



Listing of Copper- Grade A Brands

Guidance Notes for Applicant Producers

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1. Copper producers wishing to apply for the listing of a brand by the LME 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 or, if in the opinion of the LME Copper Committee adequate production capacity utilisation and satisfactory quality has been achieved, at an earlier date.
 - iii) Has a capacity to produce a minimum of 15,000 tonnes per annum of Grade A copper cathodes.
2. The producer is required to advise the LME in writing of the name of the Category 1-5 Member Company who will be processing the listing application (see Rule Book Part 7, Rule 1). Thereafter, all correspondence will be via the selected Member Company. A list of Members Categories 1-5 expressing a general willingness to assist producers list their brands can be found here:-

<https://www.lme.com/-/media/Files/Warehousing/Approval-process/Brand-Applications-Members-List.pdf>
3. Production from more than one production plant must be separately listed. Each production plant must have a different brand name.
4. The application is in two stages and all documentation must be submitted in English.
5. 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 enquiries).

Note: The LME has introduced responsible sourcing requirements for all LME listed brands; compliance with the first phase of requirements needs to be met on 30 June 2022 and compliance with the second phase of requirements needs to be met on 31 December 2023. Further information on the LME’s Policy on Responsible Sourcing can be found on the LME website: <https://www.lme.com/en-GB/About/Responsibility/Responsible-sourcing>



Stage One

The producer is to supply the following information in a letter on their headed notepaper addressed to the LME (the Application Letter)¹:

1. The name of the LME Member processing the 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 the 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 brand name for any non-Grade A copper cathodes not recycled in the production plant which must differ from the brand name used for the listing application.
13. The names of three Testers from the list of LME Approved Testers for Copper provided at the end of these Guidance Notes which the producer intends to use for testing (Stage Two). Evidence of the Testers' willingness to test is to be submitted. Prior approval will be required from the LME Copper Committee to use the named Testers.

At Stage One, it is the producer's responsibility to ensure that the information complies with the Special Contract Rules for Copper-Grade A, LME Rules Part 6 and to ensure that no testing is to take place until approval to do so is given by the LME.

¹ Note that the signatory and their position within the producer company must be shown on the dated Application Letter.



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 Support² regarding the financial position of the producer³;
 - (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 producer⁴ is a minimum of US\$2 million.
- B. A copy of the incorporation certificate of the producer.
- C. Photographs of the cathode product and of strapped bundles (side and top profile), including close up of clips bearing the brand name, alternatively with the brand name continuously marked on the straps. It must be clear from the photographs that the copper is strapped in two dimensions.
- D. A sample clip or section of strap showing the brand name.
- E. Drawings of a cathode and bundle showing all dimensions in mm and weights in kilos. Also the applicant is required to state with the drawing of the bundle the following phrases:
- (i) Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe handling by fork lift truck without bundle distortion and breakage.
 - (ii) The bundle size and shape is suitable for safe and secure stacking.
 - (iii) The bundle assembly and security is such that on removing the security straps it remains an integral free standing bundle.
- F. Each bundle requires having on it, by label or other indelible markings, data that identifies the producer, the production date and reference. Provide a copy of any label used which must be plasticized.

² The LME shall provide the Letter of Support to the producer.

³ 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.

⁴ 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.



- G. A Letter of Undertaking dated and signed on behalf of the producer in the form shown at the end of these Guidance Notes.
- H. An outline of the production process including a process flow diagram.
- I. A production site plan/diagram.
- J. A paper giving the sampling and analytical regime and advising if any aspect of this work is outsourced. Show the detection levels used for determining impurities.
- K. A schedule of the analysis data for the previous three months for all grades produced at the plant reporting all elements of the EN 1987:1998 specification of Cathode Designation Cu-Cath-1. The detection limits used for quality assessment are to be tabled. Explanations are to be given if any element is not assessed batch by batch.
- L. A list of names of Continuous Cast Copper Rod (CCR) mills that you have supplied in the last 12 months and confirming you have no objection to the LME approaching the named mills for opinions of the applicant brand.
- M. A copy of the current ISO 9001 Certificate or, alternatively, that of ISO/TS 16949.

Also at Stage One, payment of the fee for applying for the listing of a copper brand is required. The fee is US\$65,000 plus UK VAT and it is non-refundable.

***NB.** 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 Two

On receipt of all information the LME will respond to the application as follows:

1. Request such additional information as required.
2. The producer will be informed of the testing programme which, without commitment by the LME, is normally three separate quotas of 200 tonnes to each Tester produced at approximately monthly intervals.
3. The LME reserves the right to require that cathodes for testing are selected in a random manner by an LME Listed Sampler and Assayer (LSA) and at the expense of the producer.

Random Selection is normally used where any production plant is producing routinely more than one quality and/or where there is insufficient supporting information on quality from third parties at time of Application for formal testing.

4. The LME will write directly to the Testers advising them of their nomination and requirements for tests. The Testers selected to perform the evaluation of cathode brands will be expected to undertake thorough sampling of wire-rod selected in such a manner as to ensure that there is no contamination from other cathode brands melted immediately prior or immediately following the subject brand. Complete chemical analysis for all specified elements together with spiral elongation (SEN) and AR values and measurement of electrical conductivity will be required. Such evaluations to be completed within 3 months of arrival of each quota at the Testers' works. The LME Copper Committee agrees to permit one Tester in the three to be selected from the LME Approved Testers for Copper – Grade A Brand Applications shown as not performing the SEN test.
5. The producer is required to provide the LME with their analysis for the production batches that are sent to the three Testers for evaluation.
6. The LME reserves the right to require testing to be extended if, in its sole opinion, such action is necessary for evaluation of the brand. This may include and is not limited to, additional quality testing on the reserve rod (1.2 metres in length) of each of the three coils set aside by the Testers. The Rod Mill/Tester to carry out this work will be chosen by the LME. Any additional or extended testing will be for the cost of the producer.
7. The producer and/or LME Member making the listing application will be responsible for making all the testing arrangements with the Testers.
8. On completion of the evaluation of each of the quotas to be delivered, the Testers will be required to submit a report showing the results of tests with comments on the physical appearance of cathodes tested and any problems encountered in their use.
9. The Testers will be required to confirm that the cathodes have been found to comply with Standard BS EN 1978:1998 cathode designation CU-CATH-1 in all respects and are suitable for the manufacture of wire-rod in accordance with Standard BS EN 1977:2013 Cu-ETP1 (CW003A) grade. ASTM Designation B115-10 (2016) cathode Grade 1 and Designation B49-17 wire rod Grade UNS C11040, or, Standard GB/T 467-2010 cathode Grade A and Standard GB/T 3952-2016 Grade T1, may be used as a reference point by Testers for the purpose of reporting analytical impurities.
10. Subject to the receipt of satisfactory reports from the Testers and any need to invoke clause 6 above, the LME Copper Committee will make a recommendation to the LME Executive Committee that the brand should be listed as suitable for delivery against the Copper Grade A contract.



11. The LME reserves the right to inspect any 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.

From time to time the LME will request every producer having listed brand(s) of copper, to re-affirm the undertakings originally given at the time of listing. Failure to comply with the undertakings or supply evidence of continuing compliance with the ruling specification and requirements may result in the delisting of the brand(s) concerned. If the producer fails to notify the LME promptly of any change in the information supplied with its original application, or if such changes are in the LME's view material, then the LME's Executive Committee may suspend the listing or delist the brand.

The listing of any brand is subject to the provisions of Rules 3 to 7 inclusive of Part 7, of the Rules and Regulations of the LME.



Draft of Producer's Letter of Undertaking: Copper

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

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

(INSERT DATE)

In consideration of the LME listing our Copper Grade A (*insert brand name*) Brand in its list of brands deliverable in fulfilment of its Copper Grade A Contract.

1. We (*insert company name*) undertake that the quality of our Copper Grade A brand (*insert brand name*) produced at (*insert name and address of smelter*) will meet with the requirements of the LME Contract for Copper Grade A conforming with the BSEN 1978:1998 Cathode Grade Designation Cu-CATH-1 and its quality will be maintained in accordance with the lots supplied for testing.
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 may be made.
3. We undertake that we will not attempt to restrict (*insert brand name*) brand from being delivered against the LME Grade A Copper 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 [and communicated to us by fax or post or e-mail to the above address]. We fully understand that the LME has the full right to require re-evaluation of the brand of cathodes the subject of this letter if, in its sole opinion, the LME decides that there is any material change to the listing conditions and/or any subsequent changes in our production process post-listing.
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 undertaking.

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 *(insert relevant contract i.e. High Grade Primary Aluminium 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 for Metals Producers

1. 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	15.6 mm x 0.9mm	6000	3500	Metal Seal	60%	2 – 3.5%
Polyester	15.6 mm 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	60%	0.1-0.3%

2. Polyester strapping upgrade for copper & nickel cathodes

Strap	Size	Average strength (Newtons)	Applied tension (Newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1 .0mm	10000	3500	Metal Seal	60%	2 – 3.5%
Polyester	19.0mm x 1 .0mm	10000	2500	Friction	80%	2 – 3.5%

3. Securing of Straps

Tool	Strap material	Joint type	Maximum applied tension	Joint strength
Manual	Polyester	Metal Seal	3500 Newtons	60%
Pneumatic	Polyester	Friction Weld	2500 Newtons	80%
Pneumatic	Steel	Sealless	7000 Newtons	80%
Manual	Steel	Metal Seal	5000 Newtons	60%



LME Approved Testers for Copper – Grade A Brand Applications

Belgium	Contact
Aurubis Belgium NV/SA Broekstraat 31 rue du Marais B-1000 Brussels Belgium	Mr Martin Sjöberg Tel: +49-40 7883 2251 Mob. +46-709480829 Email: m.sjoberg@aurubis.com
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China	Contact
Guangzhou JCC Copper Product Co., Ltd No. 130 Economic and Technological Zone of Zengcheng Xintang Town Chuangqiang Road Zengcheng Area Guangzhou Peoples Republic of China	Mr. Li Shiyin Tel: +18520082088 Email: lishiyin@jccgz.com
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China (continued.)	Contact
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Deutsche Giessdraht GmbH Kupferstrasse 5 D-46446 Emmerich Germany	Mr Martin Sjöberg Tel: +49-40 7883 2251 Email: m.sjoberg@aurubis.com
Codelco Kupferhandel GmbH (Testing at Deutsche Giessdraht GmbH rod mill) Louise Dumont Strasse 25 40211 Dusseldorf Germany	Herr H Heitling Tel: +49 211 17368-12 Email: hheitling@codelco.de
Germany (continued.)	Contact
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USA	Contact
Freeport-McMoran Norwich Rod 41 Wawecus Street PO Box 970 Norwich Connecticut 06360 USA	Mr D Wright Tel: +1 602 366 8462 E mail: dennis_wright@fmi.com <i>Please note that the Norwich Rod Mill does not perform spiral elongation tests</i>

