

LME is uniquely positioned to support the LBMA in providing a standalone solution to the silver market. We can deliver a robust and transparent framework underpinned by LME's proven, scalable and secure infrastructure, based on four key principles:

- **We will provide a secure electronic auction venue**

LME has offered three potential pricing venues to the market (electronic, enhanced telephone and Ring). The market's clear preference is for our electronic auction solution, delivered through our proven LMEselect platform, which is already deployed throughout the London metals community. Our silver auction is based on market best-practice with rigorous regulatory and compliance features, and will be ready for demonstration on our production systems by Friday 27 June.

- **We are the natural London home for silver**

We have a strong track record of working alongside the LBMA on precious metals pricing, and the high crossover between our London-based memberships allows maximum participation in an LME-delivered London Silver Price. Many end users of the silver pricing are active on our base metals markets, and trust the LME to deliver an optimised solution for industry, which is based on London silver vaulting and the LBMA's London Good Delivery List.

- **We will deploy our FCA-approved regulatory framework and infrastructure to meet all domestic and international legislation**

Although silver fixing is not currently a regulated activity, we will adopt the same rigour in delivering the London Silver Price as with our current market.

- **We will provide a fully auditable and transparent price formation process, overseen by a senior team with more than 112 years of collective price discovery experience in a regulated environment**

Our independent pricing committee and chairman, along with LME's market surveillance team, will ensure pricing is conducted in an orderly manner, guaranteeing delivery of a daily London Silver Price to the market for seamless use in settling existing contracts.

We have reacted to strong market demand – from both physical and financial players – for the LME to deliver the London Silver Price, and our solution incorporates significant market feedback from across the silver community. Our dedicated team of precious metals experts is ready to support delivery of the solution, and ensure market continuity on 15 August 2014.