



Listing of Special High Grade Zinc Brands

Guidance Notes for Applicant Producers



Listing of Special High Grade Zinc Brands Guidance Notes for Applicant Producers

1. Zinc 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 or, if in the opinion of the LME Lead and Zinc Committee, adequate production capacity utilisation and satisfactory quality has been achieved at an earlier date.
 - iii) The production plant has the capacity to produce a minimum of 12,000mt per annum of Special High Grade Zinc.
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 shape(s) to be listed; ingots and/or jumbos
13. The names of two testers the producer intends to use for testing (Stage Two). The testers must be from the list of LME Approved Testers of Zinc provided at the end of the Guidance Notes. The producer will need to provide evidence of the testers’ willingness to test with their application³.
14. The names of two LME Listed Sampler and Assayers (LSAs) to undertake the quality assessment of the brand (Stage Two)⁴.

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

³ The Lead and Zinc Committee will provide approval of the nominated testers as part of Stage Two.

⁴ One LSA should be nominated to undertake the sampling and analysis and one LSA should be nominated to undertake the analysis only.



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 Support⁵ regarding the financial position of the producer⁶;
 - (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 producer⁷ is a minimum of US\$2 million.
- B. A copy of the incorporation certificate of the producer.
- C. Details of the product as follows;
 - (i) Ingots
 - i. Photographs of the ingot showing the brand, grade and production cast reference and any other symbols on the metal.
 - ii. A sample label if used which must be durable and plasticised.
 - iii. Photographs of a strapped bundle from top and side dimensions.
 - iv. Drawings of the ingot and a bundle showing all dimensions in mm and weights in kg and including how many ingots in a bundle. The following statements must be added to the drawings;
 - 1. Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe holding by fork lift truck without bundle distortion and breakage;
 - 2. The bundle size and shape is suitable for safe and secure stacking; and
 - 3. The bundle assembly and security is such that on removing the security straps it remains an integral free standing bundle.
 - (ii) Jumbos
 - i. Photographs of the jumbo from top and both side dimensions showing the brand, production cast reference and any other symbols on the metal.
 - ii. Drawings of the jumbo showing all dimensions in mm and weight in kg.

⁵ In accordance with the form appended to these Guidance Notes.

⁶ 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.

⁷ 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.



- D. A Letter of Undertaking dated and signed on behalf of the producer⁸.
- E. An outline of the production process including a process flow diagram.
- F. A production site plan/diagram.
- G. 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.
- H. Analysis data for the previous three months.
- I. 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 analysis⁹.
- J. A copy of the current ISO 9001 Certificate, or, alternatively, that of ISO/TS 16949.
- K. Fulfilment of the Responsible Sourcing requirements¹⁰:
 - (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 Special High Grade Zinc and to ensure that no testing takes place until approval to do so is given by the LME.

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

⁹ Certificates of Analysis should demonstrate compliance with the relevant standard by showing actual analysed content of the metal.

¹⁰ For a more detailed understanding of the Responsible Sourcing requirements, please see the [LME Policy on Responsible Sourcing of LME Listed Brands](https://www.lme.com/en-GB/About/Responsibility/Responsible-sourcing) 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 producer will be informed of the testing programme which is normally 2 x 50mt (from a minimum of 4 production batches) – 1 x 50mt to each tester¹¹.
3. The LME will write directly to the testers and LSAs advising them of their nomination and requirements for testing.
4. Sampling of test lots shall be carried out by an LSA at the testers' site and/or the producer's production plant¹². The testing and sampling and analysis shall be in accordance with LME procedures/instructions and all testing/LSA reports are to be provided to the LME.
5. The producer is required to provide the LME with their analysis for the production batches that are sent to each nominated tester.
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. Any additional or extended testing will be for the cost of the producer.
7. The producer and/or LME Member will be responsible for making the testing arrangements with the testers and LSAs.
8. Subject to the receipt of satisfactory reports from the testers and LSAs and any need to invoke clause 6 above, the LME Lead and Zinc Committee will make a recommendation to the LME Executive Committee that the brand should be listed as suitable for delivery against the Zinc contract.
9. 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.
10. 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.
11. 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.

¹¹The testing programme is subject to change at the discretion of the LME Lead and Zinc Committee.

¹² The producer will need to advise the LME in their application if there is any reason the sampling and analysis of their brand needs to take place at their plant in lieu of sending 2 x 50mt to the testers.



Draft of Producer's Letter of Undertaking – Special High Grade Zinc

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 Zinc Brand *(insert brand name)* in its list of brands deliverable in fulfilment of its Special High Grade Zinc Contract:

1. We *(insert producer name)* undertake that the quality of our zinc brand *(insert brand name)* produced at *(insert name and address of production plant)* will meet with the requirements of the LME Contract for Special High Grade Zinc conforming with either the BS EN 1179:2003 specification for zinc purity 99.995%, ISO 752:2004 specification, ASTM B6-23 specification or GB/T 470-2008 specification and its quality will be maintained in accordance with the lots supplied for testing and analysis.
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 undertaking.

Yours sincerely

Signature

Name



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 Special High Grade Zinc 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%



LME Approved Testers for Zinc Brand Applications

China	Contact
Fujian Quanzhou Dahua Battery Co Ltd Heshi Industry Area, Quanzhou Fujian 362013 China	Mr Hong Tel: +86 138 0852 0506 Email: wsb@dahua-battery.com

China	Contact
Bayannaoer Zijin Non-Ferrous Metal Co., Ltd. Wulatehouqi Industrial Zone Bayannaoer City Inner Mongolia 015543 P.R. China	Mr Li Wenxin Tel: +86 478 466 6999 Email: likinglong@163.com
Yunnan Chihong Zinc & Germanium Co Ltd. Economy & Technology Development Region Of Qujing City, Yunnan Province 655011 China	Ms Tang Gui Lin Mr Chai Zhenglong Tel: +86 874 897 9505 +86 874 896 6888 Email: tgl8464@163.com chaizhenglong007@126.com
Zhuzhou Smelter Group Co Ltd Qingshuitang Zhuzhou City Hunan Province 412004 China	Yang Jing Tel: +86 731 2839 1215 Email: yangj11@minmetals.com
Henan Yuguang Zinc Industry Co., Ltd. North of Liandong Village Jiyuan City Henan Province China	Yang Xin Mr. Zhang Zhikuan Tel: +86 391 6665809 Email: yangxin999@sina.com zzk@yggf.com.cn



Germany	Contact
Diehl Metall Stiftung & Co KG Heinrich-Diehl-Str. 9 D-90552 Rothenbach a d Pegnitz Germany	Mr Stephan Hanel Tel: +49 911 5704 151 Email: stephan.hanel@diehl.com
Metallwerk Dinslaken GmbH & Co. Kg. Kommanditgesellschaft Thyssenstrasse Tor II 46535 Dinslaken Germany	Mr Werner Morbitzer Tel: +49 2064 416 151 Email: werner.morbitzer@metallwerk-dinslaken.de
Wilhelm Grillo Handelsgesellschaft mbH Am Grillopark 5 47169 Duisburg Germany	Mr Florian Menzel Tel: +49 203 4066 121 Email: f.menzel@grillohandel.de
UK	Contact
The Brock Metal Company Walsall Road Norton Canes Cannock Staffordshire WS11 3NR United Kingdom	Mr John Titley Tel: +44 (0) 1543 276666 Email: j.titley@brock-metal.co.uk
Mazak Limited Willenhall Lane Bloxwich Walsall West Midlands WS3 2XN United Kingdom	Mr Jonathan Hill Tel: +44 (0) 1922 714430 Email: jonathan.hill@mazak-limited.co.uk
USA	Contact
Eastern Alloys Inc PO Box 317 Henry Henning Drive Maybrook NY 12543 USA	Mr Richard Bauer Tel: +1 845 427 2151 Email: rhbauer@eazall.com