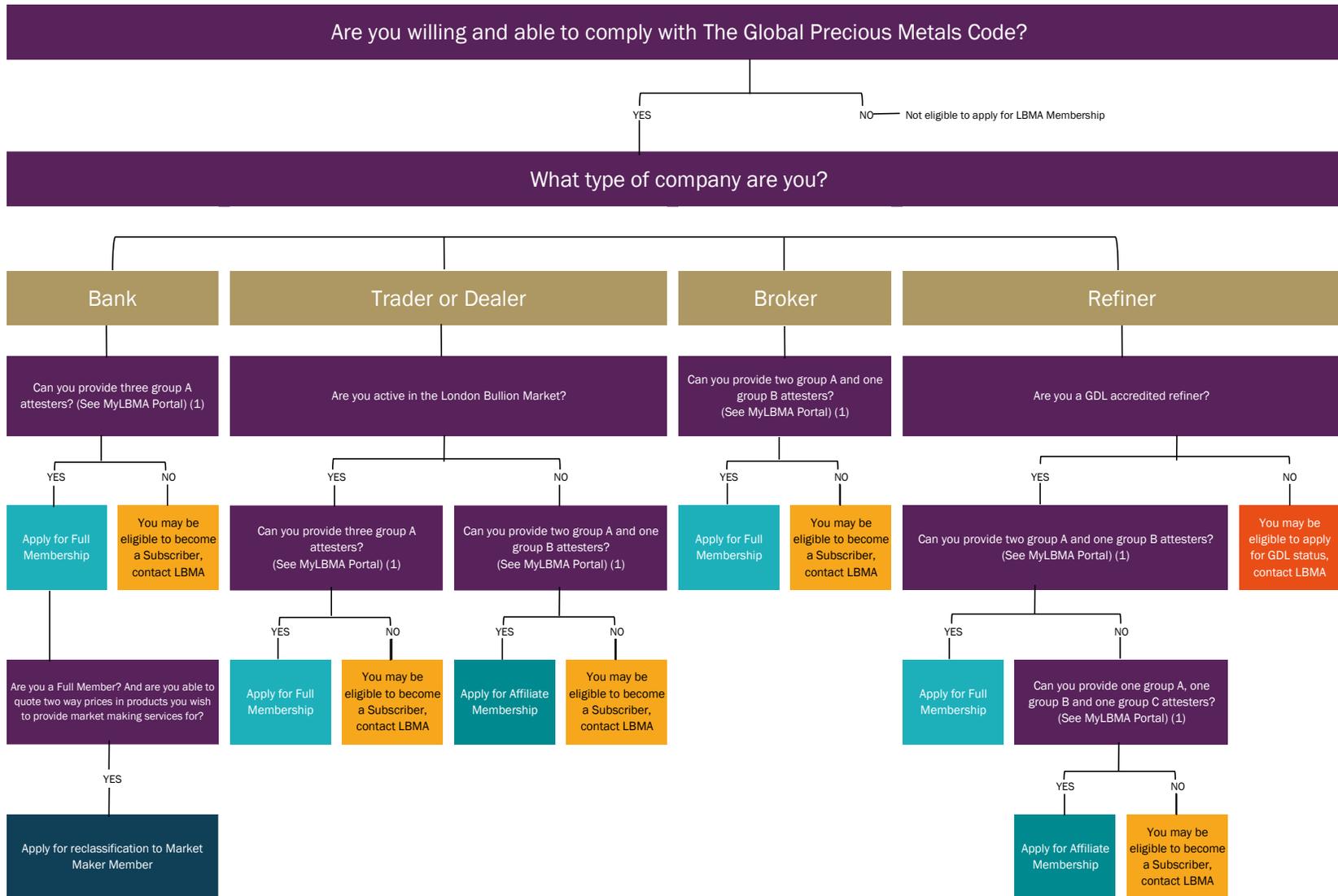
[Name of institution] (Institution) has reviewed the content of the Global Precious Metals Code (Code) and acknowledges that the Code represents a set of principles generally recognised as good practice in the wholesale Precious Metals Market (Market). The Institution confirms that it acts as a Market Participant as defined by the Code and is committed to conducting its Market activities (Activities) in a manner consistent with the principles of the Code. To this end, the Institution has taken appropriate steps, based on the size and complexity of its Activities, and the nature of its engagement in the Market, to align its Activities with the principles of the Code.

[INSTITUTION NAME]

Date:

Schedule 2a: Membership Application Toolkit

Please see schedule 2b for the following company types: Fabricator, Logistics (Vaulting/Transport), Exchange, Laboratory, Other



(1) The provision of attesters is subject to review by the Membership Committee. The level of attestation shown in the flowchart is the recommended level for the relevant application. Attesters required by companies are reviewed periodically and may be subject to change as a result of these reviews.

Schedule 3: Membership Benefits

Benefit	Market Making Member	Full Member	Affiliate Member
Vote at general meetings or annual general meetings or on written resolutions	●	●	●
Count toward the quorum at general meetings or annual general meetings	●	●	●
Nominate, vote, propose or second Board Members	●	●	●
Run for election to the Board	●	●	
Opportunity to apply for Sub-Committee Membership (1)	●	●	●
Benefit from the Terminal Markets Order (2)	●	●	
Eligible to apply to Benchmark Administrators to become a direct or indirect participant in the Benchmark Price Auction processes (3)	●	●	(●)
Receive significant discounts for annual conferences and other open events	●	●	●
Access to free-to-attend Member-only events, enabling networking with other Member businesses (4)	●	●	●
Access to free educational webinars	●	●	●
Access to market intelligence and expert analysis	●	●	●
LBMA Membership demonstrates integrity and transparency throughout precious metals supply chain; coupled with attestation to the Code	●	●	●
Receive advance notice of upcoming legislation, providing organisations with the opportunity to lobby legislation	●	●	●

(1) See section 8 for further details.

(2) The TMO is part of the UK's Value Added Tax (VAT) legislation and is a simplification mechanism applied to specific Commodity markets in London including the London Bullion Market. The provisions of the TMO are extended to Full Members (including Market Making Members) of the LBMA and the MOU between LBMA and HMRC provides for specific interpretations of the TMO provisions and how they are applied to the London Bullion Market.

(3) Please note that the ultimate decision to participate in the benchmark auctions rests with the relevant benchmark administrator. Affiliates are only able to become an indirect participant.

(4) Some limitations may be placed upon Affiliate Member attendance, depending on the nature of the event.



Schedule 4: Membership Application Process

