

THOMSON REUTERS BENCHMARK SERVICES LIMITED

LBMA SILVER PRICE

TERMS OF REFERENCE OF THE LBMA SILVER PRICE OVERSIGHT COMMITTEE

The following are the responsibilities of the LBMA Silver Price Oversight Committee:

1. To provide independent challenge and advice to the Administrator Executive on salient matters aligned to the ongoing enhancement and functioning of the LBMA Silver Price benchmark (for the purposes of this document this includes the EUR and GBP rates along with the initial USD price);
2. To review and maintain the definition, setting, scope and methodology of the LBMA Silver Price benchmark, including advising on introducing or removing parts of the process, with the aim of enhancing where possible the performance of the Benchmark determination process, and oversee any changes as required from time to time;
3. To review and maintain procedures for the scrutiny of the LBMA Silver Price benchmark auction process, including, where necessary the scrutiny of individual contributions to the auction process by a participation of the fixing process;
4. To on an ongoing basis review and maintain procedures and quality of management information for the monitoring and surveillance of the LBMA Silver Price benchmark auction process;
5. To assess the usage and materiality of LBMA Silver Price benchmark and ensure it remains effective and suitable for purpose as a material and critical benchmark
6. To regularly challenge/review the code of conduct for the LBMA Silver Price benchmark process ensuring that it remain meaningful and effective to the efficient functioning of the fixing process;
7. To review the selection process of auction contributors, assign responsibility and accountability for running the selection process and where necessary challenge the selection of a contributor if an situation or incident is identified and warrants such challenge;
8. To ensure that any regulatory upstream risks or changes are identified and considered in a timely manner,;
9. To assist in the development of and review any consultation documents seeking for comment on any enhancement or improvement of the LBMA Silver Price benchmark process, and to assist in considering the responses received with determination of accepting or declining commentary;
10. To review guidance on the calculation methodology, verification and distribution of the LBMA Silver Price Benchmark;
11. To consider and review the Benchmark administrators and oversight committees conflict of interest policy, and on an ongoing basis consider existing or potential conflict of interests in the functioning and operation of the LBMA Silver Price benchmark or any associated governance framework;
12. To escalate any conflict between the Oversight Committee's decisions and the responsibilities of the Benchmark Executive or any other issue that has been escalated to the Oversight Committee to the Chair of the Committee/Chair of the Benchmark Executive for resolution.
13. To review guidance (and provide guidance and advice if necessary) on the calculation methodology, verification and distribution of the LBMA Silver Price Benchmark in the event of a disruption to the market that impacts the accepted calculation or distribution timing or method;
14. To assist in the maintenance of governance procedures for the LBMA Silver Price benchmark including where necessary enforcement/disciplinary procedures/low level sanctions or referrals to relevant competent authorities

15. To constitute, as appropriate, subcommittee or working groups to consider reports prepared by the LBMA Silver Price benchmark executive on the procedural working of the LBMA Silver Price Benchmark and or matters that require requisite attention (such as disciplinary matters relating to the conduct of an approved benchmark contributor or potential impact of market abuse in the associated markets e.g. squeezes, or suspected breaches of the code of conduct or suspected manipulation)
16. To ensure that measures are taken to remain updated on material and significant issues or risks in relation to the LBMA Silver Price Benchmark and its associated user markets
17. To notify the FCA of when the Administrator fails on a recurring basis to follow the practice standards outlined in the Administrator Code of Conduct, in particular reporting any issues related to the determination and publication of the benchmark
18. To maintain links as appropriate with such statutory and other public bodies who wish to observe or seek commentary from the oversight committee
19. To assist in the appointment of any body for the purpose of undertaking an internal or external audit of the operations of the LBMA Silver Price Benchmark and consider the recommendations and conclusions of such audits and provide an independent and impartial check and balance on the follow up of remedial actions identified
20. To ensure the Terms of Reference for the oversight committee undergo periodic review.

These Terms of Reference were adopted by the LBMA Silver Price Oversight Committee at the meeting held at Thomson Reuters on 27 June, 2016.

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