

LBMA Silver Price Oversight Committee Meeting

Meeting Minutes

Meeting Date: 16 February 2017

Meeting Location: Thomson Reuters Building, 30 South Colonnade, Canary Wharf London E14 5EP

Attendees (in person):

Neil Stocks (Independent Non-Executive and Chair)
Gavin Lee (CME)
David Clark (Independent Non-Executive)
Julian Day (Thomson Reuters)
Sakhila Mirza (LBMA)
Courtney Lynn (Coeur Mining)

Attendees (by phone)

Simon Weeks (Scotiabank)
Bernhard Fuchs (Umicore)
Martyn Smith (The Royal Mint)

Guests:

Paul Bowes, Carl Chambers and Krupa Chandarana (Thomson Reuters) and Payal Lakhani (CME)

1) Chairman's Opening Remarks

The Chairman introduced Mr. Bowes to the members and Mr. Bowes gave a brief description of his background.

2) Conflict of Interest Reminder

No conflicts of interests were declared.

3) Review of 21 December Minutes – Chair

The Chairman asked the members whether they had any questions on the previous minutes. No amendments were noted. The committee formally approved the minutes of the previous meeting.

4) Update on 19 January LBMA Silver Price Roundtable – Paul Bowes

Mr. Bowes updated the members on the LBMA Silver Price roundtable discussions. He mentioned that there were a good number of organisations represented and that the level of engagement was high. He also informed the members that there was an update on the silver market from Ross Strachan from GFMS (an analytics firm acquired by Thomson Reuters in 2011). Additional updates were provided by Gavin Lee and Carl Chambers.

5) Update on Participant Code of Conduct – Carl Chambers

Carl Chambers informed the members on two different work streams:

1. **Review of Participant Code of Conduct (PCoC)** - This has now been reviewed by this Committee and the Participants. This was also a topic of discussion at the LBMA Silver Price Roundtable. He mentioned that the final draft would go out to Participants on 16 February 2017 for final approval
2. **Participant Code of Conduct (Participant Adherence Review) Requests for on-site visit** - Two participants requested an on-site visit to test adherence to PCoC [in respect of a new participant. Carl mentioned that Participants' adherence with the PcoC will be subject to a review.

ACTION: Carl to circulate a copy of the questionnaire to the members.

6) Update on EU Benchmark Legislation – Carl Chambers

- The members were informed that the Level 2 measures and latest Regulatory Technical Standards for the EU Benchmark legislation have been out since December 2016 and that a number of clarification points on that text are still required.
- The in-scope benchmarks will fall into three separate categories: Non-Significant, Significant and Critical. Carl suggested that in his opinion LBMA Silver Price will fall into the significant bucket, but ultimately the final decision rests with the National Competent Authority.
- There was some discussion by members about the obligation of having an Oversight Committee if LBMA Silver Price was deemed not to be a critical benchmark. It was clarified that an Oversight Committee would still be a requirement.

7) Update from Co-Administrator / Calculation Agent – Gavin Lee

Gavin Lee walked through the market surveillance update to the members that had been distributed in advance.

Members asked about the overall participation in the benchmark. Gavin shared that CME was in the process of going to all Participants to propose a new clearing model. Once CME had each participant's agreement, Gavin would then present to the Committee

8) AOB

The Chair raised that point 20 of the Terms of Reference of the Oversight Committee suggest periodic review and that the Committee should do so at the next scheduled meeting.

ACTION: Composition of the Committee and term to be an agenda item for the next Committee meeting on 30 March 2017.

Next meeting is on 30 March 2017.

Chair closed the meeting.