

THE LONDON GOLD MARKET FIXING LIMITED

Submitter Code of Conduct

1. Preface

- 1.1 The purpose of this Submitter Code of Conduct is to set out a framework of guidelines which members participating in the Fixing Process should observe with a view to ensuring consistency, reliability and high standards of conduct in all aspects of the Fixing Process.
- 1.2 Member Firms will be asked to confirm their adherence to this Code at least annually and may also be asked by the Company's Supervisory Committee to confirm adherence following any material change to the content of the Code. Such confirmations should be provided on a 'comply or explain' basis.
- 1.3 This Code is owned and overseen by the Supervisory Committee of the Company and will be subject to a periodic general review, although the Supervisory Committee shall be entitled to review and propose amendments at any time.
- 1.4 Any material amendments to or updates of this Code shall be subject to prior consultation with the Member Firms and such other stakeholders as the Supervisory Committee may in its absolute discretion consider appropriate. The Supervisory Committee shall take into account responses to any such consultation, but shall be entitled to make recommendations to the Board for amendments to be made to the Code as it considers necessary or appropriate. Any amendment to this Code must ultimately be approved by the Board before it becomes effective.
- 1.5 A copy of this Code will be made available on the Company's website and will be updated each time that any amended version of the Code is adopted by the Board.
- 1.6 This Code does not prescribe the arrangements for Member Firms to accede to participation in the Fixing Process (which will be a matter for the Board), but it shall be a precondition for the accession of any new participant in the Fixing Process for that firm to commit to adhere to this Code.

2. Glossary of terms used

Term/expression	Meaning
Chair	The chair of the Fixing Call
Code	This Submitter Code of Conduct
Company	The London Gold Market Fixing Limited
Fixing Calls	The conference calls, held at 10:30a.m. and 3:00p.m. London time on each London business day, during which the Fixing Process is carried on with the participating

Term/expression	Meaning
	Member Firms, to identify the Fixing Price
Fixing Price	The single trading price for gold determined by the Member Firms on the Fixing Call
Fixing Process	the gold fixing process operated by the Company
Fixing Rules	The fixing rules established by the Company and published on its website
Manager	A natural person who is a member of the staff of a participating Member Firm with line manager responsibility for the Submitter
Member Firm	A firm which is a member of the Company
Submissions	The indications of a buying or selling interest provided by the Submitter during the Fixing Call.
Submitter	A natural person who is a member of the staff of a participating Member Firm and whose role includes participating in the Fixing Calls on behalf of that Member Firm

3. Internal systems and controls

3.1 A Member Firm should maintain adequate and effective organisational and governance arrangements around the contributions of that Member Firm's Submitters to the Fixing Process, including in relation to the participation of Submitters in the Fixing Calls.

3.2 Governance arrangements should be within the context of a risk management and control framework that reflects appropriate senior management supervision and awareness of the Fixing Process. Arrangements should be appropriate and proportionate to the size and complexity of the Member Firm. When reviewing these governance arrangements Member Firms are encouraged to consider whether policies and procedures adequately cover the following areas:

- (A) policies and operating procedures for the collation of trades submitted by clients alongside the Member Firm's proprietary positions and the relaying of Submissions during the Fixing Calls;
- (B) oversight and monitoring arrangements, including the provision of timely and relevant management information;
- (C) Submitter training;

- (D) documented risk based review process for policies and procedures related to participation in the Fixing Process; and
 - (E) business continuity arrangements in relation to participation in the Fixing Process.
- 3.3 The Member Firm should allocate to appropriately senior individuals the responsibility for overseeing that Member Firm's participation in the Fixing Process, the related policies and procedures of the Member Firm, and for receiving and assessing any relevant internal reports. In some Member Firms this may require a formal group to be established but in others this oversight function may be exercised within the framework of the Member Firm's existing compliance or risk management framework.
- 3.4 The role of Submitter should be formally designated and documented as such within the Member Firm organisation. The designation documentation should include the person's name, role and reporting line, as well as a job description covering that individual's involvement in the Fixing Calls.
- 3.5 Each Submitter should acknowledge his/her appointment to this role and confirm that he/she understands and will comply with this Code and all relevant internal policies and procedures of the Member Firm which relate to participation in the Fixing Process.
- 3.6 The identity of each Submitter should be confirmed to the Company as soon as they have acknowledged their appointment to the role. Any further changes to the identity of the Submitter by a Member Firm should be confirmed to the Company in advance of that Submitter being involved in a Fixing Call for the first time.
- 3.7 A Member Firm should maintain documented policies and procedures for participation in the Fixing Calls. These procedures and policies should be reviewed periodically. All such policies should be updated as necessary in particular to reflect any changes in this Code.
- 3.8 A Member Firm should maintain written policies and procedures for the timely handling of complaints from internal or third parties in respect of their role as a Member Firm and their participation in the Fixing Process. When reviewing these procedures and policies Member Firms are encouraged to consider whether they adequately cover the following areas:
- (A) the appropriate allocation of responsibility for the review of complaints;
 - (B) processes to record complaints;
 - (C) compliance with any external reporting obligations (if appropriate); and
 - (D) escalation, tracking and resolution of complaints.

4. Staff training and experience

4.1 Each Member Firm should ensure that Submitters and Managers have relevant experience in the gold market or in a comparable market to ensure that they are capable of performing their functions in relation to the Fixing Process effectively and efficiently. The level of experience required to be demonstrated should be appropriate to the responsibilities of the function performed, in the context of the depth of the market concerned.

4.2 Each Submitter and Manager should receive training on responsibilities, processes, systems and controls associated with the Fixing Process, and the Fixing Calls in particular. Training should cover at a minimum:

- (A) this Code;
- (B) the Fixing Rules;
- (C) internal policies and procedures related to the Fixing Calls;
- (D) the impropriety of attempting to influence the determination of inputs, and the need to report any such attempts;
- (E) the importance of conducting all business related to the Fixing Process on recorded telephone and electronic communication systems and not on personal telephones or other personal electronic devices; and
- (F) the disciplinary consequences if employees act unlawfully or improperly in connection with the Fixing Process.

4.3 Member Firms should put in place an appropriate training programme under which all traders at the Member Firm who deal in products that reference the Fixing Price shall receive training to ensure familiarity with the responsibilities, systems and controls associated with being a Member Firm of the Company. That training should include the following topics:

- (A) the impropriety of attempting to influence the determination of inputs, and the need to report any such attempts that they become aware of;
- (B) policies and procedures relating to communications with the Member Firm's Submitters;
- (C) the requirement to conduct all business relating to products that reference the Fixing Price on recorded telephone and electronic communication systems and not on personal telephones or other personal electronic devices; and
- (D) the disciplinary consequences if employees act unlawfully or improperly in connection with the Fixing Process.

- 4.4 Completion of training by all the Submitters, Managers and relevant traders should be documented. Training should be refreshed periodically as appropriate and updates provided if there are material changes to the Code or applicable regulatory requirements.
- 4.5 Intentional non-compliance with internal policies and procedures implementing the Code should be a disciplinary matter which may be dealt with in accordance with the Member Firm's existing staff disciplinary procedures.

5. The recording of orders for the Fixing Calls

- 5.1 Each Member Firm should maintain a clear and consistent process for recording orders submitted by clients alongside the Member Firm's proprietary positions. There should be clear criteria for determining when to include client or other orders in a Submission to the Fixing Call; for example only firm orders should be used in the determination of the Submitter's Submissions. The framework adopted by the Member Firm should be documented.
- 5.2 As part of its existing disaster recovery and business continuity systems and controls, a Member Firm should maintain arrangements to ensure that the consistent and timely participation in the Fixing Calls is possible without material interruption due to human or technical failure. In particular the Member Firm should have:
- (A) controls that will help prevent system and process failures, or identify them to rectify problems promptly;
 - (B) arrangements for the continuity of Submissions to Fixing Calls in the event that a significant process or system becomes unavailable or is destroyed; and
 - (C) arrangements for the recovery of relevant electronic communications and records to a site used for disaster recovery and/or business continuity purposes.

6. Conflicts of interest

- 6.1 Each Member Firm must maintain and operate appropriate organisational and administrative arrangements to enable it to identify, address and mitigate conflicts of interest that may arise in connection with its participation in the Fixing Process.
- 6.2 In particular, Member Firms must take appropriate steps to recognise, address and, as far as possible, mitigate any risks of actual, potential or perceived conflicts of interest arising out of the combination of roles of submitting to the Fixing Calls and transacting with or for clients and counterparties in products that reference the Fixing Price.
- 6.3 Member Firms should remain vigilant to the possibility of actual, potential or perceived conflicts of interest arising from, for example, changes in the structure of the firm's business, changes to the responsibilities of particular individuals, and the introduction or development of new products referencing the Fixing Price.

- 6.4 In order to identify, address and mitigate conflicts of interest, a Member Firm should have a conflicts of interest policy. Such a policy may incorporate mechanisms which address the following objectives in relation to participation in the Fixing Process:
- (A) the identification of circumstances that constitute or may give rise to a conflict of interest in connection with that Member Firm's participation in the Fixing Process and articulates an approach for managing any such conflicts;
 - (B) establishment of effective controls to manage conflicts of interest between those parts of its business participating in the Fixing Process and those parts of its business which may use or have an interest in the Fixing Price; and
 - (C) establishment of effective measures to prevent or limit any individual from exercising inappropriate influence over the activity of the Submitters or their Managers.
- 6.5 Member Firms shall ensure that they have implemented proportionate internal controls and procedures to mitigate identified actual, potential or perceived conflicts of interests (which might include, for example, where a Submitter or Manager has parallel responsibility for derivatives trading which references the Fixing Price). Such internal controls and procedures should be documented and regularly reviewed to confirm their effectiveness.
- 6.6 Where the Member Firm believes that reasonable measures are unable to adequately address or mitigate any conflict of interest identified as described above, the nature of the conflict of interest arising should be disclosed to the Company.
- 6.7 Any disclosure should be clear, fair and not misleading and should be made in writing. The amount of detail which must be disclosed will depend on the nature and context of the conflict.
- 6.8 A Member Firm should design the remuneration policy for Submitters and Managers so as to reduce any direct incentive to behave inappropriately in connection with the Fixing Processes.
- 6.9 Internal controls and procedures should make clear that Submitters should not in any circumstances allow their Submissions to the Fixing Calls to be influenced inappropriately by any information, opinion, request, instruction or other communication.
- 7. Member Firm as Chair**
- 7.1 Whenever a Member Firm holds the rotation for chairing the Fixing Calls, that Member Firm should take reasonable steps to ensure that those persons who act as Chair adhere to the relevant sections of the Conflicts of Interest Policy of the Company and the guidelines in this section.
- 7.2 The Chair should:
- (A) not also be functioning as a Submitter of that Member Firm;

- (B) as far as reasonably possible, be physically segregated from that Member Firm's Submitter during the Fixing Calls; and
- (C) not be running or have responsibility for a book which contains positions sensitive to the Fixing Price.

7.3 Where it is not possible or proportionate to put in place the measures set out at paragraph 7.2 above, the Member Firm should ensure that additional oversight by the Member Firm's compliance or risk management function should apply during the period in which the Member Firm employee is the Chair.

8. Whistleblowing

8.1 Each Member Firm should maintain a whistleblowing policy so that its staff have a means by which to raise concerns regarding unlawful or inappropriate practices related to the Fixing Process. Each Member Firm's whistleblowing policy should contemplate the hearing and assessment of whistleblowing disclosures that have been redirected from the Company to the Member Firm. Member Firms may wish to have regard to the Company's own whistleblowing policy.

9. Record keeping

9.1 Each Member Firm should keep for a minimum of five years:

- (A) written records of its Submissions and key details of its Submitters participating in the Fixing Process, including the Submitter's name and job title, and the underlying client and proprietary trading orders relating to the Submissions which are relayed by the Submitter during the Fixing Calls;
- (B) (subject to applicable law) written records of any complaints or disclosures from whistleblowers; and
- (C) the written findings of compliance reviews and any internal or external audits of processes and procedures associated with the Member Firm's participation in the Fixing Process.

9.2 Member Firms may also wish to keep records of the Fixing Calls, the outcome of the Fixing Calls including the Fixing Price, and the transactions concluded between the various Member Firms at the conclusion of the Fixing Calls.

9.3 In relation to the records described at paragraph 9.1 above, the Member Firm should ensure that those records are kept in an appropriate form to enable the Member Firm to respond to queries and requests from relevant regulatory authorities, the Company and/or an external auditor in relation to the Member Firm's compliance with the requirements of this Code. Such records should be subject to appropriate security measures so that the records cannot be altered.

10. Compliance and audit

- 10.1 A Member Firm should seek to conduct periodic reviews and/or internal audits of its Submissions to the Fixing Calls, and its control framework in relation to such Submissions. Reports produced as a result of such reviews and/or audits should be communicated to appropriately senior managers of the Member Firm.
- 10.2 Appropriately senior individuals at the Member Firm should also be notified of any significant issues which are identified for decision on the appropriate actions to be taken and those appropriately senior individuals should then consider whether any such issues can and should appropriately be reported to the Company so that any lessons learned can be reflected in this Code.
- 10.3 As noted at paragraph 1.2 above, Member Firms will be asked to confirm their adherence to this Code at least annually and may also be asked by the Company's Supervisory Committee to confirm adherence following any material change to the content of the Code. Such confirmations should be provided on a 'comply or explain' basis.
- 10.4 A Member Firm experiencing difficulty in complying with a provision of this Code should notify the Supervisory Committee of the Company, detailing the reasons and providing details of relevant mitigating organisational controls or processes.

11. Breach of the Code

- 11.1 If a Member Firm breaches this Code, the Supervisory Committee of the Company may utilise one or more of the following escalating remedies in relation to the Member Firm, in all cases having paid due regard to the materiality and severity of the breach and the effectiveness of any remedies previously utilised in relation to the Member Firm concerned:
- (A) issue a private warning to the Member Firm;
 - (B) issue an instruction to the Member Firm requiring it to confirm that it will provide remedial training for and/or apply its usual disciplinary policy to relevant staff;
 - (C) issue a public warning to the Member Firm; and
 - (D) make a recommendation to the Board that the relevant Member Firm be excluded from the Fixing Process, including the Fixing Calls, for a temporary period.
- 11.2 When considering whether it is appropriate to utilise any particular remedy in relation to a Member Firm, the Supervisory Committee shall in all cases consider whether such action taken in relation to a Member Firm could result in foreseeably disproportionate detriment or prejudice to a Member Firm or a regulator, for example by prejudicing any regulatory investigation or proceeding, and as far as possible shall not seek to do so in relation to conduct which has resulted in a breach of the Code.

12. Temporary or permanent withdrawal from the fixing process

- 12.1 In order to minimise potential disruption to the Fixing Process and the continuing publication by the Company of the Fixing Price, a Member Firm shall give at least 3 months' notice to the Company before voluntarily withdrawing from the Fixing Process.

13. Effective Date

- 13.1 This Code shall come into force on 31 October 2014 (the "**Effective Date**"). Member Firms may already have in place the appropriate policies and procedures to observe some or all of the provisions of this Code before the Effective Date but will be expected to adhere fully with effect from that date.

Version control and change history

Date	Details of amendments	Version no.
29.10.14	First version as adopted	1