



Listing of Cobalt Brands

Guidance Notes for Applicant Producers



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1. Cobalt producers wishing to apply for LME brand registration will only be considered provided that they satisfy the following criteria (the “Core Listing Requirements”):
 - i) The producer has been in business for at least 12 months.
 - ii) The production plant has been in production for a minimum of 12 months.
2. The producer is required to choose a Category 1-5 Member to process their brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Member Company. A list of Category 1-5 Members expressing a general willingness to assist producers list their brands can be found here <https://www.lme.com/en/Physical-services/Brands>.
3. Production from more than one production plant must be separately listed. Each production plant must have a different brand name.
4. Producers will be required to comply with the LME’s Responsible Sourcing Policy.
5. The application is in two stages and all documentation must be submitted in English.
6. The LME and LMEC reserve the right to discuss without restriction, any information provided with any regulatory body; any third party provider of KYC, screening or other monitoring services; or any other persons or organisations, as the LME/LMEC may in their absolute discretion decide, and to make such other enquiries as they think fit (including using the information provided by the producer in such enquires).
7. Payment of the brand listing fee is required at Stage One of the application process. The fee is US\$65,000 plus UK VAT and is non-refundable¹.

¹ Value Added Tax (VAT): Under current UK legislation, the LME understands that LME members established in the UK submitting applications for their own production operations or for third party producers must pay UK VAT to the LME at the ruling rate at the time of application, regardless of domicile of the producer. LME members should only on-charge UK VAT to producers established in the UK. LME members not established in the UK making applications do not have to pay UK VAT to the LME regardless of the location of the production operations. This information is for guidance only and relevant parties should always seek their own advice in relation to tax matters. The LME will have no liability for reliance on the above.



Stage One

The producer is to supply the following information in a letter on their headed notepaper addressed to the LME (the "Application Letter")²:

1. The name of the LME Member processing their application.
2. The full name and address of the producer to be listed by the LME.
3. Brief details of the history of the producer.
4. Details of the ownership of the producer.
5. The address of the production plant.
6. The first date of production of the plant.
7. The name of the brand subject of the application.
8. The first date of production from which the producer guarantees the brand as meeting specification.
9. The design capacity.
10. The current annualised use of capacity.
11. The monthly production figures for the previous 12 months.
12. The shapes to be listed; cut cathodes, broken cathodes, rounds, briquettes, coarse grain powder³.

² The Application Letter must be signed and dated. The signatory should state their position within the producer company.

³ Coarse grain powder must be <0.01% of a respirable size fraction.



The following information (the “Additional Listing Requirements”) is to be provided by attachments to the covering Application Letter:

- A. The following financial information:
 - (i) The latest three consecutive profitable externally audited financial statements of the producer, where available;
 - (ii) In the event that the producer cannot provide three consecutive profitable externally audited financial statements, the parent company of the producer must provide three consecutive profitable externally audited financial statements and a signed Letter of Support⁴ regarding the financial position of the producer⁵;
 - (iii) Confirmation there has been no restructuring of the producer over the last three years and there is no ongoing restructuring; and
 - (iv) Evidence that the capital net worth of the producer⁶ is a minimum of US\$2 million.
- B. A copy of the incorporation certificate of the producer.
- C. Photographs of the product(s) to be listed.
- D. Photographs of drums showing clearly all markings and symbols which must include; the brand name, drum gross and net weights and production batch reference. Include a photograph of drums packaged for transportation including any pallet⁷.
- E. A copy of any label used which must be durable and plasticised.
- F. A sample of the tamperproof seal.
- G. A Letter of Undertaking dated and signed on behalf of the producer⁸.
- H. An outline of the production process including a process flow diagram.
- I. A production site plan/diagram.
- J. A paper detailing the sampling and analytical process and advising if any aspect of this work is outsourced. Show the detection levels used for determining impurities.

⁴ In accordance with the form appended to these Guidance Notes.

⁵ The LME reserves the right to require a signed Letter of Support from the parent company of a producer in such circumstances regarding the financial position of the producer as it, in its absolute discretion, considers appropriate.

⁶ The capital net worth of the producer shall be determined on the basis of the permanent capital plus additional capital disallowables. In particular, permanent capital shall be issued and fully paid ordinary shares, issued and fully paid preference shares, share premium and other reserves not available for distribution. A deficit in reserves available for distribution will be deducted when calculating permanent capital. Additional capital shall be considered other equity reserves (distributable or otherwise) and profit and loss reserves. Further, disallowable items are considered intangible fixed assets such as goodwill, development costs etc, investments in subsidiaries and/or other group companies.

⁷ Only steel drums with ring sealing closure systems are permitted and are to be of a net weight capacity of 200kgs, 250kgs or 500kgs that allow for uniform sizes to be delivered against the 1mt LME Cobalt Contract.

⁸ In accordance with the form appended to these Guidance Notes.



- K. Analysis data for the previous three months.
- (i) The established values of each of the elements C, Cd, Cu, Fe, Mn, Ni, Pb, S and Zn must be included in the analysis data provided and should not exceed the following maximums % values C - 0.02, Cd - 0.005, Cu - 0.03, Fe - 0.3, Mn - 0.05, Ni - 0.33, Pb - 0.01, S - 0.010 and Zn - 0.01. In the case of powder the maximum % is C - 0.1 and S - 0.04.
- These values are for guidance only. The maximum levels of each element reported in the analysis data will be assessed with regard to the specific specification for the brand.
- L. A sample Certificate of Analysis which must be in English/dual language and include: the date, name and address of the producer, brand name, production cast reference and associated chemical analysis.
- M. Letters of support from a minimum of two customers.
- N. A copy of the current ISO 9001 Certificate, or, alternatively, that of ISO/TS 16949.
- O. Fulfilment of the Responsible Sourcing requirements⁹ :
- (i) Evidence of compliance with one of the 4 LME Tracks:
 - a. Either a Standard Audit report (as per Track A);
 - b. or an Audit Report of the LME Red Flag Assessment (as per Track B) if no OECD Red Flags are identified;
 - c. or an LME RFA (as per Track C) if no OECD Red Flags are identified;
 - d. or the LME Secondary Material Sourcing Attestation Form (as per Track D) if the producer sources 100% secondary material.
 - (ii) A copy of ISO 14001 Certificate or equivalent.
 - (iii) A copy of ISO 45001 Certificate or equivalent.

It is the producer's responsibility to ensure that the information in their application complies with Part 6 of the LME Rulebook – Special Contract Rules for Cobalt and to ensure that no testing takes place until approval to do so is given by the LME.

⁹ For a more detailed understanding of the Responsible Sourcing requirements, please see the [LME Policy on Responsible Sourcing of LME Listed Brands](#) and the dedicated webpage: <https://www.lme.com/en-GB/About/Responsibility/Responsible-sourcing>.



Stage Two

On receipt of all information in Stage One, the next steps are as follows:

1. The LME will request such additional information as required.
2. The LME reserves the right to require testing to sampling and analysis of the brand.
3. Subject to the application being satisfactory and any need to invoke clause 2 above, the LME Cobalt Committee will make a recommendation to the LME Executive Committee that the brand should be listed as suitable for delivery against the Cobalt contract.
4. The LME reserves the right to audit a producers' operations at any time prior to or post listing of a brand for verification of any aspect of the listing process at the cost of the producer.
5. From time to time the LME will request that producers of a listed brand(s) re-affirm the undertakings originally given at the time of listing. Failure to comply with the undertakings or supply evidence of continuing compliance with all listing requirements and Part 6 and Part 7 of the LME's Rules and Regulations may result in the delisting of the brand(s). If the producer fails to notify the LME promptly of any change in the information supplied with the original application, or if any such changes, are in the LME's view material, then the LME's Executive Committee may suspend or delist the brand.
6. The listing of any brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME's Rules and Regulations.



Draft of Producer's Letter of Undertaking – Cobalt

This letter must be issued by the producer on headed paper, signed and dated and show the signatory's position.

London Metal Exchange
10 Finsbury Square
London
EC2A 1AJ
United Kingdom

Attention: Physical Operations Department

(INSERT DATE)

In consideration of the LME maintaining our Cobalt Brand (*insert brand name*) in its list of brands deliverable in fulfilment of its Cobalt Contract:

1. We (*insert producer name*) undertake that the quality of our cobalt brand (*insert brand name*) produced at (*name and address of production plant*), will meet with the requirements of the LME Contract for Cobalt and conform to the typical analysis of the brand as established at the time of application.
2. We also undertake that any complaints we may receive with regard to the quality will be investigated without any restriction on the period within which such a claim be made.
3. We undertake that we will not attempt to restrict (*insert brand name*) brand from being delivered against the LME Contract.
4. We further undertake that any change in ownership, financial status, production practice or any other material circumstance will be advised to the LME without delay and to comply with Rules 3 to 7 inclusive of Part 7, of the Rules and Regulations of the LME, any amendments thereto and any Notices issued by the LME.
5. This letter of undertaking shall be governed by English law. The courts of England shall have non-exclusive jurisdiction to settle any disputes in relation to this letter of support.

Yours sincerely

Signature

Name

Position in Company



Draft of Parent Company’s Letter of Support

This letter must be issued by the applicant producer’s parent company on headed paper, signed and dated and show the signatory’s position.

London Metal Exchange
Physical Operations Department
10 Finsbury Square
London
EC2A 1AJ
UK

(INSERT DATE)

In consideration of *(insert applicant producer’s name)*’s application for the listing of *(insert brand name)* by the LME, in its list of brands deliverable in fulfilment of the LME’s Cobalt contract we, *(insert parent company’s name)*, undertake that *(applicant producer’s name)* is of good financial standing.

We acknowledge that as *(insert applicant producer’s name)* has not produced *(insert brand name)* for a period of three years, *(insert applicant producer’s name)* is currently unable to satisfy the financial criteria in full for LME brand registration. As *(insert parent company’s name)* is the *(insert description of the corporate relationship i.e. majority shareholder)* of *(insert applicant producer’s name)*, we can confirm that we support *(insert applicant producer’s name)*’s application and that we will provide financial support to *(insert applicant producer’s name)* where such support may be required in order to ensure that *(insert applicant producer’s name)* remains of good financial standing.

We further undertake that *(insert applicant producer’s name)* will inform the LME without delay of any change in its ownership, financial status, production practice or any other material circumstances that may affect the good financial standing or reputation of *(insert applicant producer’s name)* and/or *(insert brand name)*.

This letter of support shall be governed by English law. The courts of England shall have non-exclusive jurisdiction to settle any disputes in relation to this letter of support.

Yours sincerely

Signature.....

Name.....

Company Name.....

Position in company.....



Strapping Specifications

Steel strapping for all metals.

Polyester strapping for primary aluminium, aluminium alloy, tin, lead and zinc ingots

| Strap | Size | Average Strength (newtons) | Applied Tension (newtons) | Joint | Joint Strength | Working Range Elongation |
|-----------|----------------|----------------------------|---------------------------|------------|----------------|--------------------------|
| Polyester | 15.6mm x 0.9mm | 6000 | 3500 | Metal seal | 60% | 2-3.5% |
| Polyester | 15.6mm x 0.9mm | 6000 | 2500 | Friction | 80% | 2-3.5% |
| Steel | 19mm x 0.63mm | 12000 | 7000 | Seal-less | 80% | 0.1-0.3% |
| Steel | 19mm x 0.63mm | 12000 | 5000 | Metal seal | 80% | 0.1-0.3% |

Polyester strapping upgrade for copper and nickel cathodes

| Strap | Size | Average Strength (newtons) | Applied Tension (newtons) | Joint | Joint Strength | Working Range Elongation |
|-----------|----------------|----------------------------|---------------------------|------------|----------------|--------------------------|
| Polyester | 19.0mm x 1.0mm | 1000 | 3500 | Metal seal | 60% | 2-3.5% |
| Polyester | 19.0mm x 1.0mm | 1000 | 2500 | Friction | 80% | 2-3.5% |

Securing of straps

| Tool | Strap material | Joint type | Maximum applied tension (newtons) | Joint strength |
|-----------|----------------|---------------|-----------------------------------|----------------|
| Manual | Polyester | Metal seal | 3500 | 60% |
| Pneumatic | Polyester | Friction weld | 2500 | 80% |
| Pneumatic | Steel | Seal-less | 7000 | 80% |
| Manual | Steel | Metal seal | 5000 | 60% |