

# **A-MARK PRECIOUS METALS, INC**

## **INSIDER TRADING POLICY**

(Effective as of February 28, 2014)

### **I. Overview**

The Federal securities laws prohibit "insider trading". Specifically, Rule 10b-5 under the Securities Exchange Act of 1934, as amended, applies to directors, officers, employees, consultants and significant stockholders of the Company ("Insiders") who have access to material, non-public information concerning the Company or its prospects ("Inside Information"). Insiders may not buy or sell securities of the Company when they have Inside Information or otherwise use Inside Information to their own advantage or pass it on directly or indirectly to others who engage in such transactions. Buying or selling the Company's securities while in possession of Inside Information, regardless of whether the transaction would have taken place even if the Insider did not possess the Inside Information, may give rise to a variety of individual or derivative civil claims, as well as to SEC action. An Insider in possession of Inside Information must abstain from trading. An Insider is also prohibited from giving tips, i.e., revealing the Inside Information to others who may trade on it or making investment recommendations to others based upon such information (even if the information is not disclosed). In order to prevent the violations and the potential liability described above, the Company has adopted this Insider Trading Policy (the "Policy"), effective immediately. The Policy is subject to change from time to time.

### **II. To Whom Does the Policy Apply?**

This Policy applies to all directors, officers, employees, consultants and significant stockholders of the Company and its subsidiaries, as well as members of their immediate family. The Policy applies to such persons located in and out of the United States alike. Insiders may not trade on the basis of Inside Information or tip Inside Information to others for trading even after their status as an Insider has terminated. It may also apply to others who enter into a relationship with the Company which gives them the opportunity to obtain Inside Information about the Company. Generally speaking, you should assume that anyone who has material, nonpublic information has a duty not to trade on it or tip it to others for trading. Keep in mind that "tipping" includes not only directly communicating information, but also making recommendations to others based on it (even if the information is not directly disclosed). Additionally, the law provides that certain people in management and supervisory positions have a responsibility to implement appropriate measures to prevent others from "tipping" or trading on Inside Information. All persons subject to the Policy will receive a copy of it and be required to sign an acknowledgment that they have received it, understand it and agree to abide by it.

### **III. Summary of the Law of Insider Trading**

#### **A. What Is Inside Information?**

Many of us who work at the Company - officers and non-officers alike - have access to information concerning the Company and its affairs which is confidential. Under the Federal securities laws, if someone possesses nonpublic information which is found to be "material," they may not buy or sell the Company's securities while in the possession of such "material" nonpublic information ("Inside Information"). For these purposes, the Company's securities include common and preferred stock and options - including both "put" and "call" options - to purchase or sell the Company's common or preferred stock. For information to be considered Inside Information, it need not originate from within the Company or even relate to its internal operations. Information is deemed to be "nonpublic" until it has been published in a manner that makes it generally available to the marketplace.

#### **B. When Is Information Material?**

To be liable for trading on or tipping Inside Information, the information must be "material." Generally, information is material if "there is a substantial likelihood that a reasonable shareholder would consider such information important" in making an investment decision, and if such information would have been viewed by the reasonable investor as having "significantly altered the 'total mix' of information made available." Information that is likely to affect the price of a company's securities is material. Either positive or negative information may be "material."

Types of information that may be material include, but are not limited to: (1) earnings information; (2) mergers, acquisitions, tender offers, joint ventures, or changes in assets; (3) new products or discoveries, or developments regarding customers or suppliers, such as an acquisition or loss of a contract; (4) changes in control or in management; (5) change in auditors or auditor notification that the issuer may no longer rely on an auditor's report; (6) events regarding the issuer's securities, such as defaults on senior securities, calls of securities or redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, public or private sales of additional securities; and (7) bankruptcies or receiverships. The foregoing list is not exhaustive; other types of information may be material at any particular time, depending upon all the circumstances. Chances are, if you learn something that leads you to want to buy or sell securities, that information will be considered material. It is important to keep in mind that material information need not be certain information: Information that an event is likely to happen, or even just that it may happen, can be considered material.

#### **C. The "Awareness" Standard**

Pursuant to Rule 10b5-1, simply trading while in "knowing possession" of Inside Information is enough to establish liability; it does not matter whether the Inside Information was actually part of the reason for making the trade. In brief, it provides an "awareness" standard, whereby you trade "on the basis of" material nonpublic information if

you were aware of the information at the time you bought or sold a security. Therefore, you cannot trade while you are aware of Inside Information even if you believe that the information has not influenced your decision (in other words, even if you would have traded without having the Inside Information).

#### **IV. The Policy**

- A. **Preclearance.** Prior to initiating any purchase or sale, you must first contact one of the Company's Compliance Officers or, if he or she is not available, the Chief Executive Officer, to ascertain if there are reasons that such a transaction should not be made at that time ("Preclearance"). If clearance to buy or sell the stock is given, the trade should be completed by the end of the third trading day thereafter, or new clearance must be obtained. If the Compliance Officer or the Chief Executive Officer determines that the transaction should not be made because of circumstances at the Company (which circumstances need not be revealed to the requester), the decision shall be final and be adhered to. This determination remains in effect until subsequent clearance is received. If you have been denied clearance to trade, you should not disclose this to others. The General Counsel and the Chief Financial Officer have been designated as Compliance Officers for the Company.
- B. To help prevent inadvertent violations of the securities laws and to avoid even the appearance of trading on inside information, the General Counsel will maintain a list of "Designated Insiders," which shall consist of: (i) members of the Company's Board of Directors, (ii) employees on the distribution list for the Company's Disclosure Committee (who review the Company's SEC reports), and (iii) such other persons as the General Counsel may designate from time to time. In addition to being subject to all the other limitations of this Policy, including the obligation to obtain Preclearance, Designated Insiders may only conduct transactions in Company securities during the "Window Period" beginning on the third trading day following the Company's quarterly or annual earnings release and ending three weeks prior to the close of the next fiscal quarter (unless earlier terminated), and only then if they do not otherwise possess any material non-public information concerning the Company. All Designated Insiders will receive an email announcing the opening and closing of a Window Period.
- C. In appropriate circumstances, the General Counsel may make exceptions to certain of the practices prohibited by this Policy, where it is determined that such exception would not result in a violation of applicable law.
- D. **Prohibition Against Trading When in Possession of Inside Information.** Whether or not you have received Preclearance, you may not trade if you have Inside Information. When you have Inside Information, you must not buy or sell any securities of the Company, or place an order to do so, or recommend or direct the purchase or sale of, any securities of the Company, for your own account or for any account in which you have a direct or indirect Beneficial Ownership interest or for any other account over which you have discretionary authority or power of attorney. When you have Inside Information, you must not buy or sell any securities of the Company, or place an order to do so, or recommend or direct the purchase or sale of, any securities of the Company, for any firm account or the account of any other person.
- E. **Prohibition Against "Tipping", and Preservation of Confidentiality.** You may not share Inside Information with anyone else or advise any person to trade in

the Company's stock or express any opinion as to trading in the Company's stock, whether or not that person is an Insider. You may not disclose Inside Information to anyone either within or outside the Company, except when authorized to do so by the Compliance Officer. This includes solicitations by sales personnel and recommendations in the form of oral or written research reports by research personnel.

- F. Other Restrictions. In addition, you may not sell securities of the Company short, that is, selling stock you do not own in the expectation the price will decline. Also, you may not engage in transactions in exchange-traded or other options (puts and calls) on the Company's stock. Certain persons, such as directors, officers and 10% stockholders, are subject to other limitations on their ability to trade in the Company's securities, such as those imposed by Section 16 of the Securities Exchange Act of 1934, as well as to Rule 144 under the Securities Act of 1933, as amended. **The above Policy does not apply to the exercise of options granted by the Company, but does apply to the sale of shares received upon the exercise of those options.**

To promote compliance with the applicable laws and this Policy, you should view all of your transactions in the Company's securities as involving investment decisions - not speculation. "In-and-out" trading of the Company's securities is therefore discouraged. The Company's Policy against insider trading applies irrespective of: (1) whether or not the Inside Information was acquired from an Insider; (2) whether or not the Inside Information was acquired during the course of a person's activities on behalf of the Company; (3) whether or not the trading at issue is personal in nature or for the benefit of a client of the Company; and, (4) whether or not the conduct at issue violates the statutory and legal prohibitions against insider trading or tipping. The Company's Policy should not, however, be construed to create legal duties that would not otherwise exist. Furthermore, in the event that one of the Compliance Officer's commence any investigation or inquiry into potential insider trading or tipping, every Insider is required to provide full access to the Compliance Officer to any and all account records and documents which the Compliance Officer consider relevant to the investigation or inquiry and cooperate fully in all other respects with the Compliance Officer.

- G. 10b5-1 Plans. Rule 10b5-1 provides a defense from insider trading liability under SEC Rule 10b-5. To be eligible for this defense, an insider may enter into a "10b5-1 plan" for trading in Company securities. If the plan meets the requirements of Rule 10b5-1, Company stock may be purchased or sold without regard to certain insider trading restrictions. To comply with the Company's insider trading policy, a 10b5-1 plan must be approved by the General Counsel and meet the requirements of Rule 10b5-1. In general, a 10b5-1 plan must be entered into at a time when there is no undisclosed material information. Once the plan is adopted, the Insider must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. The Company reserves the right to disclose publicly the terms of a 10b5-1 plan, including pursuant to a Form 8-K.

## **V. The Penalties For Misusing Inside Information**

The penalties for unlawful trading of the Company's securities while in possession of Inside Information or communicating Inside Information to others are likely to be severe, both for the individuals involved in such conduct, their employers, and "controlling persons" (i.e., persons who have the right to exercise control over the activities of others). Persons found to have traded on Inside Information or to have passed such Inside Information on to others have been subjected to investigation, civil sanctions and criminal prosecution. First-time penalties include:

- Civil injunctions;
- Disgorgement of profits;
- Civil penalties for the persons who committed the violation of up to \$1,000,000 or three times the amount of profit gained or loss avoided, whether or not the person actually benefited;
- Civil penalties for the employer or other "controlling persons" of up to the greater of \$2,500,000 or three times the amount of the profit gained or loss avoided; and
- Criminal fines and jail sentences.

The Company will not tolerate any illegal conduct by Insiders. Moreover, if you violate this Policy, you may be subject to internal disciplinary action, up to and including, for example, censure, fine, suspension, restriction on activities, and immediate termination of your employment.

## **VI. Investigations of Suspicious Activity**

The Compliance Officers shall investigate all questionable, anomalous or suspicious trades whether discovered through scheduled reviews or otherwise. The scope and extent of any particular inquiry shall be determined by the nature of the particular trade in question. At a minimum, a Compliance Officer will contact the employee for an explanation as to the trades in question.

The Compliance Officers will keep a record of all inquiries. The record will contain, at a minimum, the following:

- the name of the security;
- the date the investigation commenced;
- an identification of the accounts involved; and
- a summary of the disposition of the investigation.

## **VII. Special Reports to Management**

Promptly upon learning of an actual or potential violation of the Policy, the Compliance Officers will prepare and maintain in the Company's records a written report providing full details of the situation and any remedial action taken.

## **VIII. Common Procedures**

All of the points and procedures described in this memorandum are quite common for a public company. Management has presented this memorandum to insure that both the Company and its Insiders are protected, to the maximum extent, against potential claims that Insiders are in possession of Inside Information when trading in the Company's securities.

## **IX. Additional Information**

While most of the situations intended to be covered by this Policy will be self-evident, there may be instances of doubt, and in such cases you should discuss the matter directly with our Compliance Officers. Needless to say, the circulation of this memorandum is simply a precautionary matter and does not indicate any awareness by management of any anticipated violation of the Policy. If you have any questions regarding the content of this memorandum, please contact either of the Compliance Officers at 949-955-1250.

### **Schedule A**

#### **Definition of "Beneficial Ownership"**

The term "Beneficial Interest" means a financial or pecuniary interest. You may be considered to have a pecuniary interest not only in your own single or joint securities account, but also in accounts of:

- a partnership of which you are a partner and an investment club in which you are a member
- a spouse, minor child or relative living in the same household
- other people whose investments you direct or control, whether or not they live with you.

We will interpret the definition of "Beneficial Ownership" in a manner consistent with the definition contained in Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules and regulations of the Securities and Exchange Commissions ("SEC") and the interpretations of the SEC and its staff. Any determination concerning your direct or indirect Beneficial Ownership will apply to all securities that you own or acquire.