To:	All members, warehouse companies and their London agents and other interested parties	
Ref:	26/283	
Classification:	Consultation	Warehousing
Date:	24 November 2026	
Subject:	**DECISION NOTICE ON THE PHYSICAL MARKETS ENHANCEMENTS RESPONSE PAPER, INCLUDING THE BRAND LISTING PROCESS**	

Summary

1. This Notice sets out the outcome of the London Metal Exchange's (the "LME" or the "Exchange") Further Consultation on Physical Markets Enhancements (the "Consultation"), published on 31 July 2026 via LME Notice 26/194. The Consultation closed on 11 September 2026.

Consultation outcomes and resulting decisions

2. The LME received six responses to the consultation. Following consideration of the feedback received, the LME has decided as follows:

   (a) Outside storage of primary aluminium in Hong Kong: to amend the proposal for the outside storage for primary aluminium in Hong Kong such that the LME will have the ability to permit temporary outside storage of primary aluminium only in exceptional circumstances only, but not as part of the ordinary operation of the LME warehousing network. If the LME allowed temporary outside storage, it would approve such spaces and communicate this to the market through an LME Notice before outside storage was permitted.
   (b) Indelible PCR marking: to introduce, with effect from the date of publication of this Notice, indelible PCR marking requirements for all new registrations of primary aluminium, lead and zinc brands, sizes, shapes and profiles. Existing LME-listed brands, sizes, shapes and profiles will not be affected, unless a new size, shape or profile is subsequently submitted for registration under an existing brand. Markings can be engraved, inked, stencilled or hand marked.
   (c) Brand listing requirements: to implement the proposed amendments, including reducing the minimum production period for relevant brand applications from twelve months to six months, making associated amendments to production data and chemical analysis requirements, and introducing greater flexibility in quality testing requirements for primary aluminium, lead, zinc, nickel and tin.

3. Further detail on the consultation feedback, the LME's response and decisions, and the implementation of these measures is set out in the accompanying Physical Markets Enhancements Response Paper.

Georgina Hallett
LME Chief Sustainability Officer and Head of Physical Markets

cc: Board directors
All committees

LME
An HKEX Company

Physical Market Enhancements – Response Paper

November 2026

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1 Executive summary

On 31 July 2026, the London Metal Exchange (the "LME" or the "Exchange") published the Further Consultation on Physical Markets Enhancements (the "Consultation Paper") seeking views from market participants and other interested parties on three areas: (i) the potential introduction of outside storage for primary aluminium in Hong Kong; (ii) indelible Production Cast Reference ("PCR") marking requirements for primary aluminium, lead and zinc; and (iii) amendments to the brand listing requirements for copper, primary aluminium, lead, zinc, nickel, tin and cobalt.

The LME received six responses to the Consultation Paper. Having carefully considered the feedback received, the LME will proceed, with effect from the date of publication of this Notice, with the introduction of indelible PCR marking requirements for all new registrations of primary aluminium, lead, and zinc brands, as well as existing brands making changes to sizes, shapes and profiles. The requirements will not require existing LME-listed brands, sizes, shapes or profiles to change their current marking arrangements. The LME considers this approach proportionate, as it will support improved traceability and a gradual transition towards broader use of indelible marking while avoiding potential disruption to existing stocks and established market practices.

The LME will also implement all proposed amendments to the brand listing requirements for copper, cobalt, lead, primary aluminium, nickel, tin and zinc. These changes include reducing the minimum production period for submitting relevant brand applications from 12 months to six months, making associated amendments to production data and chemical analysis requirements, and introducing a more flexible quality testing framework for primary aluminium, lead, zinc, nickel, and tin. The changes are intended to streamline the listing process, reduce administrative and logistical burdens, while maintaining the standards underpinning the listing process and the LME's ability to request further information where necessary.

The LME will proceed with the proposal to permit outside storage of primary aluminium in Hong Kong, but only on an exceptional and temporary basis should market conditions create a need for additional capacity in the short term. It will not be permitted as part of the normal course of operations. LME warehouses can apply for potential spaces for such exceptional circumstances in advance, but any approval to use such spaces and related arrangements, including applicable operational requirements and any necessary changes to the LME's requirements, would be communicated to the market through an LME Notice before outside storage arrangements were permitted.

This paper summarises the feedback received, sets out the LME's response and resulting decisions, and explains the basis on which the relevant measures will be implemented. Further detail on the responses, the LME's analysis and the applicable next steps is set out in the sections that follow.

2 Response overview

2.1 Consultation respondents

The LME received a total of six responses to the Consultation Paper. Only the responses received before the closing date were considered.

Not all respondents provided feedback on each proposal; in some cases, responses were focused on questions that were of direct relevance to the respondent's business or area of expertise.

The LME would like to thank all respondents for taking the time to engage with this Consultation Paper and for the detailed comments and feedback provided. The Exchange recognises that respondents devoted considerable time and resources to the preparation of their submissions.

2.2 Consultation responses

The Consultation Paper set out proposals across three key areas and included Questions 1-8. Feedback received in respect to Questions 1-8 is addressed in Section 3 of this Notice, together with the LME's analysis, decisions and, where applicable, proposed next steps.

The LME has carefully reviewed all responses which were received before the deadline in full. The absence of explicit reference to any particular point raised in an individual submission should not be taken to indicate that such point has not been considered.

2.3 Capitalised terms

Terms defined in the Rulebook shall have the same meaning in this paper, unless otherwise specified.

2.4 The LME’s financial interest

As the market is aware, pursuant to the LME stock levy, the Exchange receives 1.1% of the rent charged by LME-listed warehouses on LME-warranted metal (including metal awaiting load-out). This rate has remained unchanged since 2002.

The LME confirms that neither its decision-making process nor the conduct of the consultation has been influenced by the existence of the stock levy. The Exchange’s primary focus remains ensuring that prices can be effectively discovered on the LME, in order to support the orderly functioning of the market in accordance with its regulatory obligations.

3 Analysis of Consultation Paper responses

3.1 Outside storage of primary aluminium in Hong Kong

Question 1: Do you agree that primary aluminium should be allowed to be stored outside in Hong Kong?

Question 2: Do you have any comments on proposed operational arrangements in relation to outside storage of primary aluminium in Hong Kong?

The LME consulted on the potential reintroduction of outside storage for primary aluminium within the LME warehousing network. Outside storage had previously been permitted in the 1990s but was subsequently withdrawn. The proposal considered whether approved outdoor storage areas could be used to support warehousing capacity at the Hong Kong Delivery Point.

Under the proposal, outside storage would be permitted for primary aluminium only in the Hong Kong Delivery Point. Approved outdoor storage facilities would be subject to inspection and ongoing oversight by the LME, with appropriate amendments to the Warehouse Agreement, Delivery Points Policy and Warehouse Operations Policy to facilitate their operation.

The consultation further proposed that primary aluminium stored in approved outside storage areas should be treated in the same manner as primary aluminium stored within warehouse facilities. Outside-stored metal would remain fully warranted, deliverable and fungible, and would continue to be subject to the existing rent caps, maximum warehouse charges, load-out obligations, queue calculations and stock reporting requirements. The objective of the proposal was to maintain a single set of operational and commercial rules while providing additional storage flexibility within Hong Kong given space constraints in that location.

3.1.1 Feedback received

Respondents expressed a broad range of views on the proposal to permit outside storage of primary aluminium in Hong Kong. It reflected differing perspectives on warehousing capacity, operational flexibility and the standards required to preserve the quality and marketability of LME warranted metal.

Some respondents supported outside storage in principle, noting that it could provide greater flexibility and additional capacity within the LME warehousing network. One respondent supported the proposal as presented, while another supported outside storage but did not agree that the measure should be restricted to Hong Kong, but made available more broadly. The latter considered that other locations experiencing space constraints should receive equivalent treatment.

Other respondents did not support the proposal. Some respondents noted that it was not clear whether a sufficiently material capacity constraint had been demonstrated and whether this justified departing from established indoor storage standards. These respondents raised concerns that a location-specific exception could undermine the consistency of the LME delivery network and create unnecessary distinctions between Delivery Points. Concern was also expressed that the proposal could be perceived as preferential treatment for one location.

Respondents also highlighted potential risks to metal quality, warrant integrity, traceability, safety and marketability. In particular, respondents noted that Hong Kong's high humidity, heavy rainfall and typhoon conditions could increase the risk of corrosion, oxidation, contamination and deterioration of labels and other markings. Concerns were also raised around the durability of strapping, potential need for additional cleaning

or processing, effect of lower stacking heights on storage capacity and possible implications for re-warranting and financing arrangements.

In response to Question 2, some respondents considered that additional safeguards would be necessary if the proposal were to be introduced. Suggested measures included mandatory protective coverings, elevated storage using pallets or dunnage, enhanced drainage, stronger security and traceability controls, and the replacement of iron strapping with corrosion resistant alternatives. Some respondents nevertheless considered that stacking, drainage and the proposed approval process would not adequately mitigate the risks associated with prolonged exposure to rainfall, humidity and airborne pollutants.

3.1.2 LME response and decision

The LME notes the range of views expressed by respondents. Having considered the feedback received, the LME has decided to amend the proposal as outlined in the Consultation Paper to permit outside storage of primary aluminium in Hong Kong only in exceptional circumstances, and not as part of the ordinary operation of the LME warehousing network. The LME considers that, in current market conditions, the potential benefits of additional storage flexibility do not outweigh the concerns raised by market participants.

However, the LME recognises that market conditions can change unexpectedly and that circumstances may arise in which additional warehousing capacity for primary aluminium in Hong Kong is required at relatively short notice. In particular, movements in aluminium arbitrage conditions could result in significant additional volumes of metal being directed towards Hong Kong, which in turn would create pressure on available indoor warehousing capacity. In such exceptional circumstances, the ability to utilise suitable outside storage may provide an important contingency mechanism to support the orderly functioning of the LME delivery network.

This would not be unprecedented, as the LME permitted outside storage of primary aluminium in the mid-1990s in response to a significant volume of metal arriving at LME Delivery Points over a short period, when available capacity within LME-listed indoor storage facilities was insufficient to accommodate the additional metal.

Accordingly, the LME is amending the Warehouse Agreement to explicitly provide the LME with the right to permit outside storage of primary aluminium in Hong Kong should exceptional market conditions create a need for temporary additional capacity. In such circumstances, outside storage spaces would need to be considered and approved by the LME prior to primary aluminium being stored there, with such spaces needing to have appropriate security and also comply with the LME's ongoing storage requirements for warranted metal. The LME will work with warehouse companies in advance to identify potential locations that could, subject to the required approvals and storage requirements, be used for this purpose in the event that the LME determined that it was necessary for primary aluminium to be stored outside for a temporary period.

Should the LME determine that outside storage of primary aluminium is required, the LME would inform the market via a Notice that exceptional market conditions had occurred which required such metal to be stored outside and it would also communicate whether the LME had approved any such outside storages spaces for the storage of primary aluminium. For the avoidance of doubt, no primary aluminium on warrant could be stored outside in Hong Kong without the LME having considered such spaces and approved them for metal storage.

The LME has carefully considered the concerns raised regarding Hong Kong's climatic conditions, including humidity, heavy rainfall and typhoon activity, and the potential consequences for metal quality, markings, strapping and marketability. The Exchange also notes respondents' suggestions regarding protective coverings and other physical safeguards. However, given the differing views as to the appropriateness and effectiveness of such measures, including the possibility that incorrectly applied coverings could themselves create operational or quality issues, the LME does not propose to prescribe specific protective measures at this stage. If the LME were to determine there were exceptional circumstances which required the outside

storage of primary aluminium in Hong Kong, such outside spaces would need to be approved by the LME prior to metal being stored there and such spaces would need to comply with the LME's storage requirements for warranted metal.

This approach allows the LME to respond to the concerns raised through the consultation, as the LME will not allow the permanent storage of primary aluminium in Hong Kong, while retaining sufficient flexibility to address a material capacity constraint in Hong Kong, for a temporary period of time, should one arise.

As a result, the LME will introduce the amendments to the Warehouse Agreement, at Appendix 1, the Policy for the Approval of Locations as Delivery Points ("Delivery Points Policy"), at Appendix 3, and the Policy on Approval and Operation of Warehouses ("Warehouse Operations Policy"), at Appendix 5, in accordance with the proposed changes in the Consultation Paper. These changes will result in a definition of an "Authorised Warehouse" within the Warehouse Agreement, Delivery Points Policy and Warehouse Operations Policy applying to outside storage. In addition, the Warehouse Agreement would be amended so that the definition of "LME Eligible Stocks" would be amended to refer to LME-listed metal which is not under warrant or cancelled tonnage which is stored within an "Authorised Warehouse", and the Warehouse Operations Policy would be amended to refer to an "access point" rather than just "operational door" for vehicles which are loading and unloading metal. Although these documents are being amended to reflect the potential for warranted metal to be stored outside, the intention is that outside storage would only be allowed for in exceptional circumstances in Hong Kong in relation to primary aluminium for a limited period. As such, the LME is also inserting a provision into the Warehouse Agreement which stipulates that primary aluminium could only be stored in outside spaces in certain circumstances, which would be exceptional, and such outside storage would need to be for a limited period, as follows:

> "*The Exchange may, in its absolute discretion, where it considers that circumstances so require, approve the outside storage of primary aluminium in the Hong Kong Delivery Point for such limited period as the Exchange may determine*."

The amendments to the Warehouse Agreement, Delivery Points Policy and Warehouse Operations Policy will become effective in 90 days following the publication of this Decision Notice on 24 November 2026.

3.2 Indelible marking for primary aluminium, zinc, and lead

Question 3: Do you agree that the indelible PCR marking requirement for primary aluminium, lead, and zinc should apply only to new brands and new shapes, sizes or profiles seeking listing after the effective date, and not to existing listed brands, shapes or metal already produced?

Question 4: If the proposal is adopted, do you agree that the requirement should come into force immediately after the decision notice is published?

In March 2026 the LME consulted on introducing mandatory indelible PCR markings for copper and sought views on introducing similar requirements in respect of primary aluminium, lead and zinc. Feedback was broadly supportive, with respondents highlighting improved traceability, reduced reliance on labels, greater consistency across metals and operational benefits for warehouses. Many respondents also noted that digital solutions, such as barcodes or QR codes linked to LMEpassport, could further strengthen metal identification. However, respondents emphasised the need for an appropriate implementation period and raised concerns about the potential impact on existing brands and already-produced metal.

In response, the LME proposed introducing a requirement for indelible PCR markings to be mandatory for new primary aluminium, lead and zinc brands listed after a specified implementation date, as well as any new sizes,

shapes or profiles[1] subsequently added to existing brands. The LME considers this proportionate because issues associated with damaged or detached labels have historically been more prevalent for copper than for aluminium, lead and zinc, largely due to differences in handling and warehousing practices. This prospective approach is intended to enhance traceability while avoiding potential market impact and preserving the warrantability of existing stocks.

3.2.1 Feedback received

Respondents were broadly supportive of introducing indelible PCR marking requirements for primary aluminium, lead and zinc along with the application of the proposed new requirements in relation to new brands and new shapes, sizes or profiles only. Respondents considered that this approach would improve the consistency and traceability of metal identification while avoiding the significant costs, operational disruption and potential warrantability issues that could arise if the requirements were applied retrospectively to existing LME-listed brands and metal already produced.

Some respondents supported the proposal as presented. One respondent considered that limiting the requirement to new brand and products would provide a simpler and more proportionate approach for warehouses, while avoiding reduced availability of warrantable brands. Another respondent recommended that the LME should develop a roadmap for the wider adoption of indelible PCR markings across all brands to improve standardisation, usability and material traceability.

In response to Question 4, some respondents supported the requirement coming into force immediately following the publication of the decision notice. One respondent considered that immediate implementation would minimise the opportunities for producers to accelerate brand applications to avoid the new requirement. Another respondent supported the proposal but considered that the requirement should not take effect immediately, noting that producers should be given sufficient time to prepare for its implementation.

3.2.2 LME response and decision

Having considered the feedback received, the LME will proceed with the implementation of the proposal as stated in the Consultation Notice in relation to imposing a requirement for indelible PCR markings for primary aluminium, lead, and zinc with effect from the date of publication of this Notice. The requirement will apply to all new registrations of brands, and changes to sizes, shapes, and profiles. For the avoidance of doubt, any new registration of a size, shape, or profile under an existing LME-listed brand will be required to comply with the indelible PCR marking requirement.

The LME considers that limiting the requirement to new registrations will minimise potential impact to the physical market while supporting a gradual transition towards the broader adoption of indelible markings over time. Given the limited scope of the measure, the LME does not consider that an implementation period is necessary, nor that its immediate introduction will have a disproportionate impact on market participants. In particular, the requirement will not require existing LME-listed brands to change their current marking arrangements as long as the brand continues to produce the same size, shape and profile. However, any new registrations of a size, shape or profile under an existing LME-listed brand submitted on or after the date of the publication of this Notice will be required to have indelible PCR markings on the metal. New brand applications and applications already in progress on 24 November 2026 will also be required to have indelible PCR markings on metal produced by that brand.

[1] Noting that “profiles” refers to the mould of the metal in question.

The LME notes that this approach differs from that adopted for copper under Decision Notice 26/194, where a transitional period applies before indelible marking becomes fully mandatory from 1 January 2030. The LME considers that the different approaches are proportionate given the different scope of the respective requirements. The copper requirement represents a more significant change to existing marking practices across LME-listed copper, and respondents identified practical, operational and technical challenges associated with implementing permanent marking solutions within a short time period. By contrast, the requirement for primary aluminium, lead and zinc applies only to new brand applications and registrations of new size, shapes and profiles, and does not require existing brands to transition to indelible markings. Accordingly, the LME considers that immediate implementation of the requirement for new brands and new registrations to have indelible markings is appropriate.

The LME believes that over time, indelible markings will help address issues associated with the use of labels, which may detach or become damaged through the repeated handling of metal that commonly occurs within the LME warehousing network. For the avoidance of doubt, indelible markings may include permanent engraving techniques, indelible stencils and marker-based solutions, provided that the marking remains legible, durable and capable of reliably identifying the relevant PCR throughout normal warehousing and handling processes. The requirement does not prevent the continued use of labels, and indelible markings may coexist alongside existing labelling practices.

As a result of the above decision, the LME will implement the amendments to Part 6 of the Rulebook as contained in the Consultation Paper, with a redline set out in Appendix 7. The changes to the Rulebook will be introduced with immediate effect.

3.3 Brand listing requirements for copper, primary aluminium, lead, zinc, nickel, tin and cobalt

Question 5: Do you support the proposed requirement to reduce the length of time before producers are eligible to submit a brand application from 12 months to six months for copper, primary aluminium, lead, zinc, nickel, tin, and cobalt applications?

Question 6: Do you support the subsequent proposed amendments to the production data requirement?

Question 7: Do you support the subsequent proposed amendments to the chemical analysis data requirement?

Question 8: Do you support the proposed amendment to the tester and LSA requirements for primary aluminium, lead, zinc, nickel, and tin applications?

The LME periodically reviews its brand listing requirements to ensure that they remain proportionate, efficient and aligned with market needs. Following enquiries from market participants regarding the minimum period of production for LME brand applications, the LME consulted on a series of amendments. These amendments are intended to streamline the application process for copper, primary aluminium, lead, zinc, nickel, tin, and cobalt whilst maintaining the quality standards that underpin the listing framework.

The proposals would allow producers to apply for listing after six months of production rather than the original 12 months, subject to certain metal specific requirements. Amendments are also proposed to the production data and chemical analysis requirements to reflect the shorter eligibility period. The amendments will retain the LME's ability to request additional information where necessary to assess production stability, capacity utilisation and product quality. These changes are intended to reduce application timelines while maintaining the standards underpinning the listing process.

The LME is also proposing a more flexible quality testing process for primary aluminium, lead, zinc, nickel, and tin applications. The alternative approach is intended to help mitigate potential logistical delays associated with transporting test material and accessing approved testers, whilst preserving the critical role of Listed Samplers and Assayers (“LSAs”). A summary of the proposed amendments is set out in the table below.

Current Requirements	Proposed changes			
	Copper	Aluminium, Zinc, Nickel, Lead and Tin	Aluminium alloy and NASAAC	Cobalt
Core listing criteria: plant in production for a minimum of 12 months	Applications can be submitted when the plant has been in production for a minimum of 6 months but cannot proceed to Stage Two (testing) without reaching 12 months production	Plants must be in production for at least 6 months	No change proposed	Applications can be submitted when the plant has been in production for a minimum of 6 months, but the brand cannot be listed until the plant has been in production for 12 months
Core listing criteria: option for Committee to allow submission of application before 12 months if adequate utilisation of capacity and satisfactory quality achieved	To be superseded by the proposed changes	To be superseded by the proposed changes	Not applicable	Not applicable
Production plant details: production data in mt for most recent 12 months	Monthly production data for most recent 6 months to be submitted with application and a further 6 months to be submitted in order to proceed to Stage Two (12 months data in total but minimum of 6 months to be required on initial submission of application)	Monthly production data for at least most recent 6 months (LME encourages as much data sharing as possible and reserves the right to request additional data up to 12 months if needed)	No change proposed	Monthly production data for most recent 6 months to be submitted with application and a further 6 months to be listed (12 months data in total but minimum of 6 months to be required on initial submission of application)
Quality: Chemical Analysis data (last 3 months) prior to brand application	Most recent 3-month data required to be submitted with the application and then an additional 3-month data required before proceeding to Stage Two	In addition to current requirement to provide chemical analysis data for the most recent 3 months, LME will reserve the right to request additional chemical analysis data	No change proposed	In addition to current requirement to provide chemical analysis data for the most recent 3 months, LME will reserve the right to request additional chemical analysis data
Testers / LSAs requirements	Unchanged – producers are required to send 3 x 200mt to three testers (rod mills) who undertake physical and chemical tests	Testing Options: 1. Two testers and two LSAs (current) 2. One tester and two LSAs with a letter of support from one customer (proposed)	NB: no testing	NB: no testing

3.3.1 Feedback received

Respondents were broadly supportive of the proposed amendments to the brand listing requirements and generally agreed that the proposals would improve the efficiency of the brand approval process whilst maintaining existing quality standards.

In response to Question 5, respondents supported reducing the minimum production period for brand listing applications from 12 months to six months. One respondent recognised the benefits of allowing producers to enter the listing process earlier, whilst noting the importance of retaining appropriate safeguards to ensure consistent product quality and adequate production stability.

Responses to Questions 6, 7 and 8 were similarly supportive. Respondents generally agreed to the proposed amendments to the production data, chemical analysis requirements and the tester and LSA requirements.

One respondent noted that the proposal would be acceptable provided that the revised arrangements did not create inconsistencies in metal composition that could affect warrantability.

3.3.2 LME response and decision

Having considered the feedback received, the LME will proceed with all proposed amendments to the Guidance Notes. The LME believes that reducing the minimum production period from 12 months to six months, together with the associated changes to production data and chemical analysis requirements, will streamline the brand listing process while maintaining the standards underpinning the listing process. The LME will also introduce a more flexible quality testing framework for primary aluminium, lead, zinc, nickel and tin. The revised framework is intended to reduce administrative and logistical burdens on applicants while preserving the integrity of the assessment process and the important role of LSAs in sampling and chemically analysing the relevant metal. The LME considers that these changes will improve the efficiency of the listing process, reduce application timelines and logistical burdens, while retaining the ability to request additional information where necessary to assess production stability, capacity utilisation and product quality.

The amended Guidance Notes for copper, primary aluminium, lead, zinc, nickel, tin, and cobalt are in redline an Appendix 8. The amendments to the Guidance Notes and will take effect from the date of this Notice.

4 Conclusion

Having had due regard to the responses received to the Consultation Paper and the considerations set out in this Notice, the LME has decided to implement the indelible PCR marking and brand listing requirements described in Section 3. The LME has decided not to amend the proposal to implement outside storage of primary aluminium in Hong Kong such that it would only apply in exceptional and temporary circumstances, and not as part of the ordinary operation of the LME warehousing network. This would be permitted if exceptional market conditions create a demonstrable need for additional capacity that could not be accommodated within available indoor storage.

The LME is committed to supporting a physical network which represents best practice in operational efficiency and transparency, including its continued evolution to meet the needs of a dynamic and globally interconnected metals market. The Exchange would like to thank all its respondents and other market participants who responded to the Consultation Paper, in particular the LME Physical Market Committee and the LME Warehousing Committee.

5 Appendices

Appendix 1 – Warehouse Agreement – redline
Appendix 2 – Warehouse Agreement – clean
Appendix 3 – Policy for the Approval of Locations as Delivery Points – redline
Appendix 4 – Policy for the Approval of Locations as Delivery Points – clean
Appendix 5 – Policy on the Approval and Operation of Warehouses – redline
Appendix 6 – Policy on the Approval and Operation of Warehouses – clean
Appendix 7 – LME Rulebook – redline
Appendix 8 – Guidance Notes – redline

LME Warehouse Agreement

Terms and conditions applicable to all LME listed warehouse companies

1 Conditions for and entitlements of listing

1.1 Application

To become an LME listed warehouse company, a warehouse company shall:

1.1.1 execute the agreement of which these terms and conditions form a part (as contemplated by the definition of "**this Agreement**");

1.1.2 duly complete the forms prescribed by the Exchange attached as Schedule A and B hereto and pay any initial listing fees prescribed by the Exchange; and

1.1.3 comply with Regulation 2.4 of the LMEsword Regulations.

1.2 Financial status including capital

1.2.1 Without prejudice to Clause 7.3, the Warehouse must:

(i) no later than 210 days after the end of each of its financial years, provide the Exchange with:

(a) its annual audited accounts; or

(b) the annual audited consolidated accounts of the Group,

for that financial year;

(ii) no earlier than 60 days, and no later than 30 days, prior to the start of each of its financial years, provide the Exchange with a cash flow forecast for that financial year,

and the Warehouse must exercise due skill, care and diligence in preparing such accounts and forecasts, and shall ensure that such accounts and forecasts are based on appropriate financial information and comply with the Accounting Principles (and for the avoidance of doubt (and without prejudice to (iv) below), the Warehouse shall not be in breach of (i) or (ii) above if any such account or forecast is not accurate at any point in time after its submission to the Exchange due to, and to the extent of, any change in the circumstances of the Warehouse or its Group during the period between submission and that point in time, that was not foreseeable or prudent to account-for having regard to the level of due skill, care and diligence required by this Clause 1.2.1);

(iii) as soon as practicable (but in any event within seven days) upon request at any time, provide the Exchange with any information and documents (including management accounts) relating to the financial status (including capital and/or cash flow), insurance arrangements, status, assets, business and/or operations of the Warehouse, the Group or any member of the Group; and

(iv) immediately notify the Exchange if at any time:

(a) it is or becomes Insolvent, or it is likely to become Insolvent; and/or

(b) there has been a material adverse change in the assets, business or financial condition of the Warehouse, the Group or any member of the Group since the date of this Agreement.

1.2.2 The Exchange shall publish the standards by which it determines capital adequacy for LME listed warehouse companies, and may from time to time publish revisions of those standards. Without prejudice to Clause 1.2.4, the Warehouse shall ensure that it is adequately capitalised at all times in accordance with the most recent of such published standards.

1.2.3 The Exchange shall assess, against such published standards, whether the Warehouse's available capital is adequate by using such information as is available to the Exchange. In assessing whether the Warehouse's available capital is adequate, the Exchange may, at its discretion, disregard what are, in its view, immaterial or temporary failures to meet such published standards.

1.2.4 If at any time the Exchange is not satisfied with the Warehouse's capital, cash flow or other aspect of its financial status, the Exchange may increase the level of capitalisation to be maintained by the Warehouse (to a level in excess of that required pursuant to Clause 1.2.2) and the Warehouse shall as soon as practicable (but in any event within seven days) increase its capital accordingly and provide the Exchange with evidence of the increase.

1.2.5 Notwithstanding Clauses 1.2.1 to 1.2.4, and without prejudice to Clause 9.4.1 (including Clause 9.4.1(ii)), if at any time:

(i) the Exchange is not satisfied with:

(a) the capital, cash flow and/or any other aspect of the financial status of the Warehouse, the Group or any member of the Group;

(b) any aspect of the insurance arrangements of the Warehouse, the Group or any member of the Group; or

(c) any other aspect of the status, assets, business or operations of the Warehouse, the Group or any member of the Group; or

(ii) the Exchange determines that the Warehouse, the Group or any member of the Group is Insolvent, or is likely to become Insolvent,

the Exchange may:

(A) require the Warehouse to provide the Exchange with credit protection in the form of a performance bond or cash cover, and the provisions of Clause 1.2.6 shall apply to such credit protection; and/or

(B) suspend the entitlement of the Warehouse to issue further Warrants or Immobilised Warrants, and upon receiving notice of such suspension the Warehouse shall immediately stop issuing further Warrants and Immobilised Warrants.

1.2.6 Terms relating to credit protection provided by Warehouses

(i) The Exchange shall determine:

(a) whether the credit protection is in the form of a performance bond or cash cover (or a mix of both);

(b) the amount and currency(ies) of the credit protection;

(c) in the case of a performance bond:

(I) its expiry date;

(II) its terms; and

(III) the conditions applying to the bank or insurance company that issues it (including the location and credit rating of the issuer).

(ii) "performance bond" refers to any on demand independent payment instrument issued by a bank or metal company in favour of the Exchange, including performance bonds, standby letters of credit, bank guarantees and on-demand guarantees.

(iii) "cash cover" refers to money paid to the Exchange and treated by the Exchange as its own funds, and constitutes a debt arrangement between the Exchange and the Warehouse (subject to the terms of this Agreement), and not a security arrangement (meaning neither the Warehouse nor any third party shall have any proprietary interest in such money or funds); cash cover shall not accrue interest.

(iv) The Warehouse shall at its own cost provide the relevant credit protection as soon as practicable (but in any event within seven days) upon the Exchange requiring it in accordance with Clause 1.2.5.

(v) The Warehouse shall at its own cost provide additional credit protection (and/or increase or extend any performance bond) as soon as practicable (but in any event within seven days) upon the Exchange requiring it at any time, including if the Exchange requires additional credit protection sufficient to cover the number of warrants issued or expected to be issued by the Warehouse.

(vi) If the Exchange informs the Warehouse at any time that it is not satisfied with the identity or financial status of the bank or insurance company that issued a performance bond, the Warehouse shall at its own cost as soon as practicable (but in any event within seven days) upon the Exchange requiring it provide a replacement performance bond from a bank or insurance company with whom the Exchange is satisfied, and upon such replacement being issued, the Exchange shall release the replaced performance bond.

(vii) The Exchange may at any time and from time to time make demands on any performance bond, and the proceeds received by the Exchange shall constitute cash cover. Without limiting the generality of the foregoing, the Exchange may call on a performance bond if at any time the Exchange

has concerns about the financial status of the issuer or if the expiry date of the performance bond is imminent.

(viii) The Exchange may at any time use any cash cover:

(a) to settle any sum due by the Warehouse to the Exchange;

(b) to settle any sum which the Exchange believes is due by the Warehouse to any third party (including any landlord or warrant holder);

(c) in any way which the Exchange determines is necessary or desirable to achieve or facilitate the release to or retrieval by any warrant holder of any Underlying Metal held by the Warehouse;

(d) to meet the costs (including legal costs) incurred by any holder of a Metal Entitlement in respect of Underlying Metal held by the Warehouse in obtaining the release of, in retrieving and/or in moving that Underlying Metal to another location or warehouse; and/or

(e) to provide compensation to any warrant holder for the operational and other burdens suffered as a result of that warrant holder retrieving or trying to retrieve any Underlying Metal held by the Warehouse.

(ix) If at any time the Exchange determines that none of the grounds set out in Clauses 1.2.5(i) and (ii) exists, the Exchange shall:

(a) release each performance bond and pay a sum to the Exchange equal to any cash cover after taking account of any amount used by the Exchange as contemplated by Clause 1.2.6(viii); and/or

(b) lift the suspension on the Warehouse issuing new Warrants.

(x) The Warehouse shall promptly and at its own cost take any step and sign any document in relation to any credit protection or any other aspect of Clause 1.2.5 and this Clause 1.2.6 as the Exchange may at any time and from time to time require.

(xi) The Exchange shall act reasonably and in good faith in relation to any credit protection or any other aspect of Clause 1.2.5 and this Clause 1.2.6.

(xii) Notwithstanding any other provision of this Agreement (including Clause 1.2.6(xi) and Clause 1.2.6(xiii)), the Warehouse agrees that the Exchange shall not be liable to the Warehouse for any losses the Warehouse may suffer as a result of it providing any such credit protection or the Exchange calling on or using any such credit protection, provided that any such loss is not caused by the gross negligence or wilful default of the Exchange.

(xiii) The Warehouse acknowledges that if the Exchange were to exercise any of its rights pursuant to the Rules and/or this Agreement to Delist or Suspend the Warehouse, or to call for additional capital or credit

protection in the form of cash cover or performance bonds, circumstances may at that time be such as to cause financial problems, or exacerbate existing financial problems, for the Warehouse, and may cause or quicken the Warehouse becoming Insolvent, and the Warehouse to the fullest extent permitted by applicable law waives any claims that it may have against the Exchange in relation thereto.

1.3 London Agent

1.3.1 The Warehouse must appoint and maintain at all times an agent in or, in the opinion of the Exchange, sufficiently proximate to the City of London (a "**London Agent**") to act on its behalf, to carry out certain of its obligations under this Agreement and the LMEsword Regulations, and, if the Warehouse is not incorporated in England and Wales, also to act as its agent for service of process.

1.3.2 A London Agent may be a person independent from the Warehouse or be a branch or affiliated company of the Warehouse.

1.3.3 The Warehouse must obtain the prior approval of the Exchange to the appointment, or any change in the appointment, of its London Agent from time to time.

1.3.4 The Warehouse shall be responsible for all of the acts and omissions of its London Agent undertaken in its capacity as such. The Exchange and other persons shall be entitled to assume the Warehouse's London Agent acts with the full authority of the Warehouse until such time as the Exchange has received written notice from the Warehouse that the London Agent has ceased to act as such. This term shall not affect the rights and obligations of the Warehouse and its London Agent inter se.

1.4 Depository

The Depository is hereby appointed as agent of the Warehouse pursuant to the terms of the LMEsword Regulations:

1.4.1 to receive Instructions concerning the holding of the Underlying Metal;

1.4.2 for the purposes of making attornments for and on behalf of that Warehouse in accordance with the LMEsword Regulations; and

1.4.3 for the creation of Immobilised Warrants.

1.5 Exchange

The Exchange is hereby appointed as agent of the Warehouse pursuant to the terms of the LMEsword Regulations for the creation of Warrants.

1.6 LMEsword

The Warehouse must comply, and procure that its London Agent complies, with the LMEsword Regulations and Operating Procedures, which shall insofar as they relate to the Warehouse or its London Agent be deemed to be incorporated into this Agreement.

1.7 Restrictions

1.7.1 An Authorised Warehouse may be used by only one LME authorised warehouse operator and to the extent that it is used for the storage of any metals which are permitted to be the subject of a Contract, may not also be used to store such metals which are deliverable on any other exchanges.

1.7.2 The Warehouse may not deal directly or indirectly in Contracts, and shall observe such other requirements contained in Relevant Law and Regulation, and any Exchange notice relating to the separation of LME listed warehouse operators from Members and the maintenance of confidentiality in respect of price sensitive and customer confidential information.

1.8 Description of Warehouse and standard terms

1.8.1 The Warehouse may, following its approval by the Exchange as a listed warehouse company, describe itself as an “LME listed warehouse company” and its Authorised Warehouses as “LME listed warehouses”, for as long as it retains its listed status as provided for herein.

1.8.2 For so long as the Warehouse retains its listed status or holds itself out in accordance with Clause 1.8.1, it shall take reasonable steps (such as including a reasonably prominent statement on its website) to put on notice persons dealing with metals located within its Authorised Warehouses that such metals may be subject to the interests of Account Holders within LMEsword from time to time.

1.9 Availability of Rules

The Warehouse may from at any time be sent a copy of the Rules and LMEsword Regulations and Operating Procedures as amended from time to time. The Warehouse shall ensure that its London Agent obtains and keeps up to date its own copies of such documents direct from the Exchange and is also provided with a copy of this Agreement. Where the Warehouse operates in more than one location it shall ensure that each location is kept up to date with changes to the Rules, the LMEsword Regulations and Operating Procedures and this Agreement.

1.10 Transitional Provisions

1.10.1 This Clause 1.10 shall apply to Affected Warrants.

1.10.2 Unless and until the Exchange exercises the power provided for in Clause 1.10.4, Affected Warrants shall continue to constitute Warrants for the purposes of the Legacy Warehouse Agreement.

1.10.3 Following the Amendment Date, the Legacy Warehouse Agreement, as amended pursuant to this Clause 1.10, shall continue to apply in respect of all Affected Warrants, and to govern, in the context of Affected Warrants, the rights and obligations between the Warehouse and the Exchange, except that each reference in the Legacy Warehouse Agreement to:

(i) a "Warrant" shall instead be a reference to an Affected Warrant; and

(ii) the "Depository" shall be construed as a reference to the AW Depository.

1.10.4 At or following the Instruction Deadline, the Exchange may from time to time, by and upon giving notice to the Warehouse, provide that any Affected Warrant shall no longer constitute a Warrant for the purposes of the Rules and this Agreement (although they shall remain an Affected Warrant for the purposes of the Legacy LMEsword Regulations and Legacy Warehouse Agreement).

1.10.5 To the extent not otherwise the case, the London Agent is hereby appointed as agent of the Warehouse for the purposes of:

(i) receiving from an Account Holder any Affected Warrant on behalf of the Warehouse, thereby rendering that Affected Warrant void and of no effect (other than as a chattel); and

(ii) the issuance (including any deemed issuance) of any Warrant Lodgement Instruction for the creation of a Warrant in substitution.

1.10.6 The Warehouse shall treat any Affected Warrant transferred to its London Agent as having been surrendered to the Warehouse, and any such Affected Warrant shall be void and of no effect.

1.10.7 To the extent applicable in accordance with, and as amended pursuant to, this Clause 1.10, the Legacy Warehouse Agreement shall form part of this Agreement.

1.10.8 In the event of any inconsistency between the terms of the Legacy Warehouse Agreement and the other terms of this Agreement, the latter shall prevail.

2 Issue of Warrants

2.1 Metal delivery

2.1.1 When receiving Underlying Metal for placing on Warrant, the Warehouse need not undertake an assay of the Underlying Metal itself but must carefully undertake a visual inspection of the Underlying Metal and all supporting documentation and, if the Underlying Metal or the supporting documentation is in any way patently sub-standard or anomalous the Warehouse must not issue a Warrant or Immobilised Warrant until any such shortcoming has been remedied. Without limitation to the foregoing, Underlying Metal will be deemed to be patently sub-standard if:

(i) there is broken or visibly corroded strapping which could make the bundle of metal unsafe to handle;

(ii) there is visible contamination of metal;

(iii) there is inconsistent branding of metal (for instance, where all of the metal or some of the metal is patently not an LME brand or where different LME brands have been visibly mixed within a bundle); or

(iv) the supporting documentation and paperwork does not accord with the Rules.

For the avoidance of doubt, a Warehouse is not required to break bundles or inspect metal ingots hidden from view within bundles, unless there are visible

signs indicating or suggesting a defect in quality within a bundle or the Warehouse is in any way aware that there is a defect within a bundle not apparent from a visual inspection.

2.1.2 All Underlying Metal delivered for placing on Warrant must be weighed by Warehouse personnel on equipment which is regularly tested for accuracy in accordance with Clause 7.4.3, and must conform to the relevant weights for those metals as outlined in the Special Contract Rules for Metals.

2.2 Form of Warrant

2.2.1 From the date prescribed by the Exchange, all Warrants and Immobilised Warrants must be issued in accordance with the LMEsword Regulations.

2.2.2 No Warrant or Immobilised Warrant may be issued unless:

(i) the form of each Warrant and Immobilised Warrant meets the requirements set out in the Special Contract Rules for Metals and this Clause 2.2 and Clause 2.3 are satisfied;

(ii) without prejudice to Clauses 2.1.1 and 2.1.2, the Underlying Metal or supporting documentation conforms to the relevant Special Contract Rules for Metals and a Metal Report is produced;

(iii) the Underlying Metal in question is stored in an Authorised Warehouse of the Warehouse; and

(iv) it is issued through the LMEsword System and in accordance with the LMEsword Regulations.

2.2.3 Each Warrant and Immobilised Warrant must show the applicable rent rate and the date of commencement of the obligation to pay rent, as applicable.

2.2.4 Each Warrant and Immobilised Warrant shall be on terms to the effect that responsibility for insuring the Underlying Metal is that of the Account Holder to whose Account that Warrant is recorded from time to time within the LMEsword System.

2.2.5 Each Warrant and Immobilised Warrant should be numbered consecutively wherever practicable.

2.2.6 The Warehouse shall not cause to be created or amended any Warrant, Immobilised Warrant or Extracted Warrant other than in the format previously approved by the Exchange.

2.2.7 The issuance of each Warrant and Immobilised Warrant must be approved by an authorised signatory of the Warehouse or its London Agent.

2.2.8 Each Warehouse shall readily make available its standard terms of business in relation to each Warrant or Immobilised Warrant (as applicable), as prescribed from time to time in the Operating Procedures.

2.3 Legal status of Warrants

2.3.1 Each Warrant must be transferable electronically, and each Immobilised Warrant must be transferable by delivery or by delivery and endorsement by the transferor and without requiring registration, attornment or notice to the Warehouse.

2.3.2 A transferee of a Warrant shall be treated by the Warehouse as having the benefit of the contract of storage of the Underlying Metal and shall be bound by the Warehouse's standard terms of business insofar as they do not conflict with the Rules, the LMEsword Regulations or the Operating Procedures.

2.3.3 Each Warrant must:

(i) be transferable electronically;

(ii) be capable, upon transfer in accordance with the LMEsword Regulations, of transferring rights with respect to the Underlying Metal that may be transferred as if the Warrant were a document of title (and, where applicable, the equivalent concept under its governing law); and

(iii) be governed, and expressed on the face of the Warrant to be governed, by:

(a) subject to Clause 2.3.3(iii)(b), the law of the country in which the relevant Authorised Warehouse is situated, or in accordance with such other law recognised as applicable to the Warrant by such law; or

(b) where the Exchange so specifies by written notice, subject to, either:

(I) English law; or

(II) such other law as the Exchange may specify; and

(iv) by and upon being credited to an Account Holder's Account within the LMEsword System, and for so long as it is so recorded, give rise to the bailment relationships arising pursuant to and on the terms of the LMEsword Regulations, and governed by and construed in accordance with English law.

2.3.4 Each Immobilised Warrant must:

(i) be in bearer form, and, subject to Clause 2.3.4(ii), be capable of legal transfer by delivery or delivery and endorsement;

(ii) be incapable or conferring upon any transferee any title or other interest in the Immobilised Warrant that is greater than the title or interest transferred to it by the Depository; and

(iii) be governed, and expressed on the face of the Immobilised Warrant to be governed, by:

(a) subject to Clause 2.3.3(iii)(b), the law of the country in which the relevant Authorised Warehouse is situated, or in accordance with

such other law recognised as applicable to the Immobilised Warrant by such law; or

(b) where the Exchange so specifies by written notice, subject to, either:

(I) English law; or

(II) such other law as the Exchange may specify; and

(iv) by and upon the crediting of the corresponding Warrant to an Account Holder's Account within the LMEsword System, and for so long as it is so recorded, give rise to the bailment relationships arising pursuant to and on the terms of the LMEsword Regulations, and be governed by and construed in accordance with English law.

2.3.5 It must be a term of issue of:

(i) each Warrant and Immobilised Warrant, that the corresponding Underlying Metal shall only be delivered up to the holder by the Warehouse in accordance with the LMEsword Regulations on cancellation of the relevant Warrant and, if applicable, Immobilised Warrant; and

(ii) each Immobilised Warrant, that it shall not confer upon any transferee any title or other interest in the Immobilised Warrant that is greater than the title or interest transferred to it by the Depository.

2.3.6 Each Warrant and Immobilised Warrant must be unlimited as to duration and remain valid until cancelled in accordance with this Agreement and the LMEsword Regulations.

2.3.7 A Warehouse may have a right of retention in respect of Underlying Metal for unpaid rent in respect of the Underlying Metal and other charges owed by the current holder of the Warrant but not otherwise and, in particular, without limitation, no person may have any right of retention in respect of charges owed by any other person.

2.3.8 Nothing in Clause 2.3.5 shall require the Warehouse to oppose any legally enforceable court order in respect of Underlying Metal which is binding on the Warehouse and which prevents it from delivering stored Underlying Metal to the Warrant holder, provided that the Warehouse immediately notifies the Exchange of the existence of such a court order as soon as it becomes aware of the same.

2.4 Warehouse's liability to Warrant holders

The Warehouse is required to give undertakings to each Warrant holder from time to time in respect of the Underlying Metal that:

2.4.1 the Warehouse has complied with all Relevant Law and Regulation (including Clause 2.1 of this Agreement) in receiving that Underlying Metal and placing it on Warrant;

2.4.2 the Warehouse will comply with the requirements of this Agreement concerning the storage of Underlying Metal; and

2.4.3 the Warehouse is not aware of any latent defects in the Underlying Metal.

It is a requirement of this Agreement that the undertakings referred to in Clauses 2.4.1 to 2.4.3 are incorporated without delay into the Warehouse's written contract of storage with each Warrant holder. Pending such incorporation, the relevant undertakings shall be deemed to be incorporated into each such contract of storage immediately upon such contract arising.

3 Replacement or amendment

3.1 Entitlement to replace

A Warehouse shall, as applicable, issue a replacement Immobilised Warrant or amend the electronic details of a Warrant in accordance with this Agreement and the LMEsword Regulations and Operating Procedures in the following circumstances:

3.1.1 where an Immobilised Warrant has been lost, stolen, destroyed or damaged, on completion of its normal procedures and either:

(i) upon presentation to the Warehouse of evidence satisfactory to the Warehouse that the person seeking such replacement is either the Account Holder to whose Account within the LMEsword System the corresponding Warrant is recorded, or the Depository on its behalf, provided in each case that the Warrant remains valid in accordance with its terms and has not been marked "out of depository", "cancelled", "not valid" or any other language indicating that it has or may have ceased to be valid; or

(ii) against delivery to it of an indemnity in the form prescribed by the Exchange from time to time and attached as the Appendix to Schedule A; or

3.1.2 where any details on a Warrant or Immobilised Warrant which are capable of amendment in accordance with the LMEsword Regulations and Operating Procedures ("**Amendable Details**") require amendment, by way of amendment of the electronic details of the Warrant in LMEsword, or in the case of an Immobilised Warrant, against cancellation of the original Immobilised Warrant and reissue of an amended Immobilised Warrant.

3.2 Entitlement to move Underlying Metal

A Warehouse may move Underlying Metal between its own Authorised Warehouses within the same listed location at its own risk and expense subject to complying with Clause 3.3.

3.3 Notification of the Exchange

3.3.1 On the day that a Warehouse or its London Agent is notified or becomes aware of any circumstance which might reasonably cause suspicion that (a) any Underlying Metal, or any Immobilised Warrant, may have been lost, stolen, destroyed or damaged; (b) the Amendable Details on a Warrant or an Immobilised Warrant may require amendment; (c) a Warrant or Immobilised Warrant may require cancellation in accordance with Clause 4.3; (d) any additional warehouse warrant, receipt, Metal Entitlement or other document representing or acknowledging receipt, has been issued or is in circulation in

respect of the same Underlying Metal as is subject to a Warrant or Immobilised Warrant; or (e) a transfer or purported transfer of any interest in any Warrant, Immobilised Warrant or Underlying Metal has taken or will take place, other than a transfer given effect to using the LMEsword System, it shall forthwith:

(i) notify the Exchange by email (or by such other means as the Exchange may prescribe from time to time) to the Exchange's Physical Operations Department; and

(ii) promptly investigate the circumstance.

3.3.2 The Warehouse will regularly update the Exchange on the investigation and report all findings to the Exchange.

3.3.3 On the day that a Warehouse or its London Agent is notified or becomes aware that (a) any Underlying Metal or any Immobilised Warrant, has been lost, stolen, destroyed or damaged; (b) the Amendable Details on a Warrant or Immobilised Warrant require amendment; (c) a Warrant or Immobilised Warrant requires cancellation in accordance with Clause 4.3, (d) any additional warehouse warrant, warehouse receipt, Metal Entitlement or other document representing or acknowledging receipt, has been issued or is in circulation in respect of the same Underlying Metal as is subject to a Warrant or Immobilised Warrant, or (e) a transfer or purported transfer of any interest in any Warrant, Immobilised Warrant or Underlying Metal has taken or will take place, other than a transfer given effect to using the LMEsword System, it shall forthwith notify the Exchange by email (or by such other means as the Exchange may prescribe from time to time) to the Exchange's Physical Operations Department containing full details thereof, including the following:

(i) the date and details of loss or damage to or other matter affecting the Underlying Metal or Immobilised Warrant;

(ii) the Warrant or Immobilised Warrant number(s);

(iii) date of the Warrant or Immobilised Warrant;

(iv) the brand and shape of Underlying Metal; and

(v) the quantity of Underlying Metal (if any) missing, damaged or otherwise affected.

3.3.4 The Warehouse shall keep the Exchange updated at all times and in addition take all such other steps, such as (without limitation) immediately notifying and cooperating with police authorities and insurers, as is necessary to protect the owner of the Underlying Metal in question and assist with the orderly operation of the market.

3.3.5 Where an Immobilised Warrant that requires replacement or cancellation is temporarily not lodged with the Depository pursuant to the LMEsword Regulations, the Warehouse shall notify its holder of the event and require that the Immobilised Warrant be delivered up for replacement.

3.4 Liability for replacement Warrants

3.4.1 Where a Warrant or Immobilised Warrant is being replaced due to a change to its Amendable Details, the Warehouse shall indemnify the holder of the Warrant or Immobilised Warrant (as applicable) in respect of any reasonable loss or damage they may suffer as a result of the Warehouse not properly causing the cancelling and replacement of the Warrant or Immobilised Warrant in accordance with this Agreement.

3.4.2 The Warehouse shall be responsible for the cost of replacing Warrants or Immobilised Warrants, other than in the case of Immobilised Warrants which have been lost, stolen, destroyed or damaged, where such costs shall be the responsibility of the holder.

3.4.3 The Warehouse shall take all reasonable steps to ensure that no duplicate Warrants or Immobilised Warrants issued by it are in circulation and, in particular, shall make a notification to the Exchange pursuant to Clause 3.3.1, if applicable.

4 Cancellation of Warrants

4.1 Process on replacement

4.1.1 Where a Warrant or Immobilised Warrant is to be replaced, it must first be made properly null and void by being marked “cancelled and replaced”.

4.1.2 If the original of an Immobilised Warrant has been lost, stolen or destroyed, a copy of the original must be duly marked and retained in lieu of the original.

4.2 Process on cancellation and Underlying Metal take-up

4.2.1 Where a Warrant or Immobilised Warrant is to be cancelled for Underlying Metal take-up, it must be made properly null and void by being marked “cancelled”.

4.2.2 The Warehouse is required to expedite load-out from warehouses at the minimum rates published from time to time by the Exchange in accordance with Clause 9.11.1. For the avoidance of doubt, any change to the minimum rates would constitute a material increase in the obligations of a Warehouse which would require consultation and notification in accordance with Clause 9.11.4.

4.2.3 The Warehouse shall prioritise all requests for cancellation strictly in the order in which they are received unless the Warrant holders seeking cancellation agree otherwise.

4.2.4 The Warehouse shall use all reasonable endeavours to allocate to each Warrant holder seeking cancellation the delivery time that he has requested, unless that requested delivery time has already been allocated to another Warrant holder, in which case the Warehouse shall offer one or more alternative delivery times as close to the time originally requested as possible and where reasonably possible shall allocate the delivery time which is acceptable to the Warrant holder.

4.2.5 The Warehouse must prepare and maintain such documentation as is sufficient to evidence compliance with the aforesaid requirement (e.g. a schedule detailing (at least) the dates and times of receipt of cancellation requests and the allocated dates and times of delivery) and shall provide a copy of the same to the Exchange if so requested.

4.2.6 The Warehouse will, at all times, be responsible for ensuring that deliveries of Underlying Metal are effected in accordance with the above requirements except where the Warrant holder taking delivery of Underlying Metal provides its own transport and fails, due to no fault of the Warehouse, to keep to the agreed delivery schedule, in which case the Warehouse and that Warrant holder shall agree between them an alternative time for delivery.

4.3 Warrants requiring cancellation

Where a Warehouse or its London Agent is notified or becomes aware that any details on a Warrant or Immobilised Warrant which are not Amendable Details are incorrect, it shall:

4.3.1 notify the Exchange thereof in accordance with Clause 3.3;

4.3.2 take all reasonable steps to identify the holder of the Warrant and notify it of the event; and

4.3.3 procure the cancellation of the Warrant or Immobilised Warrant (as applicable) in accordance with the LMEsword Regulations and Operating Procedures and the issuance of a new Warrant or Immobilised Warrant (as applicable) in respect of the relevant Underlying Metal.

4.4 Storage

Evidence of the cancellation of all Warrants and Immobilised Warrants (and a copy of the original Immobilised Warrant in the event that it has been lost, stolen or destroyed) must be securely retained and be made available for inspection by the Exchange for five years or (if later) until any replacement Warrant is surrendered for cancellation and Underlying Metal take-up.

5 Rent, Free On Truck ("FOT") and re-warranting charges

5.1 Calculation

5.1.1 Calculations of rent due on Warrants must be on round tonnages and not actual weights.

5.1.2 Rent must accrue on a daily basis and rent accrued must be payable annually as at 31 March each year, or at such other times and for such other periods as the Exchange may prescribe, or upon cancellation of a Warrant whichever is the sooner.

5.2 Warehouse Maximum Charge Levels

5.2.1 The Warehouse shall be required to set maximum rent, FOT and re-warranting charges (the "**Warehouse Maximum Charge Levels**"), specifying the highest rates which may be levied, in accordance with the requirements of this Clause 5.

5.2.2 Warehouses may set separate Warehouse Maximum Charge Levels, except for re-warranting charges, in respect of each Delivery Point in which the Warehouse operates licensed facilities, and in each such Delivery Point (i) in respect of rent, a rate for each metal which the Warehouse is licensed to store in that Delivery Point, and (ii) in respect of FOT, (a) a rate for cobalt (if the Warehouse is licensed to store cobalt in that Delivery Point), (b) a rate for roasted molybdenum concentrate (if the Warehouse is licensed to store roasted molybdenum

concentrate in that Delivery Point), (c) a rate for premium primary aluminium (if the Warehouse is licensed to store premium primary aluminium in that Delivery Point), and (d) a single rate for all other metals (if the Warehouse is licensed to store metals other than cobalt, roasted molybdenum concentrate and premium primary aluminium in that Delivery Point). In respect of re-warranting, a Warehouse must charge the same rate per metric tonne at each Delivery Point and in respect of each metal in relation to a Warrant which has been cancelled (but not yet loaded out from the Authorised Warehouse~~'s LME-registered shed~~ in the same Delivery Point) following which the metal owner requests the Warehouse to issue a new Warrant.

5.2.3 Rent, FOT and re-warranting charges must be quoted in the Major Currency of the Contract to which the Warrant relates is traded.

5.2.4 FOT may be paid in any currency that the Warehouse and the Warrant holder agree, provided that:

(i) both parties agree to both the currency of payment and the rate of conversion between the currency of the listed location and the currency of payment; and

(ii) in the event that the parties cannot agree the rate of conversion between the currency of the listed location and the currency of payment, FOT shall be paid in the Major Currency of the Contract.

5.3 Publication of Charge Caps

5.3.1 With the exception of 2016 (which is covered by Clause 5.3.2), the LME shall, by 31 October each year, in respect of the period from 1 April of the following year to 31 March of the next following year, publish a list of maximum permissible Warehouse Maximum Charge Levels ("**Charge Caps**"). In respect of the re-warranting Charge Cap, it will apply to all Delivery Points and in relation to all metals which are the subject of a physically settled Contract, and in respect of FOT and rent it will be a combination of (i) each Delivery Point Country/Region, and (ii) each metal which is the subject of a physically-settled Contract (with the exception of aluminium premium Contracts) and licensed for storage by at least one Warehouse in that Delivery Point Country/Region. For the avoidance of doubt, the relevant Charge Cap shall apply to all Delivery Points in a Delivery Point Country/Region. Prior to 31 July 2026, Charge Caps were only in respect of the maximum permissible Warehouse Maximum Charge Levels for rent and FOT; following 31 July 2026, Charge Caps include the maximum permissible Warehouse Maximum Charge Levels for rent, FOT and re-warranting.

5.3.2 In respect of 2016, the LME shall publish the Charge Caps on 28 December 2016. The Charge Caps for the period 1 April 2017 to 31 March 2018 shall be calculated as the arithmetic mean average of (i) the highest Warehouse Maximum Charge Levels published by the LME in December 2014 for the period 1 April 2015 to 31 March 2016 and (ii) the highest Warehouse Maximum Charge Levels published by the LME in February 2016 for the period 1 April 2016 to 31 March 2017, in each case in respect of that Delivery Point Country/Region and that metal (and rounded up to the nearest smallest unit of the local currency, in the case of FOT, or the nearest US cent, in the case of rent).

5.3.3 Subject to Clause 5.3.6, the Charge Caps for the periods (i) 1 April 2018 to 31 March 2019, (ii) 1 April 2019 to 31 March 2020, (iii) 1 April 2020 to 31 March 2021, (iv) 1 April 2021 to 31 March 2022, (v) 1 April 2022 to 31 March 2023, (vi) 1 April 2023 to 31 March 2024, (vii) 1 April 2024 to 31 March 2025, (viii) 1 April 2025 to 31 March 2026, (ix) 1 April 2026 to 31 March 2027, (x) 1 April 2027 to 31 March 2028, (xi) 1 April 2028 to 31 March 2029, (xii) 1 April 2029 to 31 March 2030, (xiii) 1 April 2030 to 31 March 2031, and (xiv) 1 April 2031 to 31 March 2032 shall be the same as the Charge Caps for the period 1 April 2026 to 31 March 2027.

5.3.4 In respect of each subsequent period 1 April to 31 March, the Charge Caps shall either be kept the same, or increase, in accordance with the formula set out in Appendix A, apart from Charge Caps in respect of re-warranting which will be chargeable per metric tonne and at a consistent rate across each Delivery Point Country/Region for each metal which is the subject of a physically-settled Contract pursuant to Clause 5.3.1. In the event that the relevant index (or certain data points within the index) as specified in Appendix A is unavailable, the LME shall determine an appropriate comparable index (or data points), which will be published by the LME each year in October, subject to the Warehouse's right of challenge as set out in Clause 5.3.6.

5.3.5 Where (i) the LME approves a new Delivery Point which is located in a new Delivery Point Country/Region, or (ii) a Warehouse becomes authorised to store in a Delivery Point Country/Region a metal for which Charge Caps have not previously been calculated, the LME shall, prior to or at the same time as admission of the new Delivery Point or storage authorisation of the Warehouse, publish Charge Caps for such Delivery Point Country/Region in respect of the set of metals authorised for storage at one or more warehouses in that Delivery Point Country/Region and in respect of which Charge Caps have not previously been published. In determining the relevant Charge Caps, the LME shall take into account all relevant factors where appropriate, including the Charge Caps for geographically proximate countries, any factors relevant to the particular Delivery Point Country/Region, and its expert judgement.

5.3.6 In respect of Charge Caps published from 2017 onwards, a Warehouse may challenge any Charge Cap on the basis that it does not adequately take into consideration any relevant increase in the Warehouse's costs, or on the basis of any other reason. Any Warehouse wishing to challenge any Charge Cap may submit such a challenge in writing to the LME, including full reasons for such challenge together with any relevant supporting documentation, within fourteen calendar days of the publication of the relevant Charge Cap. The challenge will be considered by the Special Committee of the LME. The LME shall have the opportunity to make written representations or provide supporting evidence to the Special Committee where the LME considers it appropriate to do so. The Special Committee may request such additional documentation or explanation from the Warehouse, or any other Warehouse, or the LME, as it considers appropriate, in considering the challenge. Having considered the challenge, the Special Committee may either (i) reject the challenge, or (ii) accept the challenge and require the LME to increase the relevant Charge Cap by such amount as it considers appropriate. Where the Special Committee accepts the challenge, it

shall publish a notice to the market explaining the nature of the challenge and the reasons for accepting it. The amended Charge Cap(s) shall take effect on the following 1 April and shall be taken into account when calculating any increases to Charge Caps in future years in accordance with Clause 5.3.4 and Appendix A. Where the Special Committee rejects the challenge, it may, where it considers it appropriate, publish a notice to the market explaining the nature of the challenge and the reasons for rejecting it (and, in the event that it does not publish such a notice, it shall still provide the Warehouse which brought the challenge with the reasons for rejecting it). The Special Committee shall endeavour to publish any notice to the market within fourteen calendar days of the challenge being brought, or such other date as it shall in its discretion consider appropriate.

5.3.7 While the LME endeavours to ensure the accuracy, reliability and completeness of the Charge Caps and any information (including third party information) with reference to which the Charge Caps are compiled (the "**Charge Cap Information**"), neither the LME nor any of its affiliates makes any warranty or representation, express or implied, or accepts any responsibility or liability for, the accuracy, completeness or reliability of the Charge Cap Information. The LME accepts no liability whatsoever to any Warehouse or other person for any loss or damage arising from any inaccuracy or omission in the Charge Cap Information.

5.4 Process for advising Warehouse Maximum Charge Levels

5.4.1 On 29 December 2016, each Warehouse must set its Warehouse Maximum Charge Levels in respect of the 12 month period commencing 1 April 2017. For the avoidance of doubt, if a Warehouse has already submitted Warehouse Maximum Charge Levels in respect of the 12 month period commencing 1 April 2017 pursuant to any requirement in a previous version of this Agreement, such charges must be resubmitted if they do not comply with Clause 5.4.3.

5.4.2 From 15 December 2017, each Warehouse must set its Warehouse Maximum Charge Levels annually in respect of each 12 month period commencing 1 April of the following year by notification to the Exchange not later than 15 December in the preceding year.

5.4.3 No Warehouse Maximum Charge Level submitted pursuant to Clause 5.4.1 or 5.4.2 may be higher than the corresponding Charge Cap. In the event that a Warehouse submits a Warehouse Maximum Charge Level in excess of the corresponding Charge Cap, the LME may revise the Warehouse Maximum Charge Level down to the corresponding Charge Cap (for the avoidance of doubt, such submission may also constitute a breach of this Agreement which may be subject to disciplinary action pursuant to the Disciplinary Procedures). For Warehouse Maximum Charge Levels not subject to a Charge Cap, levels may be set in the discretion of the Warehouse.

5.4.4 The Exchange shall publish each Warehouse's Warehouse Maximum Charge Levels by 31 December. For the avoidance of doubt, no change in Warehouse Maximum Charge Levels shall become effective until the following 1 April.

5.5 Dates

The Exchange may, by giving notice in writing to each Warehouse, amend any of the dates set out in Clauses 5.3.1, 5.3.2 or 5.4 for any given relevant year in the event of a challenge to the Charge Caps pursuant to Clause 5.3.6 or for any other reason.

5.6 Payment

Rent must be paid for Underlying Metal in stock at 31 March (or such other dates as the Exchange may prescribe) in each year by direct settlement between holders of Warrants and Warehouses.

5.7 LMEsword

Warehouses' other obligations in relation to rent shall be as set out in the LMEsword Regulations and the Operating Procedures.

6 Records

6.1 Storage records for Underlying Metal

6.1.1 Warehouses must have clearly organised systems for recording storage of Underlying Metal for use in their office and in each Authorised Warehouse.

6.1.2 Storage records must have a separate entry record for each lot and each such record must be numbered consecutively.

6.1.3 Storage records in respect of Underlying Metal must, if applicable, clearly identify the fact that the Underlying Metal is under Warrant, include the Warrant number and note the Authorised Warehouse in which the Underlying Metal is stored.

6.1.4 Underlying Metal must be identifiable in an Authorised Warehouse by means of a label, or other marking method, as to lot or Warrant number.

6.2 Warrant records

6.2.1 The Warehouse must maintain a Warrant register which shows the dates of issue and cancellation of each Warrant, any corresponding lot numbers and the details of the Underlying Metal under Warrant as shown on the relevant Warrant. Each entry on the Warrant register must be initialled by an authorised person or, in the case of a register maintained on a computer, have noted next to each entry the initials or other identity of an authorised person.

6.2.2 To the extent that any Warehouse has pre-printed warrants in blank, these must be kept secure. The Warehouse must ensure that it, or its London Agent, maintains a written record of the number of unused blank warrants at any given time and will provide a copy of that record to the Exchange on request.

6.2.3 A copy of each Immobilised Warrant and Extracted Warrant issued by or for the Warehouse must be kept secure.

6.3 Stock records

6.3.1 LME Eligible Stocks

For the purposes of this Agreement "**LME Eligible Stocks**" shall mean all metal within an Authorised Warehouse ~~LME-registered shed~~ (which is not under Warrant and not Cancelled Tonnage) and is an LME brand.

6.3.2 Reporting of Stock under Warrant

The stock of Underlying Metal under Warrant at the Warehouse, together with Cancelled Tonnage, must be reported to the Exchange, as prescribed in the LMEsword Regulations and Operating Procedures.

6.3.3 Confidentiality of Stock and Queue information

Information concerning stocks and Queues at Warehouses shall be treated as confidential by the Exchange save that the Exchange may publish such information concerning LME stocks and Queues at Warehouses as it considers necessary, acting reasonably, for the purposes of market transparency. In addition the Exchange may publish such information for regulatory purposes and may make such disclosure as is required by Relevant Law and Regulation or that is requested by any regulatory authority or other person to whom the Exchange is required to disclose it by Relevant Law and Regulation. In addition, the Exchange may publish such information together with that of other Warehouses without identifying the Warehouse by name and also make reference to such information, identifying the Warehouse, in any notice of a decision given under the Disciplinary Procedures in the event of a breach of this Agreement. Warehouses are prohibited from (i) disclosing information concerning Queues at such Warehouses or (ii) revealing their stock of Underlying Metal under Warrant to any person, except that this prohibition shall not apply to:

(i) information supplied to the Warehouse's London Agent where the disclosure is reasonable and necessary to enable the recipient to perform the proper functions of his employment, profession or duties;

(ii) information disclosed pursuant to any Relevant Law and Regulation;

(iii) information disclosed to the Warehouse's professional advisers and to its usual bankers where the disclosure is reasonable and necessary to enable the recipient to perform the proper functions of his employment, profession or duties;

(iv) historical information on aggregate stocks held by the Warehouse without differentiation between stocks held under Warrants and other stocks which is required to be disclosed to the shareholders of the Warehouse;

(v) historical information on aggregate stocks held by the Warehouse without differentiation between stocks held under Warrants and other stocks which is required to be disclosed to a parent company of the Warehouse for the purpose of that parent company preparing its budgets and financial forecasts for the Group;

(vi) information which has already been published by the LME pursuant to Clause 6.3.3; or

(vii) information about the length of Queues where such information is provided to an owner of Underlying Metal that: (I) is contemplating or effecting the scheduling of load-out of Underlying Metal at the Warehouse; and (II) requires information regarding the waiting time for such scheduling, provided that the Warehouse: (A) may only disclose

information pursuant to this Clause 6.3.3(vii) to the extent that such information relates to Queues arising from actual Cancelled Tonnage; and (B) shall not include in such disclosure the Warehouse's expectation regarding the cancellation or load-out request actions of any person other than the owner that requires such information in accordance with (I) and (II) above.

Reporting of off-Warrant Stock

6.3.4 On each Business Day prior to 16:30 London time, the Warehouse must report to the Exchange the quantity of LME Eligible Stocks which it holds on that Business Day. The following provisions shall apply in respect of reporting LME Eligible Stocks.

(i) The Warehouse shall submit a report (using such template form as the LME may prescribe from time to time), showing quantity of metal (to the nearest metric tonne) which is LME Eligible Stock split by:

(a) any LME Good Delivery Location where the relevant off-warrant metal is currently located; and

(b) type of metal, divided by the Contract against which, if warranted, the metal would be deliverable.

(ii) For the avoidance of doubt, there shall be no requirement for the Warehouse to provide details of metal owners, or of the economic terms on which metal is stored off-warrant.

(iii) In respect of reporting under Clause 6.3.4:

(a) the Exchange shall treat the figures reported by Warehouses as confidential;

(b) notwithstanding (a) above:

(I) the Exchange may use the reported figures for reasonable internal purposes (including assessing market orderliness);

(II) the Exchange may publish (on a free or charged-for basis) summary statistics of off-warrant metal reported pursuant to Clause 6.3.4, in such format as the Exchange shall notify to the market by written notice from time to time (subject that such statistics may not be disaggregated by Warehouse, but may be disaggregated by LME Good Delivery Location, metal type, or both);

(III) provided that publication is consistent with (II) above, the Exchange shall not be prohibited from publishing disaggregated information which could be used to identify data specific to the Warehouse (such as, without limitation, where the Warehouse is the only operator in a given LME Good Delivery Location); and

(c) notwithstanding (a) above, the Exchange may disclose the reported figures (or any information relating to such figures):

(I) where the Exchange is required to do so pursuant to any Relevant Law and Regulation;

(II) to the Exchange's professional advisers and to its usual bankers where the disclosure is reasonable and necessary to enable the recipient to perform the proper functions of his employment, profession or duties; or

(III) where such information is already in the public domain.

6.3.5 Additional Daily Stock Reporting

The Warehouse:

(i) acknowledges that the Exchange may, following the date of this Agreement, by written notice specify changes to the classification of metals for the purpose of the daily reporting of stocks of metal in accordance with this Clause 6.3, in order that:

(a) the "cancelled" classification shall refer only to Underlying Metal that was cancelled but not scheduled for load-out;

(b) a new "scheduled" classification shall refer to Underlying Metal that has been cancelled and is scheduled (or in the process of being scheduled) for load-out; and

(ii) agrees that it shall implement such operational requirements to effect such changes, and shall, on an on-going basis, apply such classification requirements for the purposes of reporting stock to the Exchange, in each case in the manner specified in such written notice, from the time specified in such written notice.

6.4 Duty and Tax Records

6.4.1 The Warehouse must maintain records on the duty and tax status of each lot of Underlying Metal.

6.4.2 The Warehouse shall make the records specified in Clause 6.4.1, or information derived from such records, available on request and at no cost to Warrant holders and the Exchange.

7 Continuing Obligations

7.1 Insurance

7.1.1 The Warehouse must maintain insurance in respect of all the types of risks marked with an asterisk in paragraph 9 of Schedule A at least at the levels from time to time prescribed by the Exchange. Such insurance must be maintained at all times until the Warehouse is no longer listed.

7.1.2 The Warehouse shall procure that the Exchange receives annually at renewal and/or at such other time as requested by the Exchange a certificate (or such other document as the Exchange may from time to time prescribe) evidencing

that all the risks marked with an asterisk in paragraph 9 of Schedule A are protected and citing the maximum limit of cover per occurrence and the policy number. Any changes affecting the insurance cover are to be automatically notified to the Exchange by the insurance company. The Warehouse must ensure that its policy shows the Exchange as a notifiable party for amendments and renewal confirmations.

7.1.3 Each Warrant and Immobilised Warrant must include a term stating that responsibility for insuring the metal subject to the Warrant is that of the Account Holder to whose Account the Warrant is credited.

7.2 Security

7.2.1 The Warehouse must at least maintain the level of security measures referred to in its response(s) to Schedule B, Section (C) (as the same may be amended in writing between the Warehouse and the Exchange from time to time) at all its Authorised Warehouses and must keep them clean, dry (except outside storage areas as permitted by the LME), free from contaminants and in good repair. The Exchange may in its discretion reasonably require enhancements to the security measures maintained by the Warehouse as referred to in its response(s) to Schedule B, Section (C). Without prejudice to the requirements of Clause 7.3, in the event of any material change in the details relating to its Authorised Warehouses as set out in its response(s) to Schedule B, Section (C), or in the event that the Warehouse otherwise fails to comply with this Clause 7.2.1, the Warehouse must notify the Exchange of such change or failure within 5 Business Days of becoming aware of the same. In the event of any material change in the details relating to the Warehouse's Authorised Warehouses which could in the Exchange's reasonable view result in a degradation in the level of security as set out in the Warehouse's' response(s) to Schedule B, Section (C), or in the event that the Warehouse otherwise fails to comply with this Clause 7.2.1, the Exchange may, at its discretion, direct that any Underlying Metal stored in the Authorised Warehouse in question be relocated to another Authorised Warehouse, whether or not with the same Warehouse.

7.2.2 Any costs arising from such relocation, including costs relating to re-inspection and re-approval, shall be met by the Warehouse.

7.2.3 The power of the Exchange under this Clause 7.2 is without prejudice to its other powers under this Agreement, including the powers set out under the Disciplinary Procedures.

7.3 Monitoring and supply of information

7.3.1 The Warehouse must notify the Exchange of any facts, events or changes which are material to its listing as a Warehouse within 5 Business Days of becoming aware of the fact, event or change in question. This shall include, without limitation:

(i) any changes that materially affect the information given by the Warehouse in connection with its application for listing as a Warehouse, or such other material information as it may have given to the Exchange in writing from time to time;

(ii) any changes affecting the Warehouse's ability to comply with its obligations hereunder or under the LMEsword Regulations.

7.3.2 The Warehouse shall not make any changes, or allow any changes which are within its power to prevent being made, to any of its Authorised Warehouses where such changes would involve a material change to any of the details provided in the answers given in Schedule B, without obtaining the Exchange's prior written approval in accordance with procedures published by the Exchange from time to time. In the event that the Warehouse becomes aware of such a change which is beyond its power to prevent, it must nonetheless notify the Exchange of such change immediately. The Exchange may, if it deems that the change materially affects the ability of the Authorised Warehouse(s) to operate, exercise its powers under this Agreement, including those contained in Clause 9.2.

7.3.3 The Warehouse shall provide to the Exchange on request such information from its storage records, Warrant records and/or stock records relating to the types of Underlying Metals deliverable on the Exchange, as the Exchange may reasonably request from time to time in connection with any enquiries being made or to be made by the Exchange in accordance with the Rules or this Agreement. All such information so supplied shall be treated as confidential by the Exchange and shall be restricted to those authorised staff and officers within the Exchange responsible for conducting such enquiries in accordance with the Rules, the Exchange's professional advisors, regulatory authorities and other persons to whom the Exchange is required to disclose it by Relevant Law and Regulation. The Exchange shall not be entitled to have access to legally privileged documents. A list of those persons within the Exchange who are authorised to obtain information from Warehouses in accordance with this Clause 7.3.3 will be circulated to all Warehouses and will be updated from time to time. The Exchange may request information about Underlying Metal held off-Warrant at the Warehouse only in connection with an investigation pursuant to the Disciplinary Procedures.

7.3.4 The Warehouse shall permit Exchange staff to conduct routine and other inspections of its premises used for the storage of Underlying Metal, including access to each relevant Authorised Warehouse and its offices supporting the operating of such warehouses. Warehouses shall use reasonable endeavours to procure similar access to the offices of their London Agents supporting those operations. The Warehouse shall co-operate with the Exchange in the conduct of such inspections and give all reasonable assistance to the Exchange.

7.3.5 The Exchange shall give reasonable notice of its intention to make inspections, except that no such notice will be required to be given where the Exchange deems it necessary or desirable in its discretion for an immediate inspection to be undertaken by the Exchange or its appointed representatives.

7.3.6 The Warehouse shall provide the Exchange with details of its officers and employees authorised to act as its authorised signatories for the purposes of this Agreement and keep such details up to date at all times, notifying the LME of any changes thereto promptly.

7.4 Periodical inspections

7.4.1 From time to time, and at least every 12 months, the Warehouse must:

(i) carry out a visual inspection of all Underlying Metal in its Authorised Warehouses and of all supporting documentation;

(ii) at its own cost, appoint an independent third party auditor to perform a count of all the stock which is under Warrant in its Authorised Warehouse(s) which shall include metal taken off Warrant, but which is still on the Warehouse's premises awaiting load-out;

(iii) make a notification to the Exchange without delay following the end of each calendar year (and by not later than 1 March), such notification to contain a record of all such inspections which have been carried out throughout the previous year, and a copy of the report produced by the independent third party auditor pursuant to Clause 7.4.1(ii); and

(iv) seek the approval of the Exchange in the selection of the independent third party auditor referred to in Clause 7.4.1(ii) and provide to the Exchange such information concerning its preferred auditor as the Exchange may reasonably request.

7.4.2 Full records of such inspections must be kept, showing at least:

(i) the details of all issued Warrants and Immobilised Warrants at the time of the inspection;

(ii) the date of the inspection; and

(iii) the name and job title of the person undertaking the inspection, who must also acknowledge that he has carried out the inspection and be of suitable seniority.

Without prejudice to the annual notification requirement in Clause 7.4.1, copies of such records will be made available to the Exchange at any time on request.

7.4.3 All weighing equipment used for weighing Underlying Metal must be checked for accuracy at least quarterly by an accredited and responsible institution which is not affiliated to the Warehouse and any material inaccuracies detected by such institution must be rectified by the Warehouse immediately. Written evidence of such inspections must be retained and made available to the Exchange on request.

7.5 Compliance with law and regulation

7.5.1 The Warehouse shall at all times comply with all applicable law, including Relevant Law and Regulation, sanctions, local port conditions, local and national customs, local anti-corruption laws, prohibitions on Market Abuse, taxation law and other rules and regulations (where the aforesaid are not in conflict with the requirements of either this Agreement, the LMEsword Regulations or the Operating Procedures).

7.5.2 The Warehouse shall immediately notify the Exchange if it becomes aware that such law, customs or regulations conflict, or are likely to conflict, with the requirements of this Agreement, the LMEsword Regulations or the Operating Procedures. In the event of any such conflict, the Exchange shall, without

prejudice to its rights under this Agreement, assess whether, in its reasonable opinion, such conflict in fact exists and, if so, whether it is reconcilable and shall determine in its discretion what action (if any) to take. Where the Exchange is of the view that failure immediately to resolve the conflict will not materially prejudice the Warehouse's ability to comply with the requirements of this Agreement, the LMEsword Regulations or the Operating Procedures, it shall consult with the Warehouse as to the remedial action to be taken. In the event of a conflict between this Agreement and the LMEsword Regulations or Operating Procedures or any notice issued by the Exchange, the terms of this Agreement shall prevail.

7.5.3 The Warehouse will not, and nor will any of its officers, employees, shareholders, representatives or agents, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, give or agree to offer or give (either itself or in agreement with others) any payment, gift or other advantage with respect to any matters which are the subject of this Agreement which (i) would violate any anti-corruption laws or regulations applicable to the Warehouse, (ii) is intended to, or does, influence or reward a person and acting in breach of an expectation of good faith, upholding or trust, or which it would otherwise be improper for the recipient to accept, or (iii) is made to a Public Official with the intention of influencing them and obtaining or retaining an exchange with conduct of terms ("**Corrupt Act**").

7.5.4 The Warehouse represents and warrants that it has not, and so far as it is aware its directors and officers have not:

(i) engaged in, admitted to, or been found by a court in any jurisdiction to have engaged in any Corrupt Act; or

(ii) been investigated by a regulatory or law enforcement agency in any jurisdiction as a suspect in connection with an investigation into the commission of any Corrupt Act.

7.5.5 The Warehouse further agrees and undertakes:

(i) to properly and accurately record in its books and records all transactions which relate in any way to this Agreement; and

(ii) to provide any such information as the Exchange may reasonably require by notice in writing in order to monitor the Warehouse's compliance with its obligations under Clauses 7.5.1, 7.5.3 and 7.5.4; and

(iii) to notify the Exchange immediately if, at any time, it becomes aware that any of the representations set out under Clause 7.5.4 are no longer correct.

7.6 Principles of Conduct

The Warehouse shall adhere to the Principles of Conduct set out at Clause 11.

7.7 eCOAs

7.7.1 For:

(a) Designated Metal produced on or before 31 December 2023; or

(b) Designated Metal where the Warehouse is unable to identify the production date; and

(c) in both cases, where the underlying Designated Metal is not covered by an eCOA created in the eCOA System,

the Warehouse must create a Basic eCOA in accordance with Clause 7.7.3 as a prerequisite to:

(d) the issuance of a Warrant or Immobilised Warrant;

(e) the cancellation of a relevant Warrant or Immobilised Warrant;

(f) the load-out or the scheduling of load-out of the relevant Designated Metal.

Warehouses must ensure that the creation of a Basic eCOA is completed in a timely manner and does not cause a delay to the cancellation of a relevant Warrant or Immobilised Warrant or the scheduling or load-out of the relevant metal. In such circumstances, Warehouses may charge the relevant metal owner up to an additional ten US dollars (US$10) per Warrant or Immobilised Warrant (or such other amount as may be set out by way of notice from time to time) for creating the Basic eCOA in the eCOA System. Such additional charges shall be disregarded for the purposes of the provisions of this Agreement relating to Charge Caps.

7.7.2 In order to place copper on Warrant on or after 1 January 2028, if the copper does not have an Enhanced eCOA then the Warehouse must create a Basic eCOA. For the avoidance of doubt, copper cannot be warranted on or after 1 January 2028 if the metal is not accompanied by an Enhanced eCOA or a Basic eCOA.

7.7.3 Where a Warehouse elects, or is required, to produce a Basic eCOA, it shall:

(a) upload the complete and correct Paper COA relating to the metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as may be further specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

7.7.4 Where a Member notifies the Warehouse that it is electing to produce a Basic eCOA for metal stored at the Warehouse and requests information, or confirmation of information, relating to that Underlying Metal, the Warehouse shall use all reasonable endeavours to respond to any such request in a timely and accurate manner.

8 Enforcement and Discipline

The Exchange may investigate any breach of this Agreement and take disciplinary action. The terms of the LME's Enforcement and Disciplinary Procedures applicable to all LME Warehouses or Group, as amended by the Exchange from time to time and issued to

Warehouses (the "Disciplinary Procedures") shall be deemed to be incorporated into this Agreement as if set out in full herein.

9 General

9.1 Fees

9.1.1 The Warehouse shall pay the Exchange the fees and levies prescribed by the Exchange from time to time. The Exchange shall provide all Warehouses with reasonable notice of changes in its prescribed fees and levies.

9.1.2 The Warehouse shall be responsible for the cost of inspections undertaken by the Exchange in accordance with the terms of this Agreement except where the inspection is specific to a single Warehouse and is initiated by the Exchange in which case the Exchange shall be responsible for the cost thereof (but without prejudice to the power of the Exchange to recover any such costs from the Warehouse pursuant to a sanction imposed under the Disciplinary Procedures).

9.1.3 The Warehouse shall pay the fees prescribed by the LMEsword Regulations and Operating Procedures.

9.1.4 The Exchange shall consult with Warehouses if any proposed changes in its prescribed fees and levies or in the fees prescribed by the LMEsword Regulations and Operating Procedures would result in a material increase in such fees and/or levies. For these purposes, a "material increase" shall be any increase in the previously prescribed fee or levy of more than the greater of (a) 10 per cent or (b) the percentage figure equal to the aggregate of (i) the percentage increase in the retail prices index ("**RPI**") as published by the Office for National Statistics calculated by comparing the level of RPI (all items) for the month in which the previously prescribed fee or levy was fixed and comparing it to the level of RPI (all items) for the month in which the Exchange gives notice of its proposed increase and (ii) 5 per cent.

9.2 Withdrawal of right to store particular metal

Without prejudice to the other powers of the Exchange, the Directors may require the Warehouse to cease to store any one or more particular metals by giving the Warehouse 90 days' prior notice, or such shorter period as the Directors may consider in their discretion justified in the circumstances.

9.3 Proper functioning of the market

9.3.1 Warehouses play an important role in the markets in which the Exchange operates by ensuring, amongst other things, that Contracts are sufficiently anchored to the price of the relevant metal and that settlements are orderly. Warehouses must not prevent the proper functioning of the market, including by doing anything which may directly or indirectly constrain the liquidity and elasticity of stocks of Underlying Metal. In consequence, Warehouses must not, without limitation, (i) give Inducements that in the ordinary course may reasonably be considered to be exceptional, (ii) impose charges for depositing or withdrawing metals that in the ordinary course may reasonably be considered to be unreasonable, or (iii) delay unreasonably the receipt or despatch of metal, (save where unavoidable due to Force Majeure), where such behaviour may

have, directly or indirectly, a manipulative, distortive or disorderly effect on the market. In the event that the Exchange considers that the conduct of the Warehouse indicates circumstances which may constitute Market Abuse, it is required to report this to the Financial Conduct Authority.

9.3.2 All Warehouses must periodically supply to the Exchange information relating to all Inducements paid to, or received from, third parties, and charges levied, for example, those for loading and unloading Underlying Metal for Warrant purposes; in the form, and at the times, specified by the Exchange and set out on the Exchange's website from time to time. Further, the Warehouse must supply such information or clarifications on such information on request by the Exchange.

9.3.3 In addition to the information supplied pursuant to Clause 9.3.2, the Warehouse shall provide to the Exchange, on request, such information as the Exchange may reasonably request from time to time, including details of all Inducements, and details of the provenance of loaded-in Underlying Metal, including information about Underlying Metal which may have been held previously in that Warehouse, or in another facility operated by the same Warehouse or member of the Group.

9.3.4 For the avoidance of doubt, the Exchange has a right to investigate Warehouses in connection with:

(i) all Inducements and charges;

(ii) any behaviour it suspects may have, or has had, a manipulative, distortive, or disorderly effect on the market; and

(iii) a failure to meet any of the minimum loading-out standards and requirements from time to time laid down by the Exchange (save in an event of Force Majeure).

9.3.5 All investigations shall be conducted in accordance with Clause 8 above and the Disciplinary Procedures.

9.3.6 The Exchange may take disciplinary action and / or, in its discretion, impose additional load-out requirements on the Warehouse whose behaviour the Exchange considers may have, or has had, the effect of creating or maintaining a Queue and / or which has led to market manipulation or distortion; or otherwise created or maintained a disorderly market.

9.3.7 All information supplied pursuant to Clause 9.3 shall be treated as confidential by the Exchange and shall be restricted to those authorised staff and officers within the Exchange responsible for analysing such information and/or conducting investigations, the Exchange’s professional advisors, regulatory authorities or other person to whom the Exchange is required to disclose it by Relevant Law and Regulation. The Exchange shall not be entitled to have access to legally privileged documents. A list of those persons within the Exchange who are authorised to obtain information from Warehouses in accordance with this Clause 9.3.7 will be circulated to all Warehouses and will be updated from time to time.

9.3.8 The following provisions apply in respect of Post-Sale Economic Incentive Arrangements.

(i) In respect of any Underlying Metal placed on Warrant on, or after, 1 February 2020:

(a) the Warehouse may only enter into a Post-Sale Economic Incentive Arrangement with the Original Metal Owner; and

(b) any Post-Sale Economic Incentive Arrangement must be agreed so as to come into effect from the time that the Underlying Metal is placed on Warrant, and such agreement must be recorded in legally binding written terms agreed between the Warehouse and the Original Metal Owner on or prior to such date.

(ii) Clause 9.3.8(i) shall not affect the validity of any Post-Sale Economic Incentive Arrangement entered into in respect of any warranted Underlying Metal prior to 1 February 2020.

(iii) A Post-Sale Economic Incentive Arrangement in respect of any Warrant may last until the earlier of:

(a) the Underlying Metal is loaded-out of the Warehouse;

(b) such earlier time or event agreed between the Warehouse and the Original Metal Owner; or

(c) (where applicable, subject to the application of Clause 9.3.8(iv)) an Automatic PSEIA Termination.

(iv) The Exchange may specify by written notice that some or all Post-Sale Economic Incentive Arrangements shall be subject to automatic termination in specific circumstances (an "**Automatic PSEIA Termination**"). The circumstances shall be specified by the notice, but shall be one or both of the following:

(a) the cancellation of the Warrant by a Later Metal Owner; or

(b) the receipt by the Warehouse of a written request from a Later Metal Owner that the Post-Sale Economic Incentive Arrangement shall be terminated,

provided that such Automatic PSEIA Termination shall only apply in respect of any Post-Sale Economic Incentive Arrangements that relate to any Underlying Metal that is placed on Warrant on or following the thirtieth (30th) calendar day following the issue by the Exchange of such notice.

(v) The Warehouse acknowledges and agrees that:

(a) in addition to any duties of confidentiality that it may have in respect of information regarding Warrant holders of Warrants that are subject to a Post-Sale Economic Incentive Arrangement (whether such duties arise pursuant to contract or Relevant Law and Regulation), the Warehouse agrees with the Exchange to treat

such information as confidential and shall not disclose such information except where permitted under the terms of this Agreement or in circumstances agreed with any person to whom such information relates;

(b) such Warehouse shall not disclose to any person, including any Original Metal Owner, information regarding a Later Metal Owner and/or the Warrants held by such Later Metal Owner in breach of this Agreement or of any obligations of confidentiality owed by the Warehouse to such Later Metal Owner, notwithstanding that a Warrant held by such Later Metal Owner may be subject to a Post-Sale Economic Incentive Arrangement between the Warehouse and the Original Metal Owner.

(vi) Nothing in this Clause 9.3.8 shall prevent a Later Metal Owner and the Warehouse from negotiating and/or agreeing a level of rent and/or FOT below the Warehouse's published rent rates in respect of any Warrants (that is, "**discounted charges**"), provided that such discounted charges shall apply only during the period that such Warrants continue to be held and the related Underlying Metal owned by that Later Metal Owner. In the event that the Underlying Metal in respect of such Warrants is also subject to a Post-Sale Economic Incentive Arrangement with an Original Metal Owner, then subject to Clause 9.3.8(v) above, the Warehouse may liaise with such Original Metal Owner to determine whether, and to what extent, the Original Metal Owner will agree to modify the terms of the Post-Sale Economic Incentive Arrangement, in order to facilitate the Later Metal Owner's request for discounted charges.

(vii) Without limitation to the obligations of Warehouses, and the rights of the Exchange, under Clauses 9.3.1 to 9.3.8, no Warehouse shall agree any Post-Sale Economic Incentive Arrangement in respect of any Warrants and/or Underlying Metal:

(a) the terms or effect of which is to prevent a Later Metal Owner from withdrawing from the Warehouse the Underlying Metal and/or making alternative arrangements for the storage of such Underlying Metal; or

(b) that has a distortive, manipulative or disorderly effect on the market,

and in the event that the Exchange notifies the Warehouse that it considers that a Post-Sale Economic Incentive Arrangement has any of the effects described above, the Warehouse shall comply with any direction of the Exchange to terminate any such arrangement.

9.3.9 The Exchange may, in its absolute discretion, where it considers that circumstances so require, approve the outside storage of primary aluminium in the Hong Kong Delivery Point for such limited period as the Exchange may determine.

9.4 Termination

9.4.1 Without prejudice to the provisions of Clause 8, this Agreement may be terminated, and the Warehouse delisted on a permanent basis, with or without notice, if:

(i) the Warehouse commits a serious breach of this Agreement, the LMEsword Regulations or the Operating Procedures;

(ii) the Warehouse is in breach of any aspect of Clause 1.2 and/or in the opinion of the Exchange, is Insolvent and/or is likely to become Insolvent;

(iii) the Warehouse breaches Clause 7.5 (compliance with law and regulation);

(iv) the Warehouse materially fails to meet any of its obligations to the holder for the time being of a Warrant and such obligations are not being disputed in good faith;

(v) the Warehouse fails to pay a sum of £10,000 or more when it becomes due, or a lesser sum within 7 Business Days of it becoming due, to the Exchange under Clause 9.1 or in respect of a fine imposed on it under the Disciplinary Procedures; or

(vi) a Force Majeure occurs.

Any such termination and delisting will be effective upon by the Directors notifying the Warehouse accordingly. Without prejudice to Clause 9.4.1(v), and except in the case of a Force Majeure under Clause 9.4.1(vi), the Exchange may at its discretion grant to the Warehouse 7 Business Days within which to remedy a default under this Clause 9.4.1.

9.4.2 The Exchange may by notice served on the Warehouse by no later than 1 October in any year Delist the Warehouse with effect from the following 1 January where the Exchange reasonably believes that the Warehouse is no longer engaged in LME warehousing business.

9.4.3 Without prejudice to any other of the Exchange's powers, the Warehouse, or the Exchange, may terminate this Agreement and Delist the Warehouse in question by the service of six months' prior notice (or such other period as they may agree or as provided under Clause 9.11) on the other. On the expiry of such notice, this Agreement shall be terminated and the Warehouse Delisted. Subject thereto and the other powers of the Exchange hereunder, this Agreement shall be for an indefinite term.

9.4.4 On and following termination of this Agreement and the Delisting of the Warehouse, the Warehouse shall not be entitled to any rebate of fees paid to the Exchange but shall remain liable for all pre-existing liabilities to the Exchange. In addition, the Warehouse shall remain subject to the obligations imposed by this Agreement as if it were a Warehouse until a period of five years after Delisting has elapsed but shall not be entitled to any of the benefits conferred hereunder, including the right to describe itself as an LME listed warehouse company, and may not issue any further Warrants.

9.4.5 On Delisting, the Warehouse must, at its own expense, relocate all Underlying Metal under Warrant to another LME authorised warehouse company's Authorised Warehouse(s) and arrange for the cancellation of all of its issued and current Warrants and Immobilised Warrants. The Exchange's prior approval must be obtained before any relocation arrangements are finalised and in giving such

approval (which may not be unreasonably withheld or delayed) the Exchange shall have all due regard to the reasonable instructions of the holders of the Warrants in question, to the extent known to it.

9.4.6 The Warehouse shall notify each of its customers (whether or not they are or might become holders of Warrants) that the Warehouse may in certain circumstances be Delisted or Suspended (and the Warehouse shall promptly upon request at any time provide the Exchange with evidence of such notification).

9.5 Notices

9.5.1 All notices and other communications shall be in writing and in the English language.

9.5.2 Subject to Clause 9.5.5, all notices and other communications required to be served under this Agreement shall be served by electronic messaging (i.e. e-mail). Service of notices by electronic messaging will be deemed effective on the date and time that the sender receives a valid "read receipt". Notices by electronic messaging shall be sent by email to:

Email: LMELegal@lme.com

9.5.3 All notices and other communication required to be served on the Warehouse shall be deemed to be validly served thereon if served on the Warehouse's London Agent. A copy of each such notice and communication shall also be sent to the registered office of the Warehouse but failure to send such a copy shall not affect valid service if the notice or other communication has been served on the Warehouse's London Agent.

9.5.4 In the event of difficulty in using electronic messaging to send notices under this Agreement, notices and other communications may be served in person or by courier, with such service deemed effective on the date of receipt, unless that date is not a Business Day in which case the notice shall be deemed given and effective on the first following day that is a Business Day.

9.5.5 Notices and other communications shall only be validly served by the Warehouse if they are signed by an authorised signatory notified to the Exchange in accordance with Clause 7.3.6. For the avoidance of doubt, the effect of this Clause 9.5.5 is that, unless the Exchange otherwise prescribes, notices and other communications to be served by the Warehouse may not be served by electronic messaging.

9.5.6 The Exchange shall not be liable for any actions taken or omitted to be taken in good faith on the basis of any notice or other communication however served which purports to have been given by or on behalf of the Warehouse. The Exchange shall not be under any duty to verify the genuineness of any signature nor the authority of the person which purports to sign a notice or other communication on behalf of the Warehouse.

9.5.7 Each party shall respond promptly to the communications of the other party, where such communications require a response.

9.6 Release

Any liability to the Exchange under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by the Exchange in its absolute discretion as regards any Warehouse under such liability without in any way prejudicing or affecting its rights against any other or others of the Warehouses under the same or a like liability, whether joint and several or otherwise provided that the Warehouse's liability shall not be increased by such action, nor shall its right to claim compensation or contribution from any person be thereby reduced.

9.7 Waiver

No failure of the Exchange to exercise, and no delay by it in exercising, any right, power or remedy in connection with this Agreement (each a "**Right**") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right. The Rights provided in this Agreement are cumulative and not exclusive of any other Rights (whether provided by law or otherwise). Any express waiver of any breach of this Agreement shall not be deemed to be a waiver of any subsequent breach.

9.8 Invalidity

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

9.9 Governing law and agreement to arbitrate

9.9.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

9.9.2 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the Rules of the LCIA, which rules are deemed to be incorporated by reference into this Clause 9.9. The LCIA shall appoint a sole arbitrator. The place of arbitration shall be London. The language to be used in the arbitral proceedings shall be English.

9.9.3 If the Warehouse is not incorporated in England and Wales, it hereby appoints its London Agent as its agent for service of process for the purposes of any proceedings commenced in the English court seeking interim relief in support of an existing or prospective LCIA arbitration or enforcing any award granted by a tribunal in any such LCIA arbitration.

9.10 Exclusion of Liability

Neither the LME, nor any member of the LME Group, nor any of their Directors nor other officers or members of its Warehousing Committee shall have any liability for any damage, loss, expense or liability of any nature which the Warehouse may suffer or incur in respect of any act or omissions in relation to the provision of warehouse services to Members or its activities or status as a listed Warehouse except to the extent of losses or expenses attributable to its fraud, negligence or wilful default. The terms of this Clause 9.10 shall

take precedence over Regulation 12.8.1 of the LMEsword Regulations insofar as that Regulation relates to Warehouses and the Exchange.

9.11 Notices and Amendments

9.11.1 The Exchange may issue notices from time to time concerning any matter relevant to the performance by the Warehouse of its obligations under this Agreement.

9.11.2 The Warehouse shall comply with the terms of any such notice and such notices (including the Exchange's Policy on the Approval of Locations as Delivery Points and the Exchange's Policy on the Approval and Operation of Warehouses) shall be deemed to be incorporated into this Agreement.

9.11.3 The Exchange may amend this Agreement from time to time. Unless it is considered to be an emergency and essential for the proper operation of the market, any such change shall, subject to Clause 9.11.4, only take effect after the Warehouse has been given 30 days' prior written notice of any proposed change.

9.11.4 In the event that any such proposed change, or any proposed change to the LMEsword Regulations or Operating Procedures, or any proposed notice under Clause 9.11.1, would have the effect of materially increasing the obligations of any Warehouse, it shall only take effect after the Warehouse has been given 90 days prior written notice thereof. The Exchange undertakes to consult with the affected Warehouses in relation to the proposed change, where practicable for a reasonable period and in reasonable time prior to the start of that 90 day period, and shall have reasonable regard to representations received. In the event that the Warehouse does not wish to be bound by any such proposed change which has the effect of materially increasing the obligations of the Warehouse, it may serve notice of termination of this Agreement at any time prior to the expiry of such notice period, in which event such change shall not at any time take effect with respect to the Warehouse in question and the Warehouse shall be delisted with effect from the date 90 days after the day the notice of termination is served.

9.11.5 Clauses 9.11.3 and 9.11.4 shall not apply to the Disciplinary Procedures.

9.12 No Assignment

The Warehouse may not assign the benefit of this Agreement to, or declare a trust over such benefit in favour of, any other person (or enter into any analogous arrangement in any jurisdiction) without the prior written consent of the Exchange.

9.13 Information Barriers

Each Related Warehouse shall maintain effective information barriers between it and the relevant Trading Company as specified by the Exchange from time to time. Non-Related Warehouses shall also maintain effective information barriers as specified by the Exchange from time to time. Each Related Warehouse and Non-Related Warehouse should engage a firm of professional accountants in public practice, the choice to be

agreed with the Exchange, to assure that the information barriers that they have in place meet the criteria specified by the Exchange from time to time.

9.14 Disclosure

Without implying any duty of confidentiality or other information restrictions on the Exchange, the Warehouse agrees that the Exchange may at any time, if it deems necessary or desirable, disclose to any person or generally publish the following information:

9.14.1 any Delisting or Suspension of the Warehouse; and/or

9.14.2 any exercise by the Exchange of any right under Clause 1.2, including any requirement for additional capital or for the provision of credit protection in the form of cash cover or performance bonds.

10 Interpretation

10.1 Definitions

In this Agreement, unless the context otherwise specifies, the words "**includes**", "**including**", "**for example**" and "**in particular**" shall be construed as being "**without limitation**". Further, the following words and expressions in this Agreement shall, unless the context otherwise requires, bear the following meanings:

"**Account**" means an account of an Account Holder with the Depository, recorded by the LMEsword System and established in accordance with the LMEsword Regulations and Operating Procedures, to which Warrants may be credited and debited;

"**Account Holder**" means the Clearing House and any person admitted as an Account Holder by the Exchange, and which has not withdrawn or ceased to be an Account Holder, in accordance with the LMEsword Regulations;

"**Accounting Principles**" means IFRS or, if the Exchange agrees, the generally agreed accounting principles of the jurisdiction of incorporation of the Warehouse;

"**Affected Warrant**" has the meaning given in the Rules;

"**Amendable Details**" has the meaning given in Clause 3.1.2;

"**Amendment Date**" means the date on which this Agreement took effect in its current form;

"**Authorised Warehouse**" means a ~~warehouse~~ storage facility operated by the Warehouse in a particular Delivery Point, which has been approved by the Exchange for the purpose of this Agreement;

"**Automatic PSEIA Termination**" has the meaning given in Clause 9.3.8(iv);

"**AW Depository**" means the person appointed as Depository in respect of Affected Warrants;

"**Basic eCOA**" has the meaning given in the Rules;

"**Business Day**" has the meaning given in the Rules;

"**Cancelled Tonnage**" means Underlying Metal that has been taken off Warrant, but which (at the relevant time) remains on the Warehouse's premises;

“**Charge Cap Information**” has the meaning given in Clause 5.3.7;

“**Charge Caps**” has the meaning given in Clause 5.3.1;

"**Clearing House**" means the clearing house designated by the Exchange from time to time;

“**Contract**” has the meaning given in the Rules;

"**Corrupt Act**" has the meaning given in Clause 7.5.3;

"**Customer**" means a person with whom an Account Holder has entered into a written agreement under which the Account Holder has authority to act for the Customer as bailee of Underlying Metal and, if applicable, Immobilised Warrants where the related Warrants or the Immobilised Warrants are held by the Account Holder within the LMEsword System, subject to the terms of the LMEsword Regulations and with authority to effect transfers of such Warrants for and on behalf of the Customer;

"**Delist**" means the Warehouse being delisted or otherwise ceasing to be an LME listed warehouse company in accordance with the Rules or this Agreement (including pursuant to Clause 9.4), and "**Delisted**" and "**Delisting**" shall have the corresponding meaning.

"**Delivery Point**" means a specific geographic area within which warehouses are listed and approved by the LME for the issue of Warrants;

“**Delivery Point Country/Region**” means a country/region in which one or more Delivery Points is located;

“**Depository**” means the person appointed by the Exchange from time to time to act as such for the purposes of LMEsword;

“**Designated Metal**” means metal of a type determined by the Exchange as being subject to the requirements of Clause 7.7 of this Agreement and as notified to the market from time to time by way of notice;

“**Directors**” means the directors of the Exchange from time to time;

“**Disciplinary Procedures**” has the meaning given in Clause 8;

“**discounted charges**” has the meaning given in Clause 9.3.8(vi);

“**eCOA**” has the meaning given in the Rules;

“**eCOA System**” has the meaning given in the Rules;

“Enhanced eCOA” has the meaning given in the Rules;

“**the Exchange**” means The London Metal Exchange;

“**Extracted Warrant**” has the meaning given in the LMEsword Regulations;

"**the Financial Conduct Authority**" means the regulator (Company No. 01920623) currently based at 12 Endeavour Square, London E20 1JN, or any successor body;

“**Force Majeure**” means an event which is beyond the reasonable control of the Warehouse and which is, in the opinion of the Exchange, likely to render the Warehouse unable to perform its obligations under this Agreement either permanently or for more than 30 days or such other period of time that would, in the Exchange’s view, have such a serious effect on the Warehouse that in business terms it would be tantamount to a

permanent cessation, including any act of war, terrorism, insurrection, revolution, act of God or the imposition of legal, regulatory or tax restrictions in any relevant location;

"**FOT**" means free on truck;

"**Group**" means, in relation to the Warehouse, any subsidiary or any holding company from time to time of the Warehouse, and any subsidiary from time to time of a holding company of the Warehouse. The terms "holding company" and "subsidiary" have the meanings given to them in section 1159 of the Companies Act 2006;

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

"**Immobilisation Jurisdiction**" means each jurisdiction specified as such from time to time by written notice;

"**Immobilised Warrant**" means a physical warehouse warrant issued in accordance with the LMEsword Regulations and in a form prescribed by the Operating Procedures and this Agreement from time to time;

"**Inducement**" means, without limitation, any fee, commission, discount, rebate, provision of transport services, or any other monetary or non-monetary benefit given to attract the load-in of metal or deter the load-out of metal (and shall include, without limitation, any Post-Sale Economic Incentive Arrangement);

"**Insolvent**" means, in relation to a person:

(i) that person:

(a) is unable or admits inability to pay its debts as they fall due;

(b) suspends making payments on any of its debts; or

(c) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Exchange) with a view to rescheduling any of its indebtedness;

(ii) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities).

(iii) a moratorium is declared in respect of any of its indebtedness;

(iv) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of that person other than a solvent liquidation or reorganisation of that person;

(b) a composition, compromise, assignment or arrangement with any creditor of that person;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of the person), receiver, administrative receiver,

administrator, compulsory manager or other similar officer in respect of that person or any of its assets; or

(d) enforcement of any security over any assets of that person,

or any analogous procedure or step is taken in any jurisdiction (save that this paragraph (iv) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement;

"Instruction" has the meaning given in the LMEsword Regulations;

"Instruction Deadline" has the meaning given in the LMEsword Regulations;

"**Later Metal Owner**" means any person who purchases Underlying Metal relating to a Warrant from an Original Metal Owner, and any other person who subsequently becomes a Warrant holder in respect of such Warrant (including by receiving the Warrant in settlement of a Contract), during such time as the Underlying Metal underlying such Warrant remains in the Warehouse;

"**LCIA**" means the London Court of International Arbitration;

"**Legacy LMEsword Regulations**" has the meaning given in the LMEsword Regulations;

"**Legacy Warehouse Agreement**" means this Agreement as in force immediately prior to the Amendment Date;

"**LME**" means The London Metal Exchange;

"**LME Eligible Stocks**" has the meaning given in Clause 6.3.1;

"**LME Good Delivery Location**" means a location approved as a Delivery Point, pursuant to the LME Policy on the Approval of Locations as Delivery Points;

"**LME Group**" means, in relation to the LME, any subsidiary or any holding company from time to time of the LME, and any subsidiary from time to time of a holding company of the LME, including the Hong Kong Exchanges and Clearing Limited (HKEX). The terms "holding company" and "subsidiary" shall have the meanings given to them in section 1159 of the Companies Act 2006.

"**LMEsword**" means the system for, inter alia, the electronic transfer of title to Warrants governed and constituted by the LMEsword Regulations;

"**LMEsword Regulations**" means the regulations governing the operation of LMEsword issued by the Exchange as amended from time to time in accordance with the terms thereof;

"**LMEsword System**" means the system for, inter alia, the electronic transfer of Warrants, governed and constituted by the LMEsword Regulations;

"**load-out**" has the meaning given in the Exchange's Policy on the Approval and Operation of Warehouses, as revised from time to time;

"**London Agent**" has the meaning given in Clause 1.3.1;

"**Major Currency**" has the meaning given in the Rules;

"**Market Abuse**" means the types of behaviour proscribed by section 118 of the Financial Services and Markets Act 2000 or any successor law or regulation;

“**Member**” means a member of the Exchange;

"**Metal Entitlement**" means evidence of an entitlement to Underlying Metal (including a warehouse warrant, warehouse receipt or other document representing or acknowledging receipt of Underlying Metal) issued by or on behalf of a Warehouse and which meets the requirements of Regulation 3.2.4 of the LMEsword Regulations;

“**Metal Report**” means a report generated by a Warehouse and uploaded to the eCOA System relating to the Certificate of Analysis for the Underlying Metal, and which links such information to the corresponding Warrant or Immobilised Warrant held or previously held in respect of that metal;

“**Non-Related Warehouse**” means a Warehouse that does not have a close connection with a Trading Company. A Warehouse shall have a “Close Connection” with a Trading Company if any person or company either directly or indirectly holds or otherwise effectively controls 20% or more of the shares or voting rights in both the Warehouse and the Trading Company; or any Trading Company directly or indirectly holds or effectively controls 20% or more of the shares or voting rights of the relevant Warehouse (or vice versa);

“**Operating Procedures**” means the manual issued by the Exchange pursuant to the LMEsword Regulations setting out detailed procedures and information relating to the operation of LMEsword;

"**Original Metal Owner**" means, in respect of any Warrant, the Warrant holder that first placed the Underlying Metal on Warrant;

“**Paper COA**” has the meaning given in the Rules;

“**person**” includes an individual, partnership, unincorporated association and body corporate;

"**Post-Sale Economic Incentive Arrangement**" means any agreement between a Warehouse and an Original Metal Owner, under which the Original Metal Owner has a right to benefit from any income or other benefits received by the Warehouse in respect of Underlying Metal, for some or all of the period between (i) the sale of the Warrant by the Original Metal Owner to any Later Metal Owner(s) and (ii) the load-out of the Underlying Metal from the Warehouse (but shall not include the payment by the Warehouse of a fixed payment to an Original Metal Owner, including where the Warehouse intends to recoup such fixed payment from revenues received following the sale of the Underlying Metal by the Original Metal Owner);

"**Public Official**" means an official, whether elected or appointed, who holds a legislative, administrative or judicial position of any kind of a country or territory inside or outside the UK;

"**Queue**" means circumstances where load-out requests cannot be serviced immediately by the Warehouse, measured by the number of calendar days a Underlying Metal owner cancelling a Warrant today must wait for a scheduled delivery slot;

“**Related Warehouse**” means a Warehouse which is associated with a Trading Company. For the purpose of this definition, a Warehouse is associated with a Trading Company where the Warehouse is a subsidiary or holding company of a Trading Company, or a subsidiary or holding company of one of a Trading Company’s subsidiaries or holding

companies or otherwise has a Close Connection with a Trading Company. The terms “holding company” and “subsidiary” have the meanings given to them in section 1159 of the Companies Act 2006. A Warehouse shall have a “Close Connection” with a Trading Company if any person or company either directly or indirectly holds or otherwise effectively controls 20% or more of the shares or voting rights in both the Warehouse and the Trading Company; or any Trading Company directly or indirectly holds or effectively controls 20% or more of the shares or voting rights of the relevant Warehouse (or vice versa);

"**Relevant Law and Regulation**" means the laws, rules and regulations of any statutory, governmental or regulatory authority in any country relevant to the operations of the Warehouse including the principles, rules and standards of the Financial Conduct Authority as in force from time to time;

“**Rules**” means the rules and regulations issued by the Exchange (and incorporating the LMEsword Regulations) governing the London Metal Exchange administered by the Exchange as the same may be amended in accordance with Article 71 of the Articles of Association of the Exchange and a reference to a Rule shall be construed accordingly;

“**Secretary**” means any person appointed to perform the duties of Secretary of the Exchange;

“**Special Committee**” means the Special Committee of the LME, as maintained by the LME from time-to-time, details of which are published on the LME’s website;

“**Special Contract Rules for Metals**” means Part 6 of the Rules as the same may be amended from time to time;

"**Suspend**" means the suspension of the ability of the Warehouse to issue Warrants pursuant to the Rules or this Agreement (including pursuant to Clause 1.2.5(B)), and "**Suspended**" and "**Suspension**" shall have the corresponding meaning.

“**this Agreement**” means the agreement between the Warehouse and the Exchange incorporating these terms and conditions as amended from time to time in accordance herewith and incorporating the Disciplinary Procedures in accordance with Clause 8 hereof;

“**Trading Company**” means any Member or non-Member company that enters into Contracts or trades metal that is deliverable against a Contract;

"**Underlying Metal**" means, in relation to a Warrant, Immobilised Warrant, Metal Entitlement or an Extracted Warrant, the Underlying Metal described therein as (i) relating to that Warrant, Immobilised Warrant, Metal Entitlement or Extracted Warrant (as applicable) and (ii) in the case of a Warrant or Immobilised Warrant only, held by the related Warehouse under the LMEsword Regulations;

“**Warehouse**” means a warehouse company which is party to this Agreement, accepted as such by the Exchange and listed in Appendix III of the Rules;

“**Warehouse Maximum Charge Levels**” has the meaning given in Clause 5.2.1;

"**Warehousing Committee**" means the LME warehousing committee, details of which are set out on the LME website www.lme.com;

“**Warrant**” means, as the case may be:

(i) if that Warrant relates to metal located in an Immobilisation Jurisdiction, an electronic record within LMEsword of an Immobilised Warrant; or

(ii) otherwise, an electronic warehouse warrant issued by a Warehouse in accordance with this Agreement and the LMEsword Regulations; and

"Warrant Lodgement Instruction" has the meaning given in the Operating Procedures.

10.2 Interpretation

10.2.1 Where this Agreement refers to:

(i) a document or thing being "prescribed", that shall mean prescribed by the Exchange from time to time in a notice issued by it to Warehouses;

(ii) an act being undertaken by the Exchange, that act may be performed by the Exchange acting through the Directors of the Exchange or any duly authorised committee of the Directors of the Exchange or duly authorised individual;

(iii) references to the Exchange or the Depository exercising a discretion or making a determination are to the exercise of that discretion or the making of a determination in the sole and absolute discretion of the Exchange or Depository (as applicable);

(iv) a "warrant", that shall include a reference to a Warrant and an Immobilised Warrant;

(v) the "issuance" of a warrant, that shall include a reference to causing a Warrant or Immobilised Warrant (as the case may be) to be created;

(vi) the "holder" of a warrant, or warrant holder, that shall include in the case of a Warrant or Immobilised Warrant a reference to the Account Holder within LMEsword to whose Account a Warrant is recorded from time to time; or

(vii) a Warrant or Immobilised Warrant being 'marked' shall include any writing, typing, printing or other mode of representing or reproducing words in a visible form, including electronically.

10.2.2 Words importing the singular shall, where the context permits, include the plural and vice versa. Words importing gender shall include each gender.

11 Principles of Conduct

The Warehouse shall:

11.1 Conduct its business with due skill, care and diligence, observing high standards of conduct and safety, complying with the warehouse agreement, the LMEsword Regulations, these principles, the common standards of working practice for warehouse companies, other requirements for warehouse companies set by the Exchange, and Relevant Law and Regulation.

11.2 Not engage in behaviour which would manipulate or distort the Exchange's markets, nor create or attempt to create a disorderly market, nor require or encourage or assist others to do so. In particular, without limitation, not engage in any behaviour which would be likely to manipulate or distort the market with the effect of creating or maintaining a Queue.

11.3 At all times observe high standards of integrity and fair dealing, observe high standards of market conduct, and not enter into any arrangement or agreement that prohibits the provision of any information that the LME requests in its role as a Recognised Investment Exchange.

11.4 Maintain financial resources at or above the minimum level set by the LME to ensure continuity in the provision of services for owners of Underlying Metal.

11.5 Manage conflicts of interest fairly, both between itself and holders of Underlying Metal and between holders of Underlying Metal, ensuring fair and equitable treatment to all holders of Underlying Metal at all times.

11.6 Ensure that all Underlying Metal is stored continuously in good delivery condition and that it is identified and stored so as to facilitate easy access and delivery without undue delay.

11.7 Deal with those placing Underlying Metal on LME warrant, those holding Warrants and those taking Underlying Metal off Warrant on a fair and equitable basis.

11.8 Organise and control its affairs in a responsible manner, keep proper records, retain all relevant documentation, have well-defined procedures for handling Underlying Metal and for delivering it out expeditiously, ensure that its employees or agents are suitable, adequately trained and properly supervised, and that it has well-defined procedures to ensure compliance with this Agreement, the LMEsword Regulations and the Operating Procedures and all other LME rules and requirements applicable to Warehouses.

11.9 Pay due regard to the information needs of Warrant holders by having transparency of: normal hours of work, all delivery in and load-out charges, rent and rent payment dates, and total average daily load-out volume rates by metal and mode of transport.

11.10 Arrange adequate protection for Underlying Metal by insuring it against unexplained losses and losses caused by error, negligence, or fraudulent actions of its servants or agents or its personnel.

11.11 Deal with the LME in an open and co-operative manner, keeping it informed promptly of anything concerning the suitability of its warehouses or its continued suitability as a warehouse company, or about Underlying Metal stored with it or that it knows will be placed on or taken off Warrant, that the LME, as a Recognised Investment Exchange (as defined by the Financial Conduct Authority), which has responsibility for ensuring that its markets are proper and orderly and not subject to abuse, might reasonably expect to be disclosed to it.

Appendix A

Charge Cap Increase Mechanism

Formula for FOT

The Exchange shall apply the following formula for increasing the Charge Cap for FOT in accordance with Clause 5.3.4 of this Agreement:

(1) Define the Charge Cap applied in 2017/18 as follows:

$P_{avg\ 2015\text{-}17,\ local\ currency}$ is the arithmetic average of the highest Warehouse Maximum Charge Level levied by any Warehouse within the Delivery Point Country/Region, as published by the Exchange in (i) December 2014, for the period 1 April 2015 to 31 March 2016, and (ii) February 2016, for the period 1 April 2016 to 31 March 2017.

(2) Apply historical change in CPI to the price in local currency

For all charging years following 1 April 2026-31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$$P_{t,\ local} = P_{avg\ 2015\text{-}17,\ local\ currency} \times ACPI_{august\ t\text{-}1,} / ACPI_{august\ 2025}$$

Where

$ACPI_{august\ t\text{-}1}$ *is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and*

$ACPI_{august\ 2020}$ *is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2020.*

However, if $P_{t,\ local}$ would be lower than $P_{t\text{-}1,\ local}$, then $P_{t,\ local}$ will instead be set to $P_{t\text{-}1,\ local.}$

The above formula assumes that the CPI index value shall be measured relative to August, on the basis that the Exchange publishes the Charge Cap in October (CPI monthly data is published with a one month lag). If the Exchange publishes the Charge Cap in a different month, the formula shall be adjusted accordingly. This shall be the case for all formula in this Appendix A.

Formula for rental charges

The Exchange shall apply the following formula for increasing the Charge Cap for rent in accordance with Clause 5.3.4 of this Agreement:

(1) Define the Charge Cap applied in 2017-2018 as follows:

$P_{avg\ 2015\text{-}17,\ \$}$ is the arithmetic average of the highest Warehouse Maximum Charge Level levied by any Warehouse within the Delivery Point Country/Region, as published by the Exchange in (i) December 2014, for the period 1 April 2015 – 31 March 2016, and (ii) February 2016, for the period 1 April 2016 – 31 March 2017.

Define the Charge Cap for rent in the local currency as follows:

$$P_{avg\ 2015\text{-}17,\ local\ currency} = P_{avg\ 2015\text{-}17,\ US\$} \times FX\$_{avg\ 2015\text{-}17}$$

Where

$FX\$_{avg\ 2015\ –\ 17}$ corresponds to the average daily local currency/US$ exchange rate for the two charge years, running over the period 1 April 2015 – 31 March 2017 and 1 April 2016 – 31 March 2017.

(2) Apply historical change in CPI (12M average) to the price in local currency

For all charging years following 1 April 2026 – 31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$$P_{t,\ local} = P_{avg\ 2015\text{-}17,\ local\ currency} \times ACPI_{august\ t\text{-}1} / ACPI_{august\ 2025}$$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ 2025}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2025.

(3) Convert back to US$

$P_{t,\$} = P_{t,\ local} / FX\$_{august\ t-1}$

where $FX\$_{august\ t-1}$ is the average daily local currency/US$ exchange rate, measured over an annual period up to and including 31 August in the year prior to the charge year t.

However, if $P_{t,\$}$ would be lower than $P_{t-1,\$}$, then $P_{t,\$}$ will instead be set to $P_{t-1,\$}$.

ADDITIONAL FORMULAE

(1) Where the Exchange determines a new Charge Cap in accordance with Clause 5.3.5 of this Agreement, or the Special Committee determines a Charge Cap in accordance with Clause 5.3.6 of this Agreement, in either case during the five year price freeze period contemplated by Clauses 5.3.2 and 5.3.3 of this Agreement, the following formulae shall apply when increasing the Charge Cap in accordance with Clause 5.3.4 of this Agreement:

FOT

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte,\ local}$ is the Charge Cap for FOT determined by the Exchange / Special Committee in the local currency.

(2) Apply historical change in CPI to the price in local currency

For all charging years following 1 April 2026 – 31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$P_{t,\ local} = P_{sp\ cmte,\ local} \times ACPI_{august\ t-1}/ACPI_{august\ 2025}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ 2025}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2025.

However, if $P_{t,\ local}$ would be lower than $P_{t-1,\ local}$, then $P_{t,\ local}$ will instead be set to $P_{t-1,\ local}$.

Rental Charges

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte,\ US\$}$ is the Charge Cap for rent determined by the Exchange / Special Committee in US$.

Define the Charge Cap for rent in the local currency as follows:

$P_{\ sp\ cmte,\ local\ currency} = P_{sp\ cmte,\ US\$} \times FX\$_{\ sp\ cmte}$

Where

$FX\$_{sp\ cmte}$ is the average daily local currency/US$ for the annual period measured up to and including 31 August in the year prior to the year for which the Exchange / Special Committee determines a Charge Cap.

(2) Apply historical change in CPI (12M average) to the price in local currency

For all charging years following 1 April 2026 – 31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$P_{t, local} = P_{sp\ cmte, local\ currency} \times ACPI_{august\ t-1}/ACPI_{august\ 2025}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ 2025}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2025.

(3) Convert back to US$

$P_{t, \$} = P_{t, local} / FX\$_{august\ t-1}$

where $FX\$_{august\ t-1}$ is the average daily local currency/US$ exchange rate, measured over an annual period up to and including 31 August in the year prior to the charge year t.

However, if $P_{t, \$}$ would be lower than $P_{t-1, \$}$, then $P_{t, \$}$ will instead be set to $P_{t-1, \$}$.

(2) Where the Exchange determines a new Charge Cap in accordance with Clause 5.3.5 of this Agreement, or the Special Committee determines a Charge Cap in accordance with Clause 5.3.6 of this Agreement, in either case after the five year price freeze period contemplated by Clauses 5.3.2 and 5.3.3 of this Agreement, the following formulae shall apply when increasing the Charge Cap in accordance with Clause 5.3.4 of this Agreement:

FOT

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte, local}$ is the Charge Cap for FOT determined by the Exchange / Special Committee in the local currency.

(2) Apply historical change in CPI to the price in local currency

For charge years t following the charge year for which the Exchange / Special Committee made a determination, set Charge Cap (P_t) as follows:

$P_{t, local} = P_{sp\ cmte, local\ currency} \times ACPI_{august\ t-1}/ACPI_{august\ sp\ cmte\ -2}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ sp\ cmte\ -2}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year two years prior to the determination of the Charge Cap by the Exchange / Special Committee. For example, if the Exchange / Special Committee makes a determination for the charge year beginning 1 April 2030, the relevant CPI in this case is the 12 months up to and including August 2028.

However, if $P_{t, local}$ would be lower than $P_{t-1, local}$, then $P_{t, local}$ will instead be set to $P_{t-1, local}$.

Rental Charges

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte, US\$}$ is the Charge Cap for rent determined by the Exchange / Special Committee in US$.

Define the Charge Cap in the local currency as follows:

$P_{sp\ cmte, local\ currency} = P_{sp\ cmte, US\$} \times FX\$_{sp\ cmte}$

Where

$FX\$_{sp\ cmte}$ is the average daily local currency/US$ for the annual period measured up to and including 31 August for the year prior to the year for which the Exchange / Special Committee determines a Charge Cap.

(2) Apply historical change in CPI (12M average) to the price in local currency

For each charging year t following a determination by the Exchange / Special Committee, set the Charge Cap (P_t) as follows:

$P_{t,\ local} = P_{\ sp\ cmte,\ local\ currency}$ x $ACPI_{august\ t-1}/ACPI_{august\ sp\ cmte\ -2}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ sp\ cmte\ -2}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year two years prior to the determination of the Charge Cap by the Exchange / Special Committee. For example, if the Exchange / Special Committee makes a determination for the charge year beginning 1 April 2030, the relevant CPI in this case is the 12 months up to and including August 2028.

(3) Convert back to US$

$P_{t,\ \$} = P_{t,local} / FX\$_{august\ t-1}$

where $FX\$_{august\ t-1}$ is the average daily local currency/US$ exchange rate, measured over an annual period up to and including 31 August in the year prior to the charge year t.

However, if $P_{t,\ \$}$ would be lower than $P_{t-1,\ \$}$, then $P_{t,\ \$}$ will instead be set to $P_{t-1,\ \$}$.

DEFINITIONS AND AVAILABILITY OF CPI

The following table sets out the official index name and source for the CPI indexation of Charge Caps.

CPI measures by country/region

Country	Official index name	Definition	Original source	Data available monthly
Belgium	Consumer Price Index - General index	The Belgium IPC measures the changes in the retail prices, inclusive of VAT, of a fixed set of goods and services used by households.	Statistics Belgium	✓
Germany	Consumer Price Index - Overall index	The index tracks the change in the prices of a basket of goods and services bought by the reference population for the purposes of consumption. Types of prices: Prices measured are actual prices to the consumer and include turnover taxes and VAT, taking into account rebates.	Statistisches Bundesamt Deutschland	✓
Italy	Consumer Price Index - All items	The index provides a measure of temporal change in the prices of a basket of goods and services destined to final private consumption. Types of prices: the total prices of products, whether fully or partially paid by consumers.	ISTAT	✓
Japan	Consumer Price Index - All items	The index measures monthly changes in the general level of prices of goods and services that households acquire for consumption. Type of prices: Prices are transaction prices, excluding temporary reductions, special sales, etc.	Statistics Bureau of Japan	✓
Korea	Consumer Price Survey (Index) - Total	The Consumer price index is produced by collecting the prices of goods and services purchased for consumption purposes. Type of prices: Actual transaction prices inclusive of sales taxes.	KOSTAT	✓
Netherlands	Consumer Price Index - All Categories	The index measures monthly changes in the general level of prices of goods and services bought for consumption. Types of prices: Consumption expenditure is valued at purchasers' prices.	CBS	✓
Spain	Consumer Price Index - Overall index	The Consumer Price Index (CPI) measures monthly changes in the general level of prices of goods and services bought by private households for consumption purposes. Types of prices: Retail prices, including sales taxes and other taxes, and price reductions (since January 2002) but excludes special offers and deferred payments.	INE	✓
Sweden	Consumer Price Index - Total	The CPI shows the average change in prices of a fixed basket of goods and services available for private consumption. Types of prices: Prices actually paid by consumers including taxes and without any addition of subsidies.	SCB	✓
United Kingdom	CPI All Items Index	The index provide an average measure of change in prices of goods and services bought for the purpose of consumption. Type of prices: Cash prices, inclusive of taxes such as VAT. Rebates are considered on a case by case basis.	ONS	✓
United States	Consumer Price Index-All Urban Consumers - U.S. All items	The CPI measures pure price change in a market basket of goods and services of constant quality purchased for everyday living by all residents in urban areas. Tax/rebates: The prices include any applicable taxes, discounts and rebates.	US Bureau of Labour Statistics	✓
Malaysia	Total Consumer Price Index	The Consumer Price Index (CPI) measures the percentage change through time in the cost of purchasing a constant "basket" of goods and services representing the average pattern of purchases made by a particular population group in a specified time period.	Department of Statistics, Malaysia	✓
Singapore	Consumer Price Index - All items	The CPI is designed to measure the average price changes of a fixed basket of goods and services commonly purchased by the households over time. Types of prices: Transaction prices (including taxes) actually paid.	Department of Statistics, Singapore	✓
Taiwan	Consumer Price Index	The consumer price index (CPI) is a weighted average price which measures the changes in the price level of consumer goods and services generally purchased by households for consumption purposes.	National Statistics, Republic of China (Taiwan)	✓
UAE	Consumer Price Index - All items	The Consumer Price Index (CPI) measures the average price changes in a fixed basket of consumption goods and services.	Federal Competitiveness and Statistics Authority	✓

FX data sources

Country	Data periodicity	Original source
Belgium	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Germany	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Italy	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Japan	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Korea	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Netherlands	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Spain	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Sweden	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
United Kingdom	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
United States	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Malaysia	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Singapore	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Taiwan	Daily, monthly, annual	Federal Reserve
UAE	Daily, monthly, annual	International Monetary Fund, International Financial Statistics

Note: Data available from the IMF, defined as: Official exchange rate (LCU per US$, period average): this rate refers to the exchange rate determined by national authorities or to the rate determined in the legally sanctioned exchange market.

LME Warehouse Agreement

Terms and conditions applicable to all LME listed warehouse companies

1 Conditions for and entitlements of listing

1.1 Application

To become an LME listed warehouse company, a warehouse company shall:

1.1.1 execute the agreement of which these terms and conditions form a part (as contemplated by the definition of "**this Agreement**");

1.1.2 duly complete the forms prescribed by the Exchange attached as Schedule A and B hereto and pay any initial listing fees prescribed by the Exchange; and

1.1.3 comply with Regulation 2.4 of the LMEsword Regulations.

1.2 Financial status including capital

1.2.1 Without prejudice to Clause 7.3, the Warehouse must:

(i) no later than 210 days after the end of each of its financial years, provide the Exchange with:

(a) its annual audited accounts; or

(b) the annual audited consolidated accounts of the Group,

for that financial year;

(ii) no earlier than 60 days, and no later than 30 days, prior to the start of each of its financial years, provide the Exchange with a cash flow forecast for that financial year,

and the Warehouse must exercise due skill, care and diligence in preparing such accounts and forecasts, and shall ensure that such accounts and forecasts are based on appropriate financial information and comply with the Accounting Principles (and for the avoidance of doubt (and without prejudice to (iv) below), the Warehouse shall not be in breach of (i) or (ii) above if any such account or forecast is not accurate at any point in time after its submission to the Exchange due to, and to the extent of, any change in the circumstances of the Warehouse or its Group during the period between submission and that point in time, that was not foreseeable or prudent to account-for having regard to the level of due skill, care and diligence required by this Clause 1.2.1);

(iii) as soon as practicable (but in any event within seven days) upon request at any time, provide the Exchange with any information and documents (including management accounts) relating to the financial status (including capital and/or cash flow), insurance arrangements, status, assets, business and/or operations of the Warehouse, the Group or any member of the Group; and

(iv) immediately notify the Exchange if at any time:

(a) it is or becomes Insolvent, or it is likely to become Insolvent; and/or

(b) there has been a material adverse change in the assets, business or financial condition of the Warehouse, the Group or any member of the Group since the date of this Agreement.

1.2.2 The Exchange shall publish the standards by which it determines capital adequacy for LME listed warehouse companies, and may from time to time publish revisions of those standards. Without prejudice to Clause 1.2.4, the Warehouse shall ensure that it is adequately capitalised at all times in accordance with the most recent of such published standards.

1.2.3 The Exchange shall assess, against such published standards, whether the Warehouse's available capital is adequate by using such information as is available to the Exchange. In assessing whether the Warehouse's available capital is adequate, the Exchange may, at its discretion, disregard what are, in its view, immaterial or temporary failures to meet such published standards.

1.2.4 If at any time the Exchange is not satisfied with the Warehouse's capital, cash flow or other aspect of its financial status, the Exchange may increase the level of capitalisation to be maintained by the Warehouse (to a level in excess of that required pursuant to Clause 1.2.2) and the Warehouse shall as soon as practicable (but in any event within seven days) increase its capital accordingly and provide the Exchange with evidence of the increase.

1.2.5 Notwithstanding Clauses 1.2.1 to 1.2.4, and without prejudice to Clause 9.4.1 (including Clause 9.4.1(ii)), if at any time:

(i) the Exchange is not satisfied with:

(a) the capital, cash flow and/or any other aspect of the financial status of the Warehouse, the Group or any member of the Group;

(b) any aspect of the insurance arrangements of the Warehouse, the Group or any member of the Group; or

(c) any other aspect of the status, assets, business or operations of the Warehouse, the Group or any member of the Group; or

(ii) the Exchange determines that the Warehouse, the Group or any member of the Group is Insolvent, or is likely to become Insolvent,

the Exchange may:

(A) require the Warehouse to provide the Exchange with credit protection in the form of a performance bond or cash cover, and the provisions of Clause 1.2.6 shall apply to such credit protection; and/or

(B) suspend the entitlement of the Warehouse to issue further Warrants or Immobilised Warrants, and upon receiving notice of such suspension the Warehouse shall immediately stop issuing further Warrants and Immobilised Warrants.

1.2.6 Terms relating to credit protection provided by Warehouses

(i) The Exchange shall determine:

(a) whether the credit protection is in the form of a performance bond or cash cover (or a mix of both);

(b) the amount and currency(ies) of the credit protection;

(c) in the case of a performance bond:

(I) its expiry date;

(II) its terms; and

(III) the conditions applying to the bank or insurance company that issues it (including the location and credit rating of the issuer).

(ii) "performance bond" refers to any on demand independent payment instrument issued by a bank or metal company in favour of the Exchange, including performance bonds, standby letters of credit, bank guarantees and on-demand guarantees.

(iii) "cash cover" refers to money paid to the Exchange and treated by the Exchange as its own funds, and constitutes a debt arrangement between the Exchange and the Warehouse (subject to the terms of this Agreement), and not a security arrangement (meaning neither the Warehouse nor any third party shall have any proprietary interest in such money or funds); cash cover shall not accrue interest.

(iv) The Warehouse shall at its own cost provide the relevant credit protection as soon as practicable (but in any event within seven days) upon the Exchange requiring it in accordance with Clause 1.2.5.

(v) The Warehouse shall at its own cost provide additional credit protection (and/or increase or extend any performance bond) as soon as practicable (but in any event within seven days) upon the Exchange requiring it at any time, including if the Exchange requires additional credit protection sufficient to cover the number of warrants issued or expected to be issued by the Warehouse.

(vi) If the Exchange informs the Warehouse at any time that it is not satisfied with the identity or financial status of the bank or insurance company that issued a performance bond, the Warehouse shall at its own cost as soon as practicable (but in any event within seven days) upon the Exchange requiring it provide a replacement performance bond from a bank or insurance company with whom the Exchange is satisfied, and upon such replacement being issued, the Exchange shall release the replaced performance bond.

(vii) The Exchange may at any time and from time to time make demands on any performance bond, and the proceeds received by the Exchange shall constitute cash cover. Without limiting the generality of the foregoing, the Exchange may call on a performance bond if at any time the Exchange

has concerns about the financial status of the issuer or if the expiry date of the performance bond is imminent.

(viii) The Exchange may at any time use any cash cover:

(a) to settle any sum due by the Warehouse to the Exchange;

(b) to settle any sum which the Exchange believes is due by the Warehouse to any third party (including any landlord or warrant holder);

(c) in any way which the Exchange determines is necessary or desirable to achieve or facilitate the release to or retrieval by any warrant holder of any Underlying Metal held by the Warehouse;

(d) to meet the costs (including legal costs) incurred by any holder of a Metal Entitlement in respect of Underlying Metal held by the Warehouse in obtaining the release of, in retrieving and/or in moving that Underlying Metal to another location or warehouse; and/or

(e) to provide compensation to any warrant holder for the operational and other burdens suffered as a result of that warrant holder retrieving or trying to retrieve any Underlying Metal held by the Warehouse.

(ix) If at any time the Exchange determines that none of the grounds set out in Clauses 1.2.5(i) and (ii) exists, the Exchange shall:

(a) release each performance bond and pay a sum to the Exchange equal to any cash cover after taking account of any amount used by the Exchange as contemplated by Clause 1.2.6(viii); and/or

(b) lift the suspension on the Warehouse issuing new Warrants.

(x) The Warehouse shall promptly and at its own cost take any step and sign any document in relation to any credit protection or any other aspect of Clause 1.2.5 and this Clause 1.2.6 as the Exchange may at any time and from time to time require.

(xi) The Exchange shall act reasonably and in good faith in relation to any credit protection or any other aspect of Clause 1.2.5 and this Clause 1.2.6.

(xii) Notwithstanding any other provision of this Agreement (including Clause 1.2.6(xi) and Clause 1.2.6(xiii)), the Warehouse agrees that the Exchange shall not be liable to the Warehouse for any losses the Warehouse may suffer as a result of it providing any such credit protection or the Exchange calling on or using any such credit protection, provided that any such loss is not caused by the gross negligence or wilful default of the Exchange.

(xiii) The Warehouse acknowledges that if the Exchange were to exercise any of its rights pursuant to the Rules and/or this Agreement to Delist or Suspend the Warehouse, or to call for additional capital or credit

protection in the form of cash cover or performance bonds, circumstances may at that time be such as to cause financial problems, or exacerbate existing financial problems, for the Warehouse, and may cause or quicken the Warehouse becoming Insolvent, and the Warehouse to the fullest extent permitted by applicable law waives any claims that it may have against the Exchange in relation thereto.

1.3 London Agent

1.3.1 The Warehouse must appoint and maintain at all times an agent in or, in the opinion of the Exchange, sufficiently proximate to the City of London (a "**London Agent**") to act on its behalf, to carry out certain of its obligations under this Agreement and the LMEsword Regulations, and, if the Warehouse is not incorporated in England and Wales, also to act as its agent for service of process.

1.3.2 A London Agent may be a person independent from the Warehouse or be a branch or affiliated company of the Warehouse.

1.3.3 The Warehouse must obtain the prior approval of the Exchange to the appointment, or any change in the appointment, of its London Agent from time to time.

1.3.4 The Warehouse shall be responsible for all of the acts and omissions of its London Agent undertaken in its capacity as such. The Exchange and other persons shall be entitled to assume the Warehouse's London Agent acts with the full authority of the Warehouse until such time as the Exchange has received written notice from the Warehouse that the London Agent has ceased to act as such. This term shall not affect the rights and obligations of the Warehouse and its London Agent inter se.

1.4 Depository

The Depository is hereby appointed as agent of the Warehouse pursuant to the terms of the LMEsword Regulations:

1.4.1 to receive Instructions concerning the holding of the Underlying Metal;

1.4.2 for the purposes of making attornments for and on behalf of that Warehouse in accordance with the LMEsword Regulations; and

1.4.3 for the creation of Immobilised Warrants.

1.5 Exchange

The Exchange is hereby appointed as agent of the Warehouse pursuant to the terms of the LMEsword Regulations for the creation of Warrants.

1.6 LMEsword

The Warehouse must comply, and procure that its London Agent complies, with the LMEsword Regulations and Operating Procedures, which shall insofar as they relate to the Warehouse or its London Agent be deemed to be incorporated into this Agreement.

1.7 Restrictions

1.7.1 An Authorised Warehouse may be used by only one LME authorised warehouse operator and to the extent that it is used for the storage of any metals which are permitted to be the subject of a Contract, may not also be used to store such metals which are deliverable on any other exchanges.

1.7.2 The Warehouse may not deal directly or indirectly in Contracts, and shall observe such other requirements contained in Relevant Law and Regulation, and any Exchange notice relating to the separation of LME listed warehouse operators from Members and the maintenance of confidentiality in respect of price sensitive and customer confidential information.

1.8 Description of Warehouse and standard terms

1.8.1 The Warehouse may, following its approval by the Exchange as a listed warehouse company, describe itself as an “LME listed warehouse company” and its Authorised Warehouses as “LME listed warehouses”, for as long as it retains its listed status as provided for herein.

1.8.2 For so long as the Warehouse retains its listed status or holds itself out in accordance with Clause 1.8.1, it shall take reasonable steps (such as including a reasonably prominent statement on its website) to put on notice persons dealing with metals located within its Authorised Warehouses that such metals may be subject to the interests of Account Holders within LMEsword from time to time.

1.9 Availability of Rules

The Warehouse may from at any time be sent a copy of the Rules and LMEsword Regulations and Operating Procedures as amended from time to time. The Warehouse shall ensure that its London Agent obtains and keeps up to date its own copies of such documents direct from the Exchange and is also provided with a copy of this Agreement. Where the Warehouse operates in more than one location it shall ensure that each location is kept up to date with changes to the Rules, the LMEsword Regulations and Operating Procedures and this Agreement.

1.10 Transitional Provisions

1.10.1 This Clause 1.10 shall apply to Affected Warrants.

1.10.2 Unless and until the Exchange exercises the power provided for in Clause 1.10.4, Affected Warrants shall continue to constitute Warrants for the purposes of the Legacy Warehouse Agreement.

1.10.3 Following the Amendment Date, the Legacy Warehouse Agreement, as amended pursuant to this Clause 1.10, shall continue to apply in respect of all Affected Warrants, and to govern, in the context of Affected Warrants, the rights and obligations between the Warehouse and the Exchange, except that each reference in the Legacy Warehouse Agreement to:

(i) a "Warrant" shall instead be a reference to an Affected Warrant; and

(ii) the "Depository" shall be construed as a reference to the AW Depository.

1.10.4 At or following the Instruction Deadline, the Exchange may from time to time, by and upon giving notice to the Warehouse, provide that any Affected Warrant shall no longer constitute a Warrant for the purposes of the Rules and this Agreement (although they shall remain an Affected Warrant for the purposes of the Legacy LMEsword Regulations and Legacy Warehouse Agreement).

1.10.5 To the extent not otherwise the case, the London Agent is hereby appointed as agent of the Warehouse for the purposes of:

(i) receiving from an Account Holder any Affected Warrant on behalf of the Warehouse, thereby rendering that Affected Warrant void and of no effect (other than as a chattel); and

(ii) the issuance (including any deemed issuance) of any Warrant Lodgement Instruction for the creation of a Warrant in substitution.

1.10.6 The Warehouse shall treat any Affected Warrant transferred to its London Agent as having been surrendered to the Warehouse, and any such Affected Warrant shall be void and of no effect.

1.10.7 To the extent applicable in accordance with, and as amended pursuant to, this Clause 1.10, the Legacy Warehouse Agreement shall form part of this Agreement.

1.10.8 In the event of any inconsistency between the terms of the Legacy Warehouse Agreement and the other terms of this Agreement, the latter shall prevail.

2 Issue of Warrants

2.1 Metal delivery

2.1.1 When receiving Underlying Metal for placing on Warrant, the Warehouse need not undertake an assay of the Underlying Metal itself but must carefully undertake a visual inspection of the Underlying Metal and all supporting documentation and, if the Underlying Metal or the supporting documentation is in any way patently sub-standard or anomalous the Warehouse must not issue a Warrant or Immobilised Warrant until any such shortcoming has been remedied. Without limitation to the foregoing, Underlying Metal will be deemed to be patently sub-standard if:

(i) there is broken or visibly corroded strapping which could make the bundle of metal unsafe to handle;

(ii) there is visible contamination of metal;

(iii) there is inconsistent branding of metal (for instance, where all of the metal or some of the metal is patently not an LME brand or where different LME brands have been visibly mixed within a bundle); or

(iv) the supporting documentation and paperwork does not accord with the Rules.

For the avoidance of doubt, a Warehouse is not required to break bundles or inspect metal ingots hidden from view within bundles, unless there are visible

signs indicating or suggesting a defect in quality within a bundle or the Warehouse is in any way aware that there is a defect within a bundle not apparent from a visual inspection.

2.1.2 All Underlying Metal delivered for placing on Warrant must be weighed by Warehouse personnel on equipment which is regularly tested for accuracy in accordance with Clause 7.4.3, and must conform to the relevant weights for those metals as outlined in the Special Contract Rules for Metals.

2.2 Form of Warrant

2.2.1 From the date prescribed by the Exchange, all Warrants and Immobilised Warrants must be issued in accordance with the LMEsword Regulations.

2.2.2 No Warrant or Immobilised Warrant may be issued unless:

(i) the form of each Warrant and Immobilised Warrant meets the requirements set out in the Special Contract Rules for Metals and this Clause 2.2 and Clause 2.3 are satisfied;

(ii) without prejudice to Clauses 2.1.1 and 2.1.2, the Underlying Metal or supporting documentation conforms to the relevant Special Contract Rules for Metals and a Metal Report is produced;

(iii) the Underlying Metal in question is stored in an Authorised Warehouse of the Warehouse; and

(iv) it is issued through the LMEsword System and in accordance with the LMEsword Regulations.

2.2.3 Each Warrant and Immobilised Warrant must show the applicable rent rate and the date of commencement of the obligation to pay rent, as applicable.

2.2.4 Each Warrant and Immobilised Warrant shall be on terms to the effect that responsibility for insuring the Underlying Metal is that of the Account Holder to whose Account that Warrant is recorded from time to time within the LMEsword System.

2.2.5 Each Warrant and Immobilised Warrant should be numbered consecutively wherever practicable.

2.2.6 The Warehouse shall not cause to be created or amended any Warrant, Immobilised Warrant or Extracted Warrant other than in the format previously approved by the Exchange.

2.2.7 The issuance of each Warrant and Immobilised Warrant must be approved by an authorised signatory of the Warehouse or its London Agent.

2.2.8 Each Warehouse shall readily make available its standard terms of business in relation to each Warrant or Immobilised Warrant (as applicable), as prescribed from time to time in the Operating Procedures.

2.3 Legal status of Warrants

2.3.1 Each Warrant must be transferable electronically, and each Immobilised Warrant must be transferable by delivery or by delivery and endorsement by the transferor and without requiring registration, attornment or notice to the Warehouse.

2.3.2 A transferee of a Warrant shall be treated by the Warehouse as having the benefit of the contract of storage of the Underlying Metal and shall be bound by the Warehouse's standard terms of business insofar as they do not conflict with the Rules, the LMEsword Regulations or the Operating Procedures.

2.3.3 Each Warrant must:

(i) be transferable electronically;

(ii) be capable, upon transfer in accordance with the LMEsword Regulations, of transferring rights with respect to the Underlying Metal that may be transferred as if the Warrant were a document of title (and, where applicable, the equivalent concept under its governing law); and

(iii) be governed, and expressed on the face of the Warrant to be governed, by:

(a) subject to Clause 2.3.3(iii)(b), the law of the country in which the relevant Authorised Warehouse is situated, or in accordance with such other law recognised as applicable to the Warrant by such law; or

(b) where the Exchange so specifies by written notice, subject to, either:

(I) English law; or

(II) such other law as the Exchange may specify; and

(iv) by and upon being credited to an Account Holder's Account within the LMEsword System, and for so long as it is so recorded, give rise to the bailment relationships arising pursuant to and on the terms of the LMEsword Regulations, and governed by and construed in accordance with English law.

2.3.4 Each Immobilised Warrant must:

(i) be in bearer form, and, subject to Clause 2.3.4(ii), be capable of legal transfer by delivery or delivery and endorsement;

(ii) be incapable or conferring upon any transferee any title or other interest in the Immobilised Warrant that is greater than the title or interest transferred to it by the Depository; and

(iii) be governed, and expressed on the face of the Immobilised Warrant to be governed, by:

(a) subject to Clause 2.3.3(iii)(b), the law of the country in which the relevant Authorised Warehouse is situated, or in accordance with

such other law recognised as applicable to the Immobilised Warrant by such law; or

(b) where the Exchange so specifies by written notice, subject to, either:

(I) English law; or

(II) such other law as the Exchange may specify; and

(iv) by and upon the crediting of the corresponding Warrant to an Account Holder's Account within the LMEsword System, and for so long as it is so recorded, give rise to the bailment relationships arising pursuant to and on the terms of the LMEsword Regulations, and be governed by and construed in accordance with English law.

2.3.5 It must be a term of issue of:

(i) each Warrant and Immobilised Warrant, that the corresponding Underlying Metal shall only be delivered up to the holder by the Warehouse in accordance with the LMEsword Regulations on cancellation of the relevant Warrant and, if applicable, Immobilised Warrant; and

(ii) each Immobilised Warrant, that it shall not confer upon any transferee any title or other interest in the Immobilised Warrant that is greater than the title or interest transferred to it by the Depository.

2.3.6 Each Warrant and Immobilised Warrant must be unlimited as to duration and remain valid until cancelled in accordance with this Agreement and the LMEsword Regulations.

2.3.7 A Warehouse may have a right of retention in respect of Underlying Metal for unpaid rent in respect of the Underlying Metal and other charges owed by the current holder of the Warrant but not otherwise and, in particular, without limitation, no person may have any right of retention in respect of charges owed by any other person.

2.3.8 Nothing in Clause 2.3.5 shall require the Warehouse to oppose any legally enforceable court order in respect of Underlying Metal which is binding on the Warehouse and which prevents it from delivering stored Underlying Metal to the Warrant holder, provided that the Warehouse immediately notifies the Exchange of the existence of such a court order as soon as it becomes aware of the same.

2.4 Warehouse's liability to Warrant holders

The Warehouse is required to give undertakings to each Warrant holder from time to time in respect of the Underlying Metal that:

2.4.1 the Warehouse has complied with all Relevant Law and Regulation (including Clause 2.1 of this Agreement) in receiving that Underlying Metal and placing it on Warrant;

2.4.2 the Warehouse will comply with the requirements of this Agreement concerning the storage of Underlying Metal; and

2.4.3 the Warehouse is not aware of any latent defects in the Underlying Metal.

It is a requirement of this Agreement that the undertakings referred to in Clauses 2.4.1 to 2.4.3 are incorporated without delay into the Warehouse's written contract of storage with each Warrant holder. Pending such incorporation, the relevant undertakings shall be deemed to be incorporated into each such contract of storage immediately upon such contract arising.

3 Replacement or amendment

3.1 Entitlement to replace

A Warehouse shall, as applicable, issue a replacement Immobilised Warrant or amend the electronic details of a Warrant in accordance with this Agreement and the LMEsword Regulations and Operating Procedures in the following circumstances:

3.1.1 where an Immobilised Warrant has been lost, stolen, destroyed or damaged, on completion of its normal procedures and either:

(i) upon presentation to the Warehouse of evidence satisfactory to the Warehouse that the person seeking such replacement is either the Account Holder to whose Account within the LMEsword System the corresponding Warrant is recorded, or the Depository on its behalf, provided in each case that the Warrant remains valid in accordance with its terms and has not been marked "out of depository", "cancelled", "not valid" or any other language indicating that it has or may have ceased to be valid; or

(ii) against delivery to it of an indemnity in the form prescribed by the Exchange from time to time and attached as the Appendix to Schedule A; or

3.1.2 where any details on a Warrant or Immobilised Warrant which are capable of amendment in accordance with the LMEsword Regulations and Operating Procedures ("**Amendable Details**") require amendment, by way of amendment of the electronic details of the Warrant in LMEsword, or in the case of an Immobilised Warrant, against cancellation of the original Immobilised Warrant and reissue of an amended Immobilised Warrant.

3.2 Entitlement to move Underlying Metal

A Warehouse may move Underlying Metal between its own Authorised Warehouses within the same listed location at its own risk and expense subject to complying with Clause 3.3.

3.3 Notification of the Exchange

3.3.1 On the day that a Warehouse or its London Agent is notified or becomes aware of any circumstance which might reasonably cause suspicion that (a) any Underlying Metal, or any Immobilised Warrant, may have been lost, stolen, destroyed or damaged; (b) the Amendable Details on a Warrant or an Immobilised Warrant may require amendment; (c) a Warrant or Immobilised Warrant may require cancellation in accordance with Clause 4.3; (d) any additional warehouse warrant, receipt, Metal Entitlement or other document representing or acknowledging receipt, has been issued or is in circulation in

respect of the same Underlying Metal as is subject to a Warrant or Immobilised Warrant; or (e) a transfer or purported transfer of any interest in any Warrant, Immobilised Warrant or Underlying Metal has taken or will take place, other than a transfer given effect to using the LMEsword System, it shall forthwith:

(i) notify the Exchange by email (or by such other means as the Exchange may prescribe from time to time) to the Exchange's Physical Operations Department; and

(ii) promptly investigate the circumstance.

3.3.2 The Warehouse will regularly update the Exchange on the investigation and report all findings to the Exchange.

3.3.3 On the day that a Warehouse or its London Agent is notified or becomes aware that (a) any Underlying Metal or any Immobilised Warrant, has been lost, stolen, destroyed or damaged; (b) the Amendable Details on a Warrant or Immobilised Warrant require amendment; (c) a Warrant or Immobilised Warrant requires cancellation in accordance with Clause 4.3, (d) any additional warehouse warrant, warehouse receipt, Metal Entitlement or other document representing or acknowledging receipt, has been issued or is in circulation in respect of the same Underlying Metal as is subject to a Warrant or Immobilised Warrant, or (e) a transfer or purported transfer of any interest in any Warrant, Immobilised Warrant or Underlying Metal has taken or will take place, other than a transfer given effect to using the LMEsword System, it shall forthwith notify the Exchange by email (or by such other means as the Exchange may prescribe from time to time) to the Exchange's Physical Operations Department containing full details thereof, including the following:

(i) the date and details of loss or damage to or other matter affecting the Underlying Metal or Immobilised Warrant;

(ii) the Warrant or Immobilised Warrant number(s);

(iii) date of the Warrant or Immobilised Warrant;

(iv) the brand and shape of Underlying Metal; and

(v) the quantity of Underlying Metal (if any) missing, damaged or otherwise affected.

3.3.4 The Warehouse shall keep the Exchange updated at all times and in addition take all such other steps, such as (without limitation) immediately notifying and cooperating with police authorities and insurers, as is necessary to protect the owner of the Underlying Metal in question and assist with the orderly operation of the market.

3.3.5 Where an Immobilised Warrant that requires replacement or cancellation is temporarily not lodged with the Depository pursuant to the LMEsword Regulations, the Warehouse shall notify its holder of the event and require that the Immobilised Warrant be delivered up for replacement.

3.4 Liability for replacement Warrants

3.4.1 Where a Warrant or Immobilised Warrant is being replaced due to a change to its Amendable Details, the Warehouse shall indemnify the holder of the Warrant or Immobilised Warrant (as applicable) in respect of any reasonable loss or damage they may suffer as a result of the Warehouse not properly causing the cancelling and replacement of the Warrant or Immobilised Warrant in accordance with this Agreement.

3.4.2 The Warehouse shall be responsible for the cost of replacing Warrants or Immobilised Warrants, other than in the case of Immobilised Warrants which have been lost, stolen, destroyed or damaged, where such costs shall be the responsibility of the holder.

3.4.3 The Warehouse shall take all reasonable steps to ensure that no duplicate Warrants or Immobilised Warrants issued by it are in circulation and, in particular, shall make a notification to the Exchange pursuant to Clause 3.3.1, if applicable.

4 Cancellation of Warrants

4.1 Process on replacement

4.1.1 Where a Warrant or Immobilised Warrant is to be replaced, it must first be made properly null and void by being marked “cancelled and replaced”.

4.1.2 If the original of an Immobilised Warrant has been lost, stolen or destroyed, a copy of the original must be duly marked and retained in lieu of the original.

4.2 Process on cancellation and Underlying Metal take-up

4.2.1 Where a Warrant or Immobilised Warrant is to be cancelled for Underlying Metal take-up, it must be made properly null and void by being marked “cancelled”.

4.2.2 The Warehouse is required to expedite load-out from warehouses at the minimum rates published from time to time by the Exchange in accordance with Clause 9.11.1. For the avoidance of doubt, any change to the minimum rates would constitute a material increase in the obligations of a Warehouse which would require consultation and notification in accordance with Clause 9.11.4.

4.2.3 The Warehouse shall prioritise all requests for cancellation strictly in the order in which they are received unless the Warrant holders seeking cancellation agree otherwise.

4.2.4 The Warehouse shall use all reasonable endeavours to allocate to each Warrant holder seeking cancellation the delivery time that he has requested, unless that requested delivery time has already been allocated to another Warrant holder, in which case the Warehouse shall offer one or more alternative delivery times as close to the time originally requested as possible and where reasonably possible shall allocate the delivery time which is acceptable to the Warrant holder.

4.2.5 The Warehouse must prepare and maintain such documentation as is sufficient to evidence compliance with the aforesaid requirement (e.g. a schedule detailing (at least) the dates and times of receipt of cancellation requests and the allocated dates and times of delivery) and shall provide a copy of the same to the Exchange if so requested.

4.2.6 The Warehouse will, at all times, be responsible for ensuring that deliveries of Underlying Metal are effected in accordance with the above requirements except where the Warrant holder taking delivery of Underlying Metal provides its own transport and fails, due to no fault of the Warehouse, to keep to the agreed delivery schedule, in which case the Warehouse and that Warrant holder shall agree between them an alternative time for delivery.

4.3 Warrants requiring cancellation

Where a Warehouse or its London Agent is notified or becomes aware that any details on a Warrant or Immobilised Warrant which are not Amendable Details are incorrect, it shall:

4.3.1 notify the Exchange thereof in accordance with Clause 3.3;

4.3.2 take all reasonable steps to identify the holder of the Warrant and notify it of the event; and

4.3.3 procure the cancellation of the Warrant or Immobilised Warrant (as applicable) in accordance with the LMEsword Regulations and Operating Procedures and the issuance of a new Warrant or Immobilised Warrant (as applicable) in respect of the relevant Underlying Metal.

4.4 Storage

Evidence of the cancellation of all Warrants and Immobilised Warrants (and a copy of the original Immobilised Warrant in the event that it has been lost, stolen or destroyed) must be securely retained and be made available for inspection by the Exchange for five years or (if later) until any replacement Warrant is surrendered for cancellation and Underlying Metal take-up.

5 Rent, Free On Truck ("FOT") and re-warranting charges

5.1 Calculation

5.1.1 Calculations of rent due on Warrants must be on round tonnages and not actual weights.

5.1.2 Rent must accrue on a daily basis and rent accrued must be payable annually as at 31 March each year, or at such other times and for such other periods as the Exchange may prescribe, or upon cancellation of a Warrant whichever is the sooner.

5.2 Warehouse Maximum Charge Levels

5.2.1 The Warehouse shall be required to set maximum rent, FOT and re-warranting charges (the "**Warehouse Maximum Charge Levels**"), specifying the highest rates which may be levied, in accordance with the requirements of this Clause 5.

5.2.2 Warehouses may set separate Warehouse Maximum Charge Levels, except for re-warranting charges, in respect of each Delivery Point in which the Warehouse operates licensed facilities, and in each such Delivery Point (i) in respect of rent, a rate for each metal which the Warehouse is licensed to store in that Delivery Point, and (ii) in respect of FOT, (a) a rate for cobalt (if the Warehouse is licensed to store cobalt in that Delivery Point), (b) a rate for roasted molybdenum concentrate (if the Warehouse is licensed to store roasted molybdenum

concentrate in that Delivery Point), (c) a rate for premium primary aluminium (if the Warehouse is licensed to store premium primary aluminium in that Delivery Point), and (d) a single rate for all other metals (if the Warehouse is licensed to store metals other than cobalt, roasted molybdenum concentrate and premium primary aluminium in that Delivery Point). In respect of re-warranting, a Warehouse must charge the same rate per metric tonne at each Delivery Point and in respect of each metal in relation to a Warrant which has been cancelled (but not yet loaded out from the Authorised Warehouse in the same Delivery Point) following which the metal owner requests the Warehouse to issue a new Warrant.

5.2.3 Rent, FOT and re-warranting charges must be quoted in the Major Currency of the Contract to which the Warrant relates is traded.

5.2.4 FOT may be paid in any currency that the Warehouse and the Warrant holder agree, provided that:

(i) both parties agree to both the currency of payment and the rate of conversion between the currency of the listed location and the currency of payment; and

(ii) in the event that the parties cannot agree the rate of conversion between the currency of the listed location and the currency of payment, FOT shall be paid in the Major Currency of the Contract.

5.3 Publication of Charge Caps

5.3.1 With the exception of 2016 (which is covered by Clause 5.3.2), the LME shall, by 31 October each year, in respect of the period from 1 April of the following year to 31 March of the next following year, publish a list of maximum permissible Warehouse Maximum Charge Levels ("**Charge Caps**"). In respect of the re-warranting Charge Cap, it will apply to all Delivery Points and in relation to all metals which are the subject of a physically settled Contract, and in respect of FOT and rent it will be a combination of (i) each Delivery Point Country/Region, and (ii) each metal which is the subject of a physically-settled Contract (with the exception of aluminium premium Contracts) and licensed for storage by at least one Warehouse in that Delivery Point Country/Region. For the avoidance of doubt, the relevant Charge Cap shall apply to all Delivery Points in a Delivery Point Country/Region. Prior to 31 July 2026, Charge Caps were only in respect of the maximum permissible Warehouse Maximum Charge Levels for rent and FOT; following 31 July 2026, Charge Caps include the maximum permissible Warehouse Maximum Charge Levels for rent, FOT and re-warranting.

5.3.2 In respect of 2016, the LME shall publish the Charge Caps on 28 December 2016. The Charge Caps for the period 1 April 2017 to 31 March 2018 shall be calculated as the arithmetic mean average of (i) the highest Warehouse Maximum Charge Levels published by the LME in December 2014 for the period 1 April 2015 to 31 March 2016 and (ii) the highest Warehouse Maximum Charge Levels published by the LME in February 2016 for the period 1 April 2016 to 31 March 2017, in each case in respect of that Delivery Point Country/Region and that metal (and rounded up to the nearest smallest unit of the local currency, in the case of FOT, or the nearest US cent, in the case of rent).

5.3.3 Subject to Clause 5.3.6, the Charge Caps for the periods (i) 1 April 2018 to 31 March 2019, (ii) 1 April 2019 to 31 March 2020, (iii) 1 April 2020 to 31 March 2021, (iv) 1 April 2021 to 31 March 2022, (v) 1 April 2022 to 31 March 2023, (vi) 1 April 2023 to 31 March 2024, (vii) 1 April 2024 to 31 March 2025, (viii) 1 April 2025 to 31 March 2026, (ix) 1 April 2026 to 31 March 2027, (x) 1 April 2027 to 31 March 2028, (xi) 1 April 2028 to 31 March 2029, (xii) 1 April 2029 to 31 March 2030, (xiii) 1 April 2030 to 31 March 2031, and (xiv) 1 April 2031 to 31 March 2032 shall be the same as the Charge Caps for the period 1 April 2026 to 31 March 2027.

5.3.4 In respect of each subsequent period 1 April to 31 March, the Charge Caps shall either be kept the same, or increase, in accordance with the formula set out in Appendix A, apart from Charge Caps in respect of re-warranting which will be chargeable per metric tonne and at a consistent rate across each Delivery Point Country/Region for each metal which is the subject of a physically-settled Contract pursuant to Clause 5.3.1. In the event that the relevant index (or certain data points within the index) as specified in Appendix A is unavailable, the LME shall determine an appropriate comparable index (or data points), which will be published by the LME each year in October, subject to the Warehouse's right of challenge as set out in Clause 5.3.6.

5.3.5 Where (i) the LME approves a new Delivery Point which is located in a new Delivery Point Country/Region, or (ii) a Warehouse becomes authorised to store in a Delivery Point Country/Region a metal for which Charge Caps have not previously been calculated, the LME shall, prior to or at the same time as admission of the new Delivery Point or storage authorisation of the Warehouse, publish Charge Caps for such Delivery Point Country/Region in respect of the set of metals authorised for storage at one or more warehouses in that Delivery Point Country/Region and in respect of which Charge Caps have not previously been published. In determining the relevant Charge Caps, the LME shall take into account all relevant factors where appropriate, including the Charge Caps for geographically proximate countries, any factors relevant to the particular Delivery Point Country/Region, and its expert judgement.

5.3.6 In respect of Charge Caps published from 2017 onwards, a Warehouse may challenge any Charge Cap on the basis that it does not adequately take into consideration any relevant increase in the Warehouse's costs, or on the basis of any other reason. Any Warehouse wishing to challenge any Charge Cap may submit such a challenge in writing to the LME, including full reasons for such challenge together with any relevant supporting documentation, within fourteen calendar days of the publication of the relevant Charge Cap. The challenge will be considered by the Special Committee of the LME. The LME shall have the opportunity to make written representations or provide supporting evidence to the Special Committee where the LME considers it appropriate to do so. The Special Committee may request such additional documentation or explanation from the Warehouse, or any other Warehouse, or the LME, as it considers appropriate, in considering the challenge. Having considered the challenge, the Special Committee may either (i) reject the challenge, or (ii) accept the challenge and require the LME to increase the relevant Charge Cap by such amount as it considers appropriate. Where the Special Committee accepts the challenge, it

shall publish a notice to the market explaining the nature of the challenge and the reasons for accepting it. The amended Charge Cap(s) shall take effect on the following 1 April and shall be taken into account when calculating any increases to Charge Caps in future years in accordance with Clause 5.3.4 and Appendix A. Where the Special Committee rejects the challenge, it may, where it considers it appropriate, publish a notice to the market explaining the nature of the challenge and the reasons for rejecting it (and, in the event that it does not publish such a notice, it shall still provide the Warehouse which brought the challenge with the reasons for rejecting it). The Special Committee shall endeavour to publish any notice to the market within fourteen calendar days of the challenge being brought, or such other date as it shall in its discretion consider appropriate.

5.3.7 While the LME endeavours to ensure the accuracy, reliability and completeness of the Charge Caps and any information (including third party information) with reference to which the Charge Caps are compiled (the "**Charge Cap Information**"), neither the LME nor any of its affiliates makes any warranty or representation, express or implied, or accepts any responsibility or liability for, the accuracy, completeness or reliability of the Charge Cap Information. The LME accepts no liability whatsoever to any Warehouse or other person for any loss or damage arising from any inaccuracy or omission in the Charge Cap Information.

5.4 Process for advising Warehouse Maximum Charge Levels

5.4.1 On 29 December 2016, each Warehouse must set its Warehouse Maximum Charge Levels in respect of the 12 month period commencing 1 April 2017. For the avoidance of doubt, if a Warehouse has already submitted Warehouse Maximum Charge Levels in respect of the 12 month period commencing 1 April 2017 pursuant to any requirement in a previous version of this Agreement, such charges must be resubmitted if they do not comply with Clause 5.4.3.

5.4.2 From 15 December 2017, each Warehouse must set its Warehouse Maximum Charge Levels annually in respect of each 12 month period commencing 1 April of the following year by notification to the Exchange not later than 15 December in the preceding year.

5.4.3 No Warehouse Maximum Charge Level submitted pursuant to Clause 5.4.1 or 5.4.2 may be higher than the corresponding Charge Cap. In the event that a Warehouse submits a Warehouse Maximum Charge Level in excess of the corresponding Charge Cap, the LME may revise the Warehouse Maximum Charge Level down to the corresponding Charge Cap (for the avoidance of doubt, such submission may also constitute a breach of this Agreement which may be subject to disciplinary action pursuant to the Disciplinary Procedures). For Warehouse Maximum Charge Levels not subject to a Charge Cap, levels may be set in the discretion of the Warehouse.

5.4.4 The Exchange shall publish each Warehouse's Warehouse Maximum Charge Levels by 31 December. For the avoidance of doubt, no change in Warehouse Maximum Charge Levels shall become effective until the following 1 April.

5.5 Dates

The Exchange may, by giving notice in writing to each Warehouse, amend any of the dates set out in Clauses 5.3.1, 5.3.2 or 5.4 for any given relevant year in the event of a challenge to the Charge Caps pursuant to Clause 5.3.6 or for any other reason.

5.6 Payment

Rent must be paid for Underlying Metal in stock at 31 March (or such other dates as the Exchange may prescribe) in each year by direct settlement between holders of Warrants and Warehouses.

5.7 LMEsword

Warehouses' other obligations in relation to rent shall be as set out in the LMEsword Regulations and the Operating Procedures.

6 Records

6.1 Storage records for Underlying Metal

6.1.1 Warehouses must have clearly organised systems for recording storage of Underlying Metal for use in their office and in each Authorised Warehouse.

6.1.2 Storage records must have a separate entry record for each lot and each such record must be numbered consecutively.

6.1.3 Storage records in respect of Underlying Metal must, if applicable, clearly identify the fact that the Underlying Metal is under Warrant, include the Warrant number and note the Authorised Warehouse in which the Underlying Metal is stored.

6.1.4 Underlying Metal must be identifiable in an Authorised Warehouse by means of a label, or other marking method, as to lot or Warrant number.

6.2 Warrant records

6.2.1 The Warehouse must maintain a Warrant register which shows the dates of issue and cancellation of each Warrant, any corresponding lot numbers and the details of the Underlying Metal under Warrant as shown on the relevant Warrant. Each entry on the Warrant register must be initialled by an authorised person or, in the case of a register maintained on a computer, have noted next to each entry the initials or other identity of an authorised person.

6.2.2 To the extent that any Warehouse has pre-printed warrants in blank, these must be kept secure. The Warehouse must ensure that it, or its London Agent, maintains a written record of the number of unused blank warrants at any given time and will provide a copy of that record to the Exchange on request.

6.2.3 A copy of each Immobilised Warrant and Extracted Warrant issued by or for the Warehouse must be kept secure.

6.3 Stock records

6.3.1 LME Eligible Stocks

For the purposes of this Agreement "**LME Eligible Stocks**" shall mean all metal within an Authorised Warehouse (which is not under Warrant and not Cancelled Tonnage) and is an LME brand.

6.3.2 Reporting of Stock under Warrant

The stock of Underlying Metal under Warrant at the Warehouse, together with Cancelled Tonnage, must be reported to the Exchange, as prescribed in the LMEsword Regulations and Operating Procedures.

6.3.3 Confidentiality of Stock and Queue information

Information concerning stocks and Queues at Warehouses shall be treated as confidential by the Exchange save that the Exchange may publish such information concerning LME stocks and Queues at Warehouses as it considers necessary, acting reasonably, for the purposes of market transparency. In addition the Exchange may publish such information for regulatory purposes and may make such disclosure as is required by Relevant Law and Regulation or that is requested by any regulatory authority or other person to whom the Exchange is required to disclose it by Relevant Law and Regulation. In addition, the Exchange may publish such information together with that of other Warehouses without identifying the Warehouse by name and also make reference to such information, identifying the Warehouse, in any notice of a decision given under the Disciplinary Procedures in the event of a breach of this Agreement. Warehouses are prohibited from (i) disclosing information concerning Queues at such Warehouses or (ii) revealing their stock of Underlying Metal under Warrant to any person, except that this prohibition shall not apply to:

(i) information supplied to the Warehouse's London Agent where the disclosure is reasonable and necessary to enable the recipient to perform the proper functions of his employment, profession or duties;

(ii) information disclosed pursuant to any Relevant Law and Regulation;

(iii) information disclosed to the Warehouse's professional advisers and to its usual bankers where the disclosure is reasonable and necessary to enable the recipient to perform the proper functions of his employment, profession or duties;

(iv) historical information on aggregate stocks held by the Warehouse without differentiation between stocks held under Warrants and other stocks which is required to be disclosed to the shareholders of the Warehouse;

(v) historical information on aggregate stocks held by the Warehouse without differentiation between stocks held under Warrants and other stocks which is required to be disclosed to a parent company of the Warehouse for the purpose of that parent company preparing its budgets and financial forecasts for the Group;

(vi) information which has already been published by the LME pursuant to Clause 6.3.3; or

(vii) information about the length of Queues where such information is provided to an owner of Underlying Metal that: (I) is contemplating or effecting the scheduling of load-out of Underlying Metal at the Warehouse; and (II) requires information regarding the waiting time for such scheduling, provided that the Warehouse: (A) may only disclose

information pursuant to this Clause 6.3.3(vii) to the extent that such information relates to Queues arising from actual Cancelled Tonnage; and (B) shall not include in such disclosure the Warehouse's expectation regarding the cancellation or load-out request actions of any person other than the owner that requires such information in accordance with (I) and (II) above.

Reporting of off-Warrant Stock

6.3.4 On each Business Day prior to 16:30 London time, the Warehouse must report to the Exchange the quantity of LME Eligible Stocks which it holds on that Business Day. The following provisions shall apply in respect of reporting LME Eligible Stocks.

(i) The Warehouse shall submit a report (using such template form as the LME may prescribe from time to time), showing quantity of metal (to the nearest metric tonne) which is LME Eligible Stock split by:

(a) any LME Good Delivery Location where the relevant off-warrant metal is currently located; and

(b) type of metal, divided by the Contract against which, if warranted, the metal would be deliverable.

(ii) For the avoidance of doubt, there shall be no requirement for the Warehouse to provide details of metal owners, or of the economic terms on which metal is stored off-warrant.

(iii) In respect of reporting under Clause 6.3.4:

(a) the Exchange shall treat the figures reported by Warehouses as confidential;

(b) notwithstanding (a) above:

(I) the Exchange may use the reported figures for reasonable internal purposes (including assessing market orderliness);

(II) the Exchange may publish (on a free or charged-for basis) summary statistics of off-warrant metal reported pursuant to Clause 6.3.4, in such format as the Exchange shall notify to the market by written notice from time to time (subject that such statistics may not be disaggregated by Warehouse, but may be disaggregated by LME Good Delivery Location, metal type, or both);

(III) provided that publication is consistent with (II) above, the Exchange shall not be prohibited from publishing disaggregated information which could be used to identify data specific to the Warehouse (such as, without limitation, where the Warehouse is the only operator in a given LME Good Delivery Location); and

(c) notwithstanding (a) above, the Exchange may disclose the reported figures (or any information relating to such figures):

(I) where the Exchange is required to do so pursuant to any Relevant Law and Regulation;

(II) to the Exchange's professional advisers and to its usual bankers where the disclosure is reasonable and necessary to enable the recipient to perform the proper functions of his employment, profession or duties; or

(III) where such information is already in the public domain.

6.3.5 Additional Daily Stock Reporting

The Warehouse:

(i) acknowledges that the Exchange may, following the date of this Agreement, by written notice specify changes to the classification of metals for the purpose of the daily reporting of stocks of metal in accordance with this Clause 6.3, in order that:

(a) the "cancelled" classification shall refer only to Underlying Metal that was cancelled but not scheduled for load-out;

(b) a new "scheduled" classification shall refer to Underlying Metal that has been cancelled and is scheduled (or in the process of being scheduled) for load-out; and

(ii) agrees that it shall implement such operational requirements to effect such changes, and shall, on an on-going basis, apply such classification requirements for the purposes of reporting stock to the Exchange, in each case in the manner specified in such written notice, from the time specified in such written notice.

6.4 Duty and Tax Records

6.4.1 The Warehouse must maintain records on the duty and tax status of each lot of Underlying Metal.

6.4.2 The Warehouse shall make the records specified in Clause 6.4.1, or information derived from such records, available on request and at no cost to Warrant holders and the Exchange.

7 Continuing Obligations

7.1 Insurance

7.1.1 The Warehouse must maintain insurance in respect of all the types of risks marked with an asterisk in paragraph 9 of Schedule A at least at the levels from time to time prescribed by the Exchange. Such insurance must be maintained at all times until the Warehouse is no longer listed.

7.1.2 The Warehouse shall procure that the Exchange receives annually at renewal and/or at such other time as requested by the Exchange a certificate (or such other document as the Exchange may from time to time prescribe) evidencing

that all the risks marked with an asterisk in paragraph 9 of Schedule A are protected and citing the maximum limit of cover per occurrence and the policy number. Any changes affecting the insurance cover are to be automatically notified to the Exchange by the insurance company. The Warehouse must ensure that its policy shows the Exchange as a notifiable party for amendments and renewal confirmations.

7.1.3 Each Warrant and Immobilised Warrant must include a term stating that responsibility for insuring the metal subject to the Warrant is that of the Account Holder to whose Account the Warrant is credited.

7.2 Security

7.2.1 The Warehouse must at least maintain the level of security measures referred to in its response(s) to Schedule B, Section (C) (as the same may be amended in writing between the Warehouse and the Exchange from time to time) at all its Authorised Warehouses and must keep them clean, dry (except outside storage areas as permitted by the LME), free from contaminants and in good repair. The Exchange may in its discretion reasonably require enhancements to the security measures maintained by the Warehouse as referred to in its response(s) to Schedule B, Section (C). Without prejudice to the requirements of Clause 7.3, in the event of any material change in the details relating to its Authorised Warehouses as set out in its response(s) to Schedule B, Section (C), or in the event that the Warehouse otherwise fails to comply with this Clause 7.2.1, the Warehouse must notify the Exchange of such change or failure within 5 Business Days of becoming aware of the same. In the event of any material change in the details relating to the Warehouse's Authorised Warehouses which could in the Exchange's reasonable view result in a degradation in the level of security as set out in the Warehouse's' response(s) to Schedule B, Section (C), or in the event that the Warehouse otherwise fails to comply with this Clause 7.2.1, the Exchange may, at its discretion, direct that any Underlying Metal stored in the Authorised Warehouse in question be relocated to another Authorised Warehouse, whether or not with the same Warehouse.

7.2.2 Any costs arising from such relocation, including costs relating to re-inspection and re-approval, shall be met by the Warehouse.

7.2.3 The power of the Exchange under this Clause 7.2 is without prejudice to its other powers under this Agreement, including the powers set out under the Disciplinary Procedures.

7.3 Monitoring and supply of information

7.3.1 The Warehouse must notify the Exchange of any facts, events or changes which are material to its listing as a Warehouse within 5 Business Days of becoming aware of the fact, event or change in question. This shall include, without limitation:

(i) any changes that materially affect the information given by the Warehouse in connection with its application for listing as a Warehouse, or such other material information as it may have given to the Exchange in writing from time to time;

(ii) any changes affecting the Warehouse's ability to comply with its obligations hereunder or under the LMEsword Regulations.

7.3.2 The Warehouse shall not make any changes, or allow any changes which are within its power to prevent being made, to any of its Authorised Warehouses where such changes would involve a material change to any of the details provided in the answers given in Schedule B, without obtaining the Exchange's prior written approval in accordance with procedures published by the Exchange from time to time. In the event that the Warehouse becomes aware of such a change which is beyond its power to prevent, it must nonetheless notify the Exchange of such change immediately. The Exchange may, if it deems that the change materially affects the ability of the Authorised Warehouse(s) to operate, exercise its powers under this Agreement, including those contained in Clause 9.2.

7.3.3 The Warehouse shall provide to the Exchange on request such information from its storage records, Warrant records and/or stock records relating to the types of Underlying Metals deliverable on the Exchange, as the Exchange may reasonably request from time to time in connection with any enquiries being made or to be made by the Exchange in accordance with the Rules or this Agreement. All such information so supplied shall be treated as confidential by the Exchange and shall be restricted to those authorised staff and officers within the Exchange responsible for conducting such enquiries in accordance with the Rules, the Exchange's professional advisors, regulatory authorities and other persons to whom the Exchange is required to disclose it by Relevant Law and Regulation. The Exchange shall not be entitled to have access to legally privileged documents. A list of those persons within the Exchange who are authorised to obtain information from Warehouses in accordance with this Clause 7.3.3 will be circulated to all Warehouses and will be updated from time to time. The Exchange may request information about Underlying Metal held off-Warrant at the Warehouse only in connection with an investigation pursuant to the Disciplinary Procedures.

7.3.4 The Warehouse shall permit Exchange staff to conduct routine and other inspections of its premises used for the storage of Underlying Metal, including access to each relevant Authorised Warehouse and its offices supporting the operating of such warehouses. Warehouses shall use reasonable endeavours to procure similar access to the offices of their London Agents supporting those operations. The Warehouse shall co-operate with the Exchange in the conduct of such inspections and give all reasonable assistance to the Exchange.

7.3.5 The Exchange shall give reasonable notice of its intention to make inspections, except that no such notice will be required to be given where the Exchange deems it necessary or desirable in its discretion for an immediate inspection to be undertaken by the Exchange or its appointed representatives.

7.3.6 The Warehouse shall provide the Exchange with details of its officers and employees authorised to act as its authorised signatories for the purposes of this Agreement and keep such details up to date at all times, notifying the LME of any changes thereto promptly.

7.4 Periodical inspections

7.4.1 From time to time, and at least every 12 months, the Warehouse must:

(i) carry out a visual inspection of all Underlying Metal in its Authorised Warehouses and of all supporting documentation;

(ii) at its own cost, appoint an independent third party auditor to perform a count of all the stock which is under Warrant in its Authorised Warehouse(s) which shall include metal taken off Warrant, but which is still on the Warehouse's premises awaiting load-out;

(iii) make a notification to the Exchange without delay following the end of each calendar year (and by not later than 1 March), such notification to contain a record of all such inspections which have been carried out throughout the previous year, and a copy of the report produced by the independent third party auditor pursuant to Clause 7.4.1(ii); and

(iv) seek the approval of the Exchange in the selection of the independent third party auditor referred to in Clause 7.4.1(ii) and provide to the Exchange such information concerning its preferred auditor as the Exchange may reasonably request.

7.4.2 Full records of such inspections must be kept, showing at least:

(i) the details of all issued Warrants and Immobilised Warrants at the time of the inspection;

(ii) the date of the inspection; and

(iii) the name and job title of the person undertaking the inspection, who must also acknowledge that he has carried out the inspection and be of suitable seniority.

Without prejudice to the annual notification requirement in Clause 7.4.1, copies of such records will be made available to the Exchange at any time on request.

7.4.3 All weighing equipment used for weighing Underlying Metal must be checked for accuracy at least quarterly by an accredited and responsible institution which is not affiliated to the Warehouse and any material inaccuracies detected by such institution must be rectified by the Warehouse immediately. Written evidence of such inspections must be retained and made available to the Exchange on request.

7.5 Compliance with law and regulation

7.5.1 The Warehouse shall at all times comply with all applicable law, including Relevant Law and Regulation, sanctions, local port conditions, local and national customs, local anti-corruption laws, prohibitions on Market Abuse, taxation law and other rules and regulations (where the aforesaid are not in conflict with the requirements of either this Agreement, the LMEsword Regulations or the Operating Procedures).

7.5.2 The Warehouse shall immediately notify the Exchange if it becomes aware that such law, customs or regulations conflict, or are likely to conflict, with the requirements of this Agreement, the LMEsword Regulations or the Operating Procedures. In the event of any such conflict, the Exchange shall, without

prejudice to its rights under this Agreement, assess whether, in its reasonable opinion, such conflict in fact exists and, if so, whether it is reconcilable and shall determine in its discretion what action (if any) to take. Where the Exchange is of the view that failure immediately to resolve the conflict will not materially prejudice the Warehouse's ability to comply with the requirements of this Agreement, the LMEsword Regulations or the Operating Procedures, it shall consult with the Warehouse as to the remedial action to be taken. In the event of a conflict between this Agreement and the LMEsword Regulations or Operating Procedures or any notice issued by the Exchange, the terms of this Agreement shall prevail.

7.5.3 The Warehouse will not, and nor will any of its officers, employees, shareholders, representatives or agents, directly or indirectly, either in private business dealings or in dealings with the public sector, offer, give or agree to offer or give (either itself or in agreement with others) any payment, gift or other advantage with respect to any matters which are the subject of this Agreement which (i) would violate any anti-corruption laws or regulations applicable to the Warehouse, (ii) is intended to, or does, influence or reward a person and acting in breach of an expectation of good faith, upholding or trust, or which it would otherwise be improper for the recipient to accept, or (iii) is made to a Public Official with the intention of influencing them and obtaining or retaining an exchange with conduct of terms ("**Corrupt Act**").

7.5.4 The Warehouse represents and warrants that it has not, and so far as it is aware its directors and officers have not:

(i) engaged in, admitted to, or been found by a court in any jurisdiction to have engaged in any Corrupt Act; or

(ii) been investigated by a regulatory or law enforcement agency in any jurisdiction as a suspect in connection with an investigation into the commission of any Corrupt Act.

7.5.5 The Warehouse further agrees and undertakes:

(i) to properly and accurately record in its books and records all transactions which relate in any way to this Agreement; and

(ii) to provide any such information as the Exchange may reasonably require by notice in writing in order to monitor the Warehouse's compliance with its obligations under Clauses 7.5.1, 7.5.3 and 7.5.4; and

(iii) to notify the Exchange immediately if, at any time, it becomes aware that any of the representations set out under Clause 7.5.4 are no longer correct.

7.6 Principles of Conduct

The Warehouse shall adhere to the Principles of Conduct set out at Clause 11.

7.7 eCOAs

7.7.1 For:

(a) Designated Metal produced on or before 31 December 2023; or

(b) Designated Metal where the Warehouse is unable to identify the production date; and

(c) in both cases, where the underlying Designated Metal is not covered by an eCOA created in the eCOA System,

the Warehouse must create a Basic eCOA in accordance with Clause 7.7.3 as a prerequisite to:

(d) the issuance of a Warrant or Immobilised Warrant;

(e) the cancellation of a relevant Warrant or Immobilised Warrant;

(f) the load-out or the scheduling of load-out of the relevant Designated Metal.

Warehouses must ensure that the creation of a Basic eCOA is completed in a timely manner and does not cause a delay to the cancellation of a relevant Warrant or Immobilised Warrant or the scheduling or load-out of the relevant metal. In such circumstances, Warehouses may charge the relevant metal owner up to an additional ten US dollars (US$10) per Warrant or Immobilised Warrant (or such other amount as may be set out by way of notice from time to time) for creating the Basic eCOA in the eCOA System. Such additional charges shall be disregarded for the purposes of the provisions of this Agreement relating to Charge Caps.

7.7.2 In order to place copper on Warrant on or after 1 January 2028, if the copper does not have an Enhanced eCOA then the Warehouse must create a Basic eCOA. For the avoidance of doubt, copper cannot be warranted on or after 1 January 2028 if the metal is not accompanied by an Enhanced eCOA or a Basic eCOA.

7.7.3 Where a Warehouse elects, or is required, to produce a Basic eCOA, it shall:

(a) upload the complete and correct Paper COA relating to the metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as may be further specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

7.7.4 Where a Member notifies the Warehouse that it is electing to produce a Basic eCOA for metal stored at the Warehouse and requests information, or confirmation of information, relating to that Underlying Metal, the Warehouse shall use all reasonable endeavours to respond to any such request in a timely and accurate manner.

8 Enforcement and Discipline

The Exchange may investigate any breach of this Agreement and take disciplinary action. The terms of the LME's Enforcement and Disciplinary Procedures applicable to all LME Warehouses or Group, as amended by the Exchange from time to time and issued to

Warehouses (the "Disciplinary Procedures") shall be deemed to be incorporated into this Agreement as if set out in full herein.

9 General

9.1 Fees

9.1.1 The Warehouse shall pay the Exchange the fees and levies prescribed by the Exchange from time to time. The Exchange shall provide all Warehouses with reasonable notice of changes in its prescribed fees and levies.

9.1.2 The Warehouse shall be responsible for the cost of inspections undertaken by the Exchange in accordance with the terms of this Agreement except where the inspection is specific to a single Warehouse and is initiated by the Exchange in which case the Exchange shall be responsible for the cost thereof (but without prejudice to the power of the Exchange to recover any such costs from the Warehouse pursuant to a sanction imposed under the Disciplinary Procedures).

9.1.3 The Warehouse shall pay the fees prescribed by the LMEsword Regulations and Operating Procedures.

9.1.4 The Exchange shall consult with Warehouses if any proposed changes in its prescribed fees and levies or in the fees prescribed by the LMEsword Regulations and Operating Procedures would result in a material increase in such fees and/or levies. For these purposes, a "material increase" shall be any increase in the previously prescribed fee or levy of more than the greater of (a) 10 per cent or (b) the percentage figure equal to the aggregate of (i) the percentage increase in the retail prices index ("**RPI**") as published by the Office for National Statistics calculated by comparing the level of RPI (all items) for the month in which the previously prescribed fee or levy was fixed and comparing it to the level of RPI (all items) for the month in which the Exchange gives notice of its proposed increase and (ii) 5 per cent.

9.2 Withdrawal of right to store particular metal

Without prejudice to the other powers of the Exchange, the Directors may require the Warehouse to cease to store any one or more particular metals by giving the Warehouse 90 days' prior notice, or such shorter period as the Directors may consider in their discretion justified in the circumstances.

9.3 Proper functioning of the market

9.3.1 Warehouses play an important role in the markets in which the Exchange operates by ensuring, amongst other things, that Contracts are sufficiently anchored to the price of the relevant metal and that settlements are orderly. Warehouses must not prevent the proper functioning of the market, including by doing anything which may directly or indirectly constrain the liquidity and elasticity of stocks of Underlying Metal. In consequence, Warehouses must not, without limitation, (i) give Inducements that in the ordinary course may reasonably be considered to be exceptional, (ii) impose charges for depositing or withdrawing metals that in the ordinary course may reasonably be considered to be unreasonable, or (iii) delay unreasonably the receipt or despatch of metal, (save where unavoidable due to Force Majeure), where such behaviour may

have, directly or indirectly, a manipulative, distortive or disorderly effect on the market. In the event that the Exchange considers that the conduct of the Warehouse indicates circumstances which may constitute Market Abuse, it is required to report this to the Financial Conduct Authority.

9.3.2 All Warehouses must periodically supply to the Exchange information relating to all Inducements paid to, or received from, third parties, and charges levied, for example, those for loading and unloading Underlying Metal for Warrant purposes; in the form, and at the times, specified by the Exchange and set out on the Exchange's website from time to time. Further, the Warehouse must supply such information or clarifications on such information on request by the Exchange.

9.3.3 In addition to the information supplied pursuant to Clause 9.3.2, the Warehouse shall provide to the Exchange, on request, such information as the Exchange may reasonably request from time to time, including details of all Inducements, and details of the provenance of loaded-in Underlying Metal, including information about Underlying Metal which may have been held previously in that Warehouse, or in another facility operated by the same Warehouse or member of the Group.

9.3.4 For the avoidance of doubt, the Exchange has a right to investigate Warehouses in connection with:

(i) all Inducements and charges;

(ii) any behaviour it suspects may have, or has had, a manipulative, distortive, or disorderly effect on the market; and

(iii) a failure to meet any of the minimum loading-out standards and requirements from time to time laid down by the Exchange (save in an event of Force Majeure).

9.3.5 All investigations shall be conducted in accordance with Clause 8 above and the Disciplinary Procedures.

9.3.6 The Exchange may take disciplinary action and / or, in its discretion, impose additional load-out requirements on the Warehouse whose behaviour the Exchange considers may have, or has had, the effect of creating or maintaining a Queue and / or which has led to market manipulation or distortion; or otherwise created or maintained a disorderly market.

9.3.7 All information supplied pursuant to Clause 9.3 shall be treated as confidential by the Exchange and shall be restricted to those authorised staff and officers within the Exchange responsible for analysing such information and/or conducting investigations, the Exchange’s professional advisors, regulatory authorities or other person to whom the Exchange is required to disclose it by Relevant Law and Regulation. The Exchange shall not be entitled to have access to legally privileged documents. A list of those persons within the Exchange who are authorised to obtain information from Warehouses in accordance with this Clause 9.3.7 will be circulated to all Warehouses and will be updated from time to time.

9.3.8 The following provisions apply in respect of Post-Sale Economic Incentive Arrangements.

(i) In respect of any Underlying Metal placed on Warrant on, or after, 1 February 2020:

(a) the Warehouse may only enter into a Post-Sale Economic Incentive Arrangement with the Original Metal Owner; and

(b) any Post-Sale Economic Incentive Arrangement must be agreed so as to come into effect from the time that the Underlying Metal is placed on Warrant, and such agreement must be recorded in legally binding written terms agreed between the Warehouse and the Original Metal Owner on or prior to such date.

(ii) Clause 9.3.8(i) shall not affect the validity of any Post-Sale Economic Incentive Arrangement entered into in respect of any warranted Underlying Metal prior to 1 February 2020.

(iii) A Post-Sale Economic Incentive Arrangement in respect of any Warrant may last until the earlier of:

(a) the Underlying Metal is loaded-out of the Warehouse;

(b) such earlier time or event agreed between the Warehouse and the Original Metal Owner; or

(c) (where applicable, subject to the application of Clause 9.3.8(iv)) an Automatic PSEIA Termination.

(iv) The Exchange may specify by written notice that some or all Post-Sale Economic Incentive Arrangements shall be subject to automatic termination in specific circumstances (an "**Automatic PSEIA Termination**"). The circumstances shall be specified by the notice, but shall be one or both of the following:

(a) the cancellation of the Warrant by a Later Metal Owner; or

(b) the receipt by the Warehouse of a written request from a Later Metal Owner that the Post-Sale Economic Incentive Arrangement shall be terminated,

provided that such Automatic PSEIA Termination shall only apply in respect of any Post-Sale Economic Incentive Arrangements that relate to any Underlying Metal that is placed on Warrant on or following the thirtieth (30th) calendar day following the issue by the Exchange of such notice.

(v) The Warehouse acknowledges and agrees that:

(a) in addition to any duties of confidentiality that it may have in respect of information regarding Warrant holders of Warrants that are subject to a Post-Sale Economic Incentive Arrangement (whether such duties arise pursuant to contract or Relevant Law and Regulation), the Warehouse agrees with the Exchange to treat

such information as confidential and shall not disclose such information except where permitted under the terms of this Agreement or in circumstances agreed with any person to whom such information relates;

(b) such Warehouse shall not disclose to any person, including any Original Metal Owner, information regarding a Later Metal Owner and/or the Warrants held by such Later Metal Owner in breach of this Agreement or of any obligations of confidentiality owed by the Warehouse to such Later Metal Owner, notwithstanding that a Warrant held by such Later Metal Owner may be subject to a Post-Sale Economic Incentive Arrangement between the Warehouse and the Original Metal Owner.

(vi) Nothing in this Clause 9.3.8 shall prevent a Later Metal Owner and the Warehouse from negotiating and/or agreeing a level of rent and/or FOT below the Warehouse's published rent rates in respect of any Warrants (that is, "**discounted charges**"), provided that such discounted charges shall apply only during the period that such Warrants continue to be held and the related Underlying Metal owned by that Later Metal Owner. In the event that the Underlying Metal in respect of such Warrants is also subject to a Post-Sale Economic Incentive Arrangement with an Original Metal Owner, then subject to Clause 9.3.8(v) above, the Warehouse may liaise with such Original Metal Owner to determine whether, and to what extent, the Original Metal Owner will agree to modify the terms of the Post-Sale Economic Incentive Arrangement, in order to facilitate the Later Metal Owner's request for discounted charges.

(vii) Without limitation to the obligations of Warehouses, and the rights of the Exchange, under Clauses 9.3.1 to 9.3.8, no Warehouse shall agree any Post-Sale Economic Incentive Arrangement in respect of any Warrants and/or Underlying Metal:

(a) the terms or effect of which is to prevent a Later Metal Owner from withdrawing from the Warehouse the Underlying Metal and/or making alternative arrangements for the storage of such Underlying Metal; or

(b) that has a distortive, manipulative or disorderly effect on the market,

and in the event that the Exchange notifies the Warehouse that it considers that a Post-Sale Economic Incentive Arrangement has any of the effects described above, the Warehouse shall comply with any direction of the Exchange to terminate any such arrangement.

9.3.9 The Exchange may, in its absolute discretion, where it considers that circumstances so require, approve the outside storage of primary aluminium in the Hong Kong Delivery Point for such limited period as the Exchange may determine.

9.4 Termination

9.4.1 Without prejudice to the provisions of Clause 8, this Agreement may be terminated, and the Warehouse delisted on a permanent basis, with or without notice, if:

(i) the Warehouse commits a serious breach of this Agreement, the LMEsword Regulations or the Operating Procedures;

(ii) the Warehouse is in breach of any aspect of Clause 1.2 and/or in the opinion of the Exchange, is Insolvent and/or is likely to become Insolvent;

(iii) the Warehouse breaches Clause 7.5 (compliance with law and regulation);

(iv) the Warehouse materially fails to meet any of its obligations to the holder for the time being of a Warrant and such obligations are not being disputed in good faith;

(v) the Warehouse fails to pay a sum of £10,000 or more when it becomes due, or a lesser sum within 7 Business Days of it becoming due, to the Exchange under Clause 9.1 or in respect of a fine imposed on it under the Disciplinary Procedures; or

(vi) a Force Majeure occurs.

Any such termination and delisting will be effective upon by the Directors notifying the Warehouse accordingly. Without prejudice to Clause 9.4.1(v), and except in the case of a Force Majeure under Clause 9.4.1(vi), the Exchange may at its discretion grant to the Warehouse 7 Business Days within which to remedy a default under this Clause 9.4.1.

9.4.2 The Exchange may by notice served on the Warehouse by no later than 1 October in any year Delist the Warehouse with effect from the following 1 January where the Exchange reasonably believes that the Warehouse is no longer engaged in LME warehousing business.

9.4.3 Without prejudice to any other of the Exchange's powers, the Warehouse, or the Exchange, may terminate this Agreement and Delist the Warehouse in question by the service of six months' prior notice (or such other period as they may agree or as provided under Clause 9.11) on the other. On the expiry of such notice, this Agreement shall be terminated and the Warehouse Delisted. Subject thereto and the other powers of the Exchange hereunder, this Agreement shall be for an indefinite term.

9.4.4 On and following termination of this Agreement and the Delisting of the Warehouse, the Warehouse shall not be entitled to any rebate of fees paid to the Exchange but shall remain liable for all pre-existing liabilities to the Exchange. In addition, the Warehouse shall remain subject to the obligations imposed by this Agreement as if it were a Warehouse until a period of five years after Delisting has elapsed but shall not be entitled to any of the benefits conferred hereunder, including the right to describe itself as an LME listed warehouse company, and may not issue any further Warrants.

9.4.5 On Delisting, the Warehouse must, at its own expense, relocate all Underlying Metal under Warrant to another LME authorised warehouse company's Authorised Warehouse(s) and arrange for the cancellation of all of its issued and current Warrants and Immobilised Warrants. The Exchange's prior approval must be obtained before any relocation arrangements are finalised and in giving such

approval (which may not be unreasonably withheld or delayed) the Exchange shall have all due regard to the reasonable instructions of the holders of the Warrants in question, to the extent known to it.

9.4.6 The Warehouse shall notify each of its customers (whether or not they are or might become holders of Warrants) that the Warehouse may in certain circumstances be Delisted or Suspended (and the Warehouse shall promptly upon request at any time provide the Exchange with evidence of such notification).

9.5 Notices

9.5.1 All notices and other communications shall be in writing and in the English language.

9.5.2 Subject to Clause 9.5.5, all notices and other communications required to be served under this Agreement shall be served by electronic messaging (i.e. e-mail). Service of notices by electronic messaging will be deemed effective on the date and time that the sender receives a valid "read receipt". Notices by electronic messaging shall be sent by email to:

Email: LMELegal@lme.com

9.5.3 All notices and other communication required to be served on the Warehouse shall be deemed to be validly served thereon if served on the Warehouse's London Agent. A copy of each such notice and communication shall also be sent to the registered office of the Warehouse but failure to send such a copy shall not affect valid service if the notice or other communication has been served on the Warehouse's London Agent.

9.5.4 In the event of difficulty in using electronic messaging to send notices under this Agreement, notices and other communications may be served in person or by courier, with such service deemed effective on the date of receipt, unless that date is not a Business Day in which case the notice shall be deemed given and effective on the first following day that is a Business Day.

9.5.5 Notices and other communications shall only be validly served by the Warehouse if they are signed by an authorised signatory notified to the Exchange in accordance with Clause 7.3.6. For the avoidance of doubt, the effect of this Clause 9.5.5 is that, unless the Exchange otherwise prescribes, notices and other communications to be served by the Warehouse may not be served by electronic messaging.

9.5.6 The Exchange shall not be liable for any actions taken or omitted to be taken in good faith on the basis of any notice or other communication however served which purports to have been given by or on behalf of the Warehouse. The Exchange shall not be under any duty to verify the genuineness of any signature nor the authority of the person which purports to sign a notice or other communication on behalf of the Warehouse.

9.5.7 Each party shall respond promptly to the communications of the other party, where such communications require a response.

9.6 Release

Any liability to the Exchange under this Agreement may in whole or in part be released, compounded or compromised or time or indulgence given by the Exchange in its absolute discretion as regards any Warehouse under such liability without in any way prejudicing or affecting its rights against any other or others of the Warehouses under the same or a like liability, whether joint and several or otherwise provided that the Warehouse's liability shall not be increased by such action, nor shall its right to claim compensation or contribution from any person be thereby reduced.

9.7 Waiver

No failure of the Exchange to exercise, and no delay by it in exercising, any right, power or remedy in connection with this Agreement (each a "**Right**") will operate as a waiver thereof, nor will any single or partial exercise of any Right preclude any other or further exercise of such Right or the exercise of any other Right. The Rights provided in this Agreement are cumulative and not exclusive of any other Rights (whether provided by law or otherwise). Any express waiver of any breach of this Agreement shall not be deemed to be a waiver of any subsequent breach.

9.8 Invalidity

If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

9.9 Governing law and agreement to arbitrate

9.9.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

9.9.2 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the Rules of the LCIA, which rules are deemed to be incorporated by reference into this Clause 9.9. The LCIA shall appoint a sole arbitrator. The place of arbitration shall be London. The language to be used in the arbitral proceedings shall be English.

9.9.3 If the Warehouse is not incorporated in England and Wales, it hereby appoints its London Agent as its agent for service of process for the purposes of any proceedings commenced in the English court seeking interim relief in support of an existing or prospective LCIA arbitration or enforcing any award granted by a tribunal in any such LCIA arbitration.

9.10 Exclusion of Liability

Neither the LME, nor any member of the LME Group, nor any of their Directors nor other officers or members of its Warehousing Committee shall have any liability for any damage, loss, expense or liability of any nature which the Warehouse may suffer or incur in respect of any act or omissions in relation to the provision of warehouse services to Members or its activities or status as a listed Warehouse except to the extent of losses or expenses attributable to its fraud, negligence or wilful default. The terms of this Clause 9.10 shall

take precedence over Regulation 12.8.1 of the LMEsword Regulations insofar as that Regulation relates to Warehouses and the Exchange.

9.11 Notices and Amendments

9.11.1 The Exchange may issue notices from time to time concerning any matter relevant to the performance by the Warehouse of its obligations under this Agreement.

9.11.2 The Warehouse shall comply with the terms of any such notice and such notices (including the Exchange's Policy on the Approval of Locations as Delivery Points and the Exchange's Policy on the Approval and Operation of Warehouses) shall be deemed to be incorporated into this Agreement.

9.11.3 The Exchange may amend this Agreement from time to time. Unless it is considered to be an emergency and essential for the proper operation of the market, any such change shall, subject to Clause 9.11.4, only take effect after the Warehouse has been given 30 days' prior written notice of any proposed change.

9.11.4 In the event that any such proposed change, or any proposed change to the LMEsword Regulations or Operating Procedures, or any proposed notice under Clause 9.11.1, would have the effect of materially increasing the obligations of any Warehouse, it shall only take effect after the Warehouse has been given 90 days prior written notice thereof. The Exchange undertakes to consult with the affected Warehouses in relation to the proposed change, where practicable for a reasonable period and in reasonable time prior to the start of that 90 day period, and shall have reasonable regard to representations received. In the event that the Warehouse does not wish to be bound by any such proposed change which has the effect of materially increasing the obligations of the Warehouse, it may serve notice of termination of this Agreement at any time prior to the expiry of such notice period, in which event such change shall not at any time take effect with respect to the Warehouse in question and the Warehouse shall be delisted with effect from the date 90 days after the day the notice of termination is served.

9.11.5 Clauses 9.11.3 and 9.11.4 shall not apply to the Disciplinary Procedures.

9.12 No Assignment

The Warehouse may not assign the benefit of this Agreement to, or declare a trust over such benefit in favour of, any other person (or enter into any analogous arrangement in any jurisdiction) without the prior written consent of the Exchange.

9.13 Information Barriers

Each Related Warehouse shall maintain effective information barriers between it and the relevant Trading Company as specified by the Exchange from time to time. Non-Related Warehouses shall also maintain effective information barriers as specified by the Exchange from time to time. Each Related Warehouse and Non-Related Warehouse should engage a firm of professional accountants in public practice, the choice to be

agreed with the Exchange, to assure that the information barriers that they have in place meet the criteria specified by the Exchange from time to time.

9.14 Disclosure

Without implying any duty of confidentiality or other information restrictions on the Exchange, the Warehouse agrees that the Exchange may at any time, if it deems necessary or desirable, disclose to any person or generally publish the following information:

9.14.1 any Delisting or Suspension of the Warehouse; and/or

9.14.2 any exercise by the Exchange of any right under Clause 1.2, including any requirement for additional capital or for the provision of credit protection in the form of cash cover or performance bonds.

10 Interpretation

10.1 Definitions

In this Agreement, unless the context otherwise specifies, the words "**includes**", "**including**", "**for example**" and "**in particular**" shall be construed as being "**without limitation**". Further, the following words and expressions in this Agreement shall, unless the context otherwise requires, bear the following meanings:

"**Account**" means an account of an Account Holder with the Depository, recorded by the LMEsword System and established in accordance with the LMEsword Regulations and Operating Procedures, to which Warrants may be credited and debited;

"**Account Holder**" means the Clearing House and any person admitted as an Account Holder by the Exchange, and which has not withdrawn or ceased to be an Account Holder, in accordance with the LMEsword Regulations;

"**Accounting Principles**" means IFRS or, if the Exchange agrees, the generally agreed accounting principles of the jurisdiction of incorporation of the Warehouse;

"**Affected Warrant**" has the meaning given in the Rules;

"**Amendable Details**" has the meaning given in Clause 3.1.2;

"**Amendment Date**" means the date on which this Agreement took effect in its current form;

"**Authorised Warehouse**" means a storage facility operated by the Warehouse in a particular Delivery Point, which has been approved by the Exchange for the purpose of this Agreement;

"**Automatic PSEIA Termination**" has the meaning given in Clause 9.3.8(iv);

"**AW Depository**" means the person appointed as Depository in respect of Affected Warrants;

"**Basic eCOA**" has the meaning given in the Rules;

"**Business Day**" has the meaning given in the Rules;

"**Cancelled Tonnage**" means Underlying Metal that has been taken off Warrant, but which (at the relevant time) remains on the Warehouse's premises;

“**Charge Cap Information**” has the meaning given in Clause 5.3.7;

“**Charge Caps**” has the meaning given in Clause 5.3.1;

"**Clearing House**" means the clearing house designated by the Exchange from time to time;

“**Contract**” has the meaning given in the Rules;

"**Corrupt Act**" has the meaning given in Clause 7.5.3;

"**Customer**" means a person with whom an Account Holder has entered into a written agreement under which the Account Holder has authority to act for the Customer as bailee of Underlying Metal and, if applicable, Immobilised Warrants where the related Warrants or the Immobilised Warrants are held by the Account Holder within the LMEsword System, subject to the terms of the LMEsword Regulations and with authority to effect transfers of such Warrants for and on behalf of the Customer;

"**Delist**" means the Warehouse being delisted or otherwise ceasing to be an LME listed warehouse company in accordance with the Rules or this Agreement (including pursuant to Clause 9.4), and "**Delisted**" and "**Delisting**" shall have the corresponding meaning.

"**Delivery Point**" means a specific geographic area within which warehouses are listed and approved by the LME for the issue of Warrants;

“**Delivery Point Country/Region**” means a country/region in which one or more Delivery Points is located;

“**Depository**” means the person appointed by the Exchange from time to time to act as such for the purposes of LMEsword;

“**Designated Metal**” means metal of a type determined by the Exchange as being subject to the requirements of Clause 7.7 of this Agreement and as notified to the market from time to time by way of notice;

“**Directors**” means the directors of the Exchange from time to time;

“**Disciplinary Procedures**” has the meaning given in Clause 8;

“**discounted charges**” has the meaning given in Clause 9.3.8(vi);

“**eCOA**” has the meaning given in the Rules;

“**eCOA System**” has the meaning given in the Rules;

“Enhanced eCOA” has the meaning given in the Rules;

“**the Exchange**” means The London Metal Exchange;

“**Extracted Warrant**” has the meaning given in the LMEsword Regulations;

"**the Financial Conduct Authority**" means the regulator (Company No. 01920623) currently based at 12 Endeavour Square, London E20 1JN, or any successor body;

“**Force Majeure**” means an event which is beyond the reasonable control of the Warehouse and which is, in the opinion of the Exchange, likely to render the Warehouse unable to perform its obligations under this Agreement either permanently or for more than 30 days or such other period of time that would, in the Exchange’s view, have such a serious effect on the Warehouse that in business terms it would be tantamount to a

permanent cessation, including any act of war, terrorism, insurrection, revolution, act of God or the imposition of legal, regulatory or tax restrictions in any relevant location;

"**FOT**" means free on truck;

"**Group**" means, in relation to the Warehouse, any subsidiary or any holding company from time to time of the Warehouse, and any subsidiary from time to time of a holding company of the Warehouse. The terms "holding company" and "subsidiary" have the meanings given to them in section 1159 of the Companies Act 2006;

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

"**Immobilisation Jurisdiction**" means each jurisdiction specified as such from time to time by written notice;

"**Immobilised Warrant**" means a physical warehouse warrant issued in accordance with the LMEsword Regulations and in a form prescribed by the Operating Procedures and this Agreement from time to time;

"**Inducement**" means, without limitation, any fee, commission, discount, rebate, provision of transport services, or any other monetary or non-monetary benefit given to attract the load-in of metal or deter the load-out of metal (and shall include, without limitation, any Post-Sale Economic Incentive Arrangement);

"**Insolvent**" means, in relation to a person:

(i) that person:

(a) is unable or admits inability to pay its debts as they fall due;

(b) suspends making payments on any of its debts; or

(c) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Exchange) with a view to rescheduling any of its indebtedness;

(ii) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities).

(iii) a moratorium is declared in respect of any of its indebtedness;

(iv) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of that person other than a solvent liquidation or reorganisation of that person;

(b) a composition, compromise, assignment or arrangement with any creditor of that person;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of the person), receiver, administrative receiver,

administrator, compulsory manager or other similar officer in respect of that person or any of its assets; or

(d) enforcement of any security over any assets of that person,

or any analogous procedure or step is taken in any jurisdiction (save that this paragraph (iv) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement;

"Instruction" has the meaning given in the LMEsword Regulations;

"Instruction Deadline" has the meaning given in the LMEsword Regulations;

"**Later Metal Owner**" means any person who purchases Underlying Metal relating to a Warrant from an Original Metal Owner, and any other person who subsequently becomes a Warrant holder in respect of such Warrant (including by receiving the Warrant in settlement of a Contract), during such time as the Underlying Metal underlying such Warrant remains in the Warehouse;

"**LCIA**" means the London Court of International Arbitration;

"**Legacy LMEsword Regulations**" has the meaning given in the LMEsword Regulations;

"**Legacy Warehouse Agreement**" means this Agreement as in force immediately prior to the Amendment Date;

"**LME**" means The London Metal Exchange;

"**LME Eligible Stocks**" has the meaning given in Clause 6.3.1;

"**LME Good Delivery Location**" means a location approved as a Delivery Point, pursuant to the LME Policy on the Approval of Locations as Delivery Points;

"**LME Group**" means, in relation to the LME, any subsidiary or any holding company from time to time of the LME, and any subsidiary from time to time of a holding company of the LME, including the Hong Kong Exchanges and Clearing Limited (HKEX). The terms "holding company" and "subsidiary" shall have the meanings given to them in section 1159 of the Companies Act 2006.

"**LMEsword**" means the system for, inter alia, the electronic transfer of title to Warrants governed and constituted by the LMEsword Regulations;

"**LMEsword Regulations**" means the regulations governing the operation of LMEsword issued by the Exchange as amended from time to time in accordance with the terms thereof;

"**LMEsword System**" means the system for, inter alia, the electronic transfer of Warrants, governed and constituted by the LMEsword Regulations;

"**load-out**" has the meaning given in the Exchange's Policy on the Approval and Operation of Warehouses, as revised from time to time;

"**London Agent**" has the meaning given in Clause 1.3.1;

"**Major Currency**" has the meaning given in the Rules;

"**Market Abuse**" means the types of behaviour proscribed by section 118 of the Financial Services and Markets Act 2000 or any successor law or regulation;

“**Member**” means a member of the Exchange;

"**Metal Entitlement**" means evidence of an entitlement to Underlying Metal (including a warehouse warrant, warehouse receipt or other document representing or acknowledging receipt of Underlying Metal) issued by or on behalf of a Warehouse and which meets the requirements of Regulation 3.2.4 of the LMEsword Regulations;

“**Metal Report**” means a report generated by a Warehouse and uploaded to the eCOA System relating to the Certificate of Analysis for the Underlying Metal, and which links such information to the corresponding Warrant or Immobilised Warrant held or previously held in respect of that metal;

“**Non-Related Warehouse**” means a Warehouse that does not have a close connection with a Trading Company. A Warehouse shall have a “Close Connection” with a Trading Company if any person or company either directly or indirectly holds or otherwise effectively controls 20% or more of the shares or voting rights in both the Warehouse and the Trading Company; or any Trading Company directly or indirectly holds or effectively controls 20% or more of the shares or voting rights of the relevant Warehouse (or vice versa);

“**Operating Procedures**” means the manual issued by the Exchange pursuant to the LMEsword Regulations setting out detailed procedures and information relating to the operation of LMEsword;

"**Original Metal Owner**" means, in respect of any Warrant, the Warrant holder that first placed the Underlying Metal on Warrant;

“**Paper COA**” has the meaning given in the Rules;

“**person**” includes an individual, partnership, unincorporated association and body corporate;

"**Post-Sale Economic Incentive Arrangement**" means any agreement between a Warehouse and an Original Metal Owner, under which the Original Metal Owner has a right to benefit from any income or other benefits received by the Warehouse in respect of Underlying Metal, for some or all of the period between (i) the sale of the Warrant by the Original Metal Owner to any Later Metal Owner(s) and (ii) the load-out of the Underlying Metal from the Warehouse (but shall not include the payment by the Warehouse of a fixed payment to an Original Metal Owner, including where the Warehouse intends to recoup such fixed payment from revenues received following the sale of the Underlying Metal by the Original Metal Owner);

"**Public Official**" means an official, whether elected or appointed, who holds a legislative, administrative or judicial position of any kind of a country or territory inside or outside the UK;

"**Queue**" means circumstances where load-out requests cannot be serviced immediately by the Warehouse, measured by the number of calendar days a Underlying Metal owner cancelling a Warrant today must wait for a scheduled delivery slot;

“**Related Warehouse**” means a Warehouse which is associated with a Trading Company. For the purpose of this definition, a Warehouse is associated with a Trading Company where the Warehouse is a subsidiary or holding company of a Trading Company, or a subsidiary or holding company of one of a Trading Company’s subsidiaries or holding

companies or otherwise has a Close Connection with a Trading Company. The terms “holding company” and “subsidiary” have the meanings given to them in section 1159 of the Companies Act 2006. A Warehouse shall have a “Close Connection” with a Trading Company if any person or company either directly or indirectly holds or otherwise effectively controls 20% or more of the shares or voting rights in both the Warehouse and the Trading Company; or any Trading Company directly or indirectly holds or effectively controls 20% or more of the shares or voting rights of the relevant Warehouse (or vice versa);

"**Relevant Law and Regulation**" means the laws, rules and regulations of any statutory, governmental or regulatory authority in any country relevant to the operations of the Warehouse including the principles, rules and standards of the Financial Conduct Authority as in force from time to time;

“**Rules**” means the rules and regulations issued by the Exchange (and incorporating the LMEsword Regulations) governing the London Metal Exchange administered by the Exchange as the same may be amended in accordance with Article 71 of the Articles of Association of the Exchange and a reference to a Rule shall be construed accordingly;

“**Secretary**” means any person appointed to perform the duties of Secretary of the Exchange;

“**Special Committee**” means the Special Committee of the LME, as maintained by the LME from time-to-time, details of which are published on the LME’s website;

“**Special Contract Rules for Metals**” means Part 6 of the Rules as the same may be amended from time to time;

"**Suspend**" means the suspension of the ability of the Warehouse to issue Warrants pursuant to the Rules or this Agreement (including pursuant to Clause 1.2.5(B)), and "**Suspended**" and "**Suspension**" shall have the corresponding meaning.

“**this Agreement**” means the agreement between the Warehouse and the Exchange incorporating these terms and conditions as amended from time to time in accordance herewith and incorporating the Disciplinary Procedures in accordance with Clause 8 hereof;

“**Trading Company**” means any Member or non-Member company that enters into Contracts or trades metal that is deliverable against a Contract;

"**Underlying Metal**" means, in relation to a Warrant, Immobilised Warrant, Metal Entitlement or an Extracted Warrant, the Underlying Metal described therein as (i) relating to that Warrant, Immobilised Warrant, Metal Entitlement or Extracted Warrant (as applicable) and (ii) in the case of a Warrant or Immobilised Warrant only, held by the related Warehouse under the LMEsword Regulations;

“**Warehouse**” means a warehouse company which is party to this Agreement, accepted as such by the Exchange and listed in Appendix III of the Rules;

“**Warehouse Maximum Charge Levels**” has the meaning given in Clause 5.2.1;

"**Warehousing Committee**" means the LME warehousing committee, details of which are set out on the LME website www.lme.com;

“**Warrant**” means, as the case may be:

(i) if that Warrant relates to metal located in an Immobilisation Jurisdiction, an electronic record within LMEsword of an Immobilised Warrant; or

(ii) otherwise, an electronic warehouse warrant issued by a Warehouse in accordance with this Agreement and the LMEsword Regulations; and

"Warrant Lodgement Instruction" has the meaning given in the Operating Procedures.

10.2 Interpretation

10.2.1 Where this Agreement refers to:

(i) a document or thing being "prescribed", that shall mean prescribed by the Exchange from time to time in a notice issued by it to Warehouses;

(ii) an act being undertaken by the Exchange, that act may be performed by the Exchange acting through the Directors of the Exchange or any duly authorised committee of the Directors of the Exchange or duly authorised individual;

(iii) references to the Exchange or the Depository exercising a discretion or making a determination are to the exercise of that discretion or the making of a determination in the sole and absolute discretion of the Exchange or Depository (as applicable);

(iv) a "warrant", that shall include a reference to a Warrant and an Immobilised Warrant;

(v) the "issuance" of a warrant, that shall include a reference to causing a Warrant or Immobilised Warrant (as the case may be) to be created;

(vi) the "holder" of a warrant, or warrant holder, that shall include in the case of a Warrant or Immobilised Warrant a reference to the Account Holder within LMEsword to whose Account a Warrant is recorded from time to time; or

(vii) a Warrant or Immobilised Warrant being 'marked' shall include any writing, typing, printing or other mode of representing or reproducing words in a visible form, including electronically.

10.2.2 Words importing the singular shall, where the context permits, include the plural and vice versa. Words importing gender shall include each gender.

11 Principles of Conduct

The Warehouse shall:

11.1 Conduct its business with due skill, care and diligence, observing high standards of conduct and safety, complying with the warehouse agreement, the LMEsword Regulations, these principles, the common standards of working practice for warehouse companies, other requirements for warehouse companies set by the Exchange, and Relevant Law and Regulation.

11.2 Not engage in behaviour which would manipulate or distort the Exchange's markets, nor create or attempt to create a disorderly market, nor require or encourage or assist others to do so. In particular, without limitation, not engage in any behaviour which would be likely to manipulate or distort the market with the effect of creating or maintaining a Queue.

11.3 At all times observe high standards of integrity and fair dealing, observe high standards of market conduct, and not enter into any arrangement or agreement that prohibits the provision of any information that the LME requests in its role as a Recognised Investment Exchange.

11.4 Maintain financial resources at or above the minimum level set by the LME to ensure continuity in the provision of services for owners of Underlying Metal.

11.5 Manage conflicts of interest fairly, both between itself and holders of Underlying Metal and between holders of Underlying Metal, ensuring fair and equitable treatment to all holders of Underlying Metal at all times.

11.6 Ensure that all Underlying Metal is stored continuously in good delivery condition and that it is identified and stored so as to facilitate easy access and delivery without undue delay.

11.7 Deal with those placing Underlying Metal on LME warrant, those holding Warrants and those taking Underlying Metal off Warrant on a fair and equitable basis.

11.8 Organise and control its affairs in a responsible manner, keep proper records, retain all relevant documentation, have well-defined procedures for handling Underlying Metal and for delivering it out expeditiously, ensure that its employees or agents are suitable, adequately trained and properly supervised, and that it has well-defined procedures to ensure compliance with this Agreement, the LMEsword Regulations and the Operating Procedures and all other LME rules and requirements applicable to Warehouses.

11.9 Pay due regard to the information needs of Warrant holders by having transparency of: normal hours of work, all delivery in and load-out charges, rent and rent payment dates, and total average daily load-out volume rates by metal and mode of transport.

11.10 Arrange adequate protection for Underlying Metal by insuring it against unexplained losses and losses caused by error, negligence, or fraudulent actions of its servants or agents or its personnel.

11.11 Deal with the LME in an open and co-operative manner, keeping it informed promptly of anything concerning the suitability of its warehouses or its continued suitability as a warehouse company, or about Underlying Metal stored with it or that it knows will be placed on or taken off Warrant, that the LME, as a Recognised Investment Exchange (as defined by the Financial Conduct Authority), which has responsibility for ensuring that its markets are proper and orderly and not subject to abuse, might reasonably expect to be disclosed to it.

Appendix A

Charge Cap Increase Mechanism

Formula for FOT

The Exchange shall apply the following formula for increasing the Charge Cap for FOT in accordance with Clause 5.3.4 of this Agreement:

(1) Define the Charge Cap applied in 2017/18 as follows:

$P_{avg\ 2015\text{-}17,\ local\ currency}$ is the arithmetic average of the highest Warehouse Maximum Charge Level levied by any Warehouse within the Delivery Point Country/Region, as published by the Exchange in (i) December 2014, for the period 1 April 2015 to 31 March 2016, and (ii) February 2016, for the period 1 April 2016 to 31 March 2017.

(2) Apply historical change in CPI to the price in local currency

For all charging years following 1 April 2026-31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$$P_{t,\ local} = P_{avg\ 2015\text{-}17,\ local\ currency} \times ACPI_{august\ t\text{-}1,} / ACPI_{august\ 2025}$$

Where

$ACPI_{august\ t\text{-}1}$ *is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and*

$ACPI_{august\ 2020}$ *is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2020.*

However, if $P_{t,\ local}$ would be lower than $P_{t\text{-}1,\ local}$, then $P_{t,\ local}$ will instead be set to $P_{t\text{-}1,\ local.}$

The above formula assumes that the CPI index value shall be measured relative to August, on the basis that the Exchange publishes the Charge Cap in October (CPI monthly data is published with a one month lag). If the Exchange publishes the Charge Cap in a different month, the formula shall be adjusted accordingly. This shall be the case for all formula in this Appendix A.

Formula for rental charges

The Exchange shall apply the following formula for increasing the Charge Cap for rent in accordance with Clause 5.3.4 of this Agreement:

(1) Define the Charge Cap applied in 2017-2018 as follows:

$P_{avg\ 2015\text{-}17,\ \$}$ is the arithmetic average of the highest Warehouse Maximum Charge Level levied by any Warehouse within the Delivery Point Country/Region, as published by the Exchange in (i) December 2014, for the period 1 April 2015 – 31 March 2016, and (ii) February 2016, for the period 1 April 2016 – 31 March 2017.

Define the Charge Cap for rent in the local currency as follows:

$$P_{avg\ 2015\text{-}17,\ local\ currency} = P_{avg\ 2015\text{-}17,\ US\$} \times FX\$_{avg\ 2015\text{-}17}$$

Where

$FX\$_{avg\ 2015\ –\ 17}$ corresponds to the average daily local currency/US$ exchange rate for the two charge years, running over the period 1 April 2015 – 31 March 2017 and 1 April 2016 – 31 March 2017.

(2) Apply historical change in CPI (12M average) to the price in local currency

For all charging years following 1 April 2026 – 31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$$P_{t,\ local} = P_{avg\ 2015\text{-}17,\ local\ currency} \times ACPI_{august\ t\text{-}1} / ACPI_{august\ 2025}$$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ 2025}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2025.

(3) Convert back to US$

$P_{t,\$} = P_{t,\ local} / FX\$_{august\ t-1}$

where $FX\$_{august\ t-1}$ is the average daily local currency/US$ exchange rate, measured over an annual period up to and including 31 August in the year prior to the charge year t.

However, if $P_{t,\$}$ would be lower than $P_{t-1,\$}$, then $P_{t,\$}$ will instead be set to $P_{t-1,\$}$.

ADDITIONAL FORMULAE

(1) Where the Exchange determines a new Charge Cap in accordance with Clause 5.3.5 of this Agreement, or the Special Committee determines a Charge Cap in accordance with Clause 5.3.6 of this Agreement, in either case during the five year price freeze period contemplated by Clauses 5.3.2 and 5.3.3 of this Agreement, the following formulae shall apply when increasing the Charge Cap in accordance with Clause 5.3.4 of this Agreement:

FOT

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte,\ local}$ is the Charge Cap for FOT determined by the Exchange / Special Committee in the local currency.

(2) Apply historical change in CPI to the price in local currency

For all charging years following 1 April 2026 – 31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$P_{t,\ local} = P_{sp\ cmte,\ local} \times ACPI_{august\ t-1}/ACPI_{august\ 2025}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ 2025}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2025.

However, if $P_{t,\ local}$ would be lower than $P_{t-1,\ local}$, then $P_{t,\ local}$ will instead be set to $P_{t-1,\ local}$.

Rental Charges

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte,\ US\$}$ is the Charge Cap for rent determined by the Exchange / Special Committee in US$.

Define the Charge Cap for rent in the local currency as follows:

$P_{\ sp\ cmte,\ local\ currency} = P_{sp\ cmte,\ US\$} \times FX\$_{\ sp\ cmte}$

Where

$FX\$_{sp\ cmte}$ is the average daily local currency/US$ for the annual period measured up to and including 31 August in the year prior to the year for which the Exchange / Special Committee determines a Charge Cap.

(2) Apply historical change in CPI (12M average) to the price in local currency

For all charging years following 1 April 2026 – 31 March 2027, for each charge year t, set the Charge Cap (P_t) as follows:

$P_{t, local} = P_{sp\ cmte, local\ currency} \times ACPI_{august\ t-1}/ACPI_{august\ 2025}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ 2025}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year 2025.

(3) Convert back to US$

$P_{t, \$} = P_{t, local} / FX\$_{august\ t-1}$

where $FX\$_{august\ t-1}$ is the average daily local currency/US$ exchange rate, measured over an annual period up to and including 31 August in the year prior to the charge year t.

However, if $P_{t, \$}$ would be lower than $P_{t-1, \$}$, then $P_{t, \$}$ will instead be set to $P_{t-1, \$}$.

(2) Where the Exchange determines a new Charge Cap in accordance with Clause 5.3.5 of this Agreement, or the Special Committee determines a Charge Cap in accordance with Clause 5.3.6 of this Agreement, in either case after the five year price freeze period contemplated by Clauses 5.3.2 and 5.3.3 of this Agreement, the following formulae shall apply when increasing the Charge Cap in accordance with Clause 5.3.4 of this Agreement:

FOT

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte, local}$ is the Charge Cap for FOT determined by the Exchange / Special Committee in the local currency.

(2) Apply historical change in CPI to the price in local currency

For charge years t following the charge year for which the Exchange / Special Committee made a determination, set Charge Cap (P_t) as follows:

$P_{t, local} = P_{sp\ cmte, local\ currency} \times ACPI_{august\ t-1}/ACPI_{august\ sp\ cmte\ -2}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ sp\ cmte\ -2}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year two years prior to the determination of the Charge Cap by the Exchange / Special Committee. For example, if the Exchange / Special Committee makes a determination for the charge year beginning 1 April 2030, the relevant CPI in this case is the 12 months up to and including August 2028.

However, if $P_{t, local}$ would be lower than $P_{t-1, local}$, then $P_{t, local}$ will instead be set to $P_{t-1, local}$.

Rental Charges

(1) Define the Charge Cap determined by the Exchange / Special Committee as follows:

$P_{sp\ cmte, US\$}$ is the Charge Cap for rent determined by the Exchange / Special Committee in US$.

Define the Charge Cap in the local currency as follows:

$P_{sp\ cmte, local\ currency} = P_{sp\ cmte, US\$} \times FX\$_{sp\ cmte}$

Where

$FX\$_{sp\ cmte}$ is the average daily local currency/US$ for the annual period measured up to and including 31 August for the year prior to the year for which the Exchange / Special Committee determines a Charge Cap.

(2) Apply historical change in CPI (12M average) to the price in local currency

For each charging year t following a determination by the Exchange / Special Committee, set the Charge Cap (P_t) as follows:

$P_{t,\ local} = P_{\ sp\ cmte,\ local\ currency}$ x $ACPI_{august\ t-1}/ACPI_{august\ sp\ cmte\ -2}$

Where

$ACPI_{august\ t-1}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August of year t-1; and

$ACPI_{august\ sp\ cmte\ -2}$ is the arithmetic average of the local monthly CPI index published in the 12 months up to and including August in the year two years prior to the determination of the Charge Cap by the Exchange / Special Committee. For example, if the Exchange / Special Committee makes a determination for the charge year beginning 1 April 2030, the relevant CPI in this case is the 12 months up to and including August 2028.

(3) Convert back to US$

$P_{t,\ \$} = P_{t,local} / FX\$_{august\ t-1}$

where $FX\$_{august\ t-1}$ is the average daily local currency/US$ exchange rate, measured over an annual period up to and including 31 August in the year prior to the charge year t.

However, if $P_{t,\ \$}$ would be lower than $P_{t-1,\ \$}$, then $P_{t,\ \$}$ will instead be set to $P_{t-1,\ \$}$.

DEFINITIONS AND AVAILABILITY OF CPI

The following table sets out the official index name and source for the CPI indexation of Charge Caps.

CPI measures by country/region

Country	Official index name	Definition	Original source	Data available monthly
Belgium	Consumer Price Index - General index	The Belgium IPC measures the changes in the retail prices, inclusive of VAT, of a fixed set of goods and services used by households.	Statistics Belgium	✓
Germany	Consumer Price Index - Overall index	The index tracks the change in the prices of a basket of goods and services bought by the reference population for the purposes of consumption. Types of prices: Prices measured are actual prices to the consumer and include turnover taxes and VAT, taking into account rebates.	Statistisches Bundesamt Deutschland	✓
Italy	Consumer Price Index - All items	The index provides a measure of temporal change in the prices of a basket of goods and services destined to final private consumption. Types of prices: the total prices of products, whether fully or partially paid by consumers.	ISTAT	✓
Japan	Consumer Price Index - All items	The index measures monthly changes in the general level of prices of goods and services that households acquire for consumption. Type of prices: Prices are transaction prices, excluding temporary reductions, special sales, etc.	Statistics Bureau of Japan	✓
Korea	Consumer Price Survey (Index) - Total	The Consumer price index is produced by collecting the prices of goods and services purchased for consumption purposes. Type of prices: Actual transaction prices inclusive of sales taxes.	KOSTAT	✓
Netherlands	Consumer Price Index - All Categories	The index measures monthly changes in the general level of prices of goods and services bought for consumption. Types of prices: Consumption expenditure is valued at purchasers' prices.	CBS	✓
Spain	Consumer Price Index - Overall index	The Consumer Price Index (CPI) measures monthly changes in the general level of prices of goods and services bought by private households for consumption purposes. Types of prices: Retail prices, including sales taxes and other taxes, and price reductions (since January 2002) but excludes special offers and deferred payments.	INE	✓
Sweden	Consumer Price Index - Total	The CPI shows the average change in prices of a fixed basket of goods and services available for private consumption. Types of prices: Prices actually paid by consumers including taxes and without any addition of subsidies.	SCB	✓
United Kingdom	CPI All Items Index	The index provide an average measure of change in prices of goods and services bought for the purpose of consumption. Type of prices: Cash prices, inclusive of taxes such as VAT. Rebates are considered on a case by case basis.	ONS	✓
United States	Consumer Price Index-All Urban Consumers - U.S. All items	The CPI measures pure price change in a market basket of goods and services of constant quality purchased for everyday living by all residents in urban areas. Tax/rebates: The prices include any applicable taxes, discounts and rebates.	US Bureau of Labour Statistics	✓
Malaysia	Total Consumer Price Index	The Consumer Price Index (CPI) measures the percentage change through time in the cost of purchasing a constant "basket" of goods and services representing the average pattern of purchases made by a particular population group in a specified time period.	Department of Statistics, Malaysia	✓
Singapore	Consumer Price Index - All items	The CPI is designed to measure the average price changes of a fixed basket of goods and services commonly purchased by the households over time. Types of prices: Transaction prices (including taxes) actually paid.	Department of Statistics, Singapore	✓
Taiwan	Consumer Price Index	The consumer price index (CPI) is a weighted average price which measures the changes in the price level of consumer goods and services generally purchased by households for consumption purposes.	National Statistics, Republic of China (Taiwan)	✓
UAE	Consumer Price Index - All items	The Consumer Price Index (CPI) measures the average price changes in a fixed basket of consumption goods and services.	Federal Competitiveness and Statistics Authority	✓

FX data sources

Country	Data periodicity	Original source
Belgium	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Germany	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Italy	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Japan	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Korea	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Netherlands	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Spain	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Sweden	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
United Kingdom	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
United States	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Malaysia	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Singapore	Daily, monthly, annual	International Monetary Fund, International Financial Statistics
Taiwan	Daily, monthly, annual	Federal Reserve
UAE	Daily, monthly, annual	International Monetary Fund, International Financial Statistics

Note: Data available from the IMF, defined as: Official exchange rate (LCU per US$, period average): this rate refers to the exchange rate determined by national authorities or to the rate determined in the legally sanctioned exchange market.

LME POLICY ON THE APPROVAL OF LOCATIONS AS DELIVERY POINTS, REVISED

A) Policy Criteria

1 For a new Location to be approved as a Delivery Point, the following criteria shall be met:

(a) For any particular metal subject to LME Contracts to be deliverable therein, the Location should be in an Area of Net Consumption and away from adjacent areas of production for that particular metal.

(b) The Location should be capable of becoming, a natural, logistically sound conduit for the passage of metal on to eventual consumption points:

(i) The Location should be positioned on the natural route (e.g. trade lanes which would exist without Authorised Warehouses) – current or potential if a consumption is believed to happen in the future (e.g. set-up of a new plant) – to the consumption centres that it serves. This is assessed, without limitation, to the quantity of metal going through the Location;

(ii) The Location should be connected to major trade lanes, allowing other consumption centres to be reached. This is assessed, without limitation, by reference to the number of deep sea connections (number of origins and destinations ("O/D") services, frequency of services, number of shipping lines serving the Location) and the volume handled by the Location (both break-bulk and containers).

(c) The Location should be, in the reasonable view of the LME, safe, well managed, politically and economically stable, commercially sensible, fiscally appropriate, legally sound and not subject to corruption.

(d) In the event of bankruptcy or insolvency of the Warehouse or other such contingency, there must be no restrictions placed upon owners of metal wishing to take possession of their individually identified metal and remove such metal from the Authorised Warehouse(s) (provided rent and handling charges are paid). This must be incorporated in the law of the jurisdiction in which the Location is situated. The LME understands that in certain jurisdictions, if a Warehouse becomes bankrupt or insolvent, a metal owner may be required to enter into a court process in order to take possession of the metal which they own and remove it from the Warehouse. The LME does not consider such a process to represent a “restriction” for the purposes of this Clause. However, the LME may (in its absolute discretion) reject a Location if concerns exist as to the speed or effectiveness of the court process that exists within the Location and which a metal owner may be required to enter into in order to take possession of the metal which they own from a Warehouse that is declared bankrupt and/or insolvent.

(e) Metal stored in Authorised Warehouses is the subject of international banking finance activity and, as such, the LME will only approve Locations where it is satisfied that the international banking community accepts the fully negotiable nature of the warehouse receipts ("LME warrants") being on a par with already approved Delivery Points.

(f) Indefinite storage of metals must be permitted in a secure customs warehousing regime wherein any LME listed brand of metal may be stored without liability for duties prior to customs clearance. Domestically produced metal and any metal previously customs cleared, and with any duty accounted for, must also be allowed to be stored in the same Authorised Warehouses as bonded metal. There must be no liability for taxes on transactions for metal held in such Authorised Warehouses, nor a need for the Warehouse to determine ownership of the metal whilst in store. There must also be no taxes on storage costs.

2 The LME will not usually be prepared to approve a Location where there would be only a single Warehouse in such Location. A Location must be capable of hosting more than one Warehouse. The LME reserves the right to delist a Delivery Point which no longer hosts a Warehouse.

3 Without limitation to LME's discretion, the LME may refuse to approve a Location as a Delivery Point where the Location does not comply with the criteria specified above or where the LME has reasonable concerns regarding the potential for the Location to cause an adverse reputational impact for the LME, group affiliates of the LME, or users of the facilities maintained by the LME or such group affiliates.

B) <u>Criteria related to Working Practices and Facilities for Locations</u>

1 It is required that there are a minimum of 3 working berths, private or public and accessible by each Warehouse, with a minimum water depth of 11 metres at all times.

2 The port must have the facilities available to be able to load 1500 tonnes per berth, per Weather Working Day. This standard has been set on the basis of aluminium ingots and, although the LME has an expectation that ports would be able to achieve higher rates for other metals, no specific separate standard has been set for them.

3 Standard working practice must be a minimum 8-hour working day (with labour normally available to work overtime if demand warrants) and on the basis of a 5-day working week.

4 Each Location must have container and break bulk terminals.

5 Rail connectivity is required in the US and in the following European countries: Germany, Belgium, Netherlands, Sweden. When considering an application to be a Delivery Point in a new country, the LME will carry out a specific study to determine if rail is required.

6 An Inland Location may be approved as a Delivery Point on a case by case basis and, if necessary, the criteria in paragraphs 1-5 above may be waived. Applications for Inland Locations to be Delivery Points shall be considered with reference to the following criteria related to working practices and facilities for Locations:

(a) Whether they are positioned on land trade lanes (i.e. metal naturally goes from production to consumption centres only through land transportation) with significant volumes;

(b) Barge and rail connectivity;

(c) In addition to connectivity to consumption centres in the Area, the existence of connectivity to major export ports of the relevant Area, through rail and barging;

(d) Minimum capacity of 4,500 tonnes per Weather Working Day, through a combination of rail and barging terminals accessible by each Warehouse.

7 The maximum geographical distance of the Location of an Authorised Warehouse from the appropriate water and rail terminals (when necessary) is to be established by the LME. The existing Delivery Point boundaries may be increased on a case by case basis in circumstances of shortage of storage capacity by small increments of driving distance and subject to reasonable transit time. The demonstration of shortage of storage capacity will have to be made by the applicant before being reviewed by the LME.

8 While there may be exceptions to the above criteria, such exceptions are expected to be rare.

C) Application process

1 Applications for approval as Delivery Points by the LME should comply with the following process:

(a) The presentation of the initial Location application, with the supporting information requested, should be made by the port authority or (in exceptional cases) such other relevant authority controlling warehousing in the Location. If there is no such authority then an application may be made by a Warehouse.

(b) It should be noted that there is no set time scale for approving or otherwise any application due to the indeterminate time required to process all aspects of the application. The application process is structured with at least four gates, whereby each needs to be passed before proceeding to the next gate

(i) Gate 1: complete submission of all documents required by the LME to process the application and determine whether the basic criteria are satisfied;

(ii) Gate 2: technical assessment by the LME based on the criteria listed in this policy;

(iii) Gate 3: committee input (Metal Committee giving non-binding opinion on the Area of Net Consumption and Warehousing Committee giving non-binding opinion on logistics connectivity and infrastructure); and

(iv) Gate 4: Final assessment by the LME and formal decision.

(c) Should an application be accepted by the LME, the LME will publish a notice advising the market that the Location has been approved. Warehouses may then apply to be listed in that Delivery Point. The commencement of LME approved operations at the Delivery Point will take place 90 days after approval of the first Warehouse.

(d) A Location should have substantial logistical connections on international trading routes. It is the responsibility of the applicant to provide at least the following information:

(i) Statistical evidence of throughput tonnages of LME metals by means of contact with the metals trade, forwarding agents, fabricators, producers, warehouse companies, traders etc to support the application:

(A) Statistics on production and consumption as well as imports and exports in the Area;

(B) Major production plants and consumption and associated volumes in the Area; and

(C) Trade flows serviced (i.e., O/D served) with associated services in the Area.

(ii) Logistics connections:

(A) Maritime: number of short sea and deep sea connections, number of shipping lines calling at the port, frequency of services;

(B) Rail: frequency of service and time to access major consumption points; and

(C) If applicable, barge: frequency of services and time to access major consumption points.

(iii) Detail/data of the logistics support services of the Location:

(A) Container terminals, break-bulk terminals and rail terminals (including crane infrastructure);

(B) Number, length and depth of berths (including draft for access e.g. river draft); and

(C) Number and capacity of rail terminals.

(iv) Approximate percentage utilisation of services of road/rail/water (as applicable) for both inbound and outbound traffic in metals.

(v) Logistics infrastructure:

(A) Estimation of number of available sheds that warehousing companies can use for LME storage operations; and

(B) Detailed maps / plans showing the outline of the Location evidencing the logistical connections and locations of short/long term warehouse facilities are required.

(vi) If applicable, description of any potential or actual exercise of control in activities such as terminal operations, warehouse ownership, logistics operations within the port, etc and the anticipated impact on competition in relation to warehousing operations in the Location.

(e) A description of the Location's work labour practices is required; and should include at least the following elements:

(i) Working / overtime hours;

(ii) Labour costs; and

(iii) Time to load truck / rail / container.

(f) This should illustrate the degree of integrated warehousing/ forwarding/stevedoring activities and whether it/they are privately/ municipality run. Normal working hours and overtime potential should be explained so that the LME may gauge productivity in comparison with currently approved Delivery Points.

(g) A description of matters relevant to the Location's corruption and bribery risk is required. This should describe in broad terms whether the Location has enacted, and whether it routinely enforces, laws relating to the corruption of Public Officials; whether demands for facilitation payments are commonly made by Public Officials in the Location; and (if relevant) what, if any, steps are underway or planned to address such issues.

(h) The LME is entitled to request any external third party studies that it deems necessary to investigate any specific aspects, at the applicant's expense. This diligence may cover, without limitation, at least the following areas:

(i) Metal ownership – confirmation that:

(A) Warrants and warehouse receipts would be capable of being the document of title, and ownership of warrants can be transferred using LMEsword or any successor system; and

(B) Metal belonging to the owner can be removed in case of bankruptcy or insolvency of a potential applicant Warehouse, subject only to any outstanding rent and handling charges having been paid.

(ii) Companies – confirmation that:

(A) Potential applicant Warehouses can be owned by foreign entities;

(B) Operations in foreign currency are allowed;

(C) There is no restriction on the repatriation of profits from the location.

(iii) Taxes – confirmation that:

(A) The tax and duty free environment is appropriate in connection with transactions involving metal stored in the location, or on services provided in relation to the metal e.g. storage, ancillary services, stevedoring & handling;

(B) There would be no location duties and no time limit on storage of metal;

(C) Any seller / buyer who is not established in the territory of the country would not be obliged to have a tax registration or to submit a tax return solely on account of the trading of metal in warehouse; and

(D) Metal bound for export or moving between different Warehouses / Locations would not be liable to tax or duty.

(iv) Others – confirmation that:

(A) There would be no conflict between LME requirements and insurance laws that preclude potential applicant Warehouses from obtaining the necessary cover under the Warehouse Agreement;

(B) There would be no requirement to keep lists of metal owners;

(C) There should be no requirement to report sales of metals made within the Warehouse;

(D) There would be no embargo (other than an United Nations-related embargo) against origin countries for metals for which a location is seeking approval as a Delivery Point;

(E) There are no export license requirements;

(F) Domestic and foreign goods can be stored in the same warehouse environment; and

(G) Metals within the same (HS) harmonized system codes as LME listed brands will be treated in like manner as LME listed brands

(i) The LME will need to be satisfied by its own members, warehousing and appropriate metals committees, professional advisers and independent research that each facet of the application is accurate before indicating acceptance in principle of a Location. At this stage it would be necessary for potential applicant Warehouses to be identified which would apply for LME approval, if this has not already been done.

(j) The LME will report to the Warehousing Committee the number and identity of Delivery Point applicants by gate on a regular basis.

2 In the event that no Warehouse has been approved for a Delivery Point within six months of the LME's approval of that Delivery Point pursuant to this Section C:

(a) the LME's approval of that Delivery Point shall lapse, unless (b) below applies;

(b) where, prior to the expiry of such six month period:

(i) a Warehouse has provided to the LME information regarding a proposed application to operate at such Delivery Point and the LME is satisfied that (i) such application will be provided within a reasonable period and (ii) it has sufficient information to determine that such application will be a substantive application submitted in good faith; or

(ii) where the LME, in its absolute discretion, otherwise determines it appropriate to do so,

the LME may, by written notice to the port authority (or, if applicable, other relevant authority), extend the period within which such application must be made before the approval of the Delivery Point shall lapse; and

(c) in the event that the LME's approval of the Delivery Point does lapse, the port authority (or, if applicable, other relevant authority) wishes such Location to be approved as a Delivery Point, such authority must submit a new application for such Location to be approved, in accordance with this Section C.

D) <u>Continued compliance with policy and guidelines</u>

1 In the event that an existing Delivery Point does not appear to continue to meet the LME's criteria, there will be an initial review by the LME and consultation with the Warehouse/s and the port authority in that Delivery Point.

2 If, after consultation the port authority is able to demonstrate that it will upgrade its facilities, transitional arrangements can be made to allow an acceptable length of time for completion and this would be determined on a case by case basis, according to the circumstances.

3 If, after consultation, the relevant port authority is unwilling or unable to upgrade the facilities or work practices to meet the LME's standards, the LME retains the right to limit the capacity in that Delivery Point or to delist it.

4 Where a Delivery Point's corruption risk changes, LME retains the right to limit the capacity in that Delivery Point or to delist it.

5 Generally speaking, implementation of capacity limits would, unless there are exceptional circumstances, be implemented over a reasonable period by imposing a ban on new warrants being issued and allowing natural wastage to bring levels down to the required tonnage. Similarly, delisting a Delivery Point would require a run down of stocks over a reasonable period of time by imposing a ban on the issuing of new warrants and natural wastage, followed by an eventual de-warranting of any remaining metal and its removal to another Delivery Point for re-warranting. In both these instances the LME would assess what implementation period would be reasonable on a case by case basis, taking into account all factors put forward in the consultation process, and it could be several years where the LME deems appropriate.

6 Delivery Points are, in particular, expected to continue to support the operation of multiple warehouse operators on a non-discriminatory basis. To the extent that a prospective operator of an Authorised Warehouse is of the view that they are prevented from establishing LME operations at a given Delivery Point, this may be reported to the Exchange, which will subsequently investigate the situation, mindful of relevant factors including those listed at paragraph A3 of the LME Policy on the Approval and Operation of Warehouses, paragraph A of this Policy, and applicable competition law.

E) Review of LME policy and guidelines for good delivery points

This policy and guidelines will be reviewed from time to time.

F) Definitions

"**Authorised Warehouse**" shall mean a ~~warehouse~~ storage facility operated by a Warehouse in a particular Delivery Point, which has been approved by the LME for the purposes of the Warehouse Agreement.

"**Area**" shall mean a country, regions of large countries, or an aggregation of small countries with an integrated logistics land network as determined by the LME acting reasonably.

"**Delivery Point**" shall mean a specific geographic area within which warehouses are listed and approved by the LME for the issue of Warrants.

"**Inland Location**" means a geographic area away from all of (i) the sea; (ii) a deltaic area; or (iii) an estuarine area.

"**LME**" or the "**Exchange**" shall mean The London Metal Exchange.

"**LME Contract**" shall mean a contract as defined by the LME Rulebook.

"**Location**" shall mean a geographic area capable of being a Delivery Point.

"**Metal Committee**" shall mean the relevant LME metal committee, details of which are set out on the LME website www.lme.com.

"**Net Consumption**" shall mean a significant negative trade balance for the metal in question across two consecutive years.

"**Public Official**" means an official, whether elected or appointed, who holds a legislative, administrative or judicial position of any kind of a country or territory inside or outside the UK.

"**Warehouse**" shall mean a warehouse company which has been approved by the LME and which has agreed to be bound by the terms and conditions applicable to all LME approved warehouses, as amended by the LME from time to time.

"**Warehouse Agreement**" shall mean the terms and conditions entered into between the Warehouse and the LME, as applicable to all LME listed Warehouses.

"**Warehousing Committee**" shall mean the LME warehousing committee, details of which are set out on the LME website www.lme.com.

"**Warrant**" shall mean a warehouse warrant for the storage of metal, issued by a Warehouse and in a form approved by the LME.

"**Weather Working Day**" shall mean any day in which meteorological conditions permit normal operations.

LME POLICY ON THE APPROVAL OF LOCATIONS AS DELIVERY POINTS, REVISED

A) Policy Criteria

1 For a new Location to be approved as a Delivery Point, the following criteria shall be met:

(a) For any particular metal subject to LME Contracts to be deliverable therein, the Location should be in an Area of Net Consumption and away from adjacent areas of production for that particular metal.

(b) The Location should be capable of becoming, a natural, logistically sound conduit for the passage of metal on to eventual consumption points:

(i) The Location should be positioned on the natural route (e.g. trade lanes which would exist without Authorised Warehouses) – current or potential if a consumption is believed to happen in the future (e.g. set-up of a new plant) – to the consumption centres that it serves. This is assessed, without limitation, to the quantity of metal going through the Location;

(ii) The Location should be connected to major trade lanes, allowing other consumption centres to be reached. This is assessed, without limitation, by reference to the number of deep sea connections (number of origins and destinations ("O/D") services, frequency of services, number of shipping lines serving the Location) and the volume handled by the Location (both break-bulk and containers).

(c) The Location should be, in the reasonable view of the LME, safe, well managed, politically and economically stable, commercially sensible, fiscally appropriate, legally sound and not subject to corruption.

(d) In the event of bankruptcy or insolvency of the Warehouse or other such contingency, there must be no restrictions placed upon owners of metal wishing to take possession of their individually identified metal and remove such metal from the Authorised Warehouse(s) (provided rent and handling charges are paid). This must be incorporated in the law of the jurisdiction in which the Location is situated. The LME understands that in certain jurisdictions, if a Warehouse becomes bankrupt or insolvent, a metal owner may be required to enter into a court process in order to take possession of the metal which they own and remove it from the Warehouse. The LME does not consider such a process to represent a “restriction” for the purposes of this Clause. However, the LME may (in its absolute discretion) reject a Location if concerns exist as to the speed or effectiveness of the court process that exists within the Location and which a metal owner may be required to enter into in order to take possession of the metal which they own from a Warehouse that is declared bankrupt and/or insolvent.

(e) Metal stored in Authorised Warehouses is the subject of international banking finance activity and, as such, the LME will only approve Locations where it is satisfied that the international banking community accepts the fully negotiable nature of the warehouse receipts ("LME warrants") being on a par with already approved Delivery Points.

(f) Indefinite storage of metals must be permitted in a secure customs warehousing regime wherein any LME listed brand of metal may be stored without liability for duties prior to customs clearance. Domestically produced metal and any metal previously customs cleared, and with any duty accounted for, must also be allowed to be stored in the same Authorised Warehouses as bonded metal. There must be no liability for taxes on transactions for metal held in such Authorised Warehouses, nor a need for the Warehouse to determine ownership of the metal whilst in store. There must also be no taxes on storage costs.

2 The LME will not usually be prepared to approve a Location where there would be only a single Warehouse in such Location. A Location must be capable of hosting more than one Warehouse. The LME reserves the right to delist a Delivery Point which no longer hosts a Warehouse.

3 Without limitation to LME's discretion, the LME may refuse to approve a Location as a Delivery Point where the Location does not comply with the criteria specified above or where the LME has reasonable concerns regarding the potential for the Location to cause an adverse reputational impact for the LME, group affiliates of the LME, or users of the facilities maintained by the LME or such group affiliates.

B) <u>Criteria related to Working Practices and Facilities for Locations</u>

1 It is required that there are a minimum of 3 working berths, private or public and accessible by each Warehouse, with a minimum water depth of 11 metres at all times.

2 The port must have the facilities available to be able to load 1500 tonnes per berth, per Weather Working Day. This standard has been set on the basis of aluminium ingots and, although the LME has an expectation that ports would be able to achieve higher rates for other metals, no specific separate standard has been set for them.

3 Standard working practice must be a minimum 8-hour working day (with labour normally available to work overtime if demand warrants) and on the basis of a 5-day working week.

4 Each Location must have container and break bulk terminals.

5 Rail connectivity is required in the US and in the following European countries: Germany, Belgium, Netherlands, Sweden. When considering an application to be a Delivery Point in a new country, the LME will carry out a specific study to determine if rail is required.

6 An Inland Location may be approved as a Delivery Point on a case by case basis and, if necessary, the criteria in paragraphs 1-5 above may be waived. Applications for Inland Locations to be Delivery Points shall be considered with reference to the following criteria related to working practices and facilities for Locations:

(a) Whether they are positioned on land trade lanes (i.e. metal naturally goes from production to consumption centres only through land transportation) with significant volumes;

(b) Barge and rail connectivity;

(c) In addition to connectivity to consumption centres in the Area, the existence of connectivity to major export ports of the relevant Area, through rail and barging;

(d) Minimum capacity of 4,500 tonnes per Weather Working Day, through a combination of rail and barging terminals accessible by each Warehouse.

7 The maximum geographical distance of the Location of an Authorised Warehouse from the appropriate water and rail terminals (when necessary) is to be established by the LME. The existing Delivery Point boundaries may be increased on a case by case basis in circumstances of shortage of storage capacity by small increments of driving distance and subject to reasonable transit time. The demonstration of shortage of storage capacity will have to be made by the applicant before being reviewed by the LME.

8 While there may be exceptions to the above criteria, such exceptions are expected to be rare.

C) Application process

1 Applications for approval as Delivery Points by the LME should comply with the following process:

(a) The presentation of the initial Location application, with the supporting information requested, should be made by the port authority or (in exceptional cases) such other relevant authority controlling warehousing in the Location. If there is no such authority then an application may be made by a Warehouse.

(b) It should be noted that there is no set time scale for approving or otherwise any application due to the indeterminate time required to process all aspects of the application. The application process is structured with at least four gates, whereby each needs to be passed before proceeding to the next gate

(i) Gate 1: complete submission of all documents required by the LME to process the application and determine whether the basic criteria are satisfied;

(ii) Gate 2: technical assessment by the LME based on the criteria listed in this policy;

(iii) Gate 3: committee input (Metal Committee giving non-binding opinion on the Area of Net Consumption and Warehousing Committee giving non-binding opinion on logistics connectivity and infrastructure); and

(iv) Gate 4: Final assessment by the LME and formal decision.

(c) Should an application be accepted by the LME, the LME will publish a notice advising the market that the Location has been approved. Warehouses may then apply to be listed in that Delivery Point. The commencement of LME approved operations at the Delivery Point will take place 90 days after approval of the first Warehouse.

(d) A Location should have substantial logistical connections on international trading routes. It is the responsibility of the applicant to provide at least the following information:

(i) Statistical evidence of throughput tonnages of LME metals by means of contact with the metals trade, forwarding agents, fabricators, producers, warehouse companies, traders etc to support the application:

(A) Statistics on production and consumption as well as imports and exports in the Area;

(B) Major production plants and consumption and associated volumes in the Area; and

(C) Trade flows serviced (i.e., O/D served) with associated services in the Area.

(ii) Logistics connections:

(A) Maritime: number of short sea and deep sea connections, number of shipping lines calling at the port, frequency of services;

(B) Rail: frequency of service and time to access major consumption points; and

(C) If applicable, barge: frequency of services and time to access major consumption points.

(iii) Detail/data of the logistics support services of the Location:

(A) Container terminals, break-bulk terminals and rail terminals (including crane infrastructure);

(B) Number, length and depth of berths (including draft for access e.g. river draft); and

(C) Number and capacity of rail terminals.

(iv) Approximate percentage utilisation of services of road/rail/water (as applicable) for both inbound and outbound traffic in metals.

(v) Logistics infrastructure:

(A) Estimation of number of available sheds that warehousing companies can use for LME storage operations; and

(B) Detailed maps / plans showing the outline of the Location evidencing the logistical connections and locations of short/long term warehouse facilities are required.

(vi) If applicable, description of any potential or actual exercise of control in activities such as terminal operations, warehouse ownership, logistics operations within the port, etc and the anticipated impact on competition in relation to warehousing operations in the Location.

(e) A description of the Location's work labour practices is required; and should include at least the following elements:

(i) Working / overtime hours;

(ii) Labour costs; and

(iii) Time to load truck / rail / container.

(f) This should illustrate the degree of integrated warehousing/ forwarding/stevedoring activities and whether it/they are privately/ municipality run. Normal working hours and overtime potential should be explained so that the LME may gauge productivity in comparison with currently approved Delivery Points.

(g) A description of matters relevant to the Location's corruption and bribery risk is required. This should describe in broad terms whether the Location has enacted, and whether it routinely enforces, laws relating to the corruption of Public Officials; whether demands for facilitation payments are commonly made by Public Officials in the Location; and (if relevant) what, if any, steps are underway or planned to address such issues.

(h) The LME is entitled to request any external third party studies that it deems necessary to investigate any specific aspects, at the applicant's expense. This diligence may cover, without limitation, at least the following areas:

(i) Metal ownership – confirmation that:

(A) Warrants and warehouse receipts would be capable of being the document of title, and ownership of warrants can be transferred using LMEsword or any successor system; and

(B) Metal belonging to the owner can be removed in case of bankruptcy or insolvency of a potential applicant Warehouse, subject only to any outstanding rent and handling charges having been paid.

(ii) Companies – confirmation that:

(A) Potential applicant Warehouses can be owned by foreign entities;

(B) Operations in foreign currency are allowed;

(C) There is no restriction on the repatriation of profits from the location.

(iii) Taxes – confirmation that:

(A) The tax and duty free environment is appropriate in connection with transactions involving metal stored in the location, or on services provided in relation to the metal e.g. storage, ancillary services, stevedoring & handling;

(B) There would be no location duties and no time limit on storage of metal;

(C) Any seller / buyer who is not established in the territory of the country would not be obliged to have a tax registration or to submit a tax return solely on account of the trading of metal in warehouse; and

(D) Metal bound for export or moving between different Warehouses / Locations would not be liable to tax or duty.

(iv) Others – confirmation that:

(A) There would be no conflict between LME requirements and insurance laws that preclude potential applicant Warehouses from obtaining the necessary cover under the Warehouse Agreement;

(B) There would be no requirement to keep lists of metal owners;

(C) There should be no requirement to report sales of metals made within the Warehouse;

(D) There would be no embargo (other than an United Nations-related embargo) against origin countries for metals for which a location is seeking approval as a Delivery Point;

(E) There are no export license requirements;

(F) Domestic and foreign goods can be stored in the same warehouse environment; and

(G) Metals within the same (HS) harmonized system codes as LME listed brands will be treated in like manner as LME listed brands

(i) The LME will need to be satisfied by its own members, warehousing and appropriate metals committees, professional advisers and independent research that each facet of the application is accurate before indicating acceptance in principle of a Location. At this stage it would be necessary for potential applicant Warehouses to be identified which would apply for LME approval, if this has not already been done.

(j) The LME will report to the Warehousing Committee the number and identity of Delivery Point applicants by gate on a regular basis.

2 In the event that no Warehouse has been approved for a Delivery Point within six months of the LME's approval of that Delivery Point pursuant to this Section C:

(a) the LME's approval of that Delivery Point shall lapse, unless (b) below applies;

(b) where, prior to the expiry of such six month period:

(i) a Warehouse has provided to the LME information regarding a proposed application to operate at such Delivery Point and the LME is satisfied that (i) such application will be provided within a reasonable period and (ii) it has sufficient information to determine that such application will be a substantive application submitted in good faith; or

(ii) where the LME, in its absolute discretion, otherwise determines it appropriate to do so,

the LME may, by written notice to the port authority (or, if applicable, other relevant authority), extend the period within which such application must be made before the approval of the Delivery Point shall lapse; and

(c) in the event that the LME's approval of the Delivery Point does lapse, the port authority (or, if applicable, other relevant authority) wishes such Location to be approved as a Delivery Point, such authority must submit a new application for such Location to be approved, in accordance with this Section C.

D) <u>Continued compliance with policy and guidelines</u>

1 In the event that an existing Delivery Point does not appear to continue to meet the LME's criteria, there will be an initial review by the LME and consultation with the Warehouse/s and the port authority in that Delivery Point.

2 If, after consultation the port authority is able to demonstrate that it will upgrade its facilities, transitional arrangements can be made to allow an acceptable length of time for completion and this would be determined on a case by case basis, according to the circumstances.

3 If, after consultation, the relevant port authority is unwilling or unable to upgrade the facilities or work practices to meet the LME's standards, the LME retains the right to limit the capacity in that Delivery Point or to delist it.

4 Where a Delivery Point's corruption risk changes, LME retains the right to limit the capacity in that Delivery Point or to delist it.

5 Generally speaking, implementation of capacity limits would, unless there are exceptional circumstances, be implemented over a reasonable period by imposing a ban on new warrants being issued and allowing natural wastage to bring levels down to the required tonnage. Similarly, delisting a Delivery Point would require a run down of stocks over a reasonable period of time by imposing a ban on the issuing of new warrants and natural wastage, followed by an eventual de-warranting of any remaining metal and its removal to another Delivery Point for re-warranting. In both these instances the LME would assess what implementation period would be reasonable on a case by case basis, taking into account all factors put forward in the consultation process, and it could be several years where the LME deems appropriate.

6 Delivery Points are, in particular, expected to continue to support the operation of multiple warehouse operators on a non-discriminatory basis. To the extent that a prospective operator of an Authorised Warehouse is of the view that they are prevented from establishing LME operations at a given Delivery Point, this may be reported to the Exchange, which will subsequently investigate the situation, mindful of relevant factors including those listed at paragraph A3 of the LME Policy on the Approval and Operation of Warehouses, paragraph A of this Policy, and applicable competition law.

E) Review of LME policy and guidelines for good delivery points

This policy and guidelines will be reviewed from time to time.

F) Definitions

"**Authorised Warehouse**" shall mean a storage facility operated by a Warehouse in a particular Delivery Point, which has been approved by the LME for the purposes of the Warehouse Agreement.

"**Area**" shall mean a country, regions of large countries, or an aggregation of small countries with an integrated logistics land network as determined by the LME acting reasonably.

"**Delivery Point**" shall mean a specific geographic area within which warehouses are listed and approved by the LME for the issue of Warrants.

"**Inland Location**" means a geographic area away from all of (i) the sea; (ii) a deltaic area; or (iii) an estuarine area.

"**LME**" or the "**Exchange**" shall mean The London Metal Exchange.

"**LME Contract**" shall mean a contract as defined by the LME Rulebook.

"**Location**" shall mean a geographic area capable of being a Delivery Point.

"**Metal Committee**" shall mean the relevant LME metal committee, details of which are set out on the LME website www.lme.com.

"**Net Consumption**" shall mean a significant negative trade balance for the metal in question across two consecutive years.

"**Public Official**" means an official, whether elected or appointed, who holds a legislative, administrative or judicial position of any kind of a country or territory inside or outside the UK.

"**Warehouse**" shall mean a warehouse company which has been approved by the LME and which has agreed to be bound by the terms and conditions applicable to all LME approved warehouses, as amended by the LME from time to time.

"**Warehouse Agreement**" shall mean the terms and conditions entered into between the Warehouse and the LME, as applicable to all LME listed Warehouses.

"**Warehousing Committee**" shall mean the LME warehousing committee, details of which are set out on the LME website www.lme.com.

"**Warrant**" shall mean a warehouse warrant for the storage of metal, issued by a Warehouse and in a form approved by the LME.

"**Weather Working Day**" shall mean any day in which meteorological conditions permit normal operations.

LME POLICY ON THE APPROVAL AND OPERATION OF WAREHOUSES, REVISED

A) Warehouses

1. Applicants to be a Warehouse will be considered for approval and listing in an existing or new Delivery Point subject to completion of a Warehouse Agreement application form supported by evidence of insurance, capital adequacy and other documents as detailed by the LME from time to time. The LME will inspect premises and operations offered for warehousing to the LME prior to any listing to ensure they suit the logistical nature of the Location as required by the LME. The LME will state its needs in this respect when sending the applicant the application form. The LME has discretion to accept or decline an application for approval to be a Warehouse or attach specific conditions to approval to be a Warehouse.

2. A Warehouse shall have staff with sufficient experience in metal storage, logistics and systems to ensure that the Warehouse is able to comply with all applicable requirements on an ongoing basis. The LME may, in its reasonable discretion, reject an application from an applicant which is unable to demonstrate compliance with this requirement.

3. Applicants for approval shall be required to demonstrate that they do not:

   (a) control the operation of any infrastructure or the provision of any service in the Location / Delivery Point that would be critical to any other Warehouse, or any company wishing to become a Warehouse, in the Location / Delivery Point concerned (including, without limitation, terminal operators which may operate all or most of the berths within a port; a logistics company providing all or most of the logistics services in the port (haulage and warehouse operations); or a company that owns all or most of the real estate/warehouses of the Location); or

   (b) otherwise exercise control in the Location / Delivery Point;

   such that the LME would have a reasonable concern that the applicant's operation of a Warehouse could be detrimental to competition.

4. A Warehouse must comply at all times without limitation with: this policy and any other notices or policies issued by the LME, from time to time which apply to Warehouses; and the Warehouse Agreement (together the "Warehouse Requirements").

B) Transportation

Transport links

1. All Authorised Warehouses must have adequate transport links and be situated in close proximity to major highways.

2. With the exception of inland Delivery Points, all Authorised Warehouses must have adequate transport links and be situated in close proximity to water loading facilities.

3. All Authorised Warehouses located in Germany, Belgium, Netherlands, Sweden and the US must have adequate transport links and be situated in close proximity to railheads.

4. All Authorised Warehouses in inland Delivery Points must be directly connected to a rail network.

The LME, respecting such confidentiality as it deems necessary and appropriate, will undertake its own enquiries, as it sees fit, from its members/trade entities etc. to evaluate any applications.

C) Common standards of working practices and facilities for Warehouses

1. For each 2500 sq. metres of space there should be access by means of an operational door or access point for outside storage for vehicle loading/unloading, with a minimum of 2 doors/access points per Authorised Warehouse. The LME may, in its discretion, allow a fewer number of operational doors/access points and/or a wider area to be accessed by such operational doors/access points.

2. A Warehouse must schedule load-outs, and take all reasonable steps to load out metal, in accordance with the minimum daily load-out tonnage tables below. However, where the total metal scheduled to be loaded out from a Warehouse for a single metal owner exceeds the minimum daily load-out tonnage for the capacity in the table below, the Warehouse will not be required to meet the minimum daily load-out tonnage each day so long as it meets the aggregate minimum daily load-out tonnage over the relevant period calculated in accordance with the table (e.g. if the requests for the load-out of 2000 tonnes apply to a DP Warehouse's capacity of 2500 sq. metres, the Warehouse is required to complete the load out within the 3 day period specified in the table, with no reference to the tonnage loaded out on any one of those days).

For a DP Warehouse storing up to (but not including) 150,000 tonnes of metal, the following table is applicable.

DP Warehouse's authorised space in sq. metres	Minimum daily load-out tonnage for all metals
0 sq.m to 2,500 sq.m	800 tonnes
2,501 sq.m to 5,000 sq.m	1,200 tonnes
5,001 sq.m to 7,500 sq.m	1,500 tonnes

For a DP Warehouse storing 150,000 tonnes and above, the following table is applicable.

DP Warehouse's tonnage stored	Minimum daily load-out tonnage for all metals
150,000 tonnes to 299,999 tonnes	2,000 tonnes
300,000 tonnes to 599,999 tonnes	2,500 tonnes
600,000 tonnes to 899,999 tonnes	3,500 tonnes
900,000 tonnes and over	4,000 tonnes

NB: The minimum daily load-out tonnage is for load-out only and does not include load-in.

3. When a DP Warehouse's tonnage stored increases beyond any of the 150,000, 300,000, 600,000 or 900,000 tonnes thresholds, the applicable revised minimum daily load-out tonnage shall have effect from the date which is 30 days from the date on which the threshold is passed. This will allow the Warehouse to implement the necessary scheduling changes in order to meet the increased minimum daily load-out tonnage. However, when a DP Warehouse's tonnage stored falls beneath any of the 150,000, 300,000, 600,000 or 900,000 tonnes thresholds, a Warehouse will still be required to load out all outstanding load-outs scheduled on or prior to the date on which the tonnage falls beneath such threshold on the basis of that schedule.

4. In addition to the minimum daily load-out tonnage stipulated in paragraphs C2 and C5, where a DP Warehouse satisfies the following conditions:

   (a) the DP Warehouse has total scheduled load-out commitments of 30,000 tonnes or more; and

   (b) a minimum of 30,000 tonnes of those scheduled commitments are for one metal (being the first metal scheduled to be loaded out that day) (the "Daily Dominant Metal");

   the Warehouse shall be required to load out in that Delivery Point a minimum aggregate amount of 500 tonnes per day of one or more metal(s) other than the Daily Dominant Metal (the "Additional Daily Metal"), provided that such load-outs are requested. For the avoidance of doubt, a Warehouse must load out the Additional Daily Metal in the order in which such metal is requested for load-out.

5. In respect of each DP Warehouse, a Warehouse is required to load out a minimum daily quantity of the following metals (subject to there being sufficient requests for such metals).

   (a) Tin: 60 tonnes

   (b) Nickel: 60 tonnes

   (c) Metal warranted pursuant to the LME's specifications for the Aluminium Alloy contract and the North American Special Aluminium Alloy Contract ("NASAAC") (together "Aluminium Alloys"): 500 tonnes

   (d) Cobalt: 60 tonnes

   A Warehouse may satisfy the minimum daily quantities of Tin, Nickel, Aluminium Alloys and Cobalt in this paragraph as part of the normal course scheduling of metal in the Queue, including the minimum daily load-out tonnage at paragraph C2 and Additional Daily Metal load-out requirements at paragraph C4, but not any additional requirement under the LILO Rule. For the avoidance of doubt, where a Warehouse has not, as part of its normal course scheduling of metal, satisfied the minimum daily quantities of Tin, Nickel, Aluminium Alloys and Cobalt under this paragraph, the Warehouse must (where requests for such metal have been made) also load out an additional amount of Tin, Nickel, Aluminium Alloys and/or Cobalt to meet the minimum load-out quantities required by this paragraph.

6. In addition to the minimum daily load-out tonnage stipulated in paragraphs C2 to C5 above, an "Affected DP Warehouse" (as defined at paragraph E3 below) shall be required to comply with the Linked Load-In and Load-Out Requirements set out in Section E below. However, where a market participant requests it to do so, the LME, acting reasonably in its sole discretion, may, on an exceptional basis disapply such requirements in any case where the LME considers that it is appropriate to do so in order to prevent abuse and/or preserve the orderly functioning of the market, or it is otherwise proportionate to do so. The LME will review Queue scheduling with Affected DP Warehouses. For the avoidance of doubt, the Affected DP Warehouse concerned is responsible for ensuring its own compliance with the Warehouse Requirements; the LME will not provide confirmation and/or endorse a Warehouse's Queue scheduling for the purposes of compliance with the Warehouse Requirements. In the event that a DP Warehouse becomes subject to increased minimum load-out requirements under this policy, it is the responsibility of the Warehouse to reschedule the whole Queue for the given Delivery Point, by offering the additional slots to metal owners depending on their order in the Queue (starting with the first metal owners in the Queue).

7. All movements of metal out of a Warehouse must comply with the Warehouse Requirements. In particular:

(a) The movement of metal out of a Warehouse must be accompanied by a bill of lading or other document or correspondence (issued by a carrier to the Warehouse or issued by the Warehouse to a carrier), no matter the form of transportation, listing goods for transport and the intended recipient; and

(b) The recipient on the document at (a) above cannot be an entity which is an Authorised Warehouse or an off-Warrant warehouse located in the same Delivery Point where the metal is loaded out, if such Authorised Warehouse or off-Warrant warehouse is owned or operated by the Warehouse loading out the metal, or is a company in the Warehouse's Group. In the event that the document at (a) is issued by the Warehouse, then the Warehouse shall be responsible for the veracity of the information contained therein. In the event that the metal owner wishes to keep confidential from the Warehouse the destination of the metal, the Warehouse must contact the LME to discuss bespoke arrangements to demonstrate the load-out of the metal.

For the avoidance of doubt, any movement of metal that does not comply with the requirements of paragraphs (a) and (b) above shall be in breach of this policy (even if the Warehouse has already met its minimum daily load-out tonnage by means of movements of metal out of the Warehouse that do comply with the requirements of paragraphs (a) and (b) above). A movement of metal that does not comply with the requirements of paragraphs (a) and (b) above shall also not be counted towards a Warehouse's minimum daily load-out tonnage. Material placed into containers within an Authorised Warehouse may be counted as a load-out by the Warehouse provided that the container is sealed on that day. For the avoidance of doubt, a high volume of sealed containers should have no impact on the load-out requirements.

8. Warehouses must process each request for the load-out of metal without undue delay and schedule load-out slots strictly in the order in which requests for load-out are received, unless the metal owners agree otherwise. In respect of a given request for load-out, a Warehouse must schedule load-out slots to commence no later than the same time on the second business day after the completion of Formalities (the "Deemed Load-Out Time") (i.e. where completion of Formalities takes place at 10am (local time) on Friday and Monday and Tuesday are business days, the Deemed Load-Out Time will be 10am on Tuesday).

9. A "Queue", in respect of a given request for the load-out of metal, is deemed to arise at the earlier of (a) the date and time of the first scheduled load-out slot; or (b) the Deemed Load-Out Time. The length of a Queue at a given DP Warehouse on a given date is to be calculated as the number of days (rounded up to the nearest whole day) for which a metal owner would need to wait for the first available load-out slot if the Deemed Load-Out Time for the requested metal is 10am (local time for the Warehouse concerned) on that date.

10. Warehouses shall publish (on their website or other appropriate method) a clear process for scheduling and handling load-out slots (including required documents, timing of operations, etc.).

11. Warehouses are required to supply the LME with their current rent, Free on Truck ("FOT"), and re-warranting charges. In addition, Warehouses are also required to publish on their website in an easily accessible manner the current level of charges in respect of:

    (i) Free on Rail;
    (ii) Free Alongside;
    (iii) Free in Container Yard (which, for the avoidance of doubt, shall relate to the cost of packing a container at a facility nominated by the Warehouse, with the cost of transportation of such container to and from the facility being for the account of the metal owner); and
    (iv) Slot rescheduling at the request of the metal owner.

12. Certain charges in section C11(i) to C11(iv) above may not be applicable given the transportation modes available at the Delivery Point, in which case this should be noted on the website.

13. Warehouses may not charge fees for the services that exceed the levels published on their website, and may not impose any other compulsory charges on metal owners in respect of logistical activities, other than those so published. Prior to a Warehouse increasing any of the charges listed in section C11(i) to C11(iv) above by 20% or more, the Warehouse must notify the LME of the proposed new charge, and publish the proposed new charge on the Warehouse's website, at least three months in advance of the increased charge being applied. Following the implementation of an increased charge of 20% or more for a service listed in section C11(i) to C11(iv), a Warehouse will be unable to introduce a further charge increase in respect of the same service during the following twelve-month period.

14. The FOT charges imposed by a Warehouse on a given metal owner shall be the rates published on the date of the request for load-out of the metal, not the date of load-out of the requested metal.

15. With the exception of inland Delivery Points, there should be no charges above the FOT for transferring metal to the Warehouse's approved and nominated loading berths (as advised to the LME in schedule B of the warehouse application); the unloading of such metal from the truck being for the receiver's account.

16. There should be no charges above the FOT for transferring metal to the nearest railhead in Delivery Points situated in the countries referred to in section B3 above (as advised to the LME in schedule B of the warehouse application); the loading of such metal onto a railcar being for the receiver's account.

17. Warehouses are reminded that, in general, the minimum daily load-out tonnages set out in this policy are minimum load-out requirements, not minimum scheduling



requirements. However, metal owners are also reminded of their obligations in respect of observing reasonable logistical arrangements in respect of metal collection. In particular, in the event that no metal owner wishes to avail themselves of a load-out slot offered on a reasonable basis and at a reasonable time of day, a Warehouse will be permitted to count the tonnage which would have been loaded out in that slot towards its load-out requirements if it can verify that the empty slot had originally been offered to all metal owners in the Queue.

D) The Premium Contract Rule

1. DP Warehouses without Queues in a particular Delivery Point are eligible for the load-out of Warrants in that Delivery Point against contracts designated by the LME as "Premium Contracts" ("Premium Warrants"). The specification of Premium Contracts is made by the LME pursuant to the requirements in the "Premium Contract Regulations" set out in the LME Rulebook. Warrants not so endorsed will be referred to as "Standard Warrants". The ability to endorse Premium Warrants applies at the level of the DP Warehouse. Accordingly, if a Warehouse has a Queue in one Delivery Point, this will not prevent the Warehouse endorsing Premium Warrants at its Authorised Warehouses in a different Delivery Point, provided that the second facility does not have a Queue.

2. In order for a Warehouse to endorse a Warrant as a Premium Warrant, the following conditions must be satisfied:

   (a) the DP Warehouse must be located in one of the premium regions, as set out in the Premium Contract Regulations;

   (b) the DP Warehouse must have opted-in to the Premium Warrant regime, by completing the appropriate agreement with the LME – the LME will publish a list of all DP Warehouses which have opted-in to the premium warrant regime; and

   (c) at the time of endorsement of the Premium Warrant, the DP Warehouse must not have a Queue in respect of any LME metal.

3. A Premium Warrant can only be endorsed if the metal owner so requests, and the Warehouse agrees to do so. There are two routes by which a Premium Warrant may be created:

   (a) In connection with fresh metal loaded in to the DP Warehouse, a Warrant is issued in respect of that metal, and is immediately endorsed as a Premium Warrant. Warehouses may set a different rent and FOT rate in respect of Premium Warrants – such rates will be reported to the LME by Warehouses and published annually in the same way as for Standard Warrant rent and FOT rates. As with current metal load-in, no Warehouse is obligated to accept metal for warranting, and metal owners must ensure that Premium Warrant creation capacity is available at their intended DP Warehouse – in particular, it is expected that Warehouses will not wish to warrant more premium metal than they could logistically load out pursuant to the greater requirements

attaching to such metal. However, the LME would expect Warehouses which have opted-in to the Premium Warrant regime not to unreasonably refuse the load-in of metal and the creation of Premium Warrants; or

(b) An existing Standard Warrant is converted to a Premium Warrant. Warehouses opting-in to the premium warrant regime may indicate whether or not they are prepared to undertake such conversion, and to identify if they wish to charge a conversion fee (the amount of which will be reported to the LME and published annually by the Warehouse) which will be levied in this event. Warehouses may also set a maximum quota (expressed as a tonnage) in respect of the maximum amount of Standard Warrants which they will be prepared to convert to Premium Warrants. This may be important for Warehouses with large stocks of Standard Warrants, and which would not be able to take on the additional requirements were the entire stock to be converted to Premium Warrants. However, within their stated quota, Warehouses will be expected to convert Standard Warrants into Premium Warrants on a non-discriminatory and first-come-first-served basis. Once a Standard Warrant has been converted into a Premium Warrant, then the Warehouse's published Premium Warrant rents and FOTs will apply

4. In the event that a Premium Warrant is cancelled and a Queue develops at the DP Warehouse in the Delivery Point, such that any metal owner who, having cancelled a Warrant; paid FOT, or equivalent, and rent; provided shipping instructions; and requested prompt load-out, is told that load-out cannot be completed by the Deemed Load-Out Time; the Warehouse will have an immediate duty to inform the LME, which will, within one London business day, announce to the market that the Warehouse will cease to be able to endorse Premium Warrants in that Delivery Point three London business days following such announcement. Warehouses which have cleared their Queues in the relevant Delivery Point will be entitled to resume the issuance of Premium Warrants following the publication by the LME of the next monthly Queues report confirming that no Queues remain. The emergence of a Queue at a DP Warehouse does not change the status of Premium Warrants previously issued by that DP Warehouse – such Warrants remain Premium Warrants.

5. However, and notwithstanding the three day adjustment period, metal owners should note that, given the above, the emergence of a Queue at a DP Warehouse may impact their ability to create Premium Warrants in that Delivery Point. Accordingly, those holding short positions in respect of LME Premium Contracts are urged to ensure that they have created the requisite Premium Warrants in good time prior to load-out.

6. Where a Queue arises, pursuant to the conditions set out in paragraph D4, the DP Warehouse will have an obligation to load out metal relating to cancelled Premium Warrants in a separate Queue. The minimum daily load-out rate for such metal will be the higher of:

(a) 1,000 tonnes per day; and

(b) 3% of the total stock relating to Premium Warrants (live and cancelled) in the DP Warehouse.

For the avoidance of doubt, load-out obligations in respect of Premium Warrants are in addition to load-out obligations for Standard Warrants. In particular, the basis on which minimum load-out rates for Standard Warrants are calculated takes into account total stored tonnage in the DP Warehouse, related to both Standard Warrants and Premium Warrants.

7. Once it has opted into the Premium Contract Rule, a DP Warehouse may only opt out if its stock of Premium Warrants is zero.

8. Premium Warrants may be converted back to Standard Warrants by agreement between the metal owner and the Warehouse. However, there shall be no obligation on Warehouses to facilitate such transfers.

9. Premium Warrants may be re-warranted by agreement between the metal owners and the Warehouse. However, there is no requirement on the Warehouse to re-warrant cancelled Premium Warrants as new Premium Warrants, and a Warehouse may reasonably offer to re-warrant a cancelled Premium Warrant as a Standard Warrant.

E) Linked Load-In and Load-Out Requirements

1. Principle

The general principle of this requirement is to link load-in and load-out for DP Warehouses with Queues of greater than 50 calendar days (the "Queue Threshold").

2. LILO Rule Definitions

In relation to a particular DP Warehouse, a Business Day ("Business Day") is any day on which that particular DP Warehouse is operating and subject to the current LME minimum load-out requirement.

A Calculation Period ("Calculation Period") shall mean a three-month period in respect of which a Warehouse must calculate its Incremental Load-Out Requirement under paragraph E4 below. In a given year, the Calculation Periods shall run as follows: (a) 1 February to 30 April; (b) 1 May to 31 July; (c) 1 August to 31 October; and (d) 1 November to 31 January.

For each Calculation Period, the corresponding Discharge Period (i.e. the period during which the Incremental Load-Out Requirement must be met in accordance with paragraph E5 below) shall be the three month period starting on the date one calendar month following the end of that Calculation Period (the "Discharge Period"). In a given year, the corresponding Discharge Periods shall run as follows: (a) 1 June to 31 August; (b) 1 September to 30 November; (c) 1 December to the last day of February; and (d) 1 March to 31 May.

In relation to a particular DP Warehouse on any given Business Day, the Normal Daily Minimum Load-Out Rate is the amount of metal required to be loaded out according to the LME requirements set out in Section C of this Policy (the "Normal Daily Minimum Load-Out Rate") as follows:

(a) On the Business Day in question, the minimum daily load-out tonnage, in accordance with the tables set out in paragraph C2 above.

(b) If, on the Business Day in question, a DP Warehouse is required to load-out an Additional Daily Metal (pursuant to paragraph C4 above), such additional load-out will be counted towards the Normal Daily Minimum Load-Out Rate for the Business Day in question.

(b) If, on the Business Day in question, a DP Warehouse is required to make an additional load-out of nickel, tin, Aluminium Alloys and/or Cobalt (pursuant to paragraph C5 above), such additional load-out will be counted towards the Normal Daily Minimum Load-Out Rate for the Business Day in question.

Re-warranted Metal ("Re-warranted Metal") is metal in respect of which a Warrant has been cancelled, but has not been loaded out of the DP Warehouse (due to the presence of a Queue or other operational constraint), and in respect of which the metal owner has requested that the Warehouse issues a new Warrant (and hence reverses the original request to load-out that metal).

The Decay Factor shall be the coefficient applied in the equation at paragraph E4 below. The value of the Decay Factor shall be 1.0. For the avoidance of doubt, the current and future values of the Decay Factor remain subject to modification pursuant to paragraph E6 below.

3. Affected DP Warehouses

On any given Business Day, an Affected DP Warehouse is a DP Warehouse with a Queue of greater than the Queue Threshold. Queue lengths will continue to be measured and reported to the LME by DP Warehouses, with the LME continuing to exercise oversight in respect of such measurements. For the avoidance of doubt, to the extent that a DP Warehouse has scheduled load-outs pursuant to any Incremental Load-Out Requirement arising per this policy, then the Queue length may take into account such incremental scheduled load-outs.

4. Calculating the Incremental Load-Out Requirement

The Incremental Load-Out Requirement shall mean the additional amount of metal that must be discharged by an Affected DP Warehouse during the course of the relevant Discharge Period in accordance with paragraph E5 below, over and above the load-out required by the Normal Daily Minimum Load-Out Rate on each day of that Discharge Period (the "Incremental Load-Out Requirement"). The Incremental Load-Out Requirement is derived on the final day of the relevant Calculation Period, as set out more fully in this paragraph E4.

During each Calculation Period, a DP Warehouse shall measure:

(a) the sum of metal that the DP Warehouse is required to load out pursuant to the Normal Daily Minimum Load-Out Rate (the "Cumulative Normal Minimum Load-Out"); and

(b) the sum of metal, increasing incrementally each Business Day, that the DP Warehouse loads in during the relevant Calculation Period (the "Cumulative Load-In").

During each Calculation Period, the Cumulative Normal Minimum Load-Out and Cumulative Load-In shall be measured from the Relevant Calculation Date until the last Business Day of the Calculation Period.

(a) For each Calculation Period prior to 1 February 2020 and any Calculation Period during which a DP Warehouse is an Affected DP Warehouse on the first Business Day of the relevant Calculation Period, the Relevant Calculation Date is the first Business Day of the Calculation Period.

(b) For each Calculation Period commencing on or after 1 February 2020 during which a DP Warehouse is not an Affected DP Warehouse on the first Business Day of the relevant Calculation Period but becomes an Affected DP Warehouse during the Calculation Period, the Relevant Calculation Date is the Business Day on which the DP Warehouse first becomes an Affected DP Warehouse during that Calculation Period.

During each Calculation Period, the Cumulative Load-In will be increased by the amount of new metal placed on-warrant in the DP Warehouse on each Business Day from the Relevant Calculation Date until the last Business Day of the Calculation Period (which, for the avoidance of doubt, shall not include Re-warranted Metal).

During each Calculation Period, the Cumulative Normal Minimum Load-Out will be increased by the Normal Daily Minimum Load-Out Rate for each Business Day from the Relevant Calculation Date until the last Business Day of the Calculation Period.

At the end of the Calculation Period, the Incremental Load-Out Requirement can be calculated as:

(i) the Decay Factor multiplied by the Cumulative Load-In, up to and including the Cumulative Normal Minimum Load-Out;

plus,

(ii) the amount of Cumulative Load-In in excess of the Cumulative Normal Minimum Load-Out.

For the avoidance of doubt, if the DP Warehouse has not been an Affected DP Warehouse on any day during a given Calculation Period, then the Incremental Load-Out Requirement will be zero in respect of that Calculation Period.

5. Discharging the Incremental Load-Out Requirement

At the end of each Calculation Period, the DP Warehouse must calculate the current Incremental Load-Out Requirement as at the last day of the Calculation Period. The DP Warehouse must satisfy the Incremental Load-Out Requirement during the subsequent corresponding Discharge Period in addition to its load-out obligations in accordance with Section C above, subject to the provisions in this paragraph and provided load-out demand is present.

A DP Warehouse subject to this paragraph is not required to satisfy a particular daily incremental load-out rate – however, in aggregate over the course of the Discharge Period, the full Incremental Load-Out Requirement must be satisfied, subject to the provisions in this paragraph.

If, during the Discharge Period, or in the intervening month between the end of the Calculation Period and the start of the Discharge Period, the Queue at the DP Warehouse falls below 30 days, the DP Warehouse is no longer required to schedule additional load-out slots to satisfy the Incremental Load-Out Requirement during the Discharge Period. For the avoidance of doubt, the DP Warehouse must fulfil all scheduled load-out slots.

The DP Warehouse must offer additional slots created to meet the Incremental Load-Out Requirement to metal owners strictly in the order requests for load-out are received. However, where:

(a) a request for load-out of metal by a metal owner (being the "Affecting Requestor" or, together with any other metal owners determined by the LME in its sole discretion to be acting in concert, the "Affecting Requestors") results in the DP Warehouse becoming an Affected DP Warehouse (such request, together with any previous requests by the Affecting Requestors which contributed to the Queue at the date of the DP Warehouse becoming the Affected DP Warehouse, being the "Affecting Requests"); and

(b) prior to the Affecting Requests, the DP Warehouse had a Queue of less than 30 days,

the DP Warehouse may request permission from the LME (granted at its sole discretion) to disregard, for the purposes of offering additional load-out slots under this paragraph, the Affecting Requestor(s). If such permission is granted, the DP Warehouse must still satisfy the Incremental Load-Out Requirement during the relevant Discharge Period in accordance with this paragraph, but additional load-out slots may be offered to metal owners in the Queue other than the Affecting Requestor(s). For the avoidance of doubt, this may result in the DP Warehouse processing load-out requests not in the strict order requests for load-out are received (as between the Affecting Requestor(s) and other metal owners).

6. Adjusting the Decay Factor and/or Queue Threshold

The LME, acting reasonably in its sole discretion, may adjust the Decay Factor and/or the Queue Threshold either on a market-wide basis or on a per-DP Warehouse basis where the LME considers that it is appropriate to do so in order to prevent abuse and/or preserve the orderly functioning of the market, or it is otherwise proportionate to do so.

7. A worked example of the calculation

This worked example is provided for illustrative purposes only and should not be relied upon for any reason.

(a) Consider a notional DP Warehouse with stocks of 2,000,000 tonnes of a single metal. Pursuant to this Policy, the Normal Daily Minimum Load-Out Rate is 4,000 tonnes per Business Day. Consider further that the DP Warehouse chooses to load-out precisely its Normal Daily Minimum Load-Out Rate (4,000 tonnes) on each Business Day.

(b) Consider that, of the DP Warehouse's stocks, 1,000,000 tonnes are represented by metal requested for load-out. Assuming that metal owners of all of the requested metal have completed the necessary Formalities, then the DP Warehouse's load-out Queue will hold 1,000,000 tonnes of metal. At a load-out rate of 4,000 tonnes per Business Day, the Queue length will be:

(i) 1,000,000 tonnes / 4,000 tonnes per Business Day

(ii) = 250 Business Days

(iii) = 350 calendar days (assuming all weekdays are Business Days)

For the avoidance of doubt, in practice, the Queue length will be determined by the Warehouse concerned on the basis of schedules provided to metal owners.

(c) Consider that the DP Warehouse places on-warrant a constant amount of 4,100 tonnes per Business Day. Consider also that, on each Business Day, Warrant holders cancel an amount of 4,000 tonnes of metal (thus balancing the load-out of 4,000 tonnes per Business Day, resulting in a constant Queue length until such time as the Incremental Load-Out Requirement comes into effect). There is assumed to be no re-warranting of metal in this scenario.

(d) At the start of the Calculation Period, the Cumulative Load-In and Cumulative Normal Minimum Load-Out are set to zero.

As the DP Warehouse has a Queue greater than the Queue Threshold on the first day of the Calculation Period, the Relevant Calculation Date is the first day of the Calculation Period.

Therefore, on each day during the Calculation Period from the Relevant Calculation Date:

(i) the Cumulative Load-In will be increased by the amount of new metal placed on-warrant in the DP Warehouse on the Business Day in question (which, for the avoidance of doubt, shall not include Re-warranted Metal) – in this case 4,100 tonnes.

(ii) the Cumulative Normal Minimum Load-Out will be increased by the Normal Daily Minimum Load-Out Rate for the Business Day in question – in this case 4,000 tonnes.

(e) At the end of the Calculation Period, and assuming that each weekday during the Calculation Period is a Business Day for the DP Warehouse (in this example resulting in a total of 64 Business Days during the Calculation Period), then the Cumulative Load-In will total 262,400 tonnes, and the Cumulative Normal Minimum Load-Out will total 256,000 tonnes.

The Incremental Load-Out Requirement will be calculated as follows:

(i) Decay Factor multiplied by the Cumulative Load-In, up to and including the Cumulative Normal Minimum Load-Out;

plus,

(ii) the Cumulative Load-In above the Cumulative Normal Minimum Load-Out.

= 1.0 x 256,000 + (262,400 – 256,000) = 256,000 + 6,400

= 262,400 tonnes

(f) During the Discharge Period, the DP Warehouse will be required to load-out the Incremental Load-Out Requirement relating to the First Calculation Period (262,400 tonnes in total over the course of the Discharge Period), in addition to its Normal Daily Minimum Load-Out Rate of 4,000 tonnes per Business Day, provided load-out demand is present.

(g) This process continues through subsequent Calculation Periods (and associated Discharge Periods), until such time as the DP Warehouse ceases to be an Affected DP Warehouse.

F) Continued compliance with the LME policy for Warehouses

1. A Warehouse must at all times comply with the Warehouse Requirements. In the event that a Warehouse does not appear to meet the Warehouse Requirements, there will be an initial review by the LME and consultation with the Warehouse concerned.

2. If the Warehouse can demonstrate that it will upgrade facilities or work practices to meet the LME's new standards, the LME will consider the appropriate amount of time to allow for such a process. Warehouses could, for example, be given a period of time to upgrade their facilities or relocate to a more suitable building within the Delivery Point, but this would be determined on a case by case basis, according to the circumstances.

3. If after consultation with the Warehouse, the Warehouse is unwilling or unable to upgrade its facilities or work practices to meet the LME's standards, the LME retains the right to restrict the capacity of that Warehouse (or DP Warehouse as appropriate) or to delist it. In particular, if a Warehouse fails to comply with the Linked Load-In and Load-Out Requirements per Section E, then the Board may (among other actions) restrict the ability of that Warehouse to create Warrants in that Delivery Point until load-in and load-out are brought into alignment pursuant to the requirements.

4. Prior to implementation, the LME would give the necessary notice of any action to be taken to the Warehouse and allow for formal representations to be made.

G) Queue Based Rent Cap

1. The provisions of this Section G shall take effect on 1 February 2020 (the "Effective Date"). The provisions of this Section G shall be referred to as the "Queue Based Rent Cap". For the avoidance of doubt, Cancellations that take place prior to the Effective Date shall remain subject to the previous version of the Policy in force prior to 1 February 2020.

2. When a Warrant, or a consignment of Warrants, are the subject of a Cancellation (the "First Cancellation Amount") at a DP Warehouse on a specific date (the "First Actual Cancellation Date") by a single metal owner, or multiple metal owners acting in concert as determined by the LME in its sole discretion, who owned no Warrants in respect of metal in the Queue of that DP Warehouse before such Cancellation, the "Deemed Cancellation Dates" in respect of that First Cancellation Amount shall be as follows[1]. For the avoidance of doubt, the Deemed Cancellation Date is to be calculated at the point of Cancellation (i.e. the completion of Formalities in respect of the request for load-out) and is not recalculated in the event of rescheduling due to re-warranting or an increase in load-out rates due to the LILO Rule.

[1] It should be noted that the concept of "Deemed Cancellation" is relevant only for the purposes of Queue Based Rent Cap calculations. It does not impact the fact that stock is subject to a request for load-out for the purposes of stock reporting, queue calculation etc.

(a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule[2] (the "First Day Load-Out Amount") forming part of the First Cancellation Amount shall be the First Actual Cancellation Date.

(b) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the second available day in the schedule[3] (the "Second Day Load-Out Amount") forming part of the First Cancellation Amount shall be X calendar days after the First Actual Cancellation Date (where "X" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Second Day Load-Out Amount).

(c) The Deemed Cancellation Date in respect of the amount of metal scheduled in the Queue on the third available day of the schedule (the "Third Day Load-Out Amount") forming part of the First Cancellation Amount shall be Y calendar days after the First Actual Cancellation Date (where "Y" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Third Day Load-Out Amount).

(d) This shall continue for the calculation of the Deemed Cancellation Date in respect of each Day Load-Out Amount forming part of the First Cancellation Amount, including, lastly, in respect of the final part of the First Cancellation Amount.

3. Further, if a metal owner, or several metal owners acting in concert as determined by the LME in its sole discretion, who holds Warrants subject to a Cancellation in respect of which the metal has not yet been loaded out by a DP Warehouse, subsequently requests the Cancellation of additional Warrants representing any amount (the "Additional Cancellation Amount") in the same DP Warehouse on the same or a different date (the "Additional Actual Cancellation Date"), the "Deemed Cancellation Dates" for the Additional Cancellation Amount shall be as follows. For the avoidance of doubt, the Deemed Cancellation Date of the Additional Cancellation Amount is to be calculated at the point of Cancellation (i.e. the completion of Formalities in respect of the request for load-out) and is not recalculated in the event of rescheduling due to re-warranting or an increase in load-out rates due to the LILO Rule.

(a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule[2] (the "First Day Load-Out Amount") forming part of the Additional Cancellation Amount shall be N calendar days after the Additional Actual Cancellation Date (where "N" is the number of calendar days occupied in the Queue by any previous Cancellations in the Queue, not including the effect of the Additional

[2] For the avoidance of doubt, the quantum of the First Day Load-Out Amount will be determined by (i) the minimum daily load-out tonnage of the relevant DP Warehouse applicable on the scheduled date of load-out, and (ii) the amount of metal from any previous Cancellation already scheduled into the Queue on that day.
[3] For the avoidance of doubt, the quantum of the Second Day Load-Out Amount will be determined by the minimum daily load-out tonnage of the relevant DP Warehouse applicable on the scheduled date of load-out.
[4] For the avoidance of doubt, this means the actual slot scheduled including the effect of any weekend.

Cancellation Amount, attributable to the metal owner or other metal owners acting in concert, rounded up to the nearest whole calendar day).

(b) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the second available day in the schedule[3] (the "Second Day Load-Out Amount") forming part of the Additional Cancellation Amount shall be N+X calendar days after the Additional Actual Cancellation Date (where "X" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Second Day Load-Out Amount).

(c) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the third available day in the schedule (the "Third Day Load-Out Amount") forming part of the Additional Cancellation Amount shall be N+Y calendar days after the Additional Actual Cancellation Date (where "Y" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Third Day Load-Out Amount).

(d) This shall continue for the calculation of the Deemed Calculation Date in respect of each Day Load-Out Amount forming part of the Additional Cancellation Amount, including, lastly, in respect of the final part of the Additional Cancellation Amount.

4. A Warehouse shall track the waiting time for load-out of metal from the "Applicable Cancellation Date", being the latest of: (i) the date of Cancellation; (ii) the Effective Date; and (iii) the Deemed Cancellation Date (in the case of Warrants which meet the conditions described in paragraph G1 or G2 above). Notwithstanding any other provisions of this Policy, a Warehouse should generally load out metal from its Authorised Warehouses as quickly as possible, and at worst within the number of calendar days of the Applicable Cancellation Date specified in paragraph G4 below. Failure to achieve load-out within this timescale shall result in the Warehouse being obliged to reduce its Rent in accordance with the provisions set out below (but, for the avoidance of doubt, the Warehouse shall not incur any other penalty for failure to meet the timescales set out in this Section G unless in contravention of other provisions of the Policy, Warehouse Agreement or other requirements of the LME).

5. Where the number of calendar days waiting time from the Applicable Cancellation Date exceeds the QBRC Threshold, the Warehouse may not charge any further Rent for the cancelled metal.

   The QBRC Threshold means the following:

   (a) from 1 February 2020 to 30 April 2020: 50 days

   (b) from 1 May 2020 to 31 July 2020: 60 days

   (c) from 1 August to 31 October 2020: 70 days

(d) from 1 November 2020 onwards: 80 days

For the avoidance of doubt, the QBRC Threshold that applies in respect of a given Cancellation is the QBRC Threshold in force at the point of Cancellation (i.e. the date of completion of Formalities in respect of the request for load-out) and is not recalculated in the event of rescheduling due to re-warranting or an increase in load-out rates due to the LILO Rule. The LME will be monitoring the operation of the QBRC Threshold and reserves its right to exercise its discretion under paragraph G7.

6. However, and without prejudice to its general powers under Paragraph G7 below, the LME may by Notice inform the market that the increases in the QBRC Threshold anticipated in Clause G4 will cease, in which case the QBRC Threshold will remain at its last level. So, for example, the LME may state on 1 September 2020 that the planned increase of the QBRC Threshold to 80 days on 1 November 2020 will not take place, and the QBRC Threshold will hence remain at 70 days.

7. A worked example of the calculation.

This worked example is provided for illustrative purposes only and is not intended to replace or vary the framework in paragraphs G1 and G2 above. Accordingly, this worked example should not be relied upon for any reason.

(a) Consider the Cancellation of a clip of 10,000 tonnes (the "First Cancellation Amount"), on 4 May 2020 (the "First Actual Cancellation Date") at a DP Warehouse with a Queue of 150 calendar days, and a daily load-out requirement of 4,000 tonnes, by an owner who at present has no metal in the Queue at that DP Warehouse.

(b) The first 4,000 tonnes (the "First Day Load-Out Amount") of the clip will be scheduled on 24 September 2020 (a Thursday). The second 4,000 tonnes (the "Second Day Load-Out Amount") of the clip will be scheduled on 25 September 2020 (a Friday). The final 2,000 tonnes (the "Third Day Load-Out Amount") of the clip will be scheduled on 28 September 2020 (a Monday).

(c) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the first 4,000 tonnes (scheduled for load-out on 24 September 2020) will be the First Actual Cancellation Date, namely 4 May 2020. Given the value of the QBRC Threshold on the First Actual Cancellation Date is 60 days, zero rent will become payable after 60 days from the First Actual Cancellation Date (i.e. on 3 July 2020).

(d) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the second 4,000 tonnes (scheduled for load-out on 25 September 2020) will be 5 May 2020 (i.e. one day after the First Actual Cancellation Date).

(e) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the final 2,000 tonnes (scheduled for

load-out on 28 September 2020) will be 8 May 2020 (i.e. four days after the First Actual Cancellation Date, taking into account the effect of the last weekend in September on the load-out scheduling).

(f) On 11 May 2020 (the "Additional Actual Cancellation Date"), the same metal owner cancels an incremental 10,000 tonnes (the "Additional Cancellation Amount") at the same DP Warehouse. By this date, the Queue (including the effect of the metal owner's first Cancellation and potentially other Cancellations but prior to the metal owner's second Cancellation) has grown to 155 calendar days.

(g) The original 10,000 tonne Cancellation by that metal owner is responsible for 5 days of the 155 day Queue (rounded up, and including the effect of the last weekend of September on the scheduling).

(h) The first 4,000 tonnes (the "First Day Load-Out Amount") of the second clip will be scheduled on 13 October 2020 (a Tuesday). The second 4,000 tonnes (the "Second Day Load-Out Amount") of the clip will be scheduled on 14 October 2020 (a Wednesday). The final 2,000 tonnes (the "Third Day Load-Out Amount") of the clip will be scheduled on 15 October 2020 (a Thursday).

(i) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the first 4,000 tonnes (scheduled for load-out on 13 October 2020) would ordinarily be the Additional Actual Cancellation Date, namely 11 May 2020. However, because the metal owner's prior Cancellation contributes five days, the Deemed Cancellation Date will be five days later, namely 16 May 2020. Zero rent will become payable after 60 days (i.e. on 15 July 2020).

(j) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the second 4,000 tonnes (scheduled for load-out on 14 October 2020) will be 17 May 2020.

(k) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the final 2,000 tonnes (scheduled for load-out on 15 October 2020) will be 18 May 2020.

8. The LME, acting reasonably in its sole discretion, reserves the right, with or without notice, to adjust the parameters of the Queue Based Rent Cap (including the QBRC Threshold) or to suspend its application either on a market-wide basis or on a per-Warehouse or per-DP Warehouse basis where the LME considers that it is appropriate to do so in order to prevent abuse and/or preserve the orderly functioning of the market, or it is otherwise proportionate to do so. The power to act without notice will be reserved for urgent cases where any change would ordinarily be implemented on a temporary rather than a permanent basis.

9. For the avoidance of doubt, Warehouses may still enter into rent discount agreements with metal owners, provided that the maximum rates set out in this Section G are respected.

H) Review of this policy

This policy will be reviewed from time to time.

I) General Definitions

"Additional Actual Cancellation Date" shall have the meaning given to it in paragraph G2.

"Additional Cancellation Amount" shall have the meaning given to it in paragraph G2.

"Additional Daily Metal" shall have the meaning given to it in paragraph C4.

"Affected DP Warehouse" shall have the meaning given to it in paragraph E3.

"Affecting Requests" shall have the meaning given to it in paragraph E5.

"Affecting Requestors" shall have the meaning given to it in paragraph E5.

"Aluminium Alloys" shall have the meaning given to it in paragraph C5.

"Applicable Cancellation Date" shall have the meaning given to it in paragraph G3.

"Authorised Warehouse" shall mean a ~~warehouse~~ storage facility operated by a Warehouse in a particular Delivery Point, which has been approved by the LME for the purposes of the Warehouse Agreement.

"Business Day" shall have the meaning given to it in paragraph E2.

"Calculation Period" shall have the meaning given to it in paragraph E2.

"Cancellation" shall mean the process by which a metal owner requests the termination of a Warrant, or consignment of Warrants, and the delivery of the underlying metal, and shall be deemed to take place at the point when the Formalities in respect of that request are completed.

"Cumulative Normal Minimum Load-Out" shall have the meaning given to it in paragraph E4.

"Cumulative Load-In" shall have the meaning given to it in paragraph E4.

"Daily Dominant Metal" shall have the meaning given to it in paragraph C4.

"Deemed Cancellation Date" shall have the meaning given to it in paragraphs G1 and G2.

"Deemed Load-Out Time" shall have the meaning given to it in paragraph C8.

"Delivery Point" shall mean a specific geographic area within which Authorised Warehouses are listed and approved by the LME for the issue of Warrants.

"Discharge Period" shall have the meaning given to it in paragraph E2.

"DP Warehouse" shall mean all the Authorised Warehouses of a particular Warehouse within a Delivery Point.

"Effective Date" shall have the meaning given to it in Section G of this policy.

"EXCOM" shall mean the Executive Committee of the LME.

"First Actual Cancellation Date" shall have the meaning given to it in paragraph G1.

"First Cancellation Amount" shall have the meaning given to it in paragraph G1.

"First Day Load-Out Amount" shall have the meaning given to it in paragraph G1.

"Formalities" shall mean all the formalities considered, in the LME's sole discretion, to be reasonably necessary to be completed by the metal owner to permit the load-out of metal, including: the request to terminate the Warrant, the request for load-out of the metal, the provision of shipping instructions, and the payment of applicable load-out charges.

"Group" shall mean, in relation to a company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. The terms "holding company" and "subsidiary" have the meanings given to them in section 1159 of the Companies Act 2006.

"Incremental Load-Out Requirement" shall have the meaning given to it in paragraph E4.

"LILO Rule" shall mean the requirements set out in Section E of this policy.

"LME" or the "Exchange" shall mean The London Metal Exchange.

"LME Contract" shall mean a contract as defined by the LME Rulebook.

"Load-out" shall mean a delivery of metal out of the premises of an Authorised Warehouse that meets the requirements of this policy (including for the avoidance of doubt paragraph C9).

"Location" shall mean a geographic area capable of being a Delivery Point.

"Normal Daily Minimum Load-Out Rate" shall have the meaning given to it in paragraph E2.

"Premium Warrant" shall have the meaning given to it in paragraph D1.

"Queue" shall have the meaning given to it in paragraph C9.

"Queue Based Rent Cap" shall have the meaning given to it in Section G of this policy.

"Queue Threshold" shall have the meaning given to it in paragraph E1.

"Rent" shall mean the maximum rent published by the Warehouse each year in accordance with the provisions of the Warehouse Agreement.

"Re-warranted Metal" shall have the meaning given to it in paragraph E2.

"Second Day Load-Out Amount" shall have the meaning given to it in paragraph G1.

"Standard Warrant" shall have the meaning given to it in paragraph D1.

"Third Day Load-Out Amount" shall have the meaning given to it in paragraph G1.

"Warehouse" shall mean a warehouse company which has been approved by the LME and which has agreed to be bound by the terms and conditions applicable to all LME approved warehouses, as amended by the LME from time to time.

"Warehouse Agreement" shall mean the terms and conditions entered into between the Warehouse and the LME, as applicable to all LME listed Warehouses.

"Warehouse Requirements" shall have the meaning given to it in paragraph A4.

"Warrant" shall mean a warehouse warrant for the storage of metal, issued by a Warehouse and in a form approved by the LME.

LME POLICY ON THE APPROVAL AND OPERATION OF WAREHOUSES, REVISED

A) Warehouses

1. Applicants to be a Warehouse will be considered for approval and listing in an existing or new Delivery Point subject to completion of a Warehouse Agreement application form supported by evidence of insurance, capital adequacy and other documents as detailed by the LME from time to time. The LME will inspect premises and operations offered for warehousing to the LME prior to any listing to ensure they suit the logistical nature of the Location as required by the LME. The LME will state its needs in this respect when sending the applicant the application form. The LME has discretion to accept or decline an application for approval to be a Warehouse or attach specific conditions to approval to be a Warehouse.

2. A Warehouse shall have staff with sufficient experience in metal storage, logistics and systems to ensure that the Warehouse is able to comply with all applicable requirements on an ongoing basis. The LME may, in its reasonable discretion, reject an application from an applicant which is unable to demonstrate compliance with this requirement.

3. Applicants for approval shall be required to demonstrate that they do not:

   (a) control the operation of any infrastructure or the provision of any service in the Location / Delivery Point that would be critical to any other Warehouse, or any company wishing to become a Warehouse, in the Location / Delivery Point concerned (including, without limitation, terminal operators which may operate all or most of the berths within a port; a logistics company providing all or most of the logistics services in the port (haulage and warehouse operations); or a company that owns all or most of the real estate/warehouses of the Location); or

   (b) otherwise exercise control in the Location / Delivery Point;

   such that the LME would have a reasonable concern that the applicant's operation of a Warehouse could be detrimental to competition.

4. A Warehouse must comply at all times without limitation with: this policy and any other notices or policies issued by the LME, from time to time which apply to Warehouses; and the Warehouse Agreement (together the "Warehouse Requirements").

B) Transportation

Transport links

1. All Authorised Warehouses must have adequate transport links and be situated in close proximity to major highways.

2. With the exception of inland Delivery Points, all Authorised Warehouses must have adequate transport links and be situated in close proximity to water loading facilities.

3. All Authorised Warehouses located in Germany, Belgium, Netherlands, Sweden and the US must have adequate transport links and be situated in close proximity to railheads.

4. All Authorised Warehouses in inland Delivery Points must be directly connected to a rail network.

The LME, respecting such confidentiality as it deems necessary and appropriate, will undertake its own enquiries, as it sees fit, from its members/trade entities etc. to evaluate any applications.

C) Common standards of working practices and facilities for Warehouses

1. For each 2500 sq. metres of space there should be access by means of an operational door or access point for outside storage for vehicle loading/unloading, with a minimum of 2 doors/access points per Authorised Warehouse. The LME may, in its discretion, allow a fewer number of operational doors/access points and/or a wider area to be accessed by such operational doors/access points.

2. A Warehouse must schedule load-outs, and take all reasonable steps to load out metal, in accordance with the minimum daily load-out tonnage tables below. However, where the total metal scheduled to be loaded out from a Warehouse for a single metal owner exceeds the minimum daily load-out tonnage for the capacity in the table below, the Warehouse will not be required to meet the minimum daily load-out tonnage each day so long as it meets the aggregate minimum daily load-out tonnage over the relevant period calculated in accordance with the table (e.g. if the requests for the load-out of 2000 tonnes apply to a DP Warehouse's capacity of 2500 sq. metres, the Warehouse is required to complete the load out within the 3 day period specified in the table, with no reference to the tonnage loaded out on any one of those days).

For a DP Warehouse storing up to (but not including) 150,000 tonnes of metal, the following table is applicable.

DP Warehouse's authorised space in sq. metres	Minimum daily load-out tonnage for all metals
0 sq.m to 2,500 sq.m	800 tonnes
2,501 sq.m to 5,000 sq.m	1,200 tonnes
5,001 sq.m to 7,500 sq.m	1,500 tonnes

For a DP Warehouse storing 150,000 tonnes and above, the following table is applicable.

DP Warehouse's tonnage stored	Minimum daily load-out tonnage for all metals
150,000 tonnes to 299,999 tonnes	2,000 tonnes
300,000 tonnes to 599,999 tonnes	2,500 tonnes
600,000 tonnes to 899,999 tonnes	3,500 tonnes
900,000 tonnes and over	4,000 tonnes

NB: The minimum daily load-out tonnage is for load-out only and does not include load-in.

3. When a DP Warehouse's tonnage stored increases beyond any of the 150,000, 300,000, 600,000 or 900,000 tonnes thresholds, the applicable revised minimum daily load-out tonnage shall have effect from the date which is 30 days from the date on which the threshold is passed. This will allow the Warehouse to implement the necessary scheduling changes in order to meet the increased minimum daily load-out tonnage. However, when a DP Warehouse's tonnage stored falls beneath any of the 150,000, 300,000, 600,000 or 900,000 tonnes thresholds, a Warehouse will still be required to load out all outstanding load-outs scheduled on or prior to the date on which the tonnage falls beneath such threshold on the basis of that schedule.

4. In addition to the minimum daily load-out tonnage stipulated in paragraphs C2 and C5, where a DP Warehouse satisfies the following conditions:

   (a) the DP Warehouse has total scheduled load-out commitments of 30,000 tonnes or more; and

   (b) a minimum of 30,000 tonnes of those scheduled commitments are for one metal (being the first metal scheduled to be loaded out that day) (the "Daily Dominant Metal");

   the Warehouse shall be required to load out in that Delivery Point a minimum aggregate amount of 500 tonnes per day of one or more metal(s) other than the Daily Dominant Metal (the "Additional Daily Metal"), provided that such load-outs are requested. For the avoidance of doubt, a Warehouse must load out the Additional Daily Metal in the order in which such metal is requested for load-out.

5. In respect of each DP Warehouse, a Warehouse is required to load out a minimum daily quantity of the following metals (subject to there being sufficient requests for such metals).

   (a) Tin: 60 tonnes

   (b) Nickel: 60 tonnes

   (c) Metal warranted pursuant to the LME's specifications for the Aluminium Alloy contract and the North American Special Aluminium Alloy Contract ("NASAAC") (together "Aluminium Alloys"): 500 tonnes

   (d) Cobalt: 60 tonnes

   A Warehouse may satisfy the minimum daily quantities of Tin, Nickel, Aluminium Alloys and Cobalt in this paragraph as part of the normal course scheduling of metal in the Queue, including the minimum daily load-out tonnage at paragraph C2 and Additional Daily Metal load-out requirements at paragraph C4, but not any additional requirement under the LILO Rule. For the avoidance of doubt, where a Warehouse has not, as part of its normal course scheduling of metal, satisfied the minimum daily quantities of Tin, Nickel, Aluminium Alloys and Cobalt under this paragraph, the Warehouse must (where requests for such metal have been made) also load out an additional amount of Tin, Nickel, Aluminium Alloys and/or Cobalt to meet the minimum load-out quantities required by this paragraph.

6. In addition to the minimum daily load-out tonnage stipulated in paragraphs C2 to C5 above, an "Affected DP Warehouse" (as defined at paragraph E3 below) shall be required to comply with the Linked Load-In and Load-Out Requirements set out in Section E below. However, where a market participant requests it to do so, the LME, acting reasonably in its sole discretion, may, on an exceptional basis disapply such requirements in any case where the LME considers that it is appropriate to do so in order to prevent abuse and/or preserve the orderly functioning of the market, or it is otherwise proportionate to do so. The LME will review Queue scheduling with Affected DP Warehouses. For the avoidance of doubt, the Affected DP Warehouse concerned is responsible for ensuring its own compliance with the Warehouse Requirements; the LME will not provide confirmation and/or endorse a Warehouse's Queue scheduling for the purposes of compliance with the Warehouse Requirements. In the event that a DP Warehouse becomes subject to increased minimum load-out requirements under this policy, it is the responsibility of the Warehouse to reschedule the whole Queue for the given Delivery Point, by offering the additional slots to metal owners depending on their order in the Queue (starting with the first metal owners in the Queue).

7. All movements of metal out of a Warehouse must comply with the Warehouse Requirements. In particular:

(a) The movement of metal out of a Warehouse must be accompanied by a bill of lading or other document or correspondence (issued by a carrier to the Warehouse or issued by the Warehouse to a carrier), no matter the form of transportation, listing goods for transport and the intended recipient; and

(b) The recipient on the document at (a) above cannot be an entity which is an Authorised Warehouse or an off-Warrant warehouse located in the same Delivery Point where the metal is loaded out, if such Authorised Warehouse or off-Warrant warehouse is owned or operated by the Warehouse loading out the metal, or is a company in the Warehouse's Group. In the event that the document at (a) is issued by the Warehouse, then the Warehouse shall be responsible for the veracity of the information contained therein. In the event that the metal owner wishes to keep confidential from the Warehouse the destination of the metal, the Warehouse must contact the LME to discuss bespoke arrangements to demonstrate the load-out of the metal.

For the avoidance of doubt, any movement of metal that does not comply with the requirements of paragraphs (a) and (b) above shall be in breach of this policy (even if the Warehouse has already met its minimum daily load-out tonnage by means of movements of metal out of the Warehouse that do comply with the requirements of paragraphs (a) and (b) above). A movement of metal that does not comply with the requirements of paragraphs (a) and (b) above shall also not be counted towards a Warehouse's minimum daily load-out tonnage. Material placed into containers within an Authorised Warehouse may be counted as a load-out by the Warehouse provided that the container is sealed on that day. For the avoidance of doubt, a high volume of sealed containers should have no impact on the load-out requirements.

8. Warehouses must process each request for the load-out of metal without undue delay and schedule load-out slots strictly in the order in which requests for load-out are received, unless the metal owners agree otherwise. In respect of a given request for load-out, a Warehouse must schedule load-out slots to commence no later than the same time on the second business day after the completion of Formalities (the "Deemed Load-Out Time") (i.e. where completion of Formalities takes place at 10am (local time) on Friday and Monday and Tuesday are business days, the Deemed Load-Out Time will be 10am on Tuesday).

9. A "Queue", in respect of a given request for the load-out of metal, is deemed to arise at the earlier of (a) the date and time of the first scheduled load-out slot; or (b) the Deemed Load-Out Time. The length of a Queue at a given DP Warehouse on a given date is to be calculated as the number of days (rounded up to the nearest whole day) for which a metal owner would need to wait for the first available load-out slot if the Deemed Load-Out Time for the requested metal is 10am (local time for the Warehouse concerned) on that date.

10. Warehouses shall publish (on their website or other appropriate method) a clear process for scheduling and handling load-out slots (including required documents, timing of operations, etc.).

11. Warehouses are required to supply the LME with their current rent, Free on Truck ("FOT"), and re-warranting charges. In addition, Warehouses are also required to publish on their website in an easily accessible manner the current level of charges in respect of:

    (i) Free on Rail;
    (ii) Free Alongside;
    (iii) Free in Container Yard (which, for the avoidance of doubt, shall relate to the cost of packing a container at a facility nominated by the Warehouse, with the cost of transportation of such container to and from the facility being for the account of the metal owner); and
    (iv) Slot rescheduling at the request of the metal owner.

12. Certain charges in section C11(i) to C11(iv) above may not be applicable given the transportation modes available at the Delivery Point, in which case this should be noted on the website.

13. Warehouses may not charge fees for the services that exceed the levels published on their website, and may not impose any other compulsory charges on metal owners in respect of logistical activities, other than those so published. Prior to a Warehouse increasing any of the charges listed in section C11(i) to C11(iv) above by 20% or more, the Warehouse must notify the LME of the proposed new charge, and publish the proposed new charge on the Warehouse's website, at least three months in advance of the increased charge being applied. Following the implementation of an increased charge of 20% or more for a service listed in section C11(i) to C11(iv), a Warehouse will be unable to introduce a further charge increase in respect of the same service during the following twelve-month period.

14. The FOT charges imposed by a Warehouse on a given metal owner shall be the rates published on the date of the request for load-out of the metal, not the date of load-out of the requested metal.

15. With the exception of inland Delivery Points, there should be no charges above the FOT for transferring metal to the Warehouse's approved and nominated loading berths (as advised to the LME in schedule B of the warehouse application); the unloading of such metal from the truck being for the receiver's account.

16. There should be no charges above the FOT for transferring metal to the nearest railhead in Delivery Points situated in the countries referred to in section B3 above (as advised to the LME in schedule B of the warehouse application); the loading of such metal onto a railcar being for the receiver's account.

17. Warehouses are reminded that, in general, the minimum daily load-out tonnages set out in this policy are minimum load-out requirements, not minimum scheduling



requirements. However, metal owners are also reminded of their obligations in respect of observing reasonable logistical arrangements in respect of metal collection. In particular, in the event that no metal owner wishes to avail themselves of a load-out slot offered on a reasonable basis and at a reasonable time of day, a Warehouse will be permitted to count the tonnage which would have been loaded out in that slot towards its load-out requirements if it can verify that the empty slot had originally been offered to all metal owners in the Queue.

D) The Premium Contract Rule

1. DP Warehouses without Queues in a particular Delivery Point are eligible for the load-out of Warrants in that Delivery Point against contracts designated by the LME as "Premium Contracts" ("Premium Warrants"). The specification of Premium Contracts is made by the LME pursuant to the requirements in the "Premium Contract Regulations" set out in the LME Rulebook. Warrants not so endorsed will be referred to as "Standard Warrants". The ability to endorse Premium Warrants applies at the level of the DP Warehouse. Accordingly, if a Warehouse has a Queue in one Delivery Point, this will not prevent the Warehouse endorsing Premium Warrants at its Authorised Warehouses in a different Delivery Point, provided that the second facility does not have a Queue.

2. In order for a Warehouse to endorse a Warrant as a Premium Warrant, the following conditions must be satisfied:

   (a) the DP Warehouse must be located in one of the premium regions, as set out in the Premium Contract Regulations;

   (b) the DP Warehouse must have opted-in to the Premium Warrant regime, by completing the appropriate agreement with the LME – the LME will publish a list of all DP Warehouses which have opted-in to the premium warrant regime; and

   (c) at the time of endorsement of the Premium Warrant, the DP Warehouse must not have a Queue in respect of any LME metal.

3. A Premium Warrant can only be endorsed if the metal owner so requests, and the Warehouse agrees to do so. There are two routes by which a Premium Warrant may be created:

   (a) In connection with fresh metal loaded in to the DP Warehouse, a Warrant is issued in respect of that metal, and is immediately endorsed as a Premium Warrant. Warehouses may set a different rent and FOT rate in respect of Premium Warrants – such rates will be reported to the LME by Warehouses and published annually in the same way as for Standard Warrant rent and FOT rates. As with current metal load-in, no Warehouse is obligated to accept metal for warranting, and metal owners must ensure that Premium Warrant creation capacity is available at their intended DP Warehouse – in particular, it is expected that Warehouses will not wish to warrant more premium metal than they could logistically load out pursuant to the greater requirements

attaching to such metal. However, the LME would expect Warehouses which have opted-in to the Premium Warrant regime not to unreasonably refuse the load-in of metal and the creation of Premium Warrants; or

(b) An existing Standard Warrant is converted to a Premium Warrant. Warehouses opting-in to the premium warrant regime may indicate whether or not they are prepared to undertake such conversion, and to identify if they wish to charge a conversion fee (the amount of which will be reported to the LME and published annually by the Warehouse) which will be levied in this event. Warehouses may also set a maximum quota (expressed as a tonnage) in respect of the maximum amount of Standard Warrants which they will be prepared to convert to Premium Warrants. This may be important for Warehouses with large stocks of Standard Warrants, and which would not be able to take on the additional requirements were the entire stock to be converted to Premium Warrants. However, within their stated quota, Warehouses will be expected to convert Standard Warrants into Premium Warrants on a non-discriminatory and first-come-first-served basis. Once a Standard Warrant has been converted into a Premium Warrant, then the Warehouse's published Premium Warrant rents and FOTs will apply

4. In the event that a Premium Warrant is cancelled and a Queue develops at the DP Warehouse in the Delivery Point, such that any metal owner who, having cancelled a Warrant; paid FOT, or equivalent, and rent; provided shipping instructions; and requested prompt load-out, is told that load-out cannot be completed by the Deemed Load-Out Time; the Warehouse will have an immediate duty to inform the LME, which will, within one London business day, announce to the market that the Warehouse will cease to be able to endorse Premium Warrants in that Delivery Point three London business days following such announcement. Warehouses which have cleared their Queues in the relevant Delivery Point will be entitled to resume the issuance of Premium Warrants following the publication by the LME of the next monthly Queues report confirming that no Queues remain. The emergence of a Queue at a DP Warehouse does not change the status of Premium Warrants previously issued by that DP Warehouse – such Warrants remain Premium Warrants.

5. However, and notwithstanding the three day adjustment period, metal owners should note that, given the above, the emergence of a Queue at a DP Warehouse may impact their ability to create Premium Warrants in that Delivery Point. Accordingly, those holding short positions in respect of LME Premium Contracts are urged to ensure that they have created the requisite Premium Warrants in good time prior to load-out.

6. Where a Queue arises, pursuant to the conditions set out in paragraph D4, the DP Warehouse will have an obligation to load out metal relating to cancelled Premium Warrants in a separate Queue. The minimum daily load-out rate for such metal will be the higher of:

(a) 1,000 tonnes per day; and

(b) 3% of the total stock relating to Premium Warrants (live and cancelled) in the DP Warehouse.

For the avoidance of doubt, load-out obligations in respect of Premium Warrants are in addition to load-out obligations for Standard Warrants. In particular, the basis on which minimum load-out rates for Standard Warrants are calculated takes into account total stored tonnage in the DP Warehouse, related to both Standard Warrants and Premium Warrants.

7. Once it has opted into the Premium Contract Rule, a DP Warehouse may only opt out if its stock of Premium Warrants is zero.

8. Premium Warrants may be converted back to Standard Warrants by agreement between the metal owner and the Warehouse. However, there shall be no obligation on Warehouses to facilitate such transfers.

9. Premium Warrants may be re-warranted by agreement between the metal owners and the Warehouse. However, there is no requirement on the Warehouse to re-warrant cancelled Premium Warrants as new Premium Warrants, and a Warehouse may reasonably offer to re-warrant a cancelled Premium Warrant as a Standard Warrant.

E) Linked Load-In and Load-Out Requirements

1. Principle

The general principle of this requirement is to link load-in and load-out for DP Warehouses with Queues of greater than 50 calendar days (the "Queue Threshold").

2. LILO Rule Definitions

In relation to a particular DP Warehouse, a Business Day ("Business Day") is any day on which that particular DP Warehouse is operating and subject to the current LME minimum load-out requirement.

A Calculation Period ("Calculation Period") shall mean a three-month period in respect of which a Warehouse must calculate its Incremental Load-Out Requirement under paragraph E4 below. In a given year, the Calculation Periods shall run as follows: (a) 1 February to 30 April; (b) 1 May to 31 July; (c) 1 August to 31 October; and (d) 1 November to 31 January.

For each Calculation Period, the corresponding Discharge Period (i.e. the period during which the Incremental Load-Out Requirement must be met in accordance with paragraph E5 below) shall be the three month period starting on the date one calendar month following the end of that Calculation Period (the "Discharge Period"). In a given year, the corresponding Discharge Periods shall run as follows: (a) 1 June to 31 August; (b) 1 September to 30 November; (c) 1 December to the last day of February; and (d) 1 March to 31 May.

In relation to a particular DP Warehouse on any given Business Day, the Normal Daily Minimum Load-Out Rate is the amount of metal required to be loaded out according to the LME requirements set out in Section C of this Policy (the "Normal Daily Minimum Load-Out Rate") as follows:

(a) On the Business Day in question, the minimum daily load-out tonnage, in accordance with the tables set out in paragraph C2 above.

(b) If, on the Business Day in question, a DP Warehouse is required to load-out an Additional Daily Metal (pursuant to paragraph C4 above), such additional load-out will be counted towards the Normal Daily Minimum Load-Out Rate for the Business Day in question.

(b) If, on the Business Day in question, a DP Warehouse is required to make an additional load-out of nickel, tin, Aluminium Alloys and/or Cobalt (pursuant to paragraph C5 above), such additional load-out will be counted towards the Normal Daily Minimum Load-Out Rate for the Business Day in question.

Re-warranted Metal ("Re-warranted Metal") is metal in respect of which a Warrant has been cancelled, but has not been loaded out of the DP Warehouse (due to the presence of a Queue or other operational constraint), and in respect of which the metal owner has requested that the Warehouse issues a new Warrant (and hence reverses the original request to load-out that metal).

The Decay Factor shall be the coefficient applied in the equation at paragraph E4 below. The value of the Decay Factor shall be 1.0. For the avoidance of doubt, the current and future values of the Decay Factor remain subject to modification pursuant to paragraph E6 below.

3. Affected DP Warehouses

On any given Business Day, an Affected DP Warehouse is a DP Warehouse with a Queue of greater than the Queue Threshold. Queue lengths will continue to be measured and reported to the LME by DP Warehouses, with the LME continuing to exercise oversight in respect of such measurements. For the avoidance of doubt, to the extent that a DP Warehouse has scheduled load-outs pursuant to any Incremental Load-Out Requirement arising per this policy, then the Queue length may take into account such incremental scheduled load-outs.

4. Calculating the Incremental Load-Out Requirement

The Incremental Load-Out Requirement shall mean the additional amount of metal that must be discharged by an Affected DP Warehouse during the course of the relevant Discharge Period in accordance with paragraph E5 below, over and above the load-out required by the Normal Daily Minimum Load-Out Rate on each day of that Discharge Period (the "Incremental Load-Out Requirement"). The Incremental Load-Out Requirement is derived on the final day of the relevant Calculation Period, as set out more fully in this paragraph E4.

During each Calculation Period, a DP Warehouse shall measure:

(a) the sum of metal that the DP Warehouse is required to load out pursuant to the Normal Daily Minimum Load-Out Rate (the "Cumulative Normal Minimum Load-Out"); and

(b) the sum of metal, increasing incrementally each Business Day, that the DP Warehouse loads in during the relevant Calculation Period (the "Cumulative Load-In").

During each Calculation Period, the Cumulative Normal Minimum Load-Out and Cumulative Load-In shall be measured from the Relevant Calculation Date until the last Business Day of the Calculation Period.

(a) For each Calculation Period prior to 1 February 2020 and any Calculation Period during which a DP Warehouse is an Affected DP Warehouse on the first Business Day of the relevant Calculation Period, the Relevant Calculation Date is the first Business Day of the Calculation Period.

(b) For each Calculation Period commencing on or after 1 February 2020 during which a DP Warehouse is not an Affected DP Warehouse on the first Business Day of the relevant Calculation Period but becomes an Affected DP Warehouse during the Calculation Period, the Relevant Calculation Date is the Business Day on which the DP Warehouse first becomes an Affected DP Warehouse during that Calculation Period.

During each Calculation Period, the Cumulative Load-In will be increased by the amount of new metal placed on-warrant in the DP Warehouse on each Business Day from the Relevant Calculation Date until the last Business Day of the Calculation Period (which, for the avoidance of doubt, shall not include Re-warranted Metal).

During each Calculation Period, the Cumulative Normal Minimum Load-Out will be increased by the Normal Daily Minimum Load-Out Rate for each Business Day from the Relevant Calculation Date until the last Business Day of the Calculation Period.

At the end of the Calculation Period, the Incremental Load-Out Requirement can be calculated as:

(i) the Decay Factor multiplied by the Cumulative Load-In, up to and including the Cumulative Normal Minimum Load-Out;

plus,

(ii) the amount of Cumulative Load-In in excess of the Cumulative Normal Minimum Load-Out.

For the avoidance of doubt, if the DP Warehouse has not been an Affected DP Warehouse on any day during a given Calculation Period, then the Incremental Load-Out Requirement will be zero in respect of that Calculation Period.

5. Discharging the Incremental Load-Out Requirement

At the end of each Calculation Period, the DP Warehouse must calculate the current Incremental Load-Out Requirement as at the last day of the Calculation Period. The DP Warehouse must satisfy the Incremental Load-Out Requirement during the subsequent corresponding Discharge Period in addition to its load-out obligations in accordance with Section C above, subject to the provisions in this paragraph and provided load-out demand is present.

A DP Warehouse subject to this paragraph is not required to satisfy a particular daily incremental load-out rate – however, in aggregate over the course of the Discharge Period, the full Incremental Load-Out Requirement must be satisfied, subject to the provisions in this paragraph.

If, during the Discharge Period, or in the intervening month between the end of the Calculation Period and the start of the Discharge Period, the Queue at the DP Warehouse falls below 30 days, the DP Warehouse is no longer required to schedule additional load-out slots to satisfy the Incremental Load-Out Requirement during the Discharge Period. For the avoidance of doubt, the DP Warehouse must fulfil all scheduled load-out slots.

The DP Warehouse must offer additional slots created to meet the Incremental Load-Out Requirement to metal owners strictly in the order requests for load-out are received. However, where:

(a) a request for load-out of metal by a metal owner (being the "Affecting Requestor" or, together with any other metal owners determined by the LME in its sole discretion to be acting in concert, the "Affecting Requestors") results in the DP Warehouse becoming an Affected DP Warehouse (such request, together with any previous requests by the Affecting Requestors which contributed to the Queue at the date of the DP Warehouse becoming the Affected DP Warehouse, being the "Affecting Requests"); and

(b) prior to the Affecting Requests, the DP Warehouse had a Queue of less than 30 days,

the DP Warehouse may request permission from the LME (granted at its sole discretion) to disregard, for the purposes of offering additional load-out slots under this paragraph, the Affecting Requestor(s). If such permission is granted, the DP Warehouse must still satisfy the Incremental Load-Out Requirement during the relevant Discharge Period in accordance with this paragraph, but additional load-out slots may be offered to metal owners in the Queue other than the Affecting Requestor(s). For the avoidance of doubt, this may result in the DP Warehouse processing load-out requests not in the strict order requests for load-out are received (as between the Affecting Requestor(s) and other metal owners).

6. Adjusting the Decay Factor and/or Queue Threshold

The LME, acting reasonably in its sole discretion, may adjust the Decay Factor and/or the Queue Threshold either on a market-wide basis or on a per-DP Warehouse basis where the LME considers that it is appropriate to do so in order to prevent abuse and/or preserve the orderly functioning of the market, or it is otherwise proportionate to do so.

7. A worked example of the calculation

This worked example is provided for illustrative purposes only and should not be relied upon for any reason.

(a) Consider a notional DP Warehouse with stocks of 2,000,000 tonnes of a single metal. Pursuant to this Policy, the Normal Daily Minimum Load-Out Rate is 4,000 tonnes per Business Day. Consider further that the DP Warehouse chooses to load-out precisely its Normal Daily Minimum Load-Out Rate (4,000 tonnes) on each Business Day.

(b) Consider that, of the DP Warehouse's stocks, 1,000,000 tonnes are represented by metal requested for load-out. Assuming that metal owners of all of the requested metal have completed the necessary Formalities, then the DP Warehouse's load-out Queue will hold 1,000,000 tonnes of metal. At a load-out rate of 4,000 tonnes per Business Day, the Queue length will be:

(i) 1,000,000 tonnes / 4,000 tonnes per Business Day

(ii) = 250 Business Days

(iii) = 350 calendar days (assuming all weekdays are Business Days)

For the avoidance of doubt, in practice, the Queue length will be determined by the Warehouse concerned on the basis of schedules provided to metal owners.

(c) Consider that the DP Warehouse places on-warrant a constant amount of 4,100 tonnes per Business Day. Consider also that, on each Business Day, Warrant holders cancel an amount of 4,000 tonnes of metal (thus balancing the load-out of 4,000 tonnes per Business Day, resulting in a constant Queue length until such time as the Incremental Load-Out Requirement comes into effect). There is assumed to be no re-warranting of metal in this scenario.

(d) At the start of the Calculation Period, the Cumulative Load-In and Cumulative Normal Minimum Load-Out are set to zero.

As the DP Warehouse has a Queue greater than the Queue Threshold on the first day of the Calculation Period, the Relevant Calculation Date is the first day of the Calculation Period.

Therefore, on each day during the Calculation Period from the Relevant Calculation Date:

(i) the Cumulative Load-In will be increased by the amount of new metal placed on-warrant in the DP Warehouse on the Business Day in question (which, for the avoidance of doubt, shall not include Re-warranted Metal) – in this case 4,100 tonnes.

(ii) the Cumulative Normal Minimum Load-Out will be increased by the Normal Daily Minimum Load-Out Rate for the Business Day in question – in this case 4,000 tonnes.

(e) At the end of the Calculation Period, and assuming that each weekday during the Calculation Period is a Business Day for the DP Warehouse (in this example resulting in a total of 64 Business Days during the Calculation Period), then the Cumulative Load-In will total 262,400 tonnes, and the Cumulative Normal Minimum Load-Out will total 256,000 tonnes.

The Incremental Load-Out Requirement will be calculated as follows:

(i) Decay Factor multiplied by the Cumulative Load-In, up to and including the Cumulative Normal Minimum Load-Out;

plus,

(ii) the Cumulative Load-In above the Cumulative Normal Minimum Load-Out.

= 1.0 x 256,000 + (262,400 – 256,000) = 256,000 + 6,400

= 262,400 tonnes

(f) During the Discharge Period, the DP Warehouse will be required to load-out the Incremental Load-Out Requirement relating to the First Calculation Period (262,400 tonnes in total over the course of the Discharge Period), in addition to its Normal Daily Minimum Load-Out Rate of 4,000 tonnes per Business Day, provided load-out demand is present.

(g) This process continues through subsequent Calculation Periods (and associated Discharge Periods), until such time as the DP Warehouse ceases to be an Affected DP Warehouse.

F) Continued compliance with the LME policy for Warehouses

1. A Warehouse must at all times comply with the Warehouse Requirements. In the event that a Warehouse does not appear to meet the Warehouse Requirements, there will be an initial review by the LME and consultation with the Warehouse concerned.

2. If the Warehouse can demonstrate that it will upgrade facilities or work practices to meet the LME's new standards, the LME will consider the appropriate amount of time to allow for such a process. Warehouses could, for example, be given a period of time to upgrade their facilities or relocate to a more suitable building within the Delivery Point, but this would be determined on a case by case basis, according to the circumstances.

3. If after consultation with the Warehouse, the Warehouse is unwilling or unable to upgrade its facilities or work practices to meet the LME's standards, the LME retains the right to restrict the capacity of that Warehouse (or DP Warehouse as appropriate) or to delist it. In particular, if a Warehouse fails to comply with the Linked Load-In and Load-Out Requirements per Section E, then the Board may (among other actions) restrict the ability of that Warehouse to create Warrants in that Delivery Point until load-in and load-out are brought into alignment pursuant to the requirements.

4. Prior to implementation, the LME would give the necessary notice of any action to be taken to the Warehouse and allow for formal representations to be made.

G) Queue Based Rent Cap

1. The provisions of this Section G shall take effect on 1 February 2020 (the "Effective Date"). The provisions of this Section G shall be referred to as the "Queue Based Rent Cap". For the avoidance of doubt, Cancellations that take place prior to the Effective Date shall remain subject to the previous version of the Policy in force prior to 1 February 2020.

2. When a Warrant, or a consignment of Warrants, are the subject of a Cancellation (the "First Cancellation Amount") at a DP Warehouse on a specific date (the "First Actual Cancellation Date") by a single metal owner, or multiple metal owners acting in concert as determined by the LME in its sole discretion, who owned no Warrants in respect of metal in the Queue of that DP Warehouse before such Cancellation, the "Deemed Cancellation Dates" in respect of that First Cancellation Amount shall be as follows[1]. For the avoidance of doubt, the Deemed Cancellation Date is to be calculated at the point of Cancellation (i.e. the completion of Formalities in respect of the request for load-out) and is not recalculated in the event of rescheduling due to re-warranting or an increase in load-out rates due to the LILO Rule.

[1] It should be noted that the concept of "Deemed Cancellation" is relevant only for the purposes of Queue Based Rent Cap calculations. It does not impact the fact that stock is subject to a request for load-out for the purposes of stock reporting, queue calculation etc.

(a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule[2] (the "First Day Load-Out Amount") forming part of the First Cancellation Amount shall be the First Actual Cancellation Date.

(b) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the second available day in the schedule[3] (the "Second Day Load-Out Amount") forming part of the First Cancellation Amount shall be X calendar days after the First Actual Cancellation Date (where "X" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Second Day Load-Out Amount).

(c) The Deemed Cancellation Date in respect of the amount of metal scheduled in the Queue on the third available day of the schedule (the "Third Day Load-Out Amount") forming part of the First Cancellation Amount shall be Y calendar days after the First Actual Cancellation Date (where "Y" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Third Day Load-Out Amount).

(d) This shall continue for the calculation of the Deemed Cancellation Date in respect of each Day Load-Out Amount forming part of the First Cancellation Amount, including, lastly, in respect of the final part of the First Cancellation Amount.

3. Further, if a metal owner, or several metal owners acting in concert as determined by the LME in its sole discretion, who holds Warrants subject to a Cancellation in respect of which the metal has not yet been loaded out by a DP Warehouse, subsequently requests the Cancellation of additional Warrants representing any amount (the "Additional Cancellation Amount") in the same DP Warehouse on the same or a different date (the "Additional Actual Cancellation Date"), the "Deemed Cancellation Dates" for the Additional Cancellation Amount shall be as follows. For the avoidance of doubt, the Deemed Cancellation Date of the Additional Cancellation Amount is to be calculated at the point of Cancellation (i.e. the completion of Formalities in respect of the request for load-out) and is not recalculated in the event of rescheduling due to re-warranting or an increase in load-out rates due to the LILO Rule.

(a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule[2] (the "First Day Load-Out Amount") forming part of the Additional Cancellation Amount shall be N calendar days after the Additional Actual Cancellation Date (where "N" is the number of calendar days occupied in the Queue by any previous Cancellations in the Queue, not including the effect of the Additional

[2] For the avoidance of doubt, the quantum of the First Day Load-Out Amount will be determined by (i) the minimum daily load-out tonnage of the relevant DP Warehouse applicable on the scheduled date of load-out, and (ii) the amount of metal from any previous Cancellation already scheduled into the Queue on that day.
[3] For the avoidance of doubt, the quantum of the Second Day Load-Out Amount will be determined by the minimum daily load-out tonnage of the relevant DP Warehouse applicable on the scheduled date of load-out.
[4] For the avoidance of doubt, this means the actual slot scheduled including the effect of any weekend.

Cancellation Amount, attributable to the metal owner or other metal owners acting in concert, rounded up to the nearest whole calendar day).

(b) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the second available day in the schedule[3] (the "Second Day Load-Out Amount") forming part of the Additional Cancellation Amount shall be N+X calendar days after the Additional Actual Cancellation Date (where "X" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Second Day Load-Out Amount).

(c) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the third available day in the schedule (the "Third Day Load-Out Amount") forming part of the Additional Cancellation Amount shall be N+Y calendar days after the Additional Actual Cancellation Date (where "Y" is the number of calendar days between the scheduled load-out slots[4] for the First Day Load-Out Amount and the Third Day Load-Out Amount).

(d) This shall continue for the calculation of the Deemed Calculation Date in respect of each Day Load-Out Amount forming part of the Additional Cancellation Amount, including, lastly, in respect of the final part of the Additional Cancellation Amount.

4. A Warehouse shall track the waiting time for load-out of metal from the "Applicable Cancellation Date", being the latest of: (i) the date of Cancellation; (ii) the Effective Date; and (iii) the Deemed Cancellation Date (in the case of Warrants which meet the conditions described in paragraph G1 or G2 above). Notwithstanding any other provisions of this Policy, a Warehouse should generally load out metal from its Authorised Warehouses as quickly as possible, and at worst within the number of calendar days of the Applicable Cancellation Date specified in paragraph G4 below. Failure to achieve load-out within this timescale shall result in the Warehouse being obliged to reduce its Rent in accordance with the provisions set out below (but, for the avoidance of doubt, the Warehouse shall not incur any other penalty for failure to meet the timescales set out in this Section G unless in contravention of other provisions of the Policy, Warehouse Agreement or other requirements of the LME).

5. Where the number of calendar days waiting time from the Applicable Cancellation Date exceeds the QBRC Threshold, the Warehouse may not charge any further Rent for the cancelled metal.

   The QBRC Threshold means the following:

   (a) from 1 February 2020 to 30 April 2020: 50 days

   (b) from 1 May 2020 to 31 July 2020: 60 days

   (c) from 1 August to 31 October 2020: 70 days

(d) from 1 November 2020 onwards: 80 days

For the avoidance of doubt, the QBRC Threshold that applies in respect of a given Cancellation is the QBRC Threshold in force at the point of Cancellation (i.e. the date of completion of Formalities in respect of the request for load-out) and is not recalculated in the event of rescheduling due to re-warranting or an increase in load-out rates due to the LILO Rule. The LME will be monitoring the operation of the QBRC Threshold and reserves its right to exercise its discretion under paragraph G7.

6. However, and without prejudice to its general powers under Paragraph G7 below, the LME may by Notice inform the market that the increases in the QBRC Threshold anticipated in Clause G4 will cease, in which case the QBRC Threshold will remain at its last level. So, for example, the LME may state on 1 September 2020 that the planned increase of the QBRC Threshold to 80 days on 1 November 2020 will not take place, and the QBRC Threshold will hence remain at 70 days.

7. A worked example of the calculation.

This worked example is provided for illustrative purposes only and is not intended to replace or vary the framework in paragraphs G1 and G2 above. Accordingly, this worked example should not be relied upon for any reason.

(a) Consider the Cancellation of a clip of 10,000 tonnes (the "First Cancellation Amount"), on 4 May 2020 (the "First Actual Cancellation Date") at a DP Warehouse with a Queue of 150 calendar days, and a daily load-out requirement of 4,000 tonnes, by an owner who at present has no metal in the Queue at that DP Warehouse.

(b) The first 4,000 tonnes (the "First Day Load-Out Amount") of the clip will be scheduled on 24 September 2020 (a Thursday). The second 4,000 tonnes (the "Second Day Load-Out Amount") of the clip will be scheduled on 25 September 2020 (a Friday). The final 2,000 tonnes (the "Third Day Load-Out Amount") of the clip will be scheduled on 28 September 2020 (a Monday).

(c) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the first 4,000 tonnes (scheduled for load-out on 24 September 2020) will be the First Actual Cancellation Date, namely 4 May 2020. Given the value of the QBRC Threshold on the First Actual Cancellation Date is 60 days, zero rent will become payable after 60 days from the First Actual Cancellation Date (i.e. on 3 July 2020).

(d) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the second 4,000 tonnes (scheduled for load-out on 25 September 2020) will be 5 May 2020 (i.e. one day after the First Actual Cancellation Date).

(e) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the final 2,000 tonnes (scheduled for

load-out on 28 September 2020) will be 8 May 2020 (i.e. four days after the First Actual Cancellation Date, taking into account the effect of the last weekend in September on the load-out scheduling).

(f) On 11 May 2020 (the "Additional Actual Cancellation Date"), the same metal owner cancels an incremental 10,000 tonnes (the "Additional Cancellation Amount") at the same DP Warehouse. By this date, the Queue (including the effect of the metal owner's first Cancellation and potentially other Cancellations but prior to the metal owner's second Cancellation) has grown to 155 calendar days.

(g) The original 10,000 tonne Cancellation by that metal owner is responsible for 5 days of the 155 day Queue (rounded up, and including the effect of the last weekend of September on the scheduling).

(h) The first 4,000 tonnes (the "First Day Load-Out Amount") of the second clip will be scheduled on 13 October 2020 (a Tuesday). The second 4,000 tonnes (the "Second Day Load-Out Amount") of the clip will be scheduled on 14 October 2020 (a Wednesday). The final 2,000 tonnes (the "Third Day Load-Out Amount") of the clip will be scheduled on 15 October 2020 (a Thursday).

(i) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the first 4,000 tonnes (scheduled for load-out on 13 October 2020) would ordinarily be the Additional Actual Cancellation Date, namely 11 May 2020. However, because the metal owner's prior Cancellation contributes five days, the Deemed Cancellation Date will be five days later, namely 16 May 2020. Zero rent will become payable after 60 days (i.e. on 15 July 2020).

(j) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the second 4,000 tonnes (scheduled for load-out on 14 October 2020) will be 17 May 2020.

(k) The Deemed Cancellation Date, and hence the Applicable Cancellation Date for the purposes of the QBRC "clock", for the final 2,000 tonnes (scheduled for load-out on 15 October 2020) will be 18 May 2020.

8. The LME, acting reasonably in its sole discretion, reserves the right, with or without notice, to adjust the parameters of the Queue Based Rent Cap (including the QBRC Threshold) or to suspend its application either on a market-wide basis or on a per-Warehouse or per-DP Warehouse basis where the LME considers that it is appropriate to do so in order to prevent abuse and/or preserve the orderly functioning of the market, or it is otherwise proportionate to do so. The power to act without notice will be reserved for urgent cases where any change would ordinarily be implemented on a temporary rather than a permanent basis.

9. For the avoidance of doubt, Warehouses may still enter into rent discount agreements with metal owners, provided that the maximum rates set out in this Section G are respected.

H) Review of this policy

This policy will be reviewed from time to time.

I) General Definitions

"Additional Actual Cancellation Date" shall have the meaning given to it in paragraph G2.

"Additional Cancellation Amount" shall have the meaning given to it in paragraph G2.

"Additional Daily Metal" shall have the meaning given to it in paragraph C4.

"Affected DP Warehouse" shall have the meaning given to it in paragraph E3.

"Affecting Requests" shall have the meaning given to it in paragraph E5.

"Affecting Requestors" shall have the meaning given to it in paragraph E5.

"Aluminium Alloys" shall have the meaning given to it in paragraph C5.

"Applicable Cancellation Date" shall have the meaning given to it in paragraph G3.

"Authorised Warehouse" shall mean a storage facility operated by a Warehouse in a particular Delivery Point, which has been approved by the LME for the purposes of the Warehouse Agreement.

"Business Day" shall have the meaning given to it in paragraph E2.

"Calculation Period" shall have the meaning given to it in paragraph E2.

"Cancellation" shall mean the process by which a metal owner requests the termination of a Warrant, or consignment of Warrants, and the delivery of the underlying metal, and shall be deemed to take place at the point when the Formalities in respect of that request are completed.

"Cumulative Normal Minimum Load-Out" shall have the meaning given to it in paragraph E4.

"Cumulative Load-In" shall have the meaning given to it in paragraph E4.

"Daily Dominant Metal" shall have the meaning given to it in paragraph C4.

"Deemed Cancellation Date" shall have the meaning given to it in paragraphs G1 and G2.

"Deemed Load-Out Time" shall have the meaning given to it in paragraph C8.

"Delivery Point" shall mean a specific geographic area within which Authorised Warehouses are listed and approved by the LME for the issue of Warrants.

"Discharge Period" shall have the meaning given to it in paragraph E2.

"DP Warehouse" shall mean all the Authorised Warehouses of a particular Warehouse within a Delivery Point.

"Effective Date" shall have the meaning given to it in Section G of this policy.

"EXCOM" shall mean the Executive Committee of the LME.

"First Actual Cancellation Date" shall have the meaning given to it in paragraph G1.

"First Cancellation Amount" shall have the meaning given to it in paragraph G1.

"First Day Load-Out Amount" shall have the meaning given to it in paragraph G1.

"Formalities" shall mean all the formalities considered, in the LME's sole discretion, to be reasonably necessary to be completed by the metal owner to permit the load-out of metal, including: the request to terminate the Warrant, the request for load-out of the metal, the provision of shipping instructions, and the payment of applicable load-out charges.

"Group" shall mean, in relation to a company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. The terms "holding company" and "subsidiary" have the meanings given to them in section 1159 of the Companies Act 2006.

"Incremental Load-Out Requirement" shall have the meaning given to it in paragraph E4.

"LILO Rule" shall mean the requirements set out in Section E of this policy.

"LME" or the "Exchange" shall mean The London Metal Exchange.

"LME Contract" shall mean a contract as defined by the LME Rulebook.

"Load-out" shall mean a delivery of metal out of the premises of an Authorised Warehouse that meets the requirements of this policy (including for the avoidance of doubt paragraph C9).

"Location" shall mean a geographic area capable of being a Delivery Point.

"Normal Daily Minimum Load-Out Rate" shall have the meaning given to it in paragraph E2.

"Premium Warrant" shall have the meaning given to it in paragraph D1.

"Queue" shall have the meaning given to it in paragraph C9.

"Queue Based Rent Cap" shall have the meaning given to it in Section G of this policy.

"Queue Threshold" shall have the meaning given to it in paragraph E1.

"Rent" shall mean the maximum rent published by the Warehouse each year in accordance with the provisions of the Warehouse Agreement.

"Re-warranted Metal" shall have the meaning given to it in paragraph E2.

"Second Day Load-Out Amount" shall have the meaning given to it in paragraph G1.

"Standard Warrant" shall have the meaning given to it in paragraph D1.

"Third Day Load-Out Amount" shall have the meaning given to it in paragraph G1.

"Warehouse" shall mean a warehouse company which has been approved by the LME and which has agreed to be bound by the terms and conditions applicable to all LME approved warehouses, as amended by the LME from time to time.

"Warehouse Agreement" shall mean the terms and conditions entered into between the Warehouse and the LME, as applicable to all LME listed Warehouses.

"Warehouse Requirements" shall have the meaning given to it in paragraph A4.

"Warrant" shall mean a warehouse warrant for the storage of metal, issued by a Warehouse and in a form approved by the LME.

PART 1: DEFINITIONS AND GENERAL RULES

1. **DEFINITIONS**

1.1 In these Rules, the following words and expressions shall, unless the context otherwise requires, bear the meanings set opposite them:-

[The LME has extracted relevant definitions in respect of the proposed changes to Part 6, however the remaining definitions in Regulation 1.1 of Part 1 of the LME Rulebook can be found in the entire Rulebook at https://www.lme.com/en/about/regulation/rules/rule-book.]

"Basic eCOA"	means an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the criteria for a Basic eCOA (and which must include a digital copy of the Paper COA) as specified by the Exchange from time to time;
"Certificate of Analysis" or "COA"	a certificate of analysis relating to specific Lots of metal which must state the: (i) brand name; (ii) production cast reference; (iii) content within a minimum purity as defined in Special Contract Rule 1 (a) of the relevant section of Part 6 of the Rules; (iv) any other requirements for a given metal as specified in the relevant section of Part 6 of the Rules; (v) any other requirements specified by the Exchange from time to time;
"eCOA"	means either a Basic electronic COA or an Enhanced electronic COA;
"Enhanced eCOA"	means an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the criteria for an Enhanced eCOA as specified by the Exchange from time to time;
"Paper COA"	a hard copy Certificate of Analysis, which may be a bulk analysis certificate, and which must be produced by either: (a) the producer of the underlying metal; or (b) an LME Listed Sampler and Assayer (an "**LSA**") who will sample and analyse material in accordance with Exchange-specified instructions to LSAs;

Part 6

SPECIAL CONTRACT RULES FOR METALS

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PART 6

SPECIAL CONTRACT RULES FOR HIGH GRADE PRIMARY ALUMINIUM

1. **QUALITY**

The aluminium delivered under this contract must:

(a) be:

(i) Primary aluminium with impurities no greater than in the registered designation P1020A in the North American and International Registration Record entitled "International Designations and Chemical Composition Limits for Unalloyed Aluminium" (revised January 2018), or

(ii) Primary aluminium that conforms to the registered designation Al99.70 in the GB/T 1196-2018 Standard entitled "Unalloyed aluminium ingots for remelting", or

(iii) For warrants created up to and including 31 December 2009 primary aluminium of minimum 99.70% purity with maximum permissible iron content 0.20% and maximum permissible silicon content 0.10%.

(b) be in the shape of ingots each weighing not less than 9 kilos and not more than 26 kilos and T-bars or sows weighing not more than 788 kilos.

(c) be of brands listed in the LME approved list.

2. **SIZE OF LOT**

25 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 25 tonnes (2% either more or less).

3.2 The aluminium in each Warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject, in the case of ingots, to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 2.0 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles of ingots or the number of T-bars or sows making up each lot.

3.4 Each Warrant must bear the following clause;

WARNING: the buyer is advised that this metal may contain crevices and hidden recesses holding entrapped moisture. The metal should be handled and processed with this possibility in mind. Entrapped moisture may cause an explosion if the metal is introduced into a melting furnace without proper drying.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of aluminium to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the aluminium comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of aluminium must be accompanied by an Enhanced eCOA and a completed LME Carbon Adjustment Mechanism ("CBAM") emissions reporting form, as specified by the Exchange by way of Notice. The Exchange may update the CBAM emissions reporting form from time to time by way of Notice.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of aluminium and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above)

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of aluminium must demonstrate compliance with one of the relevant standard and grades listed in Special Contract Rule 1(a)(i) or (ii) by illustrating the detected level of impurity for each element. Warrants created up to and including 31 December 2009, may additionally demonstrate compliance with the standard and grade listed in Special Contract Rule 1(a)(iii). In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of aluminium may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR ALUMINIUM WARRANTS

5.1 The listed brand name and/or brand identifiable logo must be indelibly marked on each ingot within a bundle or on each T-bar or sow.

5.2 In the case of ingots, the production cast reference must be indelibly marked on each ingot within the bundle or on the surface of the bundle or on a durable bundle label. For brands listed on or after the date specified by way of Notice which produce ingots, the production cast reference must be indelibly marked on each ingot within the bundle or on the surface of the bundle, and the production cast reference cannot be listed only on a durable bundle label. In the case of T-bars and sows, the production cast reference must be marked on each T-bar or sow either indelibly or by a durable bundle label. For brands listed on or after the date specified by way of Notice which produce T-bars and sows, the production cast reference must be indelibly marked on each T-bar or sow, and the production cast reference cannot be listed only on a durable bundle label.

5.3 For additional shapes, sizes or profiles listed on or after the date specified by way of Notice, the production cast reference must be indelibly marked on the metal in accordance with Rule 5.2 above.

~~5.2~~5.4 If a Warrant relates to metal, in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

~~5.3~~5.5 All documentation for placing aluminium on Warrant must include the English language.

~~5.4~~5.6 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strapping standards.

6. MAJOR CURRENCY

US dollars

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are: -

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR ALUMINIUM ALLOY

1. **QUALITY**

The aluminium alloy delivered under this contract must be:

(a) Aluminium alloy conforming to one of the specifications listed below:

(1) **A380.1** produced in conformity with The Aluminium Association Inc. specification (2015);

(2) **226** produced in conformity with LME 226 as described below:

Elements	Composition, % (m/m)
Cu	2.0 – 3.5
Si	8.0 –11.0
Mg	0.1 – 0.5
Zn	1.2 max
Fe	1.0 max
Mn	0.1 – 0.4
Ni	0.3 max
Sn	0.1 max
Ti	0.15 max
Pb	0.2 max
Others	0.05 max each
Al	Remainder
The sum of 'others' 0.15% max	

(3) **AD12.1** produced in conformity with JIS H2118-2006, Class 12: (Note: this specification to be read in conjunction with the provision that there be an allowance as follows: Others, total 0.50% max, Al remainder).

(b) In the shape of ingot, small sows (four way entry sows), large sows (low profile sows) and T-bars.

(c) Of brands listed in the LME-approved list of aluminium alloy brands.

2. **SIZE OF LOT**

20 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 20 tonnes each (2% either more or less).

3.2 The aluminium alloy in each Warrant shall consist of one brand which is listed as being good delivery and of one shape and dimension.

3.3 Each lot shall contain aluminium alloy derived from no more than five production batches, and, in the case of ingots, each bundle shall contain aluminium alloy from only one production batch.

3.4 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles of ingots, small sows, large sows or T-bars making up each lot;

(g) each Warrant must bear the following clause;

WARNING: the buyer is advised that this metal may contain crevices and hidden recesses holding entrapped moisture. The metal should be handled and processed with this possibility in mind. Entrapped moisture may cause an explosion if the metal is introduced into a melting furnace without proper drying.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of aluminium alloy to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the aluminium alloy comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of aluminium alloy must be accompanied by an Enhanced eCOA and a completed LME Carbon Adjustment Mechanism ("CBAM") emissions reporting form, as specified by the Exchange by way of Notice. The Exchange may update the CBAM emissions reporting form from time to time by way of Notice.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of aluminium alloy and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of aluminium alloy must demonstrate compliance with one of the relevant standards and grades listed in Special Contract Rule 1(a) (1), (2) or (3) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of aluminium alloy may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR ALUMINIUM ALLOY WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot, sow and T-bar.

5.2 The production cast reference and alloy grade reference must be indelibly marked on each ingot within the bundle or on the top surface of the bundle or on a durable bundle label and on each sow and T-bar.

5.3 If a Warrant relates to metal, in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All ingots and sows shall be produced by a single pouring process. "Multi-pour" or "capping" the surface with additional metal after the ingot or sow is formed is not permitted.

5.5 All ingots, T-bars and sows delivered under the contract shall be flat in order to permit safe stacking and handling using forklifts.

5.6 Metal surfaces shall be smooth and free of open shrinkage, porosity, layers and seams.

5.7 The metal must be free of the visible presence of foreign substances.

5.8 The edges and surfaces of metal shall be free of sharp edges, spurs and flashings that might present safety hazards in handling.

5.9 All documentation for placing aluminium alloy on Warrant must include the English language.

5.10 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strapping standards.

6. SHAPES, WEIGHTS AND DIMENSIONS

(a) Ingots

Ingots shall weigh not less than 4 kilos and not more than 25 kilos. Each ingot in each bundle and lot shall be of the same weight and dimensions but not exceed 800mm in length; the only exception to be the cast feet for the purpose of bundle stability.

Bundles shall weigh not less than 500 kilos and not more than 1000 kilos of equal weight and dimension in each lot suitable for stacking. One makeweight bundle in any one lot is permissible. Bundles must be securely strapped for safe handling and transport without bundle distortion and breakage.

(b) Small sows (four-way entry sows)

Small sows shall weigh not less than 408 kilos and not more than 590 kilos. Each small sow in each lot shall be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length and width shall be the same, between 837mm - 990mm.
Bottom	Length and width shall be the same, between 406mm - 559mm.
Height	Between 304mm – 432mm.
Shape	The tapering of all four sides should include an indentation to allow for the safe and easy handling by forklift trucks.

(c) Large sows (low profile sows)

Large sows shall weigh not less than 300 kilos and not more than 726 kilos. Each large sow in each lot shall be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length shall be between 1015mm – 1320mm.
	Width shall be between 812mm – 1142mm.
Bottom	Length shall be between 900mm – 1320mm.

	Width shall be between 406mm – 520mm.
Height	Between 200mm – 305mm.
Shape	The tapering of the long sides should include an indentation to allow for the safe and easy handling by forklift trucks.

(d) T-bars

T-bars shall weigh not less than 408 kilos and not more than 726 kilos. Each T-bar in each lot shall be of the same weight and dimensions.

Top	Length shall be between 837mm – 1320mm.
	Width shall be between 760mm – 1015mm.
Bottom	Length shall be between 837mm – 1320mm.
	Width shall be between 406mm – 634mm.
Height	Overall between 254mm – 432mm.
	To shoulder minimum 76mm.
Shape	The indentation of the shoulder on the long sides should be a minimum of 101mm (4 inches) on each side and allow for the safe and easy handling by forklift trucks.

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR COPPER - GRADE A

1. **QUALITY**

The copper delivered under this contract must be:

(a) Refined electrolytic copper conforming to the chemical composition of one of the following Standards:

(i) BS EN 1978:2022 (cathode grade designation Cu-CATH-1).

(ii) GB/T 467-2010 (high purity Copper Cathode (Cu-CATH-1)).

(iii) ASTM B115-10 (2021) (cathode Grade 1).

(b) In the shape of full plate cathodes;

(c) Of brands listed in the LME approved list.

2. **SIZE OF LOT**

25 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants must be for 25 tonnes (2% either more or less).

3.2 The copper in each Warrant shall consist of one brand which is listed as being good delivery and must be in bundles not exceeding 4.0 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant must state:

(a) the name of the brand;

(b) the country of origin;

(c) the shape;

(d) the weight;

(e) the number of bundles making up each lot.

4. **CERTIFICATES OF ANALYSIS**

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of copper to a Warehouse for placing on Warrant from on or after a date to be specified by the Exchange by way of Notice must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the copper comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of copper must be accompanied by an Enhanced eCOA.

4.3 For on Warrant or other copper produced before a date to be specified by the Exchange by way of Notice pursuant to Special Contract Rule 4.1 above, and where the relevant Lot is not

accompanied by an eCOA but a Paper COA is available (noting that while this has not been a requirement for the LME, many producers create COAs for copper), the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal warranted before the date specified by way of Notice pursuant to Special Contract Rule 4.1 above)

4.4 For metal warranted before the date specified by way of Notice pursuant to Special Contract Rule 4.1 above, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal (who may also choose to produce an Enhanced eCOA); or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of copper must demonstrate compliance with one of the relevant standards listed in Special Contract Rule 1(a)(i), (ii) or (iii) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of copper may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR COPPER WARRANTS

5.1 The LME listed brand name must be indelibly marked on clips attached to the producer's bundle strapping or marked continuously on the strapping.

5.2 For any copper produced on or after a date to be specified by the Exchange by way of Notice, the production cast reference must be indelibly marked on the top cathode of each bundle. For

copper produced before the date specified in the Notice, the Exchange will allow a transition period of two years from the date specified in the Notice during which copper can be placed on Warrant without the top cathode of each bundle being indelibly marked, as long as the copper is accompanied by an eCOA pursuant to Special Contract Rule 4.1 above.

5.3 All documentation for placing copper on Warrant must include the English language.

5.4 No opening of producer bundles with producer markings is permitted by a Warehouse upon receipt except as follows:

(a) Where packaging is damaged such that it may cause a hazard in subsequent handling and storage in which case the Warehouse must repack and label if necessary in accordance with (b) and (c) below;

(b) Where to create a Warrant lot it is necessary to break one or more bundles, provided that with such adjustment at least 80% of the bundles in the Warrant have the original producer's clips or straps showing the brand name. The Warehouse must indelibly mark the top cathode of the remaining bundles in the Warrant with the brand name and production cast reference;

(c) Straps replaced by a Warehouse must be of corrosion resistant materials and in compliance with LME strap standards.

6. MAJOR CURRENCY

US dollars.

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LME Listed Sampler and Assayer (LSA) to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The LME will bear the costs of such tests.

The conditions referred to above are that:-

(a) there are reasonable grounds to suspect that copper on Warrant does not comply with these rules;

(b) there is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR LEAD

1. **QUALITY**

The lead delivered under this contract must be:

(a) Refined lead of a minimum 99.970% purity conforming to one of the following Standards and specific grades:

(i) BS EN 12659:1999 Standard entitled "Lead and Lead Alloys – Lead". Permitted grades: Material Numbers PB970R, PB985R and PB990R.

(ii) GB/T 469/2013 Standard entitled "Lead Ingots". Permitted Grades: 99.970%, 99.985%, 99.990% and 99.994%.

(iii) ASTM B29-19 Standard entitled "Standard Specification for Refined Lead". Permitted grades: 99.97% and 99.995%.

(b) In the shape of ingots weighing not more than 55kgs.

(c) Of brands listed in the LME approved list.

2. **SIZE OF LOT**

25 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 25 tonnes (2% either more or less).

3.2 The lead in each Warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 1.5 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles making up each lot.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of lead to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the lead comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of lead must be accompanied by an Enhanced eCOA.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of lead and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.6 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of lead must demonstrate compliance with one of the relevant standards and grades listed in Special Contract Rule 1(a)(i), (ii) or (iii) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of lead may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR LEAD WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot within a bundle. The production cast reference must be indelibly marked on each ingot within the bundle or on the top surface of the bundle or on a durable label.

~~5.2 The production cast reference must be indelibly marked on each ingot within the bundle or on the top surface of the bundle or on a durable label.~~

5.2 For brands listed on or after the date specified by way of Notice the production must be indelibly marked on each ingot within the bundle or on the top surface of the bundle, and the production cast reference cannot be listed only on a durable bundle label.

5.3 For additional ingot sizes or profiles listed on or after the date specified by way of Notice, the production cast reference must be indelibly marked on each ingot within the bundle or on the top surface of the bundle.

~~5.3~~5.4 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

~~5.4~~5.5 All documentation for placing lead on Warrant must include the English language.

~~5.5~~5.6 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. MAJOR CURRENCY

US dollars

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules, and

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR PRIMARY NICKEL

1. **QUALITY**

The nickel delivered under this contract must be:

(a) Primary Nickel that conforms to either the ASTM specification B39-79 (2023) – min 99.80% purity or the GB/T specification 6516-2010 – Ni9990 grade;

(b) In the shape of cathodes (full plate or cut), briquettes, pellets or rounds; and

(c) Of brands listed in the LME approved list.

2. **SIZE OF LOT**

6 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 6 tonnes (2% more or less).

3.2 The nickel in each Warrant shall consist of one brand which is listed as being good delivery and of one shape and size.

3.3 Each Warrant shall state:-

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and identification reference of the certificates of analysis lodged with the Warehouse[1];

(e) the total gross and net weights; and

(f) the number of steel drums or bags or bundles making up each lot.

3.4 Each Warrant for drummed and bagged nickel shall bear the following legend:

'**WARNING** The buyer is advised that steel drums or bags (as applicable) may contain water and nickel should be handled and processed with this possibility in mind. Water contained in steel drums or bags (as applicable) may cause an explosion if the nickel is introduced into a melting-furnace without proper procedures being followed'.

3.5 Each Warrant for full plate cathode nickel shall bear the following legend:

'**WARNING** The buyer is advised that full plate nickel cathode edges may pose a handling risk and proper procedures for handling should be following'.

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[1] For full plate nickel cathodes placed on Warrant on or before 10 January 2011, a certificate of conformity in lieu of a certificate of analysis is permissible.

4. **SHAPES AND WEIGHTS**

4.1 Nickel delivered under this contract shall be packed according to shape as follows:

(a) Cut cathodes of either 100mm x 100mm (4" x 4"), 50mm x 50mm (2" x 2") or 25mm x 25mm (1" x 1"), shall be packed in sound steel drums of uniform size and even net weight (+/- 2% more or less) of 200kgs or 250kgs or 400kgs or 500kgs each with the production cast reference, gross and net weights and brand name indelibly marked on each individual steel drum. Part filled drums are not permitted.

(b) Briquettes, pellets and rounds shall be packed in steel drums, sizes as 4.1 (a) above, or in 2000kgs (+/- 2% more or less) bags and marked in the same manner as cut cathodes in 4.1 (a) above. Part filled bags are not permitted.

(c) Full plate cathodes up to 1000mm x 1400mm maximum with a thickness range of 2mm to 17mm, shall be packed in bundles not exceeding 2040kgs, strapped in two dimensions with corrosion resistant material to permit safe handling and transport without bundle distortion and breakage on steel or wooden skids (pallets not permitted) with a minimum ground clearance of 75mm with the production cast reference and gross and net weights indelibly marked on the top cathode of each bundle. The brand name must be marked indelibly either a) on clips attached to the bundle strapping, or b) on the producer strapping, or c) on each cathode within each bundle.

5. **CERTIFICATE OF ANALYSIS**

Requirement for eCOA to place metal on Warrant

5.1 Each delivery of a Lot of nickel to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

5.2 Where the nickel comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of nickel must be accompanied by an Enhanced eCOA.

5.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 5.2 above, where a Warehouse is unable to identify the production date of a Lot of nickel and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above):

5.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 5.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

5.5 In order to be a valid eCOA, any eCOA that is produced in respect of nickel must demonstrate compliance with one of the relevant specifications listed in Special Contract Rule 1(a)by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal, drums or bags to identical numbers on the eCOA.

5.6 An Enhanced eCOA for a Lot of nickel may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 5.2 above must be an Enhanced eCOA.

5.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

6. REQUIREMENTS FOR NICKEL WARRANTS

6.1 Nickel may be placed on Warrant provided that:

(a) Drummed nickel is in original sound producer steel drums with producer listed markings and with ring sealing and tamper proof producer seals intact.

(b) For drummed nickel received in original but unsound producer steel drums with broken/damaged producer seals or damaged while stored in the warehouse from an unintended incident, the Warehouse must, without exception, open every such drum and inspect the contents for conformance with the producer listed product and weight before re-packing in sound steel drums of capacity of 200kgs or 250kgs or 400kgs or 500kgs using the sizing of drums initially supplied and with ring sealing system and with unique Warehouse tamper proof numbered seals. All replacement steel drums must be marked with the original producer batch reference, listed brand and Warehouse established gross and net weights.

(c) Bagged nickel is in original sound producer bags with producer listed markings and with tamper proof seals intact.

(d) For bagged nickel received in original but unsound producer bags with broken/damaged producer seals or damaged while stored in the warehouse from an

unintended incident, the Warehouse must, without exception, open every such bag and inspect the contents for conformance with the producer listed product and weight before re-packing in replacement bags supplied by the producer or in new bags in compliance with ISO 21898:2004 (or National equivalent) with unique Warehouse tamper proof numbered seals. All replacement bags must be marked with the original producer batch reference, listed brand and Warehouse established gross and net weight.

(e) For both drummed and bagged nickel producer approved third party packaging is permitted provided sealing methods are as per 5.1 (a) and 5.1 (c) above, using unique tamper proof numbered seals.

(f) For full plate bundled nickel received in original sound producer bundles with producer listed markings no opening of bundles is permitted except as follows:

(i) Where it is necessary to break bundles in order to ensure nickel is placed on acceptable skids.

(ii) Where packaging is damaged such that it may cause a hazard in subsequent handling and storage.

(iii) Where to create a Warrant lot it is necessary to break one or more bundles from a single shipment quantity. Note that only two bundles in a lot may be constructed by a Warehouse, all other bundles must be original producer bundles. The Warehouse must indelibly mark each replacement strap with the brand name.

6.2 Straps replaced by a Warehouse must be of corrosion resistant material to permit safe handling and transport without bundle distortion and breakage and in compliance with LME strap Standards. The Warehouse must indelibly mark the top cathode of any new/reconstructed bundles with the producer production cast reference together with the gross and net weights.

7. ADDITIONAL REQUIREMENTS FOR NICKEL WARRANTS

7.1 All drummed nickel must be securely stored in warehouses on pallets.

7.2 The Warehouse must keep a record of all seals by number and date cross reference to each Warrant.

7.3 Drummed or bagged nickel previously on Warrant which has been supplied to another Warehouse may be placed back on Warrant provided that any drum or bag opened by the previous Warehouse is re-opened and their seal(s) replaced by the new Warehouse unique tamper proof seal(s). This rule does not apply to original sound producer drums or bags with producer listed markings and with tamper proof producer seals intact and to producer third party packaging where listed by the LME or for such packaging supported by an LME Listed Sampler and Assayer (LSA) certificate of analysis and having LSAs seals.

7.4 Drummed or bagged nickel previously on Warrant which has been returned to the same Warehouse may be placed back on Warrant without the need to open any packaging provided that all seals at the time of original warranting remain intact.

7.5 All markings on packaging and information on supporting documentation required for placing nickel on Warrant must include the English language.

7.6 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

8. MAJOR CURRENCY

US dollars

9. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are: -

(a) that there are reasonable grounds to suspect that metal on Warrant does not comply with these rules, and

(b) that there is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR NORTH AMERICAN SPECIAL ALUMINIUM ALLOY

1. **QUALITY**

The aluminium alloy delivered under this contract must be:

(a) Aluminium alloy conforming to the "LME NA380.1" specification (an LME modification of The Aluminium Association Inc. A380.1 specification (1989)), produced in conformity with the following specification:

Element	Minimum	Maximum
Copper	3.00	3.50
Silicon	8.50	9.50
Iron	0.80	1.00
Magnesium	-	0.10
Zinc	-	3.00
Manganese	-	0.45
Nickel	-	0.50
Tin	-	0.10
Lead	-	0.10
Titanium	-	0.10
Chrome (chromium)	-	0.10
Others – each	-	0.10
Others – total	-	0.50
Sludge = Fe + 2Mn + 3Cr		1.80
Production must be filtered.		

(b) In the shape of ingots, small sows (four way entry sows), large sows (low profile sows) and T-bars.

(c) Of brands listed in the LME-approved.

2. **SIZE OF LOT**

20 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants must be for 20 tonnes (2% either more or less).

3.2 The aluminium alloy in each Warrant must consist of one brand which is listed as being good delivery and of one shape and dimension.

3.3 Each lot must contain aluminium alloy derived from no more than five production batches, and, in the case of ingots, each bundle must contain aluminium alloy from only one production batch.

3.4 Each Warrant must state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles of ingots, small sows, large sows or T-bars making up each lot.

3.5 Each Warrant must bear the following clause;

WARNING: The buyer is advised that this metal may contain crevices and hidden recesses holding entrapped moisture. The metal should be handled and processed with this possibility in mind. Entrapped moisture may cause an explosion if the metal is introduced into a melting-furnace without proper drying.

4. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of aluminium alloy to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the aluminium alloy comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of aluminium alloy must be accompanied by an Enhanced eCOA and a completed LME Carbon Adjustment Mechanism ("CBAM") emissions reporting form, as specified by the Exchange by way of Notice. The Exchange may update the CBAM emissions reporting form from time to time by way of Notice.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of aluminium alloy and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of aluminium alloy must demonstrate compliance with the specification listed in Special Contract Rule 1(a) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of aluminium alloy may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR NASAAC WARRANTS

5.1 The LME listed brand name must be indelibly marked on each ingot, sow and T-bar.

5.2 For ingots, the production cast reference and alloy grade reference must be indelibly marked on each ingot within a bundle or on the top surface of a bundle or on a durable label attached to the bundle. For sows and T-bars the production cast reference and alloy grade reference must be indelibly marked either directly on the surface or on a durable label attached to the metal.

5.3 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All ingots and sows must be produced by a single pouring process. "Multi-pour" or "capping" the surface with additional metal after the ingot or sow is formed is not permitted.

5.5 All ingots, sows and T-bars delivered under this contract must be flat in order to permit safe stacking and handling using forklifts.

5.6 Metal surfaces must be smooth and free of open shrinkage, porosity, layers and seams.

5.7 The metal must be free of the visible presence of foreign substances.

5.8 The edges and surfaces of metal must be free of sharp edges, spurs and flashings that might present safety hazards in handling.

5.9 All documentation for placing aluminium alloy on Warrant must include the English language.

5.10 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. SHAPES, WEIGHTS AND DIMENSIONS

(a) Ingots

Ingots must weigh not less than 4 kilos (9lbs) and not more than 17.3 kilos (38lbs). Each ingot in each bundle and lot must be of the same weight and dimensions but not exceed 800mm (35 inches) in length; the only exception to be the cast feet for the purpose of bundle stability.

Bundles must weigh not less than 500 kilos (1100lbs) and not more than 1000 kilos (2200lbs) of equal weight and dimension in each lot suitable for stacking. One makeweight bundle in any one lot will be permissible. Bundles must be securely strapped for safe handling and transport without bundle distortion and breakage.

(b) Small sows (four-way entry sows)

Small sows must weigh not less than 408 kilos (900lbs) and not more than 590 kilos (1300lbs). Each small sow in each lot must be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length and width must be the same, between 837mm – 990mm (33 – 39 inches).
Bottom	Length and width must be the same, between 406mm – 559mm (16 – 22 inches).
Height	Between 304mm – 432mm (12 – 17 inches).
Shape	The tapering of all four sides must include an indentation to allow for the safe and easy handling by forklift trucks.

(c) Large sows (low profile sows)

Large sows must weigh not less than 500 kilos (1100lbs) and not more than 726 kilos (1600lbs). Each large sow in each lot must be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length must be between 1015mm – 1320mm (40 – 52 inches).

	Width must be between 812mm – 1142mm (32 – 45 inches).
Bottom	Length must be between 1015mm – 1320mm (40 – 52 inches).
	Width must be between 406mm – 533mm (16 – 21 inches).
Height	Between 216mm – 305mm (8.5 – 12 inches).
Shape	The tapering of the long sides should include an indentation to allow for the safe and easy handling by forklift trucks.

(d) T-bars

T-bars shall weigh not less than 408 kilos (900lbs) and not more than 726 kilos (1600lbs). Each T-bar in each lot shall be one of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Top	Length must be between 837mm – 1320mm (33 – 52 inches).
	Width must be between 760mm – 1015mm (30 – 40 inches).
Bottom	Length must be between 837mm – 1320mm (33 - 52 inches).
	Width must be between 406mm – 634mm (16 – 25 inches).
Height	Overall between 254mm – 432mm (10 – 17 inches).
	To shoulder minimum 76mm (3 inches).

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR TIN

1. **QUALITY**

The tin delivered under this contract must be:

(a) Refined tin of minimum 99.85% purity conforming to BS EN 610:1996.

(b) In the shape of ingots each weighing not less than 12 kilos and not more than 30 kilos.

(c) Of brands listed in the LME approved list.

2. **SIZE OF LOT**

5 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 5 tonnes (2% either more or less).

3.2 The tin in each Warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 1.2 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles making up each lot.

3.4 Each Warrant must be made up of not more than two cast batches.

4. **CERTIFICATES OF ANALYSIS**

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of tin to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the tin comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of tin must be accompanied by an Enhanced eCOA.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of tin and the

relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of tin must demonstrate compliance with the specification listed in Special Contract Rule 1(a) by illustrating the detected level of impurity. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of tin may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR TIN WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot within a bundle.

5.2 The production cast reference must be indelibly marked on each ingot within the bundle.

5.3 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

5.4 All documentation for placing tin on Warrant must include the English language.

5.5 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. MAJOR CURRENCY

US dollars

7. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the Exchange's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR SPECIAL HIGH GRADE ZINC

1. **QUALITY**

The zinc delivered under this contract must be:

(a) Refined zinc of minimum 99.995% purity conforming to one of the following Standards and specific grades:

(i) BS EN 1179:2003 Standard entitled "Zinc and Zinc Alloys – Primary Zinc", 99.995% grade

(ii) ISO 752:2004 entitled "Zinc ingots", ZN-1 grade

(iii) ASTM B6-23 entitled "Standard Specification for Zinc", LME grade

(iv) GB/T 470-2008 entitled "Zinc ingots", Zn99.995 grade

(b) In the shape of ingots and jumbos.

(c) Of brands in the LME approved list.

2. **SIZE OF LOT**

25 tonnes (2% either more or less).

3. **WARRANTS**

3.1 Warrants shall be for 25 tonnes (2% either more or less).

3.2 The zinc in each warrant shall consist of one brand which is listed as being good delivery, and of one shape and dimension, subject, in the case of ingots, to the necessity of including different shapes and dimensions at the bottom of each bundle for the purpose of stability and must be in bundles not exceeding 1.5 tonnes securely strapped for safe handling and transport without bundle distortion and breakage.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificate(s) of analysis lodged with the Warehouse;

(e) the weight;

(f) the number of bundles making up each lot.

4. **CERTIFICATES OF ANALYSIS**

Requirement for eCOA to place metal on Warrant

4.1 Each delivery of a Lot of zinc to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

4.2 Where the zinc comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of zinc must be accompanied by an Enhanced eCOA.

4.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 4.2 above, where a Warehouse is unable to identify the production date of a Lot of zinc and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above):

4.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 4.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 4.6 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

4.5 In order to be a valid eCOA, any eCOA that is produced in respect of zinc must demonstrate compliance with one of the relevant standards and grades listed in Special Contract Rule 1(a)(i), (ii), (iii) or (iv) by illustrating the detected level of impurity for each element. In all cases, it must be possible to cross-reference the production cast reference on the metal to identical numbers on the eCOA.

4.6 An Enhanced eCOA for a Lot of zinc may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 4.2 above must be an Enhanced eCOA.

4.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

5. ADDITIONAL REQUIREMENTS FOR ZINC WARRANTS

5.1 The listed brand name must be indelibly marked on each ingot and jumbo.

5.2 The production cast reference must be:

(a) indelibly marked on each ingot within a bundle or on the top surface of the bundle or on a durable label.

(b) indelibly marked on each jumbo.

5.3 For brands listed on or after the date specified by way of Notice which produce ingots, the production cast reference must be indelibly marked on each ingot within a bundle or on the top surface of the bundle, and the production cast reference cannot be listed only on a durable bundle label.

5.4 For additional ingot sizes or profiles listed on or after the date specified by way of Notice, the production cast reference must be indelibly marked on each ingot within a bundle or on the top surface of the bundle.

~~5.3~~5.5 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the identified holder of any Warrant the Certificate(s) of Analysis or copies thereof, on request.

~~5.4~~5.6 All documentation for placing zinc on Warrant must include the English language.

~~5.5~~5.7 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strap standards.

6. SHAPES, WEIGHTS AND DIMENSIONS

(a) Ingots

Ingots shall weigh not more than 30 kilos.

(b) Jumbos

Jumbos shall weigh not less than 900 kilos and not more than 1200 kilos. Each jumbo in each lot shall be of the same weight and dimensions.

Dimensions shall be within the permitted range detailed as follows:

Length	Not more than 1450mm
Width	Not more than 600mm
Height	Not more than 350mm
Shape	Jumbos shall have a minimum of two top holes for handling, which shall have a minimum diameter of 70mm each. Each jumbo should be suitable for stacking and allow for safe and easy handling by fork lift trucks.

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LSA to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the LME's cost.

The conditions referred to above are:

(a) There are reasonable grounds to suspect that metal on Warrant does not comply with these rules.

(b) There is a risk of disruption to the LME's market.

SPECIAL CONTRACT RULES FOR STEEL BILLET

[CONTRACT NOT CURRENTLY AVAILABLE]

1. **QUALITY**

The steel billet deliverable under this contract shall be:

(a) steel billet conforming to one of the specifications listed below:

LME Grade	C	Si	Mn	S	P	Cu	Ni	Cr	N	CEV*	LME Grade
1	0.08-0.13	0.10-0.30	0.30-0.60	0.050	0.040	0.40	0.20	0.20	0.012	-	1
2	0.10-0.15	0.15-0.30	0.50-0.80	0.045	0.045	0.40	0.20	0.20	0.009**	-	2
3	0.14-0.22	0.05-0.15	0.40-0.65	0.05	0.04	0.40	0.30	0.30	0.012	-	3
4	0.14-0.22	0.15-0.30	0.40-0.65	0.05	0.04	0.40	0.30	0.30	0.012	-	4
5	0.15-0.22	0.15-0.30	0.60-1.00	0.05	0.05	0.50	0.20	0.20	0.012	0.50	5
6	0.17-0.25	0.40-0.80	1.20-1.60	0.045	0.045	0.50	0.20	0.20	-	0.52	6
7	0.28-0.37	0.05-0.15	0.50-0.80	0.05	0.04	0.40	0.30	0.30	0.012	-	7
8	0.28-0.37	0.15-0.30	0.50-0.80	0.05	0.04	0.40	0.30	0.30	0.012	-	8
9	0.36-0.42	0.15-0.30	1.00-1.40	0.05	0.05	0.50	0.20	0.20	-	-	9

All limits are max unless otherwise indicated.

* CEV= %C + %Mn/6 + (%Cr + %Mo + %V)/5 + (%Cu + %Ni)/15

** %N max may increase by 0.001% for every 0.005% reduction in %P

An allowable tolerance of analysis taken on products made from the above casting grades is permitted as follows:-

C, +0.02%; Cr, +0.05%; Cu, +0.05%; Mn, +/- 0.10%; N, +0.002%; Ni, +0.05%; S, 0.005%; Si, +/- 0.02%; P, 0.005%; CEV + 0.02%.

(b) of brands listed in the LME-approved list of steel billet brands.

2. **DIMENSIONS**

Steel delivered must be in the form of billets and conform to one of the following dimensions:-

Length	Metric	Imperial
100 S or 100 L	100 x 100mm	4" x 4"
120 S or 120 L	120 x 120mm	4¾ " x 4¾ "
125 S or 125 L	125 x 125mm	5" x 5"
130 S or 130 L	130 x 130mm	5¼ " x 5¼ "
140 S or 140 L	140 x 140mm	5½ " x 5½ "
150 S or 150 L	150 x 150mm	6" x 6"

All metric section dimensions are subject to a +/- 3mm tolerance.

All imperial section dimensions are subject to +/- one-eighth of an inch tolerance.

All metric S lengths are to be nominally 5,800 – 6000mm in 100mm increments. Each nominal length is subject to a +/- 100mm tolerance.

All imperial S lengths are 19' 8" with a tolerance of +/- 4".

All metric L lengths are to be nominally 11,700mm – 12,000mm in 100mm increments. Each nominal length is subject to a +/- 100mm tolerance.

All imperial L lengths are 39' 4" with a tolerance of +/- 4".

3. **SIZE OF LOT**

65 tonnes

4. **WARRANTS**

4.1 Warrants shall be for 65 tonnes each (3.5% either more or less).

4.2 Each parcel particularised in each warrant shall lie at one facility, be of one brand and shall consist of billets of one dimension and one specification.

5. **MAJOR CURRENCY**

US dollars

6. **TESTING OF WARRANTED METAL**

If the Exchange believes that the conditions at (a) and (b) below are satisfied, the Exchange may instruct an LME approved Sampler and Assayer to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The tests will be at the Exchange's cost.

The conditions referred to above are: -

(a) that there are reasonable grounds to suspect that metal on Warrant does not comply with these rules, and

(b) that there is a risk of disruption to the LME's market.

SPECIAL RULES GOVERNING THE PLACING OF STEEL BILLET ON WARRANT

1. Each Delivery of billet for placing on warrant shall be accompanied by a Certificate of Origin and a producer's Mill Test Certificate or certificate of Analysis, both of which must be lodged with the warehouseman. The Mill Test Certificate/Certificate of Analysis must be within the quality specification set out in Special Contract Rule 1 and must show the full chemical analysis per heat number. Additionally the Mill Test Certificate/Certificate of Analysis must be on the applicable producers headed paper stating the plant and/or brand name. Bulk certificates or a copy thereof is acceptable.

2. Each warrant shall state the total weight of the parcel particularised thereon, its country / region of origin, brand, no of billets making up each parcel and the date(s) and reference number(s) of the Mill Test Certificate/Certificate of Analysis lodged with the warehouseman. The warehouse company is required to keep a record of the date and reference number of the Certificate of Origin.

3. The Warehouse Company is required to inform the LME of the name of the party that requests the warrant to be issued.

4. On request, the warehouseman is obliged to submit to the holder of the Warrant the Certificates of Origin, plus Analysis or Mill Test Certificate, or copies thereof if the 65 tonne parcel forms part of a larger delivery covered by bulk certificates.

5. All documentation required for placing material on warrant must be in English.

SPECIAL CONTRACT RULES FOR COBALT

1. QUALITY

The cobalt delivered under this contract must be:-

(a) Of a minimum 99.80% purity. Other elements are as specified by producers of each brand in the LME-approved list.

(b) In the form of cathodes (broken or cut, cut cathodes must be of uniform sizes no greater than 50mm and offcuts are not permitted), rounds, briquettes or coarse grain powder (must be <0.01% of a respirable size fraction).

(c) Of brands listed in the LME approved list.

2. SIZE OF LOT

1 tonne (2% either more or less).

3. WARRANTS

3.1 Warrants shall be for 1 tonne (2% either more or less).

3.2 The cobalt in each Warrant shall consist of one brand which is listed as being good delivery, of one shape and size and from not more than two production batches.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the shape;

(d) the date(s) and reference number(s) of the certificates of analysis lodged with the Warehouse;

(e) the gross and net weights; and

(f) the number of steel drums making up each lot.

3.4 Each Warrant shall bear the following legend:

'**WARNING** The buyer is advised that drums may contain water and cobalt should be handled and processed with this possibility in mind. Water contained in drums may cause an explosion if the cobalt is introduced into a melting-furnace without proper procedures being followed'.

4. DRUMMING REQUIREMENTS

4.1 All cobalt delivered under this contract shall be packed in sound steel drums of uniform size and weight of 200kgs, 250kgs or 500kgs (+/-2%). Part filled steel drums are not permitted.

4.2 Each drum shall be indelibly marked with production cast reference, gross and net weights and brand name.

4.3 Only drums that are original sound producer or producer approved third party steel drums with the producer or approved third party ring closing system and with tamper proof seals intact may be put on Warrant.

4.4 Warehouses are not permitted to place on Warrant cobalt supplied in unsound producer or producer approved third party steel drums with broken seals.

5. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

5.1 Each delivery of a Lot of cobalt to a Warehouse for placing on Warrant must be accompanied by an eCOA in order for the Warehouse to be able to place such metal on Warrant.

5.2 Where the cobalt comprising the relevant Lot was produced on or after a date to be specified by the Exchange by way of Notice, in order for such Lot to be warrantable, the Lot of cobalt must be accompanied by an Enhanced eCOA.

5.3 With effect from the date specified by way of Notice pursuant to Special Contract Rule 5.2 above, where a Warehouse is unable to identify the production date of a Lot of cobalt and the relevant Lot is not accompanied by an eCOA, the Warehouse is permitted to produce a Basic eCOA pursuant to the terms of any agreements between the Exchange and the relevant Warehouse. In such circumstances, the Warehouse may place such Lot on Warrant following the creation of such Basic eCOA.

Voluntary creation of an eCOA (metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above):

5.4 For metal produced before the date specified by way of Notice pursuant to Special Contract Rule 5.2 above and where an Enhanced eCOA has not been created in respect of the underlying metal by its producer, a Basic eCOA may be produced by one of the following:

(a) Members, pursuant to Special Contract Rule 5.7 below;

(b) Warehouses, pursuant to the terms of any agreements between the Exchange and the relevant Warehouse (including but not limited to the Warehouse Agreement);

(c) the producer of the underlying metal; or

(d) any other categories of persons or entities as the Exchange may specify from time to time.

For these purposes, each of the above shall be able to upload Paper COAs into the eCOA System for the purposes of producing the Basic eCOA.

Requirements for Production of an eCOA:

5.5 In order to be a valid eCOA, any eCOA that is produced in respect of cobalt must demonstrate compliance with the purity listed in Special Contract Rule 1(a) and illustrate the detected level of impurity for all elements specified by the producer for the relevant brand. In all cases, it must be possible to cross-reference the production cast reference on the drum to identical numbers on the eCOA.

5.6 An Enhanced eCOA for a Lot of cobalt may only be created by the producer of the metal. Any eCOA created by a producer of metal which is produced on or after the date specified by way of Notice pursuant to Special Contract Rule 5.2 above must be an Enhanced eCOA.

5.7 Where a Member (or any other person) elects to produce a Basic eCOA, it must:

(a) upload the complete and correct Paper COA relating to the underlying metal;

(b) enter the correct information into the eCOA System as requested by the eCOA System for the purposes of creating the Basic eCOA and as specified by the Exchange from time to time; and

(c) use all reasonable skill, care and attention when using the eCOA System.

6. ADDITIONAL REQUIREMENTS FOR ALL COBALT WARRANTS

6.1 All cobalt Warrants require a packing list cross referenced to the Certificate(s) of Analysis and individual producer drum seal numbers in English. Bulk Certificates of Analysis are permitted.

6.2 If a Warrant relates to metal in respect of which an eCOA has not been produced, the Warehouse is obliged to submit to the holder of the Warrant the Certificate(s) of Analysis and packing list or copies thereof if the Warrant lot forms part of a larger batch, on request.

7. MAJOR CURRENCY

US dollars

8. TESTING OF WARRANTED METAL

8.1 If the Exchange believes that the conditions at rule 7.2(a) and (b) below are satisfied, the Exchange may instruct an LME Listed Sampler and Assayer (LSA) to undertake such tests as are necessary to form a reasonable opinion on whether or not metal on Warrant conforms with these Rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The LME will bear the costs of such tests.

8.2 The conditions referred to above are that:-

(a) there are reasonable grounds to suspect that cobalt on Warrant does not comply with these rules; and

(b) there is a risk of disruption to the LME's market

SPECIAL CONTRACT RULES FOR ROASTED MOLYBDENUM CONCENTRATE

[CONTRACT NOT CURRENTLY AVAILABLE]

1. QUALITY

The roasted molybdenum concentrate ("RMC") delivered under this contract shall be:

(a) between 57 and 63% molybdenum purity with maximum permissible impurities of Cu 0.50%; P 0.05%; Pb 0.05%; S 0.10%; C 0.10%; Moisture 0.1%.

(b) in the form of powder packed in drums, of which only 5% of the powder can comprise particles in excess of 4mm and 0% in excess of 10mm.

(c) of brands listed in the LME approved list.

2. SIZE OF LOT

6 tonnes molybdenum (+/-5%) contained in RMC.

3. WARRANTS

3.1 Warrants shall be for 10 tonnes of RMC.

3.2 The RMC in each Warrant shall be of one production batch and brand and shall lie in one warehouse.

3.3 Each Warrant shall state:

(a) the name of the brand;

(b) the country / region of origin;

(c) the date and reference number of the certificate of analysis lodged with the warehouseman;

(d) the gross and net weights of RMC together with the net weight contained of molybdenum; and

(e) the number of steel drums making up each Warrant.

3.4 Each Warrant shall bear the following legend:

'**WARNING** The buyer is advised that drums may contain water and RMC should be handled and processed with this possibility in mind. Water contained in drums may cause an explosion if the RMC is introduced into a melting-furnace without proper procedures being followed.'

4. WEIGHTS

4.1 All RMC delivered under this contract shall be packed in sound steel drums of uniform size and of exact net weight of 200 or 250 kilos. Part filled steel drums are not permitted.

4.2 Each steel drum shall have the gross and net weights, brand name, origin and batch reference clearly and indelibly marked or stamped on the outside of the drum.

1. DRUMMED RMC REQUIREMENTS

1.1 RMC contained in drums may be placed on Warrant provided that:

(a) the steel drums are original sound producer drums with a ring closing system and tamper proof producer seals intact;

(b) the Warehouse opens every steel drum in a Warrant quantity of a single producer batch in the presence of an LME Listed Sampler and Assayer (LSA) for the purpose of taking samples and establishing an independent Certificate of Analysis specific to each Warrant lot. The Warehouse shall be responsible for resealing all steel drums using their own unique tamper proof numbered seals using a ring closing system and identifying the warehouse of storage after sampling is complete and still in the presence of the LSA. All costs incurred will be for account of the party instructing the warehouse to place the material on warrant; and

(c) all markings on steel drums conform to those of the listed brand.

1.2 Warehouses are not permitted to place on Warrant any RMC supplied in unsound producer steel drums or steel drums with broken seals.

2. CERTIFICATES OF ANALYSIS

2.1 A Certificate of Analysis shall be issued for each Warrant lot by an LSA in accordance with the following:

(a) LSAs will sample and analyse each lot for LME warranting in accordance with LME specified procedures ensuring that any one lot comes from a single producer batch; and

(b) LSA Certificates of Analysis shall be cross-referenced to the listed producer brand, batch number and Warehouse seal numbers.

2.2 Any party cancelling Warrants should note that the LSA Certificate of Analysis is subject to a variation tolerance of Mo content of +/- 0.5%. If any additional sampling and analysis is required this must be done in accordance with LME procedures within 15 working days after cancelling the Warrant at the warehouse of storage in the presence of the LSA who issued the original Certificate of Analysis. Any disputes about analysis shall be settled in accordance with LME procedures. All costs for any analysis taken at time of cancellation of warrants are for the account of the party cancelling Warrants

3. ADDITIONAL REQUIREMENTS FOR ALL RMC WARRANTS

3.1 Note that in order to create RMC warrants a producer weight certificate and analysis certificate covering all elements of the Contract specification in 1(a) above is to be supplied with all deliveries to a warehouse.

3.2 All RMC Warrants require as supporting documentation a certificate of origin and a LSA certificate of analysis in English.

3.3 On request the Warehouse is obliged to submit to the holder of the Warrant the certificate of origin and analysis or a copy thereof.

3.4 The Warehouse Company is required to inform the LME of the name of the party that requests the warrant to be issued.

4. MAJOR CURRENCY

US dollars

5. TESTING OF WARRANTED METAL

5.1 If the Exchange believes that the conditions at rule 9.2(a) and (b) below are satisfied, the Exchange may instruct an LME Listed Sampler and Assayer to undertake such tests as are necessary to form a reasonable opinion of whether or not metal on Warrant conforms with these Rules. Where the Exchange reasonably believes that the situation requires it, those tests may be conducted without the prior consent of the Warrant holder. The LME will bear the costs of such tests.

5.2 The conditions referred to above are that:-

(a) there are reasonable grounds to suspect that RMC on Warrant does not comply with these rules, and

(b) there is a risk of disruption to the LME's market.

LME
An HKEX Company

Guidance Notes for Copper-Grade A Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888
Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Copper producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six ~~12~~ months on submission of an application but the production plant must reach 12 months production before proceeding to Stage Two of the application process[1]. ~~or, if in the opinion of the LME Copper Committee, adequate production capacity utilisation and satisfactory quality has been achieved at an earlier date.~~

(c) The production plant has the capacity to produce a minimum of 15,000mt per annum of copper.

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2].

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[1] The LME reserves the right not to accept a brand application or to require a producer to be in production beyond the minimum requirements set out in 1.1(b) before considering progressing its application, should the information submitted in the application not demonstrate consistent and stable quality and/or the producer has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production from which the producer guarantees the brand as meeting the relevant chemical specification.

(h) The design capacity (mt).

(i) The current annualised use of capacity (mt).

(j) The monthly production figures for the most recent 12 months. Producers which have been in production for less than 12 months are to provide monthly production figures for the most recent six months on submission of its application with a further six months provided when 12 months of production has been reached[4].

(k) The brand name for any non-Grade A copper cathodes that are not recycled in the production plant which must differ from the brand name used for the application.

(l) The name of three testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME approved testers of copper provided at appendix D of the Guidance Notes. The producer will need to include evidence of the testers' willingness to test with its application[5].

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 the producer cannot provide three consecutive profitable externally audited financial statements, the parent company of the producer must provide three consecutive

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

[4] Monthly production figures for a further six months are to be provided before the application can proceed to Stage Two.

[5] The LME Copper Committee will provide approval of the nominated testers as part of Stage Two.

profitable externally audited financial statements and a signed Letter of Support[6] regarding the financial position of the producer[7].

(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 producer[8] is a minimum of US$ 2 million.

(b) A copy of the incorporation certificate of the producer.

(c) Photographs of the cathode and of strapped bundles (side and top profile), including a close-up photograph of the clip stating the brand name or of the brand name continuously marked on the bundle strapping and a photograph showing the production cast reference indelibly marked on the surface of the top cathode of each bundle. [This requirement will come into effect from 1 January 2030].

(d) A sample clip or section of the strap showing the brand name.

(e) Drawings of the cathode and a bundle showing all dimension in mm and weights in kg and including how many cathodes in a bundle. The following statements must be added to the drawings:

- 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 or breakage.
- The bundle size and shape is suitable for safe and secure stacking; and
- The bundle assembly and security is such that on removing the security straps it remains an integral free-standing bundle.

(f) Each bundle must have the name of the producer, production date and production cast reference stated on the top cathode of a bundle either by indelible markings or a durable plasticised label. If a label is used, provide a sample. [With effect from 1 January 2030, the production cast reference must be indelibly marked on the surface of the top cathode of each bundle].

(g) A Letter of Undertaking dated and signed on behalf of the producer[9].

(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, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

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[6] In accordance with the draft appended to these Guidance Notes – Appendix A.

[7] 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.

[8] 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.

[9] In accordance with the draft appended to these Guidance Notes – Appendix B.

(k) Chemical analysis data for the most recent three months. Producers who have been in production for less than 12 months are to provide additional chemical analysis data for a further three months before the application can proceed to Stage Two.

(l) A list of names of Continuous Cast Copper Rod ("CCR") mills that the producer has supplied in the last 12 months and confirmation that the producer has no objection to the LME contacting the named CCR mills for comments on the brand.

(m) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(n) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[10]:
  (i) Evidence of compliance with one of the four LME tracks:
    - Track A – Recognised Alignment-Assessed Standard;
    - Track B – Audited LME RFA;
    - Track C – Published LME RFA;
    - Track D – Secondary Materials.
  (ii) A copy of ISO 14001 certificate or equivalent.
  (iii) A copy of ISO 45001 certificate or equivalent.

(o) [This requirement will come into effect from 1 January 2028]
Fulfilment of the electronic Certificate of Analysis ("eCoA") Requirements[11].
  (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal[12].
  (ii) Provide a sample Certificate of Analysis which must be in English (which may be in a dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis data[13]

2.3 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 Copper-Grade A and to ensure that no testing takes place (Stage Two) until approval to do so is provided by the LME.

[10] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[11] For a more detailed understanding of the eCoA requirements, please see Appendix E to these Guidance Notes.

[12] Producers may proceed to Stage Two at its own risk whilst in the process of connecting to LMEpassport, but connection to LMEpassport must be achieved before the brand can be listed.

[13] Certificates of Analysis should demonstrate compliance with the relevant chemical specification by showing actual analysed content of the metal.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Copper Committee for approval for the application to proceed to quality testing.

3.3 The LME will inform the producer of the testing schedule which is normally 3 x 200mt to each tester and a 28-day application to list notice is issued[14].

3.4 The LME reserves the right to require Random Selection is utilised for testing. This requires that cathodes for testing a selected at random by an LME Listed Sampler an Assayer ("LSA) at the cost of the producer.

3.5 The LME will write directly to the testers advising them of the requirements for quality testing for the application. The testing shall be accordance with the LME's instructions and procedures, and all test and reports should be sent directly to the LME.

3.6 The nominated testers are required to undertake sampling and analysis of wire-rod and ensure there is no contamination from other cathode brands melted immediately prior or after the applicant brand. Testers are required to provide chemical analysis data, spiral elongation and/or AR values and measurement of electrical conductivity,

3.7 The producer and/or Brand Lister or LME Member will be responsible for liaising with the testers for the arrangements for testing.

3.8 The producer is required to provide the LME with its chemical analysis data for the test lots.

3.9 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 extending testing will be for the cost of producer.

3.10 Subject to the receipt of satisfactory reports from the testers, the reports are circulated to the LME Copper Committee for approval to list the brand, followed by internal executive approval and the issuance of the listing notice for the brand.

3.11 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.12 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.13 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

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[14] The testing schedule is subject to change at the discretion of the LME~~ and LME Copper Committee~~.

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(INSERT DATE)

In consideration of the LME maintaining our Copper-Grade A brand *(insert brand name)* in its list of brands deliverable in fulfilment of its Copper-Grade A contract:

1. We *(insert producer name)* undertake that the quality of our Copper-Grade A brand *(insert brand name)* produced at *(insert name and address of production plant)*, will meet with the requirements of the LME contract for Copper-Grade A conforming with the BS EN 1978:2022 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 be made.

3. We undertake that we will not attempt to restrict *(insert brand name)* brand from being delivered against the LME Copper-Grade A 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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market

(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 Copper-Grade A 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……..

6 Appendix C – Bundle Strapping Specifications

6.1 Table 1 – Strapping specifications for all metals/bundled shapes for producers using steel strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Steel	19mm x 0.63mm	12,000	7,000	Seal-less	80%	0.1-0.3%
Steel	19mm x 0.63mm	12,000	5,000	Metal seal	80%	0.1-0.3%

6.2 Table 2 – Strapping specifications for primary aluminium, aluminium alloy, tin, lead and zinc ingots for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6mm x 0.9mm	6,000	3,500	Metal seal	60%	2-3.5%
Polyester	15.6mm x 0.9mm	6,000	2,500	Friction	80%	2-3.5%

6.3 Table 3 – Strapping specifications for copper and nickel full plate cathodes for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1.0mm	1,000	3,500	Metal seal	60%	2-3.5%
Polyester	19.0mm x 1.0mm	1,000	2,500	Friction	80%	2-3.5%

6.4 Table 4 – Securing method for strapping

Tool	Strap material	Joint type	Maximum applied tension (newtons)	Joint strength
Manual	Steel	Metal seal	5,000	60%
Pneumatic	Steel	Seal-less	7,000	80%
Manual	Polyester	Metal seal	3,500	60&
Pneumatic	Polyester	Friction weld	2,500	80%

7 Appendix D – LME Approved Testers for Copper-Grade A Brand Applications

7.1 The following testers have been approved by the LME to receive and process the designated tonnage of metal of the brand subject to the application as part of Stage Two of the brand application process.

Belgium	Contact
Aurubis Belgium NV/SA 31 rue du Marais B-1000 Brussels Belgium	**Mr Hendrik Hanßen** Tel: +49 40 7883-2284 Mob. +49 174 8831149 Email: h.hanssen@aurubis.com

Canada	Contact
Nexans Canada Inc 460 Durocher Ave. Montreal East, QC, H1B 5H6 Canada	**Mr Florin Teglas** Tel: +1 514 645 2301 X1030 Email: florin.teglas@nexans.com

China	Contact
Guangzhou JCC Copper Product Co., Ltd No. 130 Economic and Technological Zone of Zengcheng Xintang Town Chuangqiang Road Zengcheng Area Guangzhou China	**Mr. Li Shiyin** Tel: +18520082088 Email: lishiyin@jccgz.com
Jiangxi Copper Company Ltd 7666, Changdong Avenue Gao Xin District Nanchang City Jiangxi Province 300096 China	**Mr Xiong Jianping and Mr Zhang Bo** Tel: +86 791 8271 0129 Email: xiongjp@jxcc.com ; zhb@jxcc.com
Jiangsu Jiangrun Copper Co., Ltd Jinhui Industrial Park, Guanlin Town, Yixing, Jiangsu, 214251 China	**Mr Yin Jie** Tel: + 86-510-87296981 Email: yinjie@jrcopper.cn
Nanjing Walsin Metal Co Ltd 59, Hengjing Road, Nanjing Economical & Technical Development Zone Jiangsu, 210046 China	**Mr Zhou Weishan** Tel: +86 25 8580 5588 Email: Weishan_Zhou@gree-wire.com
Shandong Province Xiangrui Metal Technology Co., Ltd Xiangguang Road, Shifo Town Yanggu County, Liaocheng City Shandong Province 252327 China	**Mr Ning Cai** Tel: +86 635 6555757 Email: ning.cai@xiangguang.com

China	Contact
Tongguan Copper Rod and Wire Corp Binjiang Industrial Park, Xihu 2nd Road, Tongling County Anhui, 244000 China	**Ms Sun Yuanyuan** Tel: +86 562 5860118/5860712 Email: sunyy@tlys.cn

France	Contact
Nexans France Lens Boulevard du Marais 62301 Lens France	**Mr Arnaud Caudreliez** Tel: +33 361 371 031 Email: arnaud.caudreliez@nexnans.com

Germany	Contact
Aurubis AG Hovestrasse 50 20539 Hamburg 36 Germany	**Mr Hendrik Hanßen** Tel: +49 40 7883-2284 Mob. +49 174 8831149 Email: h.hanssen@aurubis.com
Deutsche Giessdraht GmbH Kupferstrasse 5 D-46446 Emmerich Germany	**Mr Hendrik Hanßen** Tel: +49 40 7883-2284 Mob. +49 174 8831149 Email: h.hanssen@aurubis.com
MKM Mansfelder Kupfer und Messing GmbH Lichtloecherberg 40 D-06333 Hettstedt Germany	**Herr Klaus-Dieter Palm** Tel: +49 3476 89 2047 Email: klaus-dieter.palm@mkm.eu

Greece	Contact
Fulgor Greek Electric Cables S.A Wall Box 11 Soussaki Ag Theodoroi Corinth P.C. 20100	**Mr Miltos Metaxas** Tel: +306974404373 Email: **mmetaxas@hellenic-cables.com**

Italy	Contact
Aurubis Italia srl Zona Industriale Pianodardine I-83100 Avellino Italy	**Mr Hendrik Hanßen** Tel: +49 40 7883-2284 Mob: +49 174 8831149 **Email: h.hanssen@aurubis.com**

Japan	Contact
Sumitomo Electric Industries Ltd 1-1-3 Shimaya Konohana-ku Osaka 554-0024 Japan	**Mr Riyousuke Motoyama** Tel: +81 6 6466 5517 Email: motoyama-riyousuke@sei.co.jp

Poland	Contact
KGHM Polska Miedz SA 59-301 Lubin ul.M. Sklodowskiej-Curie 48 Poland	**Ms Irena Bogucka-Szewc** Tel: +48 76 7478 786 Email: Irena.Bogucka-Szewc@kghm.com

Malaysia	Contact
Metrod (Malaysia) Sdn Bhd 3, Lengkuk Keluli 2, 212 Bukit Raja Prime Industrial Park, 41720, Klang, Malaysia	**Mr Ganesh Balaji** Tel: +60 12-2251154 Email: ganesh@metrod.com

Russia	Contact
ELKAT LLC 2-nd Kabelnaja ul., 2 111024 Moscow Russia	**Mr Viacheslav Efimov** Tel: +7 495 673-83-91 (92) Email: efimov@elkat.ru

Spain	Contact
CuNext Copper Industries S.L. Avda. de la Fábrica s/n 14005 – Córdoba Spain	**Ms Soraya Pintor Requena** Tel: +34 647542721 Email: soraya_pintor@cunext.com

Spain	Contact
LA FARGA YOURCOPPERSOLUTIONS S.A. Ctra. C17 Km.73.5 08508 – Les Masies de Volgregà (BARCELONA) Spain	**Sr Xavier Rovira** Tel: +34 93 859 46 94 Email: xavier.rovira@lafarga.es

Sweden	Contact
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Turkey	Contact
Sarkuysan A.S. Emek Mahallesi Asiroglu Cad.No 147 41700 Darica-Kocaeli Turkey	**Mr Sevgur Arslanpay and Mr Canan Cakiroglu** Tel: +90 262 676 6600 Email: ceo@sarkuysan.com;quality@sarkuysan.com

UAE	Contact
Fujairah Gold FZC Free Zone-2, PO Box-3992 Fujairah (UAE)	**Mr Senthil Kumar V** Tel: +971-589568792 Email: v.senthilkumar@fujairahgold.com

8 Appendix E – eCoA Requirements

[This requirement comes into effect from 1 January 2028 for copper]

8.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis ("CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport became a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC, nickel, tin and cobalt brands in October 2025, and will become a mandatory requirement for all producers of LME-listed copper brands in January 2028.

8.2 **What does this mean for producers?**

For metal of LME-listed copper brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport to create enhanced eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

8.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing enhanced eCoAs.
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

8.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.

LME
An HKEX Company

Guidance Notes for Primary Aluminium Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888
Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Primary aluminium producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six~~12~~ months[1]. ~~or, if in the opinion of the LME aluminium committee, adequate production capacity utilisation and satisfactory quality has been achieved at an earlier date.~~

(c) The production plant has the capacity to produce a minimum of 25,000mt per annum of aluminium.

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its~~their~~ brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2].

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[1] The LME reserves the right not to accept a brand application or to require a producer to be in production for longer than six months before considering progressing its application, –should the information submitted in the application not demonstrate consistent and stable quality and/or the producer has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production from which the producer guarantees the brand as meeting the relevant chemical specification.

(h) The design capacity (mt).

(i) The current annualised use of capacity (mt).

(j) The monthly production figures for the most recent six~~12~~ months[4].

(k) The shape(s) to be listed; ingots, t-bars, sows.

(l) A producer must either[5]:

(i) Provide t~~T~~he name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME a~~A~~pproved t~~T~~esters of p~~P~~rimary a~~A~~luminium provided at appendix E of the Guidance Notes. The producer will need to include evidence of the testers' willingness to test with its application; or~~.~~

(ii) Provide the name of one tester the producer intends to use for testing (Stage Two) and a letter of support from one of its existing industry supply contracts regarding the quality of the metal in respect of the brand name listed in the application.~~-~~ The list of LME approved testers of primary aluminium is provided at appendix E of the Guidance Notes. The producer will need to include evidence of the tester's willingness to test with its application.

(m) The names of two LME Listed Samplers and Assayers ("LSAs") the producer intends to use to evaluate the quality of its brand (Stage Two). One LSA should be nominated to undertake sampling and analysis and one LSA should be nominated to undertake analysis only[6].

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

[4] The LME reserves the right to request additional monthly production figures.

[5] The LME A~~a~~luminium C~~c~~ommittee will provide approval of the nominated tester(s) as part of Stage Two.

[6] The LME ~~a~~Aluminium C~~c~~ommittee will provide approval of the nominated LSAs as part of Stage Two.

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 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 Support[7] regarding the financial position of the producer[8].

(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 producer[9] is a minimum of US$ 2 million.

(b) A copy of the incorporation certificate of the producer.

(c) Details of the product as follows:

Ingots

(i) Photographs of an ingot showing the brand name, production cast reference and any other markings and/or symbols on the metal.

(ii) Provide a sample label with the application if used. Labels used 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 including how many ingots in a bundle.

(v) The following statements must be added to the drawings:

- Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe handling by forklift truck without bundle distortion and breakage.
- The bundle size and shape is suitable for safe and secure stacking; and
- The bundle assembly and security is such that on removing the security straps it remains an integral free-standing bundle.

T-bars and sows

(i) Photographs of the shape(s) from top and side dimensions showing the brand name, production cast reference and any other markings and/or symbols on the metal.

(ii) Provide a sample label with the application if used. Labels used must be durable and plasticised.

(iii) Drawings of the shape(s) showing all dimensions in mm and weight in kg.

(d) A Letter of Undertaking dated and signed on behalf of the producer[10].

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[7] In accordance with the draft appended to these Guidance Notes – Appendix A.

[8] 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.

[9] 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.

[10] In accordance with the draft appended to these Guidance Notes – Appendix B.

(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, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

(h) Chemical analysis data for the most recent three months[11].

(i) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(j) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[12]:
  (i) Evidence of compliance with one of the four LME tracks:
    - Track A – Recognised Alignment-Assessed Standard;
    - Track B – Audited LME RFA;
    - Track C – Published LME RFA;
    - Track D – Secondary Materials.
  (ii) A copy of ISO 14001 certificate or equivalent.
  (iii) A copy of ISO 45001 certificate or equivalent.

(k) Fulfilment of the electronic Certificate of Analysis ("eCoA") requirements[13].
  (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal[14].
  (ii) Provide a sample Certificate of Analysis which must be in English ~~/~~(which may also be in a dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis[15].

(l) Fulfilment of the LME's CBAM requirement.
  (i) Complete the LME emissions reporting form (Excel)[16].

2.3 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 High Grade Primary Aluminium and to ensure that no testing takes place (Stage Two) until approval to do so is provided by the LME.

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[11] The LME reserves the right to request additional chemical analysis data.

[12] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[13] For a more detailed understanding of the eCoA requirements, please see Appendix C to these Guidance Notes.

[14] Producers may proceed to Stage Two at its own risk whilst in the process of connecting to LMEpassport, but connection to LMEpassport must be achieved before its brand can be listed.

[15] Certificates of Analysis should demonstrate compliance with the relevant chemical specification by showing actual analysed content of the metal.

[16] Producers will be required to upload its LME emissions reporting form to LMEpassport once its brand listed. For a more detailed understanding of the LME's CBAM requirements please see the dedicated webpage: LME CBAM emissions reporting | London Metal Exchange.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Aluminium Ccommittee for approval for the application to proceed to quality testing.

3.3 The LME will inform the producer of the testing programme which is normally 2 x 50mt from a minimum of four production batches. For 2.1(I)(i) producers must send (1 x 50mt to each nominated tester, for 2.1 (I)(ii) producers must send 1 x 50mt to the nominated tester and 1 x 50mt must be sampled by an LSA at the producer's production plant)[17]. The LME will also issue and a 28-day application to list notice. is issued.

3.4 The LME will write directly to the testers and LSAs advising them of the requirements for quality testing for the application. The testing and sampling and analysis shall be accordance with the LME's instructions and procedures and all test and LSA reports should be sent directly to the LME.

3.5 Sampling of the test lots shall be carried out by the nominated LSA at the testers' site and/or the producer's production plant[18].

3.6 The producer and/or Brand Lister or LME Member will be responsible for liaising with the testers and LSAs for the arrangements for testing.

3.7 The producer is required to provide the LME with its chemical analysis data for test lots.

3.8 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 extending testing will be for the cost of producer.

3.9 Subject to the receipt of satisfactory reports from the testers and LSAs, the reports are circulated to the LME Aaluminium Ccommittee for approval to list the brand, followed by internal executive approval and the issuance of the listing notice for the brand.

3.10 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.11 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.12 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

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[17] The testing programme is subject to change at the discretion of the LME and LME Aaluminium Ccommittee.

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

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(INSERT DATE)

In consideration of the LME maintaining our Primary Aluminium brand *(insert brand name)* in its list of brands deliverable in fulfilment of its High Grade Primary Aluminium contract:

1. We *(insert producer name)* undertake that the quality of our primary aluminium brand *(insert brand name)* produced at *(insert name and address of production plant)*, will meet with the requirements of the LME contract for High Grade Primary Aluminium and conform to the registered designation Al99.70 in the GB/T 1196-2017 standard entitled "Unalloyed Aluminium Ingots for Remelting" or Primary Aluminium with impurities no greater than in the registered designation P1020A in the Registration Record of Aluminum Association Designations and Chemical Composition Limits for Unalloyed Aluminum of the Aluminum Association Inc., U.S.A. (2018) 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 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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations ~~Department~~
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market ~~Operations~~

(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 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……..

6 Appendix C – eCoA Requirements

6.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis (CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport becaome a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; ~~and~~ for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC, nickel, tin and cobalt brands in October 2025 and will become a mandatory requirement for all producers for LME-listed copper brands in January 2028.

6.2 **What does this mean for producers?**

For metal of LME-listed primary aluminium brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport and upload eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

6.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing eCoAs (enhanced records).
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

6.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.

7 Appendix D – Bundle Strapping Specifications

7.1 Table 1 – Strapping specifications for all metals/bundled shapes for producers using steel strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Steel	19mm x 0.63mm	12,000	7,000	Seal-less	80%	0.1-0.3%
Steel	19mm x 0.63mm	12,000	5,000	Metal seal	80%	0.1-0.3%

7.2 Table 2 – Strapping specifications for primary aluminium, aluminium alloy, tin, lead and zinc ingots for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6mm x 0.9mm	6,000	3,500	Metal seal	60%	2-3.5%
Polyester	15.6mm x 0.9mm	6,000	2,500	Friction	80%	2-3.5%

7.3 Table 3 – Strapping specifications for copper and nickel full plate cathodes for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1.0mm	1,000	3,500	Metal seal	60%	2-3.5%
Polyester	19.0mm x 1.0mm	1,000	2,500	Friction	80%	2-3.5%

7.4 Table 4 – Securing method for strapping

Tool	Strap material	Joint type	Maximum applied tension (newtons)	Joint strength
Manual	Steel	Metal seal	5,000	60%
Pneumatic	Steel	Seal-less	7,000	80%
Manual	Polyester	Metal seal	3,500	60&
Pneumatic	Polyester	Friction weld	2,500	80%

8 Appendix E – LME Approved Testers for Primary Aluminium Brand Applications

8.1 The following testers have been approved by the LME to receive and process the designated tonnage of metal of the brand subject to the application as part of Stage Two of the brand application process.

China	Contact
Chalco Ruimin Co. Ltd 9 Qingzhou Road Mawei District Fuzhou City Fujian Province China	**Ms Amanda Chen** Tel: +86 591 88028132 Email: chenlm@ruimin.com
Yunnan Aluminium Co Ltd Yangzonghai Chenggong Yunnan China	**Mr Leo Wang** Tel: 86-871-7455889 Email : sales@ylgf.com or leow.yl@gmail.com

Germany	Contact
Constellium Rolled Products Singen GmbH & Co KG Alusingen-Platz 1 D-78224 Singen Germany	**Ms Janette Knippenberg** Tel: +49 7731 80 2529 Email: Janette.Knippenberg@contellium.com
Aluminium Norf GmbH KoblenzerStrasse 120 41468 Neuss Germany	**Mr Uwe Peters** Tel: +49 21 31 937 83 15 Email: uwe.peters@alunorf.de
Trimet Aluminium SE Aluminiumallee 1 D-45356 Essen Germany	**Mr Ilias Papadopoulos** Tel: +49 201 366-826 Email: papadopoulos@trimet.de
Novelis Casthouse Germany GmbH Schleusenstraße 11, 46562 Voerde, Germany	**Mr Ulrich Wolf** Tel: +49 261 891 7217 Mobile: +49 160 881 8912 Email: ulrich.wolf@novelis.adityabirla.com

Hungary	Contact
Alcoa-Koefem Kft Verseci u. 1-15 H8000 Szekesfehervar Hungary	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com

India	Contact
JSK Industries Pvt Limited 9, A K Naik Marg C S T; Near Empire Cinema Mumbai – 400001. (India)	**Mr Zimin A Doshi** **JSK Industries Pvt Limited** Works: 369/1/1/2 Behind Siyaram Silk Mills Limited Sayli. Silvassa – 396230. (India) Tel: +9122 45407737 Mobile: +919869969656 Email: zimindoshi@jskindia.in

Italy	Contact
Alcoa Transformazioni srl Localita Portovesme 09010 Portoscuso (CA) Sardinia Italy	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com
Alcoa Trasformazioni srl Via Dell'Elettronica, 33 30030 Fusina Italy	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com

Japan	Contact
UACJ Corporation Tokyo Sankei Bldg., 1-7-2, Otemachi Chiyoda-ku, Tokyo Japan 100-0004	**Mr Shoji Takeuchi** Tel: +81-3-6202-3847 Email: takeuchi-shoji@uacj.co.jp

Norway	Contact
Hydro Aluminium a.s Sourcing and Trading N-0240 Oslo Norway	**Mr Thorleif Schjelderup** Tel: +47 22 53 84 01 Email: thorleif.schjelderup@hydro.com

Spain	Contact
Alcoa Inespal S.A. Poligono Industrial de la Grela 15008 – La Coruna Spain	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com
Alcoa Inespal S.A. Fabrica de Aviles San Balandran, 2 33400 Aviles (Asturias) Spain	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com
Aluminio Espanol, S.A. Fabrica de San Ciprian Calle Aluminio, 1 27890 San Ciprian (LUGO) Spain	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com
ECN Cable Group SL Portal de Bergara, 36 Polig. Ind. Betono 01013 Vitoria-Gasteiz Spain	**Mr Antonio Rico** Tel: +34 945 261 100 Email: arico@ecn.es

UK	Contact
Alcoa Manufacturing (UK) Ltd Kitts Green Road Kitts Green Birmingham B33 9QR United Kingdom	**Mr Frank Bodenstein** **Alcoa Europe SARL** Avenue Guiseppe Motta 31-33 1202 Geneva Switzerland Tel: +41 22 919 6111 Email: frank.bodenstein@alcoa.com
Novelis Recycling Latchford Locks Works Thelwall Lane Warrington Cheshire WA4 1NP United Kingdom	**Mr Bill Routledge** Tel: +44 (0)1925 781427 Email: bill.routledge@novelis.com

UAE	Contact
Trans Gulf Aluminium Industries Co LLC PO Box 83059 Jebel Ali Industrial Area 1 Dubai UAE	**Mr Abdul Cader** Tel: +971 4 880 1524 Email: abdulcader@tggroup.ae

USA	Contact
Hydro Aluminium N.A. 5801 Riverport Rd Henderson KY 42420 USA	**Mr Christopher Summers** Tel: +1 410 487 8151 Fax: +1 270 826 2345 Email: Christopher.Summers@hydro.com

LME
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Guidance Notes for Lead Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
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Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Lead producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six~~12~~ months[1]. ~~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~~.

(c) The production plant has the capacity to produce a minimum of 12,000mt per annum of lead.

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its~~their~~ brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2]. Producers that fulfil criteria 1.7 (a) and 1.7 (b) are eligible for a brand listing fee reduction. The reduced listing fee is US$15,000 plus UK VAT and is non-refundable. The discounted fee is available for producers:

(a) that are 100% secondary producers;
and
(b) have an annual production capacity of 50,000mt or less.

Producers need to meet both these criteria to qualify for the discount and the reduced fee applies to all eligible applications received between 1 April 2024 and 31 December 2026 inclusive.

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[1] The LME reserves the right not to accept a brand application or to require a producer be in production for longer than six months before considering progressing its application, should the information submitted in the application not demonstrate consistent and stable quality and/or the producer has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production from which the producer guarantees the brand as meeting the relevant chemical specification.

(h) The design capacity (mt).

(i) The current annualised use of capacity (mt).

(j) The monthly production figures for the most recent six~~12~~ months[4].

(k) The producer must advise which standard(s) and grade(s) as outline in Part 6 of the Rulebook – Special Contract Rules for Lead it wishes to be registered for.

(l) A producer must either[5]:

(i) Provide t~~T~~he name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME a~~A~~pproved t~~T~~esters of l~~L~~ead provided at appendix E of the Guidance Notes. The producer will need to include evidence of the testers' willingness to test with its application; or~~.~~

(ii) Provide the name of one tester the producer intends to use for testing (Stage Two) and a letter of support from one of its existing industry supply contracts regarding the quality of the metal in respect of the brand name listed in the application. The tester nominated must be from the list of LME approved testers of lead provided at appendix E of the Guidance Notes. The producer will need to include evidence of the tester's willingness to test with its application; or

(iii) Provide two letters of support for the brand from its existing industry supply contracts regarding the quality of the metal in respect of the brand name listed in the application.

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

[4] The LME reserves the right to request additional monthly production figures.

[5] The LME Lead and Z~~z~~inc C~~c~~ommittee will provide approval of the nominated tester(s) as part of Stage Two.

(m) The names of two LME Listed Samplers and Assayers ("LSAs") the producer intends to use to evaluate the quality of its brand (Stage Two). One LSA should be nominated to undertake sampling and analysis and one LSA should be nominated to undertake analysis only[6].

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 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 Support[7] regarding the financial position of the producer[8].
  (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 producer[9] is a minimum of US$ 2 million.

(b) A copy of the incorporation certificate of the producer.

(c) Photographs of the ingot showing the brand name, grade and production cast reference and any other markings and/or symbols on the metal.

(d) Photographs of a strapped bundle from top and side dimensions.

(e) Provide a sample label with the application if used. Labels must be durable and plasticised.

(f) Drawings of the ingot and a bundle showing all dimensions in mm and weights in kg including how many ingots in a bundle.
  (i) The following statements must be added to the drawings:
    - Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe handling by forklift truck without bundle distortion and breakage.
    - The bundle size and shape is suitable for safe and secure stacking; and
    - The bundle assembly and security is such that on removing the security straps it remains an integral free-standing bundle.

(g) A Letter of Undertaking dated and signed on behalf of the producer[10].

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[6] The LME Lead and Zinc Committee will provide approval of the nominated LSAs as part of Stage Two.

[7] In accordance with the draft appended to these Guidance Notes – Appendix A.

[8] 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.

[9] 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.

[10] In accordance with the draft appended to these Guidance Notes – Appendix B.

(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, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

(k) Chemical analysis data for the most recent three months for all grades to be listed[11].

(l) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(m) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[12]:
- (i) Evidence of compliance with one of the four LME tracks:
  - Track A – Recognised Alignment-Assessed Standard;
  - Track B – Audited LME RFA;
  - Track C – Published LME RFA;
  - Track D – Secondary Materials.
- (ii) A copy of ISO 14001 certificate or equivalent.
- (iii) A copy of ISO 45001 certificate or equivalent.

(n) Fulfilment of the electronic Certificate of Analysis ("eCoA") requirements[13].
- (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal[14].
- (ii) Provide a sample Certificate of Analysis which must be in English (which may also be in a ~~/~~dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis[15].

2.3 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 Lead and to ensure that no testing takes place (Stage Two) until approval to do so is provided by the LME.

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[11] The LME reserves the right to request additional chemical analysis data.

[12] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[13] For a more detailed understanding of the eCoA requirements, please see Appendix C to these Guidance Notes.

[14] Producers may proceed to Stage Two at its own risk whilst in the process of connecting to LMEpassport, but connection to LMEpassport must be achieved before its brand can be listed.

[15] Certificates of Analysis should demonstrate compliance with the relevant chemical specification by showing actual analysed content of the metal.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Llead and Zzinc Ccommittee for approval for the application to proceed to quality testing.

3.3 The LME will inform the producer of the testing programme which is normally 2 x 50mt from a minimum of four production batches. For 2.1(I)(i) producers must send (1 x 50mt to each nominated tester), for 2.1(I)(ii) producers must send 1 x 50mt to the nominated tester and 1 x 50mt must be sampled by an LSA at the producer's production plant and for 2.1(iii) 2 x 50mt must be sampled by an LSA at the producer's production plant[16]. The LME will also issueand a 28-day application to list notice. is issued.

3.4 The LME will write directly to the testers and LSAs advising them of the requirements for quality testing for the application. The testing and sampling and analysis shall be accordance with the LME's instructions and procedures and all test and LSA reports should be sent directly to the LME.

3.5 Sampling of the test lots shall be carried out by the nominated LSA at the testers' site and/or the producer's production plant[17].

3.6 The producer and/or Brand Lister or LME Member will be responsible for liaising with the testers and LSAs for the arrangements for testing.

3.7 The producer is required to provide the LME with its chemical analysis data for test lots.

3.8 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 extending testing will be for the cost of producer.

3.9 Subject to the receipt of satisfactory reports from the testers and LSAs, the reports are circulated to the LME Llead and Zzinc Ccommittee for approval to list the brand, followed by internal executive approval and the issuance of the listing notice for the brand.

3.10 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.11 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.12 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

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[16] The testing programme is subject to change at the discretion of the LME and LME Llead and zZinc Ccommittee.

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

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(INSERT DATE)

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

1. We *(insert producer name)* undertake that the quality of our lead brand *(insert brand name)* produced at *(insert name and address of production plant)*, will meet with the requirements of the LME contract for Lead conforming with *(delete as appropriate)* BS EN 12659:1999m GB/T 469-2013, ASTM B29-19 standard(s) 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 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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations ~~Department~~
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market ~~Operations~~

(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 Lead 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……..

6 Appendix C – eCoA Requirements

6.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis (CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport becaome a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; and for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC nickel, tin and cobalt brands in October 2025 and will become a mandatory requirement for all producers of LME-listed copper brand in January 2028.

6.2 **What does this mean for producers?**

For metal of LME-listed lead brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport and upload eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

6.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing eCoAs (enhanced records).
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

6.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.

7 Appendix D – Bundle Strapping Specifications

7.1 Table 1 – Strapping specifications for all metals/bundled shapes for producers using steel strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Steel	19mm x 0.63mm	12,000	7,000	Seal-less	80%	0.1-0.3%
Steel	19mm x 0.63mm	12,000	5,000	Metal seal	80%	0.1-0.3%

7.2 Table 2 – Strapping specifications for primary aluminium, aluminium alloy, tin, lead and zinc ingots for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6mm x 0.9mm	6,000	3,500	Metal seal	60%	2-3.5%
Polyester	15.6mm x 0.9mm	6,000	2,500	Friction	80%	2-3.5%

7.3 Table 3 – Strapping specifications for copper and nickel full plate cathodes for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1.0mm	1,000	3,500	Metal seal	60%	2-3.5%
Polyester	19.0mm x 1.0mm	1,000	2,500	Friction	80%	2-3.5%

7.4 Table 4 – Securing method for strapping

Tool	Strap material	Joint type	Maximum applied tension (newtons)	Joint strength
Manual	Steel	Metal seal	5,000	60%
Pneumatic	Steel	Seal-less	7,000	80%
Manual	Polyester	Metal seal	3,500	60&
Pneumatic	Polyester	Friction weld	2,500	80%

8 Appendix E – LME Approved Testers for Lead Brand Applications

8.1 The following testers have been approved by the LME to receive and process the designated tonnage of metal of the brand subject to the application as part of Stage Two of the brand application process.

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
Yunnan Tin Co Ltd 36 Guan Shang North Road Yunxi Hotel 11/F Kunming Yunnan Province China	**Mr Ye Yongsheng** Tel: +86 871 715 7070 Email: yysheng-637@163.com
Henan Yuguang Gold and Lead Co., Ltd. No.1 Jingliang South Street Jiyuan City Henan Province China	**Mssrs Yang Xin and Zhang Zhikuan** Tel: +86 391 6665809 Email: yangxin999@sina.com; zzk@yggf.com.cn
Hunan Shuikoushan Nonferrous Metals Group Co., Ltd. 19 Dukou Road, Shuikoushan Town, Changning City, Hengyang HuNan City, 421513, China	**Mr He Chao** Email: 463432643@qq.com **Ms Liu Bing Ying** Email: liubingying1016@163.com Tel: +86 19894404633
Zhejiang Tianneng Battery Co Ltd Meishan Industry Area, Changxing County Zhejiang 313117 China	**Mr Xu Lixin** Tel: +86 572 621 8817 Email: zsp8088@126.com

Germany	Contact
Rohr & Stolberg GmbH Bruchfeld 52 47809 Krefeld Germany	**Mr Martin Hummer** Tel: +49 2151 5892 88 Email: Martin.Huemmer@roehr-stolberg.de

India	Contact
Exide Industries Ltd Exide House 59E, Chowringhee Road Kolkota 700 020 India	**Mr Arijit Goon** Tel: +91 33 23023400/2133/2136 Email: Arijit.Goon@exide.co.in

Jain Resource Recycling Ltd Plot R1, R2, R3 SIPCOT Industrial Complex, Gummidipoondi, Tiruvallur District, Tamil Nadu, India 601201	**Mr Vijay Kumar** Tel: +91 -4443409494 Mobile: +91-8171493535 Email: coo@jainmetalgroup.com **Mr Mayank Pareek** Tel: +91 4443409494 Mobile: +91 9811999111 Email: mayank@jainmetalgroup.com
Pondy Oxides & Chemicals Ltd KRM Centre, 4th Floor #2, Harrington Road Chetpet Chennai 600031 Tamil Nadu India	**Mr Ashish Bansal** Tel: +91 44 4296 5454 Email: ashish@pocl.com **Ms Poorani Ravi** Tel: +91 44 4296 5475 Email: poorani.r@pocl.com

Italy	Contact
ECO-BAT S.R.L Strada Statale dei Giovi 5 I-20037 Paderno Dugnano (MI) Italy	**Walter Bianchi** Tel: +39 02 91003 224 Email: walter.bianchi@eco-bat.it

Lebanon	Contact
Arayby For Industrial and Trading s.a.r.l. Industrial Zone Taanayel Bekaa Lebanon	**Mr Fouad El Oraibi** Tel: +9618514000 Mobile: +9613928938 Email: shipping@araybyco.com

Malaysia	Contact
Asia Litharge Sdn Bhd No. 1 Lebuh Sultan Mohamed 1 Selat Klang Utara 42000 Pelabuhan Klang Selangor Darul Ehsan Malaysia	**Mr Ng Ming Yeow** Tel: +603 3176 4519 Email: litasia@po.jaring.my
Metal Reclamation (Industries) Sdn Bhd Lot 6, 8 and 9 Jalan Perigi Nanas 6/1 Pulau Indah Industrial Park West Port, 42920 Port Kelang, Selangor Darul Ehsan Malaysia	**Mr S S Lim** Tel: +603 3101 1198 Email:enquiry@metal-reclamation.com

Myanmar	Contact
Proven Group of Companies Ltd. F/S14, Bayint Naung Road, Shwe Sabi Yeik Mon, Kamayut Township, Yangon, Myanmar	**Mr Than Htaik Lwin @ Alan** Tel: +95-9-527667 / +95-1-530694 Email : alanlwin@proven.com.mm

Poland	Contact
Exide Technologies S.A. Ul. Gdynska 31/33 61-016 Poznan Poland	**Mr Janusz Mieloszyk** Tel: +4861 878 61 00 Email: mieloszykj@exide.pl
ZAP Sznajder Batterien S A Ul Warszawska 47 05-820 Piastow Poland	**Mr Dmitrzak** Tel: +4822 753 9920 Email: k-dmitrzak@zap.pl

Spain	Contact
EXIDE TECHNOLOGIES S.L.U. Autovia A2, Km. 41.8 ES 19800 AZUQUECA DE HENARES (Guadalajara) Spain	**Mr Mariano Lopez** Tel: +34 949 360 037 Email: jmariano.lopez@eu.exide.com

South Korea	Contact
Sebang Global Battery Co., Ltd. **Head Office** 6F, Sebang Bldng 708-8 Yeoksam-dong, Gangnam-gu Seoul, 135-919 South Korea **Plant** 500-4 Hanam-Dong Gwangsan-Gu Gwangju South Korea	**Mr Jihoon Nam** Tel: +82 2 3451 6167 Email: namjihoon@gbattery.com **Ms Saehee Park** Tel: +82 2 3451 6184 Email: saeheepark@gbattery.com **Mr Donghwan Kim** Tel: +82 2 3451 6165 Email: kdh8150@gbattery.com

Taiwan	Contact
Thye Ming Industrial Co. Ltd. No.6, Chu Kuang 3 St. Tafa Ind. Area Kaohsiung City, Taiwan	**Ms Sophia Hwang** Tel: +886 7 787 2278 Email: sophia@tmicl.com.tw
Jian Shin Resources Corporation No. 108 Sec. 2 Linhai Road, Fangliao Township, Ping Tung County 940, Taiwan	**Mr John Liu** Tel: +886 (0)7 222 5518 ext.211 Email: john.liu.tl@gmail.com

Thailand	Contact
Thye Ming Industrial Co. Ltd. No.6, Chu Kuang 3 St. Tafa Ind. Area Kaohsiung City, Taiwan	**Ms Sophia Hwang** Tel: +886 7 787 2278 Email: sophia@tmicl.com.tw
Jian Shin Resources Corporation No. 108 Sec. 2 Linhai Road, Fangliao Township, Ping Tung County 940, Taiwan	**Mr John Liu** Tel: +886 (0)7 222 5518 ext.211 Email: john.liu.tl@gmail.com

UK	Contact
H J Enthoven & Sons Darley Dale Smelter South Darley Matlock, Derbyshire DE4 2LP UK	**Mr Stuart Thompson** Tel: +44 1629 736 140 Mob: +44 7796 342074 Email: stuart.thompson@ecobat.com
Calder Industrial Materials Limited Jupiter Drive Chester West Employment Park Chester Cheshire CH1 4EX UK	**Ms Claire Phillskirk** Calder Industrial Materials Limited 1 Derwent Court Earlsway Team Valley Trading Estate Gateshead, Tyne & Wear NE11 0TF UK Tel: +44 (0) 191 482 7350 Email: marmour@calderlead.co.uk
Britannia Refined Metals Botany Road Northfleet Kent DA11 9BG UK	**Mr Miguel Angel Hernandez** Tel: +44 (0) 147 453 8231 Email:miguelangel.hernandez@glencore.uk.com

USA	Contact
Crown Battery Manufacturing Co. 1445 Majestic Drive P.O. Box 990 Fremont Ohio 43420-0990 USA	**Mr Art Balcerzak** Tel: +1 419 334 7181 Email: abalcerzak@verizon.net

Vietnam	Contact
Sheng Chang Tech Co., Ltd Lo I.1A-CN Khu cong nghiep My Phuoc 2 huyen Ben Cat tinh Binh Duong Vietnam	**Mr Chris Huang** Tel: +84 6 5055 3577/+886-22507-3557 Mobile: +886-91212-6262 Email: chris@jetrate.com.tw
Thye Ming (Vietnam) Industrial Co., Ltd Lot C-8A-CN My Phuoc II IND Park Ben Cat Binh Duong Vietnam	**Mr Paul Cheng** Tel: +884 650 3 568 568 Email: thyemingvietnam@gmail.com

LME
An HKEX Company

Guidance Notes for Special High Grade Zinc Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888
Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Zinc producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six~~12~~ months[1]. ~~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~~.

(c) The production plant has the capacity to produce a minimum of 12,000mt per annum of zinc.

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its~~their~~ brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2].

[1] The LME reserves the right not to accept a brand application or to require a producer to be in production for longer than six months before considering progressing its application, should the information in the application not demonstrate consistent and stable quality and/or a producer has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production from which the producer guarantees the brand as meeting the relevant chemical specification.

(h) The design capacity (mt).

(i) The current annualised use of capacity (mt).

(j) The monthly production figures for the most recent six~~12~~ months[4].

(k) The shape(s) to be listed; ingots and/or jumbos.

(l) A producer must either[5]:

(i) Provide t~~T~~he name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME a~~A~~pproved t~~T~~esters of z~~Z~~inc provided at appendix E of the Guidance Notes. The producer will need to include evidence of the testers' willingness to test with its application; or

(ii) Provide the name of one tester the producer intends to use for testing (Stage Two) and a letter of support from one of its existing industry supply contracts regarding the quality of the metal in respect of the brand name listed in the application. The tester nominated must be from the list of LME approved testers of zinc provided at appendix E of the Guidance Notes. The producer will need to include evidence of the tester's willingness to test with its application.

(m) The names of two LME Listed Samplers and Assayers ("LSAs") the producer intends to use to evaluate the quality of its brand (Stage Two). One LSA should be nominated to undertake sampling and analysis and one LSA should be nominated to undertake analysis only[6].

---

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

[4] The LME reserves the right to request additional monthly production figures.

[5] The LME Lead and Zinc Committee will provide approval of the nominated tester(s) as part of Stage Two.

[6] The LME L~~l~~ead and Z~~z~~inc C~~c~~ommittee will provide approval of the nominated LSAs as part of Stage Two.

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 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 Support[7] regarding the financial position of the producer[8].

(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 producer[9] is a minimum of US$ 2 million.

(b) A copy of the incorporation certificate of the producer.

(c) Details of the product as follows:

Ingots

(i) Photographs of an ingot showing the brand name, grade, production cast reference and any other markings and/or symbols on the metal.

(ii) Provide a sample label with the application if used. Labels used 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 including how many ingots in a bundle.

(v) The following statements must be added to the drawings:

- Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe handling by forklift truck without bundle distortion and breakage.
- The bundle size and shape is suitable for safe and secure stacking; and
- The bundle assembly and security is such that on removing the security straps it remains an integral free-standing bundle.

Jumbos

(i) Photographs of the jumbo from top and side dimensions showing the brand name, grade production cast reference and any other markings and/or symbols on the metal.

(ii) Provide a sample label with the application is used. Labels used must be durable and plasticised.

(iii) Drawings of the jumbo showing all dimensions in mm and weight in kg.

(d) A Letter of Undertaking dated and signed on behalf of the producer[10].

---

[7] In accordance with the draft appended to these Guidance Notes – Appendix A.

[8] 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.

[9] 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.

[10] In accordance with the draft appended to these Guidance Notes – Appendix B.

(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, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

(h) Chemical analysis data for the most recent three months[11].

(i) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(j) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[12]:
  (i) Evidence of compliance with one of the four LME tracks:
    - Track A – Recognised Alignment-Assessed Standard;
    - Track B – Audited LME RFA;
    - Track C – Published LME RFA;
    - Track D – Secondary Materials.
  (ii) A copy of ISO 14001 certificate or equivalent.
  (iii) A copy of ISO 45001 certificate or equivalent.

(k) Fulfilment of the electronic Certificate of Analysis ("eCoA") requirements[13].
  (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal[14].
  (ii) Provide a sample Certificate of Analysis which must be in English (which may also be a ~~/~~dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis[15].

2.3 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 (Stage Two) until approval to do so is provided by the LME.

[11] The LME reserves the right to request additional chemical analysis data.

[12] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[13] For a more detailed understanding of the eCoA requirements, please see Appendix C to these Guidance Notes.

[14] Producers may proceed to Stage Two at its own risk whilst in the process of connecting to LMEpassport, but connection to LMEpassport must be achieved before its brand can be listed.

[15] Certificates of Analysis should demonstrate compliance with the relevant chemical specification by showing actual analysed content of the metal.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Llead and Zzinc Ccommittee for approval for the application to proceed to quality testing.

3.3 The LME will inform the producer of the testing programme which is normally 2 x 50mt from a minimum of four production batches. For 2.1(l)(i) producers must send (1 x 50mt to each nominated tester) and for 2.1(l)(ii) producers must send 1 x 50mt to the nominated tester and 1 x 50mt must be sampled by an LSA at the producer's production plant[16]. The LME will also issue and a 28-day application to list notice is issued.

3.4 The LME will write directly to the testers and LSAs advising them of the requirements for quality testing for the application. The testing and sampling and analysis shall be accordance with the LME's instructions and procedures and all test and LSA reports should be sent directly to the LME.

3.5 Sampling of the test lots shall be carried out by the nominated LSA at the testers' site and/or the producer's production plant[17].

3.6 The producer and/or Brand Lister or LME Member will be responsible for liaising with the testers and LSAs for the arrangements for testing.

3.7 The producer is required to provide the LME with its chemical analysis data for test lots.

3.8 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 extending testing will be for the cost of producer.

3.9 Subject to the receipt of satisfactory reports from the testers and LSAs, the reports are circulated to the LME Llead and Zzinc Ccommittee for approval to list the brand, followed by internal executive approval and the issuance of the listing notice for the brand.

3.10 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.11 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.12 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

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[16] The testing programme is subject to change at the discretion of the LME and LME lead and zinc committee.

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

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(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.

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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations ~~Department~~
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market ~~Operations~~

(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 Special Contract 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……..

6 Appendix C – eCoA Requirements

6.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis (CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport becaome a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; and for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC, nickel, tin and cobalt brands in October 2025 and will become a mandatory requirement for all producers of LME-listed copper brands in January 2028.

6.2 **What does this mean for producers?**

For metal of LME-listed zinc brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport and upload eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

6.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing eCoAs (enhanced records).
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

6.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.

7 Appendix D – Bundle Strapping Specifications

7.1 Table 1 – Strapping specifications for all metals/bundled shapes for producers using steel strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Steel	19mm x 0.63mm	12,000	7,000	Seal-less	80%	0.1-0.3%
Steel	19mm x 0.63mm	12,000	5,000	Metal seal	80%	0.1-0.3%

7.2 Table 2 – Strapping specifications for primary aluminium, aluminium alloy, tin, lead and zinc ingots for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6mm x 0.9mm	6,000	3,500	Metal seal	60%	2-3.5%
Polyester	15.6mm x 0.9mm	6,000	2,500	Friction	80%	2-3.5%

7.3 Table 3 – Strapping specifications for copper and nickel full plate cathodes for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1.0mm	1,000	3,500	Metal seal	60%	2-3.5%
Polyester	19.0mm x 1.0mm	1,000	2,500	Friction	80%	2-3.5%

7.4 Table 4 – Securing method for strapping

Tool	Strap material	Joint type	Maximum applied tension (newtons)	Joint strength
Manual	Steel	Metal seal	5,000	60%
Pneumatic	Steel	Seal-less	7,000	80%
Manual	Polyester	Metal seal	3,500	60&
Pneumatic	Polyester	Friction weld	2,500	80%

8 Appendix E – LME Approved Testers for Zinc Brand Applications

8.1 The following testers have been approved by the LME to receive and process the designated tonnage of metal of the brand subject to the application as part of Stage Two of the brand application process.

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
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** Tel: +86 874 897 9505 Email: tgl8464@163.com **Mr Chai Zhenglong** Tel: +86 874 896 6888 Email: 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** Tel: +86 391 6665809 Email: yangxin999@sina.com **Mr. Zhang Zhikuan** Email: zzk@yggf.com.cn
Genesis Alloys (Ningbo) Ltd 8 Wangfang Road Wangjia Village Xiepu Development Zone Ningbo Zhenhai Distrcit Zhejiang Province China 315203	**Ms Amy Ma** Tel: +86 (574) 8650 7398 Email: enquiry@genesisalloys.com

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

Hong Kong	Contact
Essence Metal (Asia)., Ltd 16 Dai Fat Street Tai Po Industrial Estate N.T. Hong Kong	**Mr Tony Liu** Tel: +852 2789 0282 Email: enquiry@essence-metal.com

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

LME
An HKEX Company

Guidance Notes for Nickel Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888
Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Nickel producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six~~12~~ months[1]. ~~or, if in the opinion of the LME nickel committee, adequate production capacity utilisation and satisfactory quality has been achieved at an earlier date.~~

(c) The production plant has the capacity to produce a minimum of 5,000mt per annum of nickel.

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its~~their~~ brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2].

[1] The LME reserves the right not to accept a brand application or to require a producer to be in production for longer than six months before considering progressing its application, should the information submitted in the application not demonstrate consistent and stable quality and/or the producers has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production from which the producer guarantees the brand as meeting the relevant chemical specification.

(h) The design capacity (mt).

(i) The current annualised use of capacity (mt).

(j) The monthly production figures for the most recent six~~12~~ months[4].

(k) The shape(s) to be listed: full plate cathodes; cut cathodes; briquettes (bagged/drummed); pellets (bagged/drummed); and rounds (bagged/drummed).

(l) A producer must either[5]:

(i) Provide t~~T~~he name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME a~~A~~pproved t~~T~~esters of n~~N~~ickel provided at appendix E of the Guidance Notes. The producer will need to include evidence of the testers' willingness to test with its application: or~~.~~

(ii) Provide the name of one tester the producer intends to use for testing (Stage Two) and a letter of support from one of its existing industry supply contracts regarding the quality of the metal in respect of the brand name listed in the application. The tester nominated must be from the list of LME approved testers of nickel provided at appendix E of the Guidance Notes. The producer will need to include evidence of the tester's willingness to test with its application.

(m) The names of two LME Listed Samplers and Assayers ("LSAs") the producer intends to use to evaluate the quality of its brand (Stage Two). One LSA should be nominated to undertake sampling and analysis and one LSA should be nominated to undertake analysis only[6].

---

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

[4] The LME reserves the right to require additional monthly production figures.

[5] The LME Nickel Committee will provide approval of the nominated tester(s) as part of Stage Two.

[6] The LME N~~n~~ickel C~~c~~ommittee will provide approval of the nominated LSAs as part of Stage Two.

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 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 Support[7] regarding the financial position of the producer[8].

(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 producer[9] is a minimum of US$ 2 million.

(b) A copy of the incorporation certificate of the producer.

(c) Details of the product as follows:

Drummed and/or bagged shapes (cut cathodes, briquettes, pellets, rounds)

(i) Photographs of the product and of the drums and/or bags, clearly showing all markings and/or symbols. The photographs must show:

- The brand name, production batch reference and the net and gross weights of the drums and/or bags.
- The product packaged for transportation including any pallet used.

(ii) Provide a sample label with the application if used. Labels used must be durable and plasticised.

(iii) Provide a sample of the tamperproof numbered seal.

Full plate cathodes

(i) Photographs of the cathode and of strapped bundles (side and top dimensions). The photographs must show:

- A close-up of the clips stating the brand name or of the brand name continuously marked on the strapping.
- The net and gross weights, production cast reference and labels.
- A bundle showing the steel or wooden skids used.

(ii) Provide a sample label with the application if used. Labels used must be durable and plasticised.

(iii) Drawings of the cathode and a bundle showing all dimensions in mm and weights in kg, including how many cathodes in a bundle. The following statements must be added to the drawings;

---

[7] In accordance with the draft appended to these Guidance Notes – Appendix A.

[8] 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.

[9] 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.

- Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe handling by forklift truck without bundle distortion and breakage.
- The bundle size and shape is suitable for safe and secure stacking; and
- The bundle assembly and security is such that on removing the security straps it remains an integral free-standing bundle.

(d) A Letter of Undertaking dated and signed on behalf of the producer[10].

(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, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

(h) Chemical analysis data for the most recent three months[11].

(i) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(j) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[12]:
  (i) Evidence of compliance with one of the four LME tracks:
    - Track A – Recognised Alignment-Assessed Standard;
    - Track B – Audited LME RFA;
    - Track C – Published LME RFA;
    - Track D – Secondary Materials.
  (ii) A copy of ISO 14001 certificate or equivalent.
  (iii) A copy of ISO 45001 certificate or equivalent.

(k) Fulfilment of the electronic Certificate of Analysis ("eCoA") requirements[13].
  (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal[14].
  (ii) Provide a sample Certificate of Analysis which must be in English (which may also be a dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis[15].

2.3 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 Primary Nickel and to ensure that no testing takes place (Stage Two) until approval to do so is provided by the LME.

---

[10] In accordance with the draft appended to these Guidance Notes – Appendix B.

[11] The LME reserves the right to request additional chemical analysis data.

[12] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[13] For a more detailed understanding of the eCoA requirements, please see Appendix C to these Guidance Notes.

[14] Producers may proceed to Stage Two at its own risk whilst in the process of connecting to LMEpassport, but connection to LMEpassport must be achieved before its brand can be listed.

[15] Certificates of Analysis should demonstrate compliance with the relevant chemical specification by showing actual analysed content of the metal.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Nickel Committee for approval for the application to proceed to quality testing.

3.3 The LME will inform the producer of the testing programme which is normally 2 x 6mt. For 2.1(l)(i) producers must send 1 x 6mt to each nominated tester, for 2.1(l)(ii) producers must send 1 x 50mt to the nominated tester and 1 x 50mt must be sampled by an LSA at the producer's production plant)[16]. The LME will also issue and a 28-day application to list notice is issued.

3.4 The LME will write directly to the testers and LSAs advising them of the requirements for quality testing for the application. The testing and sampling and analysis shall be accordance with the LME's instructions and procedures and all test and LSA reports should be sent directly to the LME.

3.5 Sampling of the test lots shall be carried out by the nominated LSA at the testers' site and/or the producer's production plant[17].

3.6 The producer and/or Brand Lister or LME Member will be responsible for liaising with the testers and LSAs for the arrangements for testing.

3.7 The producer is required to provide the LME with its chemical analysis data for test lots.

3.8 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 extending testing will be for the cost of producer.

3.9 Subject to the receipt of satisfactory reports from the testers and LSAs, the reports are circulated to the LME Nickel Committee for approval to list the brand, followed by internal executive approval and the issuance of the listing notice for the brand.

3.10 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.11 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.12 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

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[16] The testing programme is subject to change at the discretion of the LME and LME nickel committee.

[17] The producer will need to advise the LME in its application if there is any reason the sampling and analysis of its brand needs to place at its plant in lieu of sending 2 x 6mt to two testers.

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(INSERT DATE)

In consideration of the LME maintaining our Nickel brand *(insert brand name)* in its list of brands deliverable in fulfilment of its Primary Nickel contract:

1. We *(insert producer name)* undertake that the quality of our nickel brand *(insert brand name)* produced at *(insert name and address of production plant)*, will meet with the requirements of the LME contract for Primary Nickel conforming to the *(delete as appropriate)* ASTM specification B39-79 (2023) – min 99.980% purity and/or the GB/T 6516/2010 – Ni9990 grade 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 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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations ~~Department~~
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market ~~Operations~~

(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 Primary Nickel 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……..

6 Appendix C – eCoA Requirements

6.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis (CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport becaome a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; and for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC, nickel, tin and cobalt brands in October 2025 and will become a mandatory requirement for all producers of LME-listed copper brand in January 2028.

6.2 **What does this mean for producers?**

For metal of LME-listed nickel brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport and upload eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

6.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing eCoAs (enhanced records).
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

6.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.

7 Appendix D – Bundle Strapping Specifications

7.1 Table 1 – Strapping specifications for all metals/bundled shapes for producers using steel strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Steel	19mm x 0.63mm	12,000	7,000	Seal-less	80%	0.1-0.3%
Steel	19mm x 0.63mm	12,000	5,000	Metal seal	80%	0.1-0.3%

7.2 Table 2 – Strapping specifications for primary aluminium, aluminium alloy, tin, lead and zinc ingots for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6mm x 0.9mm	6,000	3,500	Metal seal	60%	2-3.5%
Polyester	15.6mm x 0.9mm	6,000	2,500	Friction	80%	2-3.5%

7.3 Table 3 – Strapping specifications for copper and nickel full plate cathodes for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1.0mm	1,000	3,500	Metal seal	60%	2-3.5%
Polyester	19.0mm x 1.0mm	1,000	2,500	Friction	80%	2-3.5%

7.4 Table 4 – Securing method for strapping

Tool	Strap material	Joint type	Maximum applied tension (newtons)	Joint strength
Manual	Steel	Metal seal	5,000	60%
Pneumatic	Steel	Seal-less	7,000	80%
Manual	Polyester	Metal seal	3,500	60&
Pneumatic	Polyester	Friction weld	2,500	80%

8 Appendix E – LME Approved Testers for Nickel Brand Applications

8.1 The following testers have been approved by the LME to receive and process the designated tonnage of metal of the brand subject to the application as part of Stage Two of the brand application process.

Luxemburg	Contact
Aperam Société Anonyme 12C, rue Guillaume Kroll L 1882 Luxembourg Grand-Duchy of Luxembourg	**Mr Carl Landuydt** Tel: +352 273627 100 Mobile: +352 621 55 65 14 Email: carl.landuydt@aperam.com

China	Contact
Xinyu Iron & Steel Co., Ltd. Yejin Road Xinyu City Jiangxi Province 338001 China	**Mr. Yu Binghe** Tel: +86 790 6293248 Email: YLLLB@xinsteel.com.cn
Changde Lyrun New Material Co., Ltd. Deshan Economic & Technological Development Zone Changde City Hunan Province China	**Mr Feng Jinqiao** Tel: +86 736 258 8059 Email: fjq@corun.com

LME
An HKEX Company

Guidance Notes for Tin Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888
Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Tin producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six~~12~~ months[1] ~~or, if in the opinion of the LME tin committee, adequate production capacity utilisation and satisfactory quality has been achieved at an earlier date~~.

(c) The production plant has the capacity to produce a minimum of 1,000mt per annum of tin.

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its~~their~~ brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2].

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[1] The LME reserves the right not to accept a brand application or to require a producer to be in production for longer than six months before considering progressing its application, should the information in the application not demonstrate consistent and stable quality and/or the producer has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production from which the producer guarantees the brand as meeting the relevant chemical specification.

(h) The design capacity (mt).

(i) The current annualised use of capacity (mt).

(j) The monthly production figures for the most recent six~~12~~ months[4].

(k) A producer must either[5]:

(i) Provide t~~T~~he name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME a~~A~~pproved t~~T~~esters of t~~T~~in provided at appendix E of the Guidance Notes. The producer will need to include evidence of the testers' willingness to test with its application; or~~.~~

(ii) Provide the name of one tester the producer intends to use for testing (Stage Two) and a letter of support from one of its existing industry supply contracts regarding the quality of the metal in respect of the brand name listed in the application. The tester nominated must be from the list of LME approved testers of tin provided at appendix E of the Guidance Notes. The producer will need to include evidence of the tester's willingness to test with its application.

(l) The names of two LME Listed Samplers and Assayers ("LSAs") the producer intends to use to evaluate the quality of its brand (Stage Two). One LSA should be nominated to undertake sampling and analysis and one LSA should be nominated to undertake analysis only[6].

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

[4] The LME reserves the right to request additional monthly production figures.

[5] The LME Tin Committee will provide approval of the nominated tester(s) as part of Stage Two.

[6] The LME T~~t~~in C~~c~~ommittee will provide approval of the nominated LSAs as part of Stage Two.

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 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 Support[7] regarding the financial position of the producer[8].
  (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 producer[9] is a minimum of US$ 2 million.

(b) A copy of the incorporation certificate of the producer.

(c) Photographs of the ingot showing the brand name, production cast reference and any other markings and/or symbols on the metal.

(d) Photographs of a strapped bundle from top and side dimensions.

(e) Provide a sample label with the application if used. Labels must be durable and plasticised.

(f) Drawings of the ingot and a bundle showing all dimensions in mm and weights in kg including how many ingots in a bundle.
  (i) The following statements must be added to the drawings:
    - Each bundle is securely strapped in two dimensions with material protected against corrosion and of sufficient strength and fixing to permit safe handling by forklift truck without bundle distortion and breakage.
    - The bundle size and shape is suitable for safe and secure stacking; and
    - The bundle assembly and security is such that on removing the security straps it remains integral free-standing bundle.

(g) A Letter of Undertaking dated and signed on behalf of the producer[10].

(h) An outline of the production process including a process flow diagram.

(i) A production site plan/diagram.

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[7] In accordance with the draft appended to these Guidance Notes – Appendix A.

[8] 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.

[9] 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.

[10] In accordance with the draft appended to these Guidance Notes – Appendix B.

(j) A paper detailing the sampling and analytical process, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

(k) Chemical analysis data for the most recent three months[11].

(l) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(m) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[12]:
  (i) Evidence of compliance with one of the four LME tracks:
    - Track A – Recognised Alignment-Assessed Standard;
    - Track B – Audited LME RFA;
    - Track C – Published LME RFA;
    - Track D – Secondary Materials.
  (ii) A copy of ISO 14001 certificate or equivalent.
  (iii) A copy of ISO 45001 certificate or equivalent.

(n) Fulfilment of the electronic Certificate of Analysis ("eCoA") requirements[13].
  (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal[14].
  (ii) Provide a sample Certificate of Analysis which must be in English (which may also be in a ~~/~~dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis[15].

2.3 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 Tin and to ensure that no testing takes place (Stage Two) until approval to do so is provided by the LME.

[11] The LME reserves the right to request additional chemical analysis data.

[12] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[13] For a more detailed understanding of the eCoA requirements, please see Appendix C to these Guidance Notes.

[14] Producers may proceed to Stage Two at its own risk whilst in the process of connecting to LMEpassport, but connection to LMEpassport must be achieved before its brand can be listed.

[15] Certificates of Analysis should demonstrate compliance with the relevant chemical specification by showing actual analysed content of the metal.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Tt~~t~~in Cc~~e~~ommittee for approval for the application to proceed to quality testing.

3.3 The LME will inform the producer of the testing programme which is normally 2 x 5mt ~~from~~. For 2.1(l)(i) producers must send ~~(~~1 x 5mt to each nominated tester and for 2.1(l)(ii) producers must send 1 x 5mt to the nominated tester and 1 x 5mt must be sampled by an LSA at the producer's production plant)[16]. The LME will also issue ~~and~~ a 28-day application to list notice ~~is issued~~.

3.4 The LME will write directly to the testers and LSAs advising them of the requirements for quality testing for the application. The testing and sampling and analysis shall be accordance with the LME's instructions and procedures and all test and LSA reports should be sent directly to the LME.

3.5 Sampling of the test lots shall be carried out by the nominated LSA at the testers' site and/or the producer's production plant~~[17]~~.

3.6 The producer and/or Brand Lister or LME Member will be responsible for liaising with the testers and LSAs for the arrangements for testing.

3.7 The producer is required to provide the LME with its chemical analysis data for test lots.

3.8 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 extending testing will be for the cost of producer.

3.9 Subject to the receipt of satisfactory reports from the testers and LSAs, the reports are circulated to the LME Tt~~t~~in Cc~~e~~ommittee for approval to list the brand, followed by internal executive approval and the issuance of the listing notice for the brand.

3.10 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.11 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.12 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

---

[16] The testing programme is subject to change at the discretion of the LME ~~and LME tin committee~~.

[17] ~~The producer will need to advise the LME in its application if there is any reason the sampling and analysis of its brand needs to place at its plant in lieu of sending 2 x 5mt to two testers.~~

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(INSERT DATE)

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

1. We *(insert producer name)* undertake that the quality of our tin brand *(insert brand name)* produced at *(insert name and address of production plant)*, will meet with the requirements of the LME contract for Tin with a minimum tin purity of 99.85% and conforming to the BS EN 610:1996 specification 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 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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations ~~Department~~
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market ~~Operations~~

(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 Tin 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……..

6 Appendix C – eCoA Requirements

6.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis (CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport becaome a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; and for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC, nickel, tin and cobalt brands in October 2025 and will become mandatory for all producers of LME-listed copper brands in January 2028.

6.2 **What does this mean for producers?**

For metal of LME-listed tin brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport and upload eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

6.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing eCoAs (enhanced records).
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

6.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.

7 Appendix D – Bundle Strapping Specifications

7.1 Table 1 – Strapping specifications for all metals/bundled shapes for producers using steel strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Steel	19mm x 0.63mm	12,000	7,000	Seal-less	80%	0.1-0.3%
Steel	19mm x 0.63mm	12,000	5,000	Metal seal	80%	0.1-0.3%

7.2 Table 2 – Strapping specifications for primary aluminium, aluminium alloy, tin, lead and zinc ingots for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	15.6mm x 0.9mm	6,000	3,500	Metal seal	60%	2-3.5%
Polyester	15.6mm x 0.9mm	6,000	2,500	Friction	80%	2-3.5%

7.3 Table 3 – Strapping specifications for copper and nickel full plate cathodes for producers using polyester strapping.

Strap	Size	Average strength (newtons)	Applied tension (newtons)	Joint	Joint strength	Working range elongation
Polyester	19.0mm x 1.0mm	1,000	3,500	Metal seal	60%	2-3.5%
Polyester	19.0mm x 1.0mm	1,000	2,500	Friction	80%	2-3.5%

7.4 Table 4 – Securing method for strapping

Tool	Strap material	Joint type	Maximum applied tension (newtons)	Joint strength
Manual	Steel	Metal seal	5,000	60%
Pneumatic	Steel	Seal-less	7,000	80%
Manual	Polyester	Metal seal	3,500	60&
Pneumatic	Polyester	Friction weld	2,500	80%

8 Appendix E – LME Approved Testers for Tin Brand Applications

8.1 The following testers have been approved by the LME to receive and process the designated tonnage of metal of the brand subject to the application as part of Stage Two of the brand application process.

Brazil	Contact
MAHLE Metal Leve S.A. Av. 31 de Março 2000 09660-000 São Bernardo do Campo Brazil	**Mr Carlos Alberto Berti** Process and Production Engineering Tel: +55(11) 4173-0763 Email: carlos.berti@br.mahle.com

China	Contact
Asahi Metals (Shenzhen) Ltd Building A, 1st Floor, HuaNing Science and Technology Park, Area B, No.13 LiRong Road, XinShi Community, DaLang Street, LongHua District 518109, Shenzhen 518109, China	**Kho Yock Lim** Tel: +8613631613893 Email: ylkho@sinasahi.com.sg
Yunnan Tin Co., Ltd No.471 Minhang road, Guandu District Kunming, Yunnan, China	**Mr, Ye Yongsheng** Tel: +86 871 67157070 Email: yysheng-6371@163.com

Japan	Contact
Senju Metal Industry Co., Ltd 23 Senju Hashido-cho Adachi-ku Tokyo 120-8555 Japan	**Mr Shinichi Fujiwara** Tel: +81 285 82 1215 Email: sfujiwara@senju.com

South Korea	Contact
TCC Steel Corp. Dongyang Tower 93 Dangsan-Dong 4 ga Yeongdeungpo-gu Seoul 150-722, KOREA	**Mr JG Ahn** Tel: +82 54 289 1265 Email: jgahn@tccsteel.com

Singapore	Contact
Singapore Asahi Chemical & Solder Industries Pte Ltd 47, Panden Road Singapore 609288	**Mr Vincent Kho** Tel: +65 6262 1616 Email: vincentkho@sinasahi.com.sg

Taiwan	Contact
Shenmao Technology Inc. No. 12-1 Gongye 2nd Road Guanyin Industrial Area, Taoyuan County 328 Taiwan	**Mr Tim Lin** Tel: +886 3 416 0177 E-mail: timlin@shenmao.com

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An HKEX Company

Guidance Notes for Cobalt Brands

LME Brand Listing Requirements

THE LONDON METAL EXCHANGE
10 Finsbury Square, London EC2A 1AJ | Tel +44 (0)20 7113 8888
Registered in England no 2128666. Registered office as above.

LME.COM

1 Brand Listing Requirements

1.1 Cobalt producers wishing to apply for LME brand registration will only be considered if they satisfy the following criteria (the "Core Listing Requirements"):

(a) The producer has been in business for a minimum of 12 months.

(b) The production plant has been in production for a minimum of six~~12~~ months on submission of an application but the production plant must reach 12 months production before the brand can be listed[1].

1.2 The producer is required to choose a Brand Lister or Category 1-4 Member to process its~~their~~ brand application (see Rulebook Part 7, Rule 1) on their behalf. Thereafter, all correspondence will be via the selected Brand Lister or selected Member.

1.3 Production from more than one production plant must be separately listed. Each production plant must have a different brand name.

1.4 Producers will be required to comply with the LME's Policy on Responsible Sourcing of LME-Listed Brands.

1.5 The application is two stages, and all documentation must be submitted in English.

1.6 The LME and LME Clear ("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).

1.7 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-refundable[2].

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[1] The LME reserves the right not to accept a brand application or to require a producer to be in production beyond the minimum requirements set out in 1.1(b) before considering progressing its application, should the information submitted in the application not demonstrate consistent and stable quality and/or the producer has not reached sufficient utilisation of the plant's design capacity.

[2] Value Added Tax ("VAT"): under current UK legislation, the LME understands that Brand Listers and LME Members established in the UK submitting applications for their own production operations or fo~~r~~ 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. Brand Listers and LME Members not established in the UK who submit applications do not have to pay UK VAT to the LME regardless of the location of the producer and production operations. This information is for guidance only and relevant parties should always seek their own advice. The LME will have no liability for reliance on the above.

2 Stage One

2.1 The producer is to supply the following information in a letter on its headed paper addressed to the LME (the "Application Letter"[3]):

(a) The name of the Brand Lister or LME Member process its application.

(b) The full name and address of the producer of the brand to be listed by the LME.

(c) Brief details of the history of the producer.

(d) Details of the ownership of the producer.

(e) The address of the production plant.

(f) The name of the brand subject of the application.

(g) The first date of production of the plant.

(h) The first date of production from which the producer guarantees the brand as meeting its individual chemical specification.

(i) The design capacity (mt).

(j) The current annualised use of capacity (mt).

(k) The monthly production figures for the most recent 12 months. Producers who have been in production for less than 12 months are to provide monthly production figures for the most recent 6 months on submission of its application with a further 6 months provided when 12 months production has been reached[4].

(l) The shape(s) to be listed: cut cathodes, broken cathodes, rounds, briquettes, coarse grain powder[5].

2.2 The following information and documentation (the "Additional Listing Requirements") is to be provided by attachment to the 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 the producer cannot provide three consecutive profitable externally audited financial statements, the parent company of the producer must provide three consecutive

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

[4] Monthly production figures for a further 6 months are to be provided before the brand can be listed.

[5] Coarse grain powder must be <0.01% of respirable size fraction.

profitable externally audited financial statements and a signed Letter of Support[6] regarding the financial position of the producer[7].

(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 producer[8] 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) Photographs of the product(s) to be listed.

(ii) Photographs the drums, clearly showing all markings and/or symbols. The photographs must show:

- The brand name, production batch reference and the net and gross weights of the drums.
- The product packaged for transportation including any pallet used.

(iii) Provide a sample label with the application if used. Labels used must be durable and plasticised.

(iv) Provide a sample of the tamperproof numbered seal.

(d) A Letter of Undertaking dated and signed on behalf of the producer[9].

(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, including stating the detection levels that are used for evaluating impurities and advising if any of the sampling and analytical work is outsourced.

(h) Chemical analysis data for the most recent three months. Producers who have been in production for less than 12 months are to provide additional chemical analysis data for a further three months before the brand can be listed.

(i) The established values of each of the following 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: 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 coarse grain powder, the maximum for C is - 0.1% and S is - 0.04%.

These values are for guidance only. The maximum levels of each element reported in the chemical analysis data will be assessed against the individual specification of the brand.

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[6] In accordance with the draft appended to these Guidance Notes – Appendix A.

[7] 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.

[8] 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.

[9] In accordance with the draft appended to these Guidance Notes – Appendix B.

(i) Individual chemical specification for the brand.

(j) Letters of support for the brand from a minimum of two customers from its existing industry supply contracts.

(k) A copy of ISO 9001 certificate, or, alternative, that of ISO/TS 16949.

(l) Fulfilment of the LME's Policy on Responsible Sourcing of LME-Listed Brands[10]:
  (i) Evidence of compliance with one of the four LME tracks:
    - Track A – Recognised Alignment-Assessed Standard;
    - Track B – Audited LME RFA;
    - Track C – Published LME RFA;
    - Track D – Secondary Materials.
  (ii) A copy of ISO 14001 certificate or equivalent.
  (iii) A copy of ISO 45001 certificate or equivalent.

(m) Fulfilment of the electronic Certificate of Analysis ("eCoA") requirements[11].
  (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal.
  (ii) Provide a sample Certificate of Analysis which must be in English (which may also be in a~~/~~ dual language as well) and must include the date, name and address of the producer, brand name, production cast reference and associated chemical analysis[12].

2.3 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 (Stage Two) until approval to do so is provided by the LME.

[10] For a more detailed understanding of the responsible sourcing requirements for brand listing, please see the LME's Policy on Responsible Sourcing of LME-Listed Brands and the dedicated webpage: Responsible sourcing | London Metal Exchange.

[11] For a more detailed understanding of the eCoA requirements, please see Appendix C to these Guidance Notes.

[12] Certificates of Analysis should demonstrate compliance with the brand's individual chemical specification by showing actual analysed content of the metal.

3 Stage Two

3.1 On receipt of all information and documentation detailed in Stage One, the LME will request such additional information and documentation as required.

3.2 The LME reserves the right to require sampling and analysis of the brand by an LME Listed Sampler and Assayer ("LSA").

3.3 Subject to the application meeting Stage One of the brand listing requirements, the application is circulated to the LME Cobalt Committee for approval to list the brand and the 28-day application to list notice is issued, followed by internal executive approval and the issuance of the listing notice.

3.4 The LME reserves the right to audit a producer's plant at any time prior to or post the listing of a brand for verification of any aspect of the process at the cost of the producer.

3.5 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 the brand listing requirements and Part 6 and Part 7 of the LME Rulebook may result in the suspension or 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 may suspend or delist the brand(s).

3.6 The listing of a brand is also subject to the provisions of Rules 3 to 7 of Part 7 of the LME Rulebook.

4 Appendix A – Draft Letter of Undertaking

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
UK

Attention – Sustainability and Physical Market Operations

(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 *(insert name and address of production plant)*, will meet with the requirements of the LME contract for Cobalt and conform to the chemical specification 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 LME Rulebook, any amendments thereto and any Notices issued by the LME.

5. This letter of undertaking is 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……...

Company name…….

Position in company……..

5 Appendix B – Draft Parent Company's Letter of Support

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

London Metal Exchange
Sustainability and Physical Market Operations ~~Department~~
10 Finsbury Square
London
EC2A 1AJ
UK

Attention – Sustainability and Physical Market ~~Operations~~

(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……..

6 Appendix C – eCoA Requirements

6.1 **What is LMEpassport?**

LMEpassport is the LME's central digital depositary for Certificates of Analysis (CoAs"). It replaces traditional paper CoAs or PDF records with electronic CoAs ("eCoAs"), mitigating the risk of physical document loss or damage during global transit. The use of LMEpassport becaome a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; and for all producers of LME-listed aluminium alloy, lead, zinc, NASAAC, nickel, tin and cobalt brands in October 2025 and will become a mandatory requirement for all producers of LME-listed copper brands in January 2028.

6.2 **What does this mean for producers?**

For metal of LME-listed cobalt brands to be placed on warrant, they must be accompanied by an eCoA. Therefore, producers must connect to LMEpassport and upload eCoAs for all LME-eligible material. This requirement applies to all production of an LME-listed brand whether or not it is intended for delivery into an LME warehouse.

6.3 **How to connect?**

(a) There are two ways a producer can connect to LMEpassport for the purpose for creating and managing eCoAs (enhanced records).
   (i) Application Programming Interface ("API") connection – recommended for its efficiency, scalability and automation;
   (ii) Excel workbook upload – a manual alternative for data entry.

(b) Producers are strongly encouraged to adopt API connection to streamline the eCoA process.

(c) Onboarding and establishing a connection to LMEpassport typically requires 2-3 months. To avoid any delays to the application process, producers should initiate the connection process as early as possible in the brand application process.

6.4 For additional information on LMEpassport please refer to the dedicated webpage: LMEpassport | London Metal Exchange.