

THE LONDON GOLD MARKET FIXING LIMITED

CONFLICTS OF INTEREST POLICY

1. Purpose

- 1.1 This conflicts policy applies to the activities of The London Gold Market Fixing Limited (the **Company**) in operating the twice-daily determination and publication of a single trading price for gold (the **fixing process**).
- 1.2 This policy applies to all directors, employees, consultants and contractors of the Company, including all members of the Supervisory Committee in each case acting in their capacity as such (the **Company staff**).
- 1.3 This policy does not apply directly to the member firms of the Company (each a **Member Firm**). However, the Company recognises that staff at Member Firms that are involved with the fixing process may identify or experience actual or potential conflicts of interest. The Company seeks to address and mitigate the risks arising from such conflicts through the adoption of the Company's Submitter Code of Conduct which requires Member Firms to maintain appropriate measures to identify and address actual or potential conflicts of interest.
- 1.4 The objective of this policy is as far as possible to identify, address and mitigate actual, potential or perceived conflicts of interest that may arise for the Company or the Company staff in connection with the Company's operation of the fixing process.
- 1.5 The Supervisory Committee has been allocated the responsibility for assessing actual, potential and perceived conflicts of interest and for taking such steps to address them as it considers appropriate and expedient.

2. Identification of conflicts

- 2.1 Company staff are expected to take all reasonable steps to identify actual and potential conflicts of interest. Company staff should also be alert to the possibility that there could in certain circumstances be a perception of a conflict of interest even if no actual or potential conflict is likely to arise; it will be equally important to identify those circumstances and to consider ways to address or mitigate that perception.
- 2.2 A conflict of interest occurs where competing obligations or motivations result in, or are likely to result in, material risk of damage or detriment to the interests of another person or entity to whom you owe a duty.
- 2.3 If an actual or potential conflict of interest is identified by any member of Company staff it should be reported promptly to the Supervisory Committee.
- 2.4 The Supervisory Committee will also review on a regular basis and at least annually any actual, potential or perceived conflicts of interest that have been identified or have arisen. It is intended that conflicts of interest may also be identified and addressed through the Supervisory Committee's fixing process governance and conflicts oversight activities.

3. Conflict of interest management

3.1 If an actual, potential or perceived conflict of interest is identified to the Supervisory Committee, the objective of the Supervisory Committee shall be as far as reasonably possible to address or mitigate the conflict by deploying such measures as it considers appropriate and expedient.

3.2 The following types of procedures and measures may be appropriate and may be considered by the Supervisory Committee (without limitation):

- **Control of information:** Preventing/controlling the exchange of information to limit the exposure of Company staff to information which causes or aggravates the conflict (e.g. by establishing information barriers for certain categories of information).

For example, it may be possible for certain information to be anonymised. This can also help to preserve the confidentiality of sensitive information.

- **Delinking personal incentives:** Removing or minimising where possible links between factors that create personal behavioural incentives (e.g. remuneration) for Company staff and the performance of conflict-sensitive activities.

For example, where possible an individual appointed by the Company to perform any activity that has been identified as conflict-sensitive to the fixing process should not be a person whose personal remuneration is likely to be affected by the performance of the gold price.

- **Segregation of duties:** Preventing/controlling the simultaneous/sequential involvement of individuals in conflict-sensitive tasks or duties by the Company. Where possible an individual appointed by the Company to perform any activity that has been identified as conflict-sensitive to the fixing process should not be a person who also performs, or has responsibility, for a role that has or may be perceived as having conflicting duties or objectives.

For example, an individual employed by a Member Firm who also sits as a director of the Company or as a member of the Supervisory Board should as far as possible not be asked to make assessments of or judgments on the conduct of that Member Firm (e.g. in the context of complaints handling or in the monitoring for compliance with the Submitters Code of Conduct), or to have involvement in negotiations between the Company and that Member Firm or affiliates or clients of that Member Firm (e.g. in the context of licensing negotiations).

- **Disclosure/publicity:** Disclosure of actual, potential or perceived conflicts can play an important part in addressing and mitigating those conflicts. In some cases, and as discussed further in section 4 below, it may not be possible fully to address or mitigate an actual, potential or perceived conflict of interest by other means, and in these cases an appropriate level of disclosure or publicity of the identification of the conflict may be the only feasible option for addressing or mitigating a conflict risk.

- **Enhanced supervision:** It may also be possible to put in place enhanced supervision or oversight arrangements for a particular person, group of persons or activity as a mitigant to an actual, potential or perceived conflict.

4. Disclosure

- 4.1 The Supervisory Committee may consider whether, in light of the particular facts and circumstances, it would be appropriate for an actual or potential conflict of interest to be disclosed to an appropriate regulatory authority and/or to market stakeholders.
- 4.2 Any disclosure should be clear, fair and not misleading and should be made in a durable medium. The amount of detail which must be disclosed will depend on the nature of the conflict and will need to be judged appropriately by the Supervisory Committee in each case.

5. Additional requirements for directors and members of the Supervisory Committee

- 5.1 The Company's board of directors (the **Board**) and the Company's Supervisory Committee include individuals who are representatives appointed by Member Firms. Directors and members of the Supervisory Committee are expected to act with appropriate independence and impartiality when serving on the Board and/or on the Supervisory Committee.
- 5.2 Each Director and each member of the Supervisory Committee shall be asked to confirm that he/she will:
- promptly declare to the Chairperson of the Supervisory Committee or (in the case of a Director) to the Chairman of the Board if different, any other appointments or arrangements that conflict or may conflict with his/her position as a Director or committee member (as appropriate);
 - comply with this conflicts policy; and
 - maintain the confidentiality of information that comes into his/her possession through his/her position as a director or committee member (as appropriate).
- 5.3 Any member of Company staff who is concerned about the risk of conflicts arising in particular circumstances should seek to raise that concern at the earliest opportunity with a member of the Supervisory Committee. Company staff are also encouraged to consider whether any concern relating to a risk of conflicts arising could also sensibly be raised with their employer.

6. Additional requirements for the Chair of the fixing process

- 6.1 The chair of the fixing process (the **Chair**) will typically be an individual employed by one of the Member Firms. In addition, the Chair may be running or responsible for a gold derivatives and/or spot book. The Chair is expected to act with appropriate independence and impartiality when chairing the fixing process.

- 6.2 The Chair should be alert to the possibility of conflict risks arising, and the Supervisory Committee shall remain particularly focused on managing and as far as possible mitigating conflict risks that are inherent in, or which may in future arise, out of the dual role of the Chair of the fixing process.

7. Additional requirements for Company staff more generally

- 7.1 Conflicts of interest may arise in connection with the activities of Company staff outside of the performance of their role with the Company.

- 7.2 Company staff should comply with the following guidelines to ensure that conflicts of interest are identified, addressed and mitigated in accordance with this policy:

- (A) If you intend to accept any appointment to serve as a Director or member of a governance body for a third party organisation you should give prior notice of this intention to the Supervisory Committee.
- (B) You should not use any influence you may have to direct Company business to a company in which any family member or friend has an interest.
- (C) You should not allow your personal investments to influence, or appear to influence, the performance of your role with the Company and vice versa.
- (D) You must not accept gifts or accommodations of any other kind that might compromise your judgment, or give the appearance that your judgment could have been compromised.
- (E) You should not offer gifts or accommodations on behalf of or in the name of the Company unless it has been approved in advance by the Supervisory Committee.
- (F) If you become aware of non-public information relating to the business, operations or financial position of a Member Firm, or in the course of your role for the Company you otherwise come into possession of information that is price-sensitive in relation to public securities, you must not disclose that information or trade on the basis of that information.

- 7.3 Company staff involved in the fixing process should monitor for and identify conflict risks that exist or may arise with respect to them and make appropriate reports to the Supervisory Committee.

8. Monitoring and reporting

- 8.1 The Supervisory Committee is charged with considering any actual, potential or perceived conflicts of interest that have been disclosed to it and determining how best to address or mitigate the associated risks. Company staff are expected to co-operate fully with the Supervisory Committee in the performance of these important duties.

8.2 The Supervisory Committee will also monitor for conflict risks that have not been notified to it.

8.3 Any individual who identifies or suspects that a person may be breaching this policy should notify the Supervisory Committee without delay.

9. Record keeping

9.1 The Supervisory Committee shall maintain a register of conflicts of interest. The register shall record:

- all conflict and potential conflict situations;
- the appropriate mitigation strategy in each case;
- ownership of the ongoing oversight of the conflict and related mitigation strategy; and
- where appropriate, an assessment of the effectiveness of the mitigation strategy.

Regular reviews of identified conflict situations should be undertaken by the Supervisory Committee to maintain effective and appropriate mitigation.

9.2 The Company will retain:

- all versions of this policy;
- management information provided in relation to the conflicts procedures, including any breaches of the policy and subsequent remedial action; and
- all versions of the conflicts register,

for a minimum of five years.

10. Responsibilities in respect of the policy

10.1 This policy is owned by the Supervisory Committee and is subject to annual review and sign off by the Board. It will also be reviewed in line with business changes and changes to regulation.

10.2 This policy will be communicated upon each change in policy and will be published on the Company's website.

11. Queries

11.1 Any questions about this policy should be addressed to the Supervisory Committee.

12. Effective date

12.1 This policy shall take effect on 16 July 2014.

Version control and change history

Date	Details of amendments	Version no.
16.7.14	Initial version as adopted	1