

To: All members, warehouse companies and their London agents and other interested parties

Ref: 26/194

Classification: Consultation Warehousing

Date: 31 July 2026

Subject: **DECISION NOTICE ON THE LME PHYSICAL MARKETS CONSULTATION AND DISCUSSION PAPER, AND FURTHER CONSULTATION ON PHYSICAL MARKETS ENHANCEMENTS INCLUDING THE BRAND LISTING PROCESS**

Summary

1. The London Metal Exchange ("LME") is issuing the following two documents in relation to its physical market (which are attached to this Notice):
 - (a) the LME Physical Markets Reform 2026 Feedback Analysis and Decision Notice (the "Decision Notice"), which summarises feedback received in response to the LME Physical Markets Consultation and Discussion Paper published in March 2026 via Notice 26/063 (the "Consultation and Discussion Paper") and the LME's subsequent decisions having considered such feedback; and
 - (b) a Further Consultation on Physical Markets Enhancements (the "Further Consultation"), seeking feedback on selected proposals arising from the discussion section of the Consultation and Discussion Paper, together with additional proposals relating to the LME's brand listing requirements.

Consultation outcomes and resulting decisions

2. The Decision Notice summarises the feedback received in relation to the consultation section of the Consultation and Discussion Paper, the LME's response to that feedback, and the rationale for the LME's decisions in relation to these topics. The LME's decisions include amendments to the Rules and Regulations of the LME (the "Rulebook"), the Warehouse Agreement, and the LME Policy on the Approval and Operation of Warehouses (the "Warehouse Operations Policy"). It also provides an overview of responses received on the discussion section of the Consultation and Discussion Paper and identifies areas requiring further consideration.
3. As noted in the market updates section of the Consultation and Discussion Paper, certain minor amendments relating to the LME Policy on the Approval of Locations as Delivery Points ("Delivery Points Policy"), the Warehouse Operations Policy, the Warehouse Agreement, and the LME Enforcement and Disciplinary Procedures have already been implemented and are therefore not revisited in the Decision Notice.
4. Pursuant to the Decision Notice, the changes being introduced following feedback on the Consultation and Discussion Paper will take effect on the corresponding dates outlined in the table in paragraph 6 below, and as detailed further in the Decision Notice. As discussed in detail in the Decision Notice, the dates in which the new requirements come into force vary, with many of the requirements coming into force in the future, although the codification of the obligations may be inserted into the relevant documentation earlier. For example, the new requirement for copper to have a Certificate of Analysis for it to be warranted comes into effect on 1 January 2028, and the indelible marking requirements come into force on 1 January 2030 (noting the phased transition timetable set out in Section 3.5 of the Decision Notice), with the provisions in the Rulebook coming into force on 31 July 2026 (which allows the LME to determine when the relevant requirements will be introduced).
5. The Further Consultation seeks additional feedback on two proposals previously outlined in the discussion section of the Consultation and Discussion Paper and introduces a package of proposed changes to the LME's brand listing framework. It also includes associated proposed amendments to the Rulebook, the



Warehouse Agreement, the Warehouse Operations Policy, the Delivery Points Policy and relevant Guidance Notes.

6. A summary of the key changes and decisions relevant to market participants is set out below.

Section	Proposal / questions	Relevant policies	Effective date
3.1	Information barriers for Non-Related Warehouses (Q1 – Q2)	Warehouse Agreement	Non-Related Warehouses ¹ will have to implement information barriers by 1 January 2027, and a Practitioner's ² report regarding compliance with the information barriers will need to be provided to the LME by 30 April 2028
3.2	Extend the rent and FOT charge-cap freeze (2027 – 2032) (Q3)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice. However, the extended freeze on rent and FOT charge caps will not apply until 1 April 2027, when the current charge cap freeze finishes
3.3	List FOT charges in USD; conversion method (Q4 – Q5)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice, and the FOT charges in USD will be issued to the market in October 2026 in accordance with the normal annual charge cap process
3.4	Re-warranting charge cap (USD \$10/t) (Q6)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice, and the re-warranting charge caps will be issued to the market in October in accordance with the normal annual charge cap process

¹ As defined in the Decision Notice.

² As defined in the Decision Notice.



3.4	Notice and limitations on $\geq 20\%$ fee increases (Q7)	Policy on the Approval and Operation of Warehouses	The amendments to the policy will take effect immediately
3.5	Introduction of copper Certificates of Analysis (Q8)	Rulebook, Warehouse Agreement, Guidance Notes	The amendments to the Rulebook will come into force immediately, however the requirements will take effect on 1 January 2028 (noting the ability for Basic eCoAs to be produced for metal produced prior to 1 January 2028)
3.5	Introduction of copper indelible markings (Q9)	Rulebook, Guidance Notes	The amendments to the Rulebook will come into force immediately, however the requirements will take effect on 1 January 2030
3.6	Metal Report automation in LMEpassport (Q10)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice. However, the requirements will not come into force until 1 December 2026

The feedback process for the Further Consultation

7. The LME welcomes feedback to the Further Consultation from all market participants and other interested parties, including regulatory and governmental bodies and civil society.
8. The consultation will be open until 17:00 London time on 11 September 2026. Formal responses to this paper should be submitted in writing and sent to the LME at consultation@lme.com.
9. Although the LME will consider written responses submitted in any format, it would be most helpful if respondents can reply to the numbered questions set out throughout this paper.
10. Responses made after the closing date of the paper will not be taken into consideration. The LME may need to share responses received with regulatory authorities or its legal or other professional advisers, or as required by law. Apart from this, all responses received will be treated in confidence.

Georgina Hallett

LME Chief Sustainability Officer and Head of Physical Markets

cc: Board directors
All committees

LME Physical Markets Reform 2026: Feedback Analysis and Decision Notice

July 2026



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1 Executive summary

On 9 March 2026, the London Metal Exchange (the “LME” or the “Exchange”) published the LME Physical Markets Consultation and Discussion Paper¹ (the “Consultation and Discussion Paper”), seeking the views of all market participants and other interested parties on a range of proposed changes to its physical market operations, and in particular its warehousing network. The Consultation and Discussion Paper was divided into three parts:

- I) Consultation paper on proposed enhancements to the physical network (Section 4) (the “Consultation Paper”)
- II) Discussion paper on possible further reforms (Section 5) (the “Discussion Paper”)
- III) Market updates on minor amendments to be introduced by the LME (Section 6) (the “Market Updates”)

The Consultation and Discussion Paper feedback period closed on 8 May 2026, and the LME received 29 responses. Following careful consideration of those responses, the LME has decided to implement all the proposals set out in the Consultation Paper, subject to the refinements set out in this Notice. In particular, in response to feedback, the LME is extending the implementation timeline for the copper indelible-marking requirements.

The Discussion Paper sought market views on a range of potential warehousing reforms. Having considered the responses received, the LME has determined that most proposals will not be progressed at this time. However, the Exchange intends to take forward two areas: the development of indelible Production Cast Reference (PCR) marking requirements for primary aluminium, lead and zinc, and a consultation on the potential introduction of outside storage for primary aluminium in Hong Kong. The LME therefore intends to publish a separate consultation pertaining to these matters.

This Notice provides the LME’s summary of the feedback received in respect of the Consultation Paper, the LME’s response to such feedback, and the resulting decisions. The Notice also sets out an overview of the feedback received in relation to the Discussion Paper, as well as outlining topics on which the LME will reflect further and, where appropriate, consult separately. As noted in the Market Updates section of the Consultation and Discussion Paper, the minor amendments in respect of the LME Policy on the Approval of Locations as Delivery Points, LME Policy on the Approval and Operation of Warehouses, the Warehouse Agreement and the LME’s Enforcement and Disciplinary Procedures have already taken effect, as described in the Consultation and Discussion Paper, and therefore are not revisited here.

Save where stated otherwise, the Consultation Paper changes will be implemented and take effect on 31 July 2026, with the revised Warehouse Agreement, the LME Policy on the Approval and Operation of Warehouses (the “Warehouse Operations Policy”) and the Rules and Regulations of the LME (the “Rulebook”) amended accordingly. The copper certificates of analysis (“CoA”) requirements will be implemented on 1 January 2028, and the indelible-marking provisions will follow the extended transition timetable set out in Section 3.5. The table below sets out the Consultation Paper proposals, according to the corresponding section number, and the LME’s decision in relation to the proposal.

¹ Notice 26/063.



Section	Proposal / questions	Relevant policies	Effective date
3.1	Information barriers for Non-Related Warehouses (Q1 – Q2)	Warehouse Agreement	Non-Related Warehouses ² will have to implement information barriers by 1 January 2027, and a Practitioner's ³ report regarding compliance with the information barriers will need to be provided to the LME by 30 April 2028
3.2	Extend the rent and FOT charge-cap freeze (2027 – 2032) (Q3)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice. However, the extended freeze on rent and FOT charge caps will not apply until 1 April 2027, when the current charge cap freeze finishes
3.3	List FOT charges in USD; conversion method (Q4 – Q5)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice, and the FOT charges in USD will be issued to the market in October 2026 in accordance with the normal annual charge cap process
3.4	Re-warranting charge cap (USD \$10/t) (Q6)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice, and the re-warranting charge caps will be issued to the market in October in accordance with the normal annual charge cap process
3.4	Notice and limitations on ≥20% fee increases (Q7)	Policy on the Approval and Operation of Warehouses	The amendments to the policy will take effect immediately

² As defined in the Decision Notice.

³ As defined in the Decision Notice.



3.5	Introduction of copper Certificates of Analysis (Q8)	Rulebook, Warehouse Agreement, Guidance Notes	The amendments to the Rulebook will come into force immediately, however the requirements will take effect on 1 January 2028 (noting the ability for Basic eCoAs to be produced for metal produced prior to 1 January 2028)
3.5	Introduction of copper indelible markings (Q9)	Rulebook, Guidance Notes	The amendments to the Rulebook will come into force immediately, however the requirements will take effect on 1 January 2030
3.6	Metal Report automation in LMEpassport (Q10)	Warehouse Agreement	The amendments to the Warehouse Agreement will take effect 90 days following publication of this Decision Notice. However, the requirements will not come into force until 1 December 2026



2 Response overview

2.1 Consultation respondents

The LME received a total of 29 responses to the Consultation Paper, in addition to three responses submitted after the stipulated deadline. As noted in the Consultation and Discussion Paper, the LME only considered the responses received before the consultation deadline.

Not all respondents provided feedback on each proposal; in a number of cases, responses focused on those questions of most 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 and Discussion Paper and for the detailed comments and feedback provided. The Exchange recognises that, in many instances, respondents devoted considerable time and resources to the preparation of their submissions.

2.2 Consultation responses

The Consultation Paper set out proposals across six key areas and included questions 1–10, while the Discussion Paper included questions 11 onwards. Feedback received in respect of questions 1–10 is addressed in Section 3 of this Notice, together with the LME's analysis, decisions and, where applicable, proposed next steps. Feedback received in respect of questions 11 onwards is addressed separately in Section 4.

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 Notice, 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 Information barriers for Non-Related Warehouses [Question 1 – Question 2]

Q1: Do you agree with the proposal to require Non-Related Warehouses to implement information barriers and have them assessed by Practitioners?

Q2: Do you agree with the proposed amendment to clause 9.13 of the Warehouse Agreement?

The Consultation Paper proposed that warehouse companies which do not have a close connection with an entity trading on the LME (proposed to be defined as “Non-Related Warehouses”) would be required to implement information barriers in respect of confidential information and to arrange for a professional accountant (a “Practitioner”)⁴ to undertake an annual audit of their procedures, mirroring the requirements currently applicable to Related Warehouses.⁵ The proposal would be implemented through an amendment to clause 9.13 of the Warehouse Agreement which would expand the existing obligations on Related Warehouses to Non-Related Warehouses, in conjunction with issuing a Notice to the market which would set out the requirement for handling price sensitive information similar to the requirements currently imposed on Related Warehouse Companies in accordance with Notice 14/202.

3.1.1 Feedback received

The majority of respondents were supportive of the proposal to expand information barriers to Non-Related Warehouses as set out in the Consultation Paper. Of those that provided more detailed responses, the opinions in support of the proposal included those who were supportive of the proposal as they felt it would promote greater confidence in the integrity of handling stock data and contribute to a more consistent governance framework across all warehouse companies. One respondent was supportive of the proposal but emphasised the need for further clarity in respect of the scope and implementation of the information barrier auditing process.

A number of respondents raised points regarding implementation of the proposal, including the request that the LME provides sufficient lead time to allow for the establishment of information barriers and the engagement of Practitioners. One respondent, whilst supporting the purpose of introducing information barriers for Non-Related Warehouses commented that it did not address concerns that it would prevent the sharing of confidential information, and that there should be a stronger reporting mechanism implemented to identify potential sharing of confidential information. A similar sentiment was expressed by a minority of other respondents, who believed that the information barriers did not address the underlying economic incentives relating to the sharing of confidential information. There were also a small number of respondents who did not support the proposal as it would introduce additional costs for warehouses and may be disproportionate to any potential risk.

A number of responses to Question 2 agreed with the proposed amendment to clause 9.13 of the Warehouse Agreement. One respondent noted that the proposal would align the obligation of LME-listed warehouses and provide clarity as to the minimum confidentiality requirements of the LME, however several respondents sought further clarity from the LME regarding what the audit process for Non-Related Warehouses would be.

3.1.2 LME response and decision

⁴ As defined in Notice 11/334.

⁵ As defined in the Warehouse Agreement.



Having considered the feedback received, the LME will proceed with the proposal as consulted on and will amend clause 9.13 of the Warehouse Agreement to state the following:

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.

The amendment to clause 9.13 of the Warehouse Agreement will be effective 90 days following the Decision Notice date, and as such the LME has included a clean version of the Warehouse Agreement which will come into force on 30 October 2026 at Appendix 2 of this Notice. The LME will separately issue a Notice to the market which will set out the requirements for handling price sensitive information for a Non-Related Warehouse, similar to the requirements currently imposed on Related Warehouses pursuant to Notice 14/202. Therefore, the requirement on Non-Related Warehouses to have information barriers will come into force on 1 January 2027, and they will need to engage a Practitioner to audit these information barriers and the warehouse company's compliance with the information barriers for the period between 1 January and 31 December 2027, with the Practitioner's report to be provided to the LME by 30 April 2028.

As such, the Non-Related Warehouses will have over five months in which to introduce information barriers, and more than an eighteen-month period before the first Practitioner's report needs to be submitted in respect of their compliance with the information barriers. The LME believes this is a sufficient implementation period which will allow warehouses to draft the appropriate documentation and instruct a relevant Practitioner without it being particularly onerous on the warehouse company. The LME considers that this measure will enhance market confidence, transparency, and consistency, without imposing disproportionate burden.

In relation to the feedback received which sought further clarification of the auditing process, the LME notes that amendment to clause 9.13 of the Warehouse Agreement will be in conjunction with a related Notice that the LME will issue to the market, in which it will set out the requirements in more detail that Non-Related Warehouses need to abide by in respect of information barriers. As previously noted, this will be similar to the requirements currently imposed on Related Warehouses pursuant to Notice 14/202.

In respect of the feedback that the LME should consider introducing more reporting processes for suspected sharing of confidential information, the LME notes that the new requirements do not prevent market participants from contacting the LME directly where they have concerns or information relating to behaviours or practices within the market, noting that the more information that is provided, the more likely it is that the information can be considered – where no company names or details are provided, it is difficult for the LME to be able to take further action. Market participants may provide such information to the LME on a confidential basis, and the LME may, where appropriate, follow up with relevant parties or consider whether further clarification or action is required.

3.2 Rent and Free On Truck ("FOT") charge-cap freeze [Question 3]

Question 3: Do you support the LME's proposal of extending the current freeze on rent and FOT charge caps for a further five years from 2027 until 2032?

The Consultation Paper proposed to extend the existing freeze on rent and FOT charge caps for a further five years, as the current freeze period is scheduled to end following the 2027-2028 charge year (being 1 April 2027 to 31 March 2028). Therefore, it was proposed that the freeze on rent and FOT charge caps would be extended from 2027 until 2032 (with the annual charge caps being announced in December 2027 and coming



into force from 1 April 2028). In the Consultation Paper the LME noted that a material delta remains between LME headline rates and both off-warrant and bilaterally negotiated storage costs, despite a period of relatively high inflation, and that extending the freeze would prevent that delta from widening further.

3.2.1 Feedback received

As with previous engagement on this topic, respondents expressed a broad range of views reflecting differing commercial models, cost exposures and perspectives on the role of LME headline charges within the wider physical market.

A number of respondents expressed clear support for extending the freeze on FOT and rent charge caps as they highlighted the benefits of cost predictability, including in respect of financing activities, physical arbitrage and warrant-holding strategies. In addition, there was a view that freezing the FOT and rent charge caps for a further five years would help prevent further divergence between on-warrant and off-warrant storage costs, and contribute to a gradual convergence between LME headline rates and prevailing market rates over time, thereby supporting greater use of the LME warehousing network and enhancing market transparency.

A second group of respondents expressed qualified support for the proposal, recognising the rationale for the proposal but highlighting increasing cost pressures which warehouse companies are having to absorb. Respondents pointed to rising operating costs, including labour, fuel and compliance costs, as well as currency volatility and broader geopolitical developments which may lead to misalignment between the FOT levels and the actual costs to warehouses, causing distortion of stock distribution across Delivery Points.⁶ While these respondents generally accepted the continuation of the charge cap freeze in the near term, they emphasised the importance of considering mechanisms to address exceptional cost increases or other unforeseen circumstances in the future. Some respondents also suggested that a prolonged freeze of rent and FOT charge caps could, over time, reduce incentives for warehouse operators to act as part of the LME network, which could, in turn, adversely effect on-warrant stock levels and market liquidity.

Other respondents did not support the proposed extension of the rent and FOT charge caps. Several respondents argued that the freeze is becoming increasingly difficult to sustain in light of materially higher underlying costs. These respondents were of the view that allowing rent and FOT charges to be increased over time would better reflect economic conditions and support long-term operational viability, with a respondent also noting that the differential in off-warrant and on-warrant charges reflected the differential in services.

Several respondents, including those that were against the proposal as well as those that provided qualified support, highlighted concerns regarding price distortions. In particular, they were of the view that headline rates remain disconnected from prevailing commercial rates and this may encourage behaviour driven by incentive structures rather than physical supply and demand fundamentals. Some respondents therefore advocated broader structural reform, including lower headline rents, a review of charge caps more generally, or more transparent and cost-reflective methodologies which consider regional alignment, particularly in relation to FOT charges.

3.2.2 LME response and decision

Having considered the feedback received, the LME will proceed with the proposed five-year extension of the current freeze on rent and FOT charge caps. As such, the current rent and FOT charge caps will continue until

⁶ Defined as “a specific geographic area within which warehouses are listed and approved by the LME for the issue of Warrants” in the Warehouse Agreement.



the end of the 2031-32 charge year (being from 1 April 2031 to 31 March 2032). The LME will amend clause 5.3.3 of the Warehouse Agreement as proposed in the Consultation and Discussion Paper, and this amendment will be effective from 90 days following the Decision Notice date. The LME has included a clean version of the Warehouse Agreement which will come into force on 30 October 2026 at Appendix 2 of this Notice.

The LME recognises concerns around increasing costs; however, the Exchange believes that the current charge caps are still set materially higher than the cost of providing the underlying services and that increasing headline rent or FOT charge caps at this time is likely to exacerbate the existing divergence between on- and off-warrant storage costs, without providing a commensurate benefit to the broader functioning of the market. The LME notes that additional services are provided for on-warrant services, and therefore a higher cost for those services is appropriate; however, the LME believes that this is amply covered by the existing delta between the headline charges and those for off-warrant metal. It is likely that increases in the FOT and rent charges would result in a differential in prices that would be disproportionate to the service provided in respect of that metal.

Equally, the LME does not consider that a material reduction in charge caps represents an appropriate course of action. Current headline rates underpin a significant proportion of the financial incentives available to attract metal onto warrant, and the magnitude of reduction required to align on-warrant costs with off-warrant or bilaterally negotiated rates would be substantial. The LME does not consider such a reduction to be realistic given the broader costs associated with on-warrant storage, including load-out processes, transparency requirements and regulatory obligations. In terms of any broader changes to the charge caps, the LME is not currently contemplating wider changes to charge caps, as suggested by a few respondents, as it believes the current approach remains appropriate.

The LME notes that the current process for challenging charge caps will continue to be available to warehouse companies on an annual basis, which allows for consideration of increases to the charge caps. In accordance with the process stipulated in the Warehouse Agreement, warehouse companies are able to challenge proposed charge caps within fourteen calendar days of their publication by the LME, and have the challenge considered by the LME's Special Committee. Following their review of the challenge, the Special Committee may reject the challenge or accept it and amend the relevant charge caps. As such, the LME considers that this process of challenge provides warehouses with an appropriate degree of flexibility within the framework and allows them an opportunity to provide evidence of increasing costs, where required.

3.3 Standardisation of FOT quoting [Question 4 – Question 5]

Question 4: Do you support FOT being charged in USD instead of the local currency at the specific Delivery Point?

Question 5: Do you support the proposed method for converting the existing FOT rates into USD?

The Consultation Paper proposed to list FOT charge caps per Delivery Point in US dollars ("USD") rather than in local currencies, while continuing to permit payment in the relevant local currency where both parties have agreed an exchange rate. In the event that the parties have not agreed to pay FOT charges in the local currency or they cannot agree an exchange rate, then they will be required to pay FOT charges in USD. The Consultation Paper also proposed a method for converting existing FOT rates into USD using the average of the daily rates published for February 2026. As noted in the Consultation Paper, the rates were sourced from the International Monetary Fund for all currencies, except for Hong Kong and Taiwan which were sourced from the Federal Reserve. As noted in the Consultation Paper, if the FOT rates were listed in USD there would be no subsequent adjustment for exchange-rate fluctuations.



3.3.1 Feedback received

Overall, respondents were broadly supportive of the proposal to list FOT charge caps in USD, although a number of important nuances and implementation considerations were raised.

The majority of respondents supported the proposal as they believed listing FOT charge caps in USD would provide consistency with rent charge caps which are already published in USD. Respondents were also supportive as it would simplify cross-border transactions and reduce the current operational friction associated with agreeing exchange rates in which to pay FOT charges. In particular, respondents highlighted the benefits in terms of transparency, comparability across Delivery Points, and ease of contract management, with several respondents noting that most market participants are already accustomed to transacting in USD. A number of warehouse operators also observed that the proposal would remove recurring administrative burden and discussions related to the sourcing and application of exchange rates.

Although there was significant support for the proposal, a small number of those in favour of the proposal noted that there may be implications for warehouse operators, particularly in relation to foreign exchange exposure. Several respondents emphasised that currency standardisation alone would not address existing structural issues that they believe exist in respect of FOT. In particular, respondents highlighted current regional disparities in FOT charge levels, noting that these may incentivise metal flows driven by relative commercial attractiveness rather than underlying physical demand. These respondents suggested that further consideration should be given to regional alignment or broader structural reform of FOT charge levels alongside any currency change.

In respect of the proposed conversion methodology, respondents were generally supportive of the use of a transparent and objective approach based on published exchange rates. However, views diverged as to the appropriateness of applying a single fixed conversion based on a defined historical period without subsequent adjustment.

By contrast, other respondents raised concerns that reliance on a single-month average (February 2026) may not be representative of longer-term currency movements, particularly in periods of heightened currency volatility. These respondents noted that the absence of any post-conversion adjustment mechanism could result in distortions over time, particularly where exchange rates or local cost structures move materially, and there may be structural mismatch between revenue and costs. Concerns were also expressed that fixing USD rates without addressing existing regional imbalances could embed or exacerbate current disparities between Delivery Points. As such, respondents suggested that if USD denomination is introduced the LME should consider introducing a mechanism for periodic reviews, and that this could be aligned with existing approaches, such as CPI-linked rent adjustments, to maintain cost reflectiveness.

3.3.2 LME response and decision

Following its review of the responses, the LME has decided to implement the proposal to list FOT charge caps per Delivery Point in USD and will amend clauses 5.2.3 and 5.2.4 of the Warehouse Agreement in accordance with Appendix 2. The existing FOT rates will be converted from local currencies to USD using the February 2026 average rates as set out in the Consultation Paper, attached to this Notice at Appendix 3. The amendment to clauses 5.2.3 and 5.2.4 of the Warehouse Agreement will be effective from 90 days following the Decision Notice date. The LME notes that pursuant to clause 5.3.1 of the Warehouse Agreement the LME needs to publish charge caps by 31 October each year, and as such the LME will be publishing the FOT charge caps in USD this year.

As noted in the Consultation Paper, parties will remain free to pay FOT in local currency where they agree both the currency and the applicable exchange rate; where agreement cannot be reached, FOT will be payable



in USD. Challenges to the FOT caps can be submitted through the charge cap challenge process outlined in Section 3.2.2.

3.4 Re-warranting charge cap and other warehouse fees [Question 6 – Question 7]

Question 6: Do you agree with the proposal for the LME to impose a charge cap on the maximum amount warehouse companies can charge for re-warranting fees? If so, do you believe USD \$10 per metric tonne of metal being re-warranted is an appropriate cap?

Question 7: Do you agree with the proposal to introduce a requirement on warehouse companies to provide three months' notice to the LME and the market if they increase their respective fees for free on rail, free alongside, free in container yard, and slot rescheduling services by 20% or more? Do you agree that once one of the aforementioned fees is increased by 20% or more, a warehouse company should be prevented from increasing the fee during the following 12-month period?

As the LME explained in the Consultation Paper, the proposal to cap re-warranting charges arose due to the publication of re-warranting charges that were significantly higher than those previously published. As a result, there was concern within the market that such charges may not accurately reflect the underlying service provided by warehouse companies. In addition, the proposal was intended to provide more certainty for market participants as to the potential cost of cancelling and re-issuing metal. As such, the LME proposed in the Consultation Paper to expand the scope of the charge cap framework, which currently applies to rent and FOT, to include re-warranting charges. The proposed cap which would apply to re-warranting charges in relation to all metals at all Delivery Points would be US\$10 per metric tonne. In the Consultation Paper, the LME noted that if the proposal was introduced the LME would amend clauses 5.2 and 5.3 of the Warehouse Agreement to reflect that the definition of "Charge Caps" included re-warranting fees, and the LME would list the re-warranting charge cap in the Notice published by the LME with the FOT and rent charge caps.

In the Consultation Paper the LME also proposed the introduction of a requirement that warehouse companies provide three months' advance notice to the LME and the market where they intend to increase certain ancillary fees, namely free on rail, free alongside, free in container yard, and slot rescheduling services, by 20% or more. In accordance with the proposal, if a warehouse company increased one of the aforementioned fees by 20% or more they would be prevented from increasing that fee for a further 12 months. The Consultation Notice stated that if this proposal was implemented, the new requirement would be incorporated into the Warehouse Operations Policy.

3.4.1 Feedback received for re-warranting charge cap

A majority of respondents supported introducing a cap on re-warranting charges in principle, noting the benefits of greater certainty, transparency and predictability for market participants, and acknowledged the impact of re-warranting costs on metal fungibility and liquidity.

However, respondent views diverged on the fixed nature of the re-warranting charge cap and its application to all metals and Delivery Points. Many respondents considered USD \$10 per tonne of re-warranted metal to be a reasonable level for a cap, which would be broadly aligned with current market practice. However, some respondents argued the proposed level may be too high relative to the administrative nature of the service, whilst others considered that the proposed fixed cap may not fully reflect location-specific operational costs. The minority of respondents who objected to a cap being imposed on re-warranting fees noted that the fee takes into account administrative, compliance costs and loss of related fees as a result of the warrant being cancelled, and such costs can vary significantly across locations and can be impacted by market conditions. Several respondents also noted that the effectiveness of any cap would depend on constraints around warehouse discretion to refuse re-warranting and suggested that the cap should be subject to periodic review to ensure continued alignment with market conditions.



3.4.2 Feedback received to limit other warehousing fees above 20% per annum

In respect of the proposal to require warehouses to provide three months' notice of ancillary fee⁷ increases by 20% or more as well as restrict increases of 20% or more per annum, respondents were generally supportive of the proposals. Respondents believe these measures would enhance transparency and predictability, particularly the requirement to provide advance notice of material fee increases. Many agreed that a three-month notice period for increases of 20% or more would improve visibility of future costs and allow market participants to adjust operational and commercial arrangements.

However, views were more mixed regarding the proposed 12-month restriction on warehouses being able to increase such fees. While some respondents supported this as a means of limiting frequent or abrupt cost increases, others considered it overly restrictive, particularly in relation to changes in costs such as fuel and labour, and argued it could constrain warehouse operators' ability to respond to changing conditions. Some respondents also disagreed with the proposal in entirety, on this basis, arguing that warehouses would be at a competitive disadvantage if input costs outside of their control increased above 20%.

A number of respondents proposed alternative approaches, including aligning such fees with an annual rate-setting cycle, introducing caps or benchmarks, or linking increases to objective indices (such as CPI) to ensure cost reflectiveness. Some respondents also queried the calibration of the proposal, including the 20% threshold and treatment of smaller increases, while noting that certain services (excluding slot rescheduling) may be provided by third parties, potentially reducing the need for the LME to play a role in respect of such costs.

3.4.3 LME response and decision

The LME has considered the feedback received in relation to both the proposal to cap re-warranting charges and the proposal to require warehouse companies to provide the LME and the market with three months' notice if they intend to increase their ancillary service fees (being free on rail, free alongside, free in container yard, and slot rescheduling) by 20% or more, following which they would be unable to increase the fee for the related service for a further 12 months. Having considered such feedback, the LME has decided to proceed with both proposals as set out in the Consultation Paper on the basis that they will enhance transparency, predictability, and confidence in warehouse pricing practices, while preserving appropriate commercial flexibility for warehouse operators.

In respect of implementing the re-warranting charge caps, the LME will amend the definition of "Charge Caps" in clauses 5.2 and 5.3 of the Warehouse Agreement to include re-warranting fees. The cap will be set at US\$10 per metric tonne, applicable across all metals and Delivery Points, and will be published annually alongside rent and FOT Warehouse Maximum Charge Levels.⁸ The LME considers that this level represents an appropriate balance between providing the market with cost certainty and recognising that re-warranting remains an operational service provided by warehouse companies.

The LME notes the responses which recommended that the LME require warehouse companies to re-warrant metal. The LME continues to hold the view that the decision in respect of re-warranting remains at the discretion of the warehouse company. However, where a request to re-issue metal is declined, the LME would expect the warehouse company to provide a clear and reasonable explanation of why it refused to re-warrant the material. The LME has no intention at this time to consider requiring warehouses to re-warrant metal.

⁷ Being free on rail, free alongside, free in container yard, and slot rescheduling services.

⁸ As defined in the Warehouse Agreement, clause 5.2.1.



The LME will amend clause 5.3.3 of the Warehouse Agreement, as proposed in the Consultation and Discussion Paper, and this amendment will be effective from 90 days following the Decision Notice date. The LME has included a clean version of the Warehouse Agreement which will come into force on 30 October 2026 at Appendix 2 of this Notice. The LME notes that pursuant to clause 5.3.1 of the Warehouse Agreement the LME needs to publish charge caps by 31 October each year, and as such the LME will be publishing the re-warranting charge caps along with the FOT and rent charge caps this year.

In addition, the LME notes that the current process for challenging charge caps will also apply to re-warranting charges on an annual basis, which will provide a process through which warehouse companies can challenge the caps imposed for re-warranting fees. Such challenges can be in respect of the charge imposed in relation to a Delivery Point and/or in respect of the metal which is subject to the charge. In accordance with the process stipulated in the Warehouse Agreement, as amended to include re-warranting charge caps, warehouse companies will be able to challenge proposed charge caps within fourteen calendar days of their publication by the LME, and have the challenge considered by the LME's Special Committee. Following their review of the challenge, the Special Committee may reject the challenge or accept it and amend the charge caps. As such, the LME considers that this annual process available to warehouse companies to challenge the re-warranting charge cap provides warehouses with a mechanism to seek adjustments in relation to underlying costs or changes in market conditions.

Subsequent to any challenge/s which may be received in respect of re-warranting charge caps, the LME will request that every warehouse company provide the re-warranting fees which it will be charging from 1 April 2027 to 31 March 2028 before 15 December 2026. The LME will then publish each warehouse company's Warehouse Maximum Charge Levels, including the re-warranting charges, by 31 December 2026.

In respect of ancillary service fees, the LME will be amending the Warehouse Operations Policy to require warehouse companies to provide at least three months' notice to the LME and separately update the market (by publishing the proposed new charge on the warehouse company's website) of any increase of 20% or more for fees in respect of the following services: free on rail; free alongside; free in container yard; and slot rescheduling services. The Warehouse Operations Policy will also be amended to restrict warehouse companies from increasing a fee charged on free on rail, free alongside, free in container yard, and slot rescheduling services for a twelve-month period if the fee for that service has increased by 20% or more. This restriction will apply irrespective of whether the charge is increased by 20% or more at one time, or if the increase of 20% or more occurs incrementally within a twelve-month period. The Warehouse Operations Policy will be amended as set out in the Consultation Paper, and a clean version is at Appendix 5 of this Notice. The amendments to the Warehouse Operations Policy will come into force immediately.

3.5 Copper Certificates of Analysis and indelible markings [Question 8 – Question 9]

Question 8: Do you support the proposed requirement to introduce CoAs for copper? Do you agree with the proposal that copper should have the PCR indelibly marked on the metal instead of or in addition to using a label?

Question 9: Do you believe an 18-month implementation period, approximately, is sufficient for all LME-listed brands to introduce indelibly marked PCRs on metal instead of labels?

The Consultation Paper proposed to introduce a requirement for all LME-listed copper to be accompanied by a CoA as a condition for warranting, thereby aligning copper with other LME-listed metals which are required



to have a CoA in order for the metal to be warranted. This would involve producers connecting to LMEpassport and generating electronic CoAs (“Enhanced eCoAs”).⁹

As noted in the Consultation Paper, the LME stated that if it were to introduce a requirement for LME-listed copper to have a CoA for it to be warranted, then there would need to be clear traceability between the CoA and the underlying metal. As such, the Consultation Paper further proposed that producers indelibly mark the production cast reference (“PCR”) on the surface of the top cathode of each bundle, replacing or supplementing the current use of labels, which may become detached or damaged during handling and storage.

The Consultation Paper proposed an implementation period of approximately 18 months before eCoAs and indelible markings were required for LME-listed copper, with an indicative effective date of 1 January 2028. In addition, the Consultation Paper outlined the LME’s proposal to allow the ongoing creation of Basic eCoAs¹⁰ for copper produced before 1 January 2028, and a further one year period (being 1 January 2028 to 1 January 2029) during which time the LME would allow copper with labels to be placed on warrant for metal produced before 1 January 2028 as the market transitioned to indelible markings. The proposal noted that if metal was already on warrant when the new requirements came into force, and if the copper did not have an eCoA or indelible markings, that the metal could remain on warrant. However, in the event that this copper was cancelled it would no longer be eligible for re-warranting including at the same warehouse company. The Consultation Paper also noted that if the proposal was introduced the LME would allow Basic eCoAs to be created by warehouse companies in respect of copper that was already on warrant, as well as off-warrant material, if the metal had a Paper CoA¹¹ and was produced prior to 1 January 2028. However, if the Paper CoA was not available for the underlying metal, then no Basic eCoA could be created and therefore the copper could not be warranted or re-warranted.

3.5.1 Feedback received

In response to the LME’s proposal in the Consultation Paper to introduce a requirement for LME-listed copper to have CoAs and PCR indelibly marked on the metal, the LME received feedback in which views differed significantly between market participants. As discussed below, the majority of respondents supported the introduction of CoAs for copper, whilst feedback was more mixed in relation to introducing a requirement for indelible markings.

The respondents who supported the introduction of CoAs for copper noted that the proposal would improve transparency, standardisation and consistency across LME metals, as copper is currently the only LME listed metal which does not require a CoA for the metal to be warranted. In addition, a respondent noted that in respect of certain producers, the underlying data which is needed to produce a CoA is already part of standard production processes.

A number of respondents did not support the proposal to require LME-listed copper to have a CoA as it could introduce unnecessary complexity and cost. It was noted that the introduction of CoAs for copper, particularly

⁹ Defined in the Rulebook as “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”.

¹⁰ Defined in the Rulebook as: “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”.

¹¹ Defined in the Rulebook as: “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) a LME Listed Sampler and Assayer (a “LSA”) who will sample and analyse material in accordance with Exchange-specified instructions to LSAs”.



the creation of Basic eCoAs from Paper CoAs, would result in additional administrative burdens and operational costs for warehouse companies, while the respondent was of the view that producers should be responsible for CoAs. There was also feedback received which noted that the proposal could potentially create barriers to inter-exchange arbitrage with markets such as SHFE and CME, as these markets do not require CoAs for copper, and that this may risk undermining the fungibility of the LME contract. A minority of respondents also raised concerns that requiring copper to have CoAs may create a price differential in the LME's copper contract, due to potential differing qualities of copper brands which would be identifiable through the CoA. In addition, there was also a query raised about whether producers who do not sell their LME-listed metal externally needed to produce eCoAs.

In relation to the proposal to have the PCR indelibly marked directly on copper, feedback was more divided. While some respondents supported the proposal as a means of improving traceability and reducing reliance on labels, others preferred a more flexible approach, allowing producers to retain existing labelling systems or to supplement them where appropriate. A respondent suggested that the LME introduce warehouse storage requirements on warehouses instead which would provide more protective labels or photographic evidence at the point of warranting the material.

In particular, certain respondents noted that the LME's labelling requirements are sufficient, and they would anticipate only incremental benefits if indelible markings were introduced, as they did not consider there were issues with the current approach. Respondents who were against the proposal noted that the requirement for indelible markings would be burdensome and impose additional costs on producers who may have to invest in marking equipment. There were some concerns raised about historic copper stock, as well as warrantability issues in the event that metal for which the top cathode with the PCR indelible marking was to be separated from the bundle.

In relation to the proposal for an implementation period of approximately 18 months before the requirement for eCoAs came into force and an additional year period before the indelible marking requirement commenced, respondents expressed divergent views. Some considered the proposed 18-month timeline to be sufficient, particularly where producers already have existing systems for performing analytical and reporting processes in place. However, a number of producers indicated that this period may be insufficient, citing that procurement, installation and integration of indelible marking equipment would require more time. They also suggested that a longer or phased implementation approach to indelible marking would better accommodate legacy stock and prevent operational constraints by allowing integration with existing production lines.

3.5.2 LME response and decision

The LME has considered the feedback to the Consultation Paper and has decided to proceed with the introduction of the requirement for LME-listed copper to be accompanied by a CoA and PCR indelibly marked on the metal. The LME believes that the introduction of copper CoAs and indelible markings will improve traceability of LME-listed copper, support the ongoing digitisation of physical markets to improve efficiency and transparency, and provide greater consistency with the other LME-listed metals which require a CoA in order to be warranted.

The LME recognises that certain respondents stated that the introduction of CoAs and indelible markings for copper may result in additional costs and administrative burdens for producers, and potentially also for warehouse companies in respect of warranting such metal. However, the LME considers that the additional administrative requirements and potential additional costs will be limited in time to the initial implementation of the requirements. Once producers have arrangements in place to produce eCoAs and indelible markings on LME-listed copper, the LME expects that any increase in costs and administrative requirements will subside. The LME also believes that the proposal will provide a significant benefit to the wider market of ensuring greater traceability in respect of LME-listed copper, facilitate more efficient processes, and create more consistency



between LME-listed metals. However, in recognition of the feedback received, particularly as more concerns were raised regarding introduction and timings of indelible markings for copper, the LME will extend the deadline for this requirement, as discussed further below. The LME also notes that, if necessary, metal can be indelibly marked using markers or stencils (see further below).

The LME also notes the concerns raised by a few respondents that the introduction of CoAs for copper may create a price differential within the LME copper contract due to higher-assay material receiving market premiums. However, the LME notes that currently all metals in which there is a physically deliverable contract are required to have a CoA for warranting, and the LME believes that the use of CoAs for these other metals has not resulted in a price differential. As such, the LME does not consider that introducing a requirement for copper to have CoAs is likely to impact price uniformity. Furthermore, certain feedback received suggested there may be an impact on arbitrage in relation to copper, as other trading venues do not require a CoA for copper. The LME acknowledges that other exchanges do not require CoAs for copper, and that there may be some restriction of material moving between exchanges initially. However, it believes that the length of the implementation period will assist in reducing any potential impact to the market.

In relation to the query of whether CoAs would be needed for copper which is only produced for internal (intra-company) purposes, the LME notes the risk that should the metal subsequently be surplus to requirement and sold into the market, it could not be warranted without a CoA lodged in LMEpassport. More broadly, the LME rules for CoAs for all metals require that eCoAs are uploaded to LMEpassport for all metal produced after a date specified in the relevant notice for that metal.

As noted above, the LME has carefully considered the feedback received in relation to the proposed requirement for indelible markings of PCRs for LME-listed copper. The Exchange is of the view that a durable and reliable link between the CoA and the underlying metal is necessary, and that it will allow for greater traceability in respect of LME-listed copper. Some respondents believed that the current label system is sufficient, including a few respondents who also supported the introduction of CoAs, and that indelible markings were not necessary. The LME believes that the use of indelible markings can prevent current issues experienced in respect of labels being used on copper, in which the labels detach or are damaged, particularly as a result of multiple handling of metal which is common in the LME's warehousing network. If the LME were to introduce CoAs for copper but allow labels to be exclusively used on the physical metal, there is a material risk of damage to the labels which would prevent PCRs from being cross referenced to the CoA. A respondent suggested the introduction of requirements similar to nickel (where labels may be used); however the LME does not believe this would be appropriate as labels on nickel do not suffer the same consistent risk of damage as copper labels, likely because of the LME requirement for nickel bundles to be stored on skids, minimising damage to the top surface of the bundle where nickel labels are located. Feedback suggests that the introduction of the same requirement for skids for copper would not be feasible, and as such, the LME believes it is more appropriate to introduce both the proposals for copper, as it will allow for greater cross-checking of PCRs, and therefore greater traceability.

In relation to feedback regarding the warrantability of copper if the top cathode with the PCR indelible marking is separated from the bundle, the LME notes that in such an instance the metal could not be warranted. However, it should be noted this is a current issue for any other metal for which the PCR is missing, and that it does not frequently occur.

The LME acknowledges that some respondents highlighted a number of practical, operational and technical challenges associated with implementing permanent marking solutions within the originally proposed timeframe, and as such, the LME is extending the deadline by which PCR indelible markings need to be on LME-listed copper for the metal to be warranted. As noted above, the proposed implementation date of 1 January 2028 will remain for the introduction of copper CoAs (discussed further below). However, the LME will introduce a two-year transitional period (from 1 January 2028 to 31 December 2029) during which both



production labels and indelible markings will be accepted as valid means of identifying the PCR. As such, the LME is extending the proposed deadline by a year, and from 1 January 2030 all LME-listed copper intended for warranting must have a compliant indelible PCR marking, and labels alone will no longer be sufficient.

From 1 January 2028, all newly produced copper intended for warranting must be supported by an Enhanced eCoA created through LMEpassport. Copper produced on or after 1 January 2028 which is not supported by an Enhanced eCoA will not be eligible for warranting. Copper produced before 1 January 2028 may be warranted from 1 January 2028 if it has a Paper CoA that can be converted to a Basic eCoA (or otherwise has an Enhanced eCoA). The LME will also be implementing the requirements proposed for copper Enhanced eCoAs, in accordance with the table¹² provided in the Consultation and Discussion Paper.

The LME confirms that copper produced from 1 January 2028 must be capable of being linked to a verifiable PCR. Accordingly, during the transitional period from 1 January 2028 to 31 December 2029, copper may be warranted where the PCR is identifiable through either a production label or an acceptable indelible marking. From 1 January 2030, copper produced after that date must carry a compliant indelible PCR marking in order to be warranted. For the avoidance of doubt, indelible markings can include permanent engraving techniques, as well as indelible stencils and marker-based solutions, as long as the writing is legible, durable and capable of reliably identifying the relevant PCR throughout normal warehousing and handling processes. Please note that the requirement for copper to be indelibly marked does not mean that producers have to remove labels, if that is part of their production process and would be disruptive to remove, as LME-listed copper from 1 January 2030 may have both labels and indelible markings.

Metal already on warrant as of 1 January 2030 will be permitted to remain on warrant if it does not have a PCR which is indelibly marked or a CoA. However, where such metal is subsequently cancelled, it will only be eligible for re-warranting if the metal has an Enhanced or Basic eCoA and the PCR is indelibly marked on the metal. Metal which does not have a CoA and indelibly marked PCR will no longer be eligible for warranting or re-warranting as of 1 January 2030. The LME notes concerns raised by respondents regarding the impact the requirements would have on historical stocks and acknowledges that the requirements will prevent certain copper being warranted from 1 January 2030. The introduction of these requirements may also impact the ability of metal owners to transfer historic LME-listed copper between warehouses. However, the LME believes the benefit of greater traceability, automation, and reduction in paper-based activities outweighs any potential restrictions on the warrantability of certain material and movement of such material. The LME also notes that the market has already been through this process in respect of all other physically deliverable metals when CoAs were introduced as a requirement for warranting. As noted above, historic stock without a CoA can be warranted before 1 January 2028, and copper stock without indelible markings may be warranted until 1 January 2030. The LME believes this represents a sufficient period of time for the market to prepare itself for the introduction of the new requirements, and in turn, expects minimal market impact due to the long implementation period.

In accordance with the LME's decision detailed above, the LME will be amending the LME Rulebook as proposed in the Consultation Paper, with a redline attached at Appendix 6 of this Notice. The Rulebook will be updated on the LME website immediately to reflect the insertion of the amendment in redline. The amendment will introduce the requirement for copper to have an eCoA to be placed on warrant, at a date to be announced by Notice. For the purposes of the amendment in the Rulebook (being Regulation 4 of Part 6), this paper is announcing the date for the requirement for LME-listed copper to have an eCoA to be warranted, which is 1 January 2028. As noted above, copper produced after 1 January 2028 must have an Enhanced eCoA and copper produced before 1 January 2028 must have a Basic or Enhanced eCoA in order for such metal to be warranted as of 1 January 2028. The amendment to the Rulebook (Regulation 4.4 of Part 6) allows copper to

¹² Page 15 in the Consultation and Discussion Paper.



be warranted with a Basic eCoA prior to 1 January 2028, and the LME notes that producers are also welcome to produce Enhanced eCoAs for copper prior to 1 January 2028.

The amendment to the Rulebook also introduces a requirement for LME-listed copper to have the PCR indelibly marked on the top cathode of each bundle, at a date to be announced by Notice. For the purposes of the amendment to the Rulebook (being Regulation 5 of Part 6), this paper is announcing the date of the requirement for LME-listed copper to have indelible markings, which is 1 January 2030. As noted above, the LME is imposing a two-year transitional period in which copper may be placed on warrant without indelible markings if it has an eCoA, rather than a one-year transitional period. As such, the LME has amended Regulation 5.1 of Part 6 of the LME Rulebook to refer to a two-year transitional period rather than one year, as reflected in the redline of the Rulebook at Appendix 4. This Notice is announcing the date of the transitional period, being from 1 January 2028 to 31 December 2029.

The LME will continue to engage with the Copper Committee, LME-listed producers, warehouse companies and other market participants on any questions relating to the implementation framework. The LME encourages producers and warehouses to begin preparing for the transition as early as practicable and to engage with the LME where implementation challenges or specific operational concerns are identified.

Revised copper transition timetable:

	Current requirement	Transition period (1-Jan-28 to 1-Jan-30)	From 1-Jan-30 onwards
CoAs	Not required	Enhanced eCoA for the metal produced from January 2028 Basic eCoA where a Paper CoA is available for the metal produced before January 2028	Enhanced eCoA for the metal produced from January 2028 Basic eCoA where a Paper CoA is available for the metal produced before January 2028
Marking	Labelling	Indelible marking/Labelling	Indelible marking only (although labelling permitted in addition)

This table updates the timetable at Section 4.5 of the Consultation Paper to reflect the extended transition; the deadlines represent final transition points, and producers are welcome to use indelible markings and create Enhanced eCoAs in advance of these dates.

3.6 Metal Report automation in LMEpassport [Question 10]

Question 10: Do you support the proposed requirement for warehouse companies to provide a Metal Report at the point of warranting, which would replace the current requirement?

The Consultation Paper proposed that warehouse companies provide data for the standardised Metal Report¹³ at the point of warrant issuance, rather than only at cancellation or on request, and that this process be automated via an API connection to LMEpassport. Where automation is not yet feasible, warehouse companies would be able to submit data via an Excel-file upload, with the new process replacing the existing triggers to generate a Metal Report.

¹³ As defined in the Warehouse Agreement at Appendix 1.



3.6.1 Feedback received

Feedback on the proposed requirement to provide a Metal Report at the point of warranting was generally supportive in principle, although a number of respondents raised important operational, cost and implementation considerations.

A broad group of respondents supported the proposal, noting that earlier and more consistent availability of data would improve transparency, reduce the need for subsequent information requests, and enhance the overall efficiency of processes linked to LMEpassport. Several respondents viewed the proposal as a practical operational improvement, particularly if it were to be supported by automation.

A number of respondents emphasised that automation between LMEsword and LMEpassport would be a key dependency, indicating their support primarily where the proposal was to be delivered through seamless system integration. These respondents also requested greater clarity on the implementation details, including cost allocation, data access following cancellation of a warrant, and the scope of information that would need to be provided.

However, some respondents were concerned about mandating the requirement in its current form, questioning whether there is sufficient demand to justify the additional burden and noting that existing processes already allow Metal Reports to be provided on request. These respondents highlighted potential increased administrative complexity and costs, particularly where implementation is not fully automated or where supporting infrastructure (including LMEpassport and eCoAs) remains immature.

A number of respondents also highlighted legal and operational considerations, including the role of warehouse companies as custodians rather than originators of data, potential liability implications, and the need to clearly define the status of the Metal Report relative to producer-issued documentation such as CoAs.

Overall, while there was broad support for the direction of travel, respondents indicated that successful implementation would depend on clear rules, system readiness, and a proportionate approach to rollout.

3.6.2 LME response and decision

Following its consideration of the feedback, the LME will implement the proposal as consulted on in the Consultation Paper and will amend the Warehouse Agreement accordingly. The Metal Report will need to be provided by the warehouse company at the point of warrant issuance, either via an API connection to LMEpassport or, where automation is not yet feasible, via Excel-file upload, replacing the existing triggers for a Metal Report at cancellation or on request, with the implementation date discussed further below.

The LME notes that respondents broadly supported the proposal, particularly if supported by automation. The Exchange believes that providing Metal Report data at the point of warranting will improve transparency, reduce the need for ad hoc information requests and support the continued development of online solutions as the primary source of metal-related information.

The LME also recognises the implementation considerations raised by respondents, including system readiness, cost allocation and operational processes. To address these concerns, warehouse companies will be able to provide data either through an automated API connection or, alternatively, via Excel-file upload. The LME believes that the availability of both submission methods provides a proportionate implementation approach while preserving flexibility for warehouse companies with differing technological capabilities.



The LME recognises that implementation will require a degree of work and cost; however, believes that the increased functionality and efficient flow of information on a regular basis will ultimately lower the work required, especially on an *ad hoc* basis.

The LME acknowledges the considerations raised by respondents and notes that the proposed Metal Report is intended to operate in a manner broadly analogous to the existing Basic eCoA framework. The Metal Report is not intended to replace, amend or supersede producer-issued documentation, including CoAs, nor does it alter the role of warehouse companies as custodians rather than originators of information. Rather, its purpose is to facilitate the structured capture and transmission of information already held in relation to the relevant metal. Consistent with existing processes, warehouse companies will be responsible for providing information available to them in accordance with the applicable requirements, while responsibility for producer-generated data and representations regarding the underlying metal will remain with the relevant producer. The LME therefore does not consider that the proposal materially changes the responsibilities or liabilities of warehouse companies.

The amendment to clause 2.2.2 of the Warehouse Agreement, together with the introduction of the definition of “Metal Report”, will become effective 90 days following the publication of this Decision Notice on 31 July 2026. However, the LME will not expect warehouse companies to comply with the requirements until 1 December 2026. A clean version of the Warehouse Agreement, taking effect from that date, is included at Appendix 2 of this Notice.

The LME will continue to work with warehouse companies and other stakeholders during the implementation period. Warehouse companies are encouraged to engage with the LME SPM Development team regarding any operational concerns, testing requirements or implementation questions.



4 Discussion topics: feedback and next steps

Section 5 of the Discussion Paper set out a number of topics on which the LME sought market views without proposing firm measures: reform of Queue-Based Rent Capping (“QBRC”) and a possible simplification of QBRC and the Linked Load-In and Load-Out (“LILo”) requirements towards a proportionate daily load-out; a further LILo anti-abuse provision; the possible prohibition of evergreen (post-sale economic incentive) rent deals; the possible approval of Delivery Points in areas of net production, with an associated price-adjustment mechanism; the possible introduction of outside storage of primary aluminium on a location-by-location basis; and the introduction of indelible markings on primary aluminium, lead and zinc.

The LME is grateful for the detailed and, in several areas, divergent feedback received on these topics. On the basis of this feedback, the LME is proposing to take forward two topics from the Discussion Paper, and to that end, is separately consulting on the proposed introduction of a requirement for indelible markings on primary aluminium, lead and zinc, which will consider a potential effective date, as well as the proposal to allow aluminium to be stored outside in one Delivery Point only.

Consistent with the exploratory nature of the discussion section, the LME is not taking final decisions on the remaining matters in this paper at this point, but will reflect on the feedback, together with its own analysis, and – where it considers further action appropriate – will consult separately on the specific rule changes required, including, where relevant, the precise parameters, implementation arrangements and any transition period.

4.1 Queue-Based Rent Capping and QBRC / LILo simplification [Question 11 – Question 13]

Question 11: Do you believe the QBRC requirements should remain as they currently are? If not, what changes do you believe should be made to the QBRC requirements?

Question 12: In particular, do you support a simplification of the LILo and QBRC requirements, which would only apply a 1.5% load-out rate? Do you believe 1.5% represents the right load-out rate?

Question 13: As an alternative to the approach in question 11, do you support QBRC being automatically applied to cancellations of 10,000mt but disappplied to cancellations of metal which is over 10,000mt?

The Discussion Paper considered whether the current QBRC and LILo framework remains the most appropriate mechanism for managing load-out obligations and queues within the LME warehouse network. QBRC, originally introduced in 2015 and amended in 2019, limits the amount of rent payable on cancelled metal once a prescribed queue period has been reached, while LILo imposes additional load-out obligations on warehouses experiencing queues of over 50 days. The LME notes that views within the market remain mixed as to whether these arrangements continue to strike the appropriate balance between maintaining efficient metal flows, supporting warehouse operations and ensuring the attractiveness of on-warrant storage.

The paper asked whether the QBRC requirements should remain as they are (Question 11), whether the LILo and QBRC requirements should be simplified – for example towards a single, proportionate daily load-out obligation (Question 12), and, as an alternative, whether QBRC should apply automatically where a qualifying queue develops (Question 13).

4.1.1 Feedback received

Feedback was mixed, and no clear consensus emerged on any single alternative. A number of respondents valued the certainty and predictability of the current framework and cautioned against change for its own sake, noting that – while complex – the rules are well understood and respected by the market. Others supported



the principle of simplification, but views differed materially on what a simplified regime should look like and on how a proportionate daily load-out obligation would interact with the existing queue thresholds. Some respondents favoured an automatic application of QBRC, while others were concerned about unintended consequences and the operational burden of a further change to the load-out rules.

4.1.1.1 Question 11 – Retention of the current QBRC framework

Feedback on the current QBRC framework was mixed, although respondents tended to favour either maintaining the existing regime or simplifying it entirely, rather than making incremental changes.

A number of respondents supported retaining QBRC in its current form, noting that the mechanism is well understood by the market, continues to provide protection for metal owners seeking access to LME-warranted material, and supports the economics that underpin warehouse inflows and on-warrant stocks. Several respondents acknowledged that the current rules are not perfect but considered them preferable to introducing potentially disruptive changes.

Conversely, a number of respondents argued that QBRC is overly complex and should be simplified or replaced. Several respondents supported a move towards a percentage-based load-out framework, viewing it as more transparent and easier for market participants to understand. Others suggested more targeted modifications to QBRC, including limiting its application for large-scale cancellations or replacing rent-free periods with reduced, rather than zero, rent. Overall, respondents recognised the value of queue-management mechanisms but differed on whether the current framework remains the optimal approach.

4.1.1.2 Question 12 – Simplification through a 1.5% daily load-out requirement

Feedback on the proposal to replace QBRC and LILO with a simplified 1.5% daily load-out requirement was predominantly negative, although several respondents supported the broader objective of simplification.

Many respondents raised concerns regarding the operational practicality of a fixed percentage-based load-out requirement, particularly at locations holding large stock levels. These respondents noted that physical constraints, including trucking capacity, labour availability and local infrastructure, could make a 1.5% requirement difficult or impossible to achieve in practice. Several respondents also argued that such a regime could discourage warehouses from accepting additional metal, reducing the attractiveness of the LME warehouse network and potentially impacting liquidity and stock transparency.

A smaller group of respondents supported a percentage-based approach, viewing it as a simpler and more objective alternative to the current framework. Among those respondents, opinions differed on the appropriate rate, with some supporting the proposed 1.5% threshold, while others advocated lower or tiered percentages to reflect differing stock levels and operational realities. Several respondents were open to further analysis of a simplified model but considered that additional work would be required before any such framework could be adopted.

4.1.1.3 Question 13 – Applying QBRC only to cancellations of 10,000 tonnes or less

Feedback on the proposal to apply QBRC automatically to cancellations of 10,000 tonnes or less, while disapplying it to larger cancellations, was also mixed.

Supportive respondents considered the proposal a potentially balanced approach that could reduce incentives for large economically motivated cancellations while preserving protection for smaller cancellations associated with genuine physical demand. Some respondents viewed the proposal as a useful anti-abuse measure,



although several respondents emphasised the importance of robust aggregation, monitoring and enforcement arrangements to prevent circumvention.

However, a significant number of respondents opposed the proposal, arguing that it would introduce additional complexity and create new opportunities for manipulation. Several respondents expressed concerns that market participants could structure cancellations around the threshold to achieve a more favourable outcome. Others questioned the rationale for the 10,000-tonne threshold itself or considered that large-scale commercial movements should not be treated differently from smaller cancellations. A number of respondents therefore preferred either retaining the current framework unchanged or pursuing broader simplification instead of introducing additional layers of differentiation.

4.1.2 LME response and next steps

Having considered the feedback received, the LME has decided not to proceed with any amendments to the current QBRC and LILO framework at this time.

In respect of Question 11, the LME notes that the current QBRC regime received the highest level of support amongst the options presented. While respondents acknowledged that the framework is not without complexity, many considered it a well-understood and established mechanism that continues to provide an appropriate balance between protecting metal owners, supporting warehouse operations and maintaining orderly market conditions. Although some respondents supported targeted amendments to the existing framework, there was no clear consensus as to the nature of those amendments.

The LME also notes that feedback on both alternative proposals was considerably more divided. In relation to the proposed 1.5% daily load-out requirement, respondents raised significant concerns regarding operational feasibility, the potential impact on warehouse incentives, and the risk that such a framework could discourage additional metal from entering the LME warehouse network. While there was some support for simplification in principle, respondents expressed a wide range of views regarding the appropriate load-out rate and how such a regime should operate in practice. Similarly, feedback on the proposal to apply QBRC differently depending on cancellation size highlighted concerns regarding complexity, potential opportunities for gaming, and the appropriateness of the proposed threshold.

Taken together, the responses did not demonstrate a sufficient consensus in favour of either alternative approach to justify replacing or materially amending the existing framework. The LME therefore considers that the benefits of stability and predictability currently outweigh the potential advantages of introducing further changes in this area.

The LME will therefore retain the current QBRC and LILO framework without amendment at this time.

The Exchange acknowledges that some respondents continue to favour broader simplification of queue-management and load-out rules, while others believe the current framework remains the most appropriate approach. The LME will continue to monitor the operation of QBRC and LILO, including queue formation, stock flows, and the effectiveness of the existing anti-abuse provisions.

Should market conditions evolve materially, or should evidence emerge that the current framework is no longer operating as intended, the LME may revisit this topic as part of a future review of the warehousing framework. For the present, however, the LME considers that maintaining the existing rules provides the greatest degree of certainty for market participants and avoids introducing potentially disruptive changes in an area where the market remains divided on the preferred direction of reform.



4.2 Additional LILO anti-abuse provision [Question 14]

Question 14: As an alternative to the approach in question 12, do you believe that an additional anti-abuse provision should be added to LILO to prevent a party that creates a 50-day queue being the beneficiary of any additional tonnage required to be loaded-out under LILO?

In connection with the possible simplification of the load-out rules, the Discussion Paper raised the alternative proposal of introducing an additional anti-abuse provision for the LILO requirements, to guard against behaviour designed to circumvent the intended effect of those requirements.

4.2.1 Feedback received

Feedback on the proposed additional anti-abuse provision was mixed, although support was generally stronger among respondents who favoured retaining the existing QBRC and LILO framework.

A number of respondents supported the proposal, arguing that it would help ensure that parties responsible for creating significant queues do not subsequently benefit from the additional load-out capacity generated under LILO. These respondents considered the measure a reasonable safeguard against potentially strategic behaviour and viewed it as a means of preserving the integrity and fairness of the load-out process. Several respondents noted that, if LILO is retained, additional anti-abuse protections are appropriate and should be objective, transparent and rules-based.

Conversely, a number of respondents did not support the proposal, arguing that the current framework already contains sufficient safeguards and that further anti-abuse provisions would add complexity to a regime that many market participants already consider difficult to understand. Several respondents noted that LILO has limited practical relevance in the current low-stock environment and questioned whether the proposal addresses a material issue. Others expressed concerns that additional rules could increase administrative burdens, reduce operational flexibility, or make the warehousing system less attractive to market participants. A further group of respondents adopted a conditional position, indicating support only if the LME decides to retain the current LILO framework. These respondents generally favoured broader simplification of warehouse rules and viewed the proposed anti-abuse provision as a secondary issue that would become unnecessary if LILO were amended or removed.

Overall, respondents recognised the importance of preventing abusive behaviour within the warehousing system, but views differed on whether the proposed measure was necessary, proportionate, or the most effective means of achieving that objective.

4.2.2 LME response and next steps

Having considered the feedback received, the LME acknowledges that there was a reasonable degree of support for the proposed additional anti-abuse provision, particularly among respondents who support the retention of the current QBRC and LILO framework. The LME recognises the rationale behind the proposal; namely, to prevent a party responsible for creating a substantial queue from also benefiting from the additional load-out tonnage generated under LILO.

However, the LME notes that respondents also raised concerns regarding the additional complexity such a provision would introduce to an already intricate ruleset. The LME considers that the practical benefits of the proposal are currently limited when weighed against the operational and administrative burden associated with its implementation and ongoing monitoring. In particular, since the introduction of LILO in 2015, the circumstances in which this proposed anti-abuse provision would have been applicable have arisen only once



(and even then, it was a potential occurrence, and ultimately did not materialise), suggesting that the risk it seeks to address has been infrequent in practice.

The LME will retain the current QBRC and LILO framework without amendment in respect of this proposal. Nevertheless, the Exchange continues to recognise the underlying principle that parties should not be able to benefit from behaviours that contribute to the creation of structural queues.

The LME will therefore continue to monitor queue dynamics, cancellation activity and the operation of the existing anti-abuse measures. Should market conditions change, queue levels increase materially, or evidence emerge that the current framework is insufficient to address potentially abusive behaviour, the LME reserves the right to revisit this proposal as part of a future review of the warehousing regime. In such circumstances, the LME may re-consult the market on the introduction of additional anti-abuse protections if it considers them necessary to support the orderly functioning of the warehouse network.

4.3 Evergreen (post-sale economic incentive) rent deals [Question 15]

Question 15: Should post-sale economic incentive arrangements be prohibited? If so, should such a ban apply to metal which is already on warrant or only metal which may be warranted going forward?

Section 5.3 sought views on whether post-sale economic incentive arrangements – commonly referred to as “evergreen” rent deals – should be prohibited and, if so, whether any prohibition should apply to metal already on warrant or only to metal warranted in future. The Discussion Paper noted that a prohibition could disproportionately affect smaller warehouse companies, which may be less able to offer up-front incentives than larger operators.

4.3.1 Feedback received

Feedback on post-sale economic incentive arrangements was mixed, with respondents expressing strongly differing views on whether such arrangements continue to serve a legitimate market function or whether they now create distortions within the LME warehouse network.

A number of respondents supported prohibiting post-sale economic incentive arrangements. These respondents argued that such arrangements distort stock movements, incentivise warranting and storage decisions for financial rather than physical reasons, and contribute to unnecessary warehouse-to-warehouse transfers that do not reflect underlying supply and demand. Several respondents considered that these arrangements can reduce warrant accessibility, inflate physical premiums, create conflicts of interest and undermine confidence in stock data. A common view among supporters of a prohibition was that any ban should apply only to newly warranted metal, allowing existing arrangements to be unwound in an orderly manner and avoiding disruption to existing contractual relationships.

Conversely, a significant number of respondents opposed a prohibition, arguing that post-sale economic incentive arrangements remain an important commercial tool that supports liquidity, financing activity and the attractiveness of placing metal on warrant. Several respondents noted that such arrangements can enable independent warehouse operators to compete more effectively with larger warehouse companies and can provide an alternative to large upfront incentive payments. Some respondents also cautioned against LME intervention in commercial arrangements between willing counterparties and warned that a prohibition could have unintended consequences for competition within the warehouse network.

A number of respondents adopted a more nuanced position, supporting restrictions in specific circumstances rather than a blanket ban. These respondents suggested, for example, that post-sale economic incentives should be permitted for the warranting of fresh metal but prohibited in relation to warehouse-to-warehouse



movements within the same LME location, where such arrangements may encourage stock movements that do not reflect genuine physical demand. Others argued that the issue should be considered alongside broader warehousing reforms, particularly rent levels and information-barrier requirements, to address the underlying incentives that give rise to such arrangements.

Overall, respondents were divided on the appropriate approach, reflecting differing views on the extent to which post-sale economic incentive arrangements support market liquidity and competition, or alternatively contribute to distortions in stock movements, price signals and warehouse behaviour.

4.3.2 LME response and next steps

Given the feedback received, the LME will maintain the current framework without amendment. However, the Exchange will continue to monitor the use of post-sale economic incentive arrangements and their potential impact on stock movements, warranting behaviour and market transparency.

The LME encourages market participants to continue engaging with the Exchange on this topic and to provide information where they believe particular practices may be giving rise to unintended consequences or concerns regarding the orderly functioning of the market. In particular, and related to comments received in respect of information barriers above, the LME would encourage market participants to provide the LME with details should they believe that confidentiality requirements are not being observed in respect of post-sale economic incentive arrangements. Should future evidence demonstrate that such arrangements are having a materially adverse impact on the market, the LME may revisit the issue as part of a future review of the warehousing framework.

4.4 Delivery Points in areas of net production [Question 16]

Question 16: Do you believe that the LME should allow warehousing Delivery Points in areas of net production? If so, what are your views on the proposed price adjustment mechanism? If not, what are the risks you would highlight?

Section 5.4 of the Discussion Paper sought views on whether the LME should permit Delivery Points in areas of net production – a departure from the long-standing requirement that locations be situated in areas of net consumption, which was designed to ensure that the metal was stored in locations where it may be needed for manufacturing, reflecting the network's role as a market of last resort. In addition, it also sought feedback on the associated price-adjustment mechanism that would be required to address the resulting price implications. Under the mechanism described, metal delivered in areas of net production would be valued at a discount to reflect the additional cost of transporting it to a consumption location, with a corresponding premium awarded on delivery.

4.4.1 Feedback received

Feedback on the proposal to permit Delivery Points in areas of net production was predominantly negative, with the majority of respondents expressing concerns about the potential impact on the role and functioning of the LME warehouse network.

Many respondents argued that LME Delivery Points should remain focused on areas of net consumption and major trading hubs, noting that this helps ensure the accessibility of metal to consumers and supports the integrity of the LME as a market of last resort. Respondents expressed concerns that allowing Delivery Points in producing regions could encourage the accumulation of stocks close to their point of origin, reduce the availability of metal in consuming regions, and weaken the link between the LME price and physically accessible metal. Several respondents also cautioned that such a change could result in higher logistical



complexity, fragmented metal flows, reduced warehouse viability in consuming regions, and the emergence of a two-tier market with differing values attached to warrants in different locations.

A significant number of respondents also opposed the proposed price adjustment mechanism, arguing that freight, financing and logistics costs are already reflected in physical market premiums and that any attempt by the LME to adjust prices to reflect regional differences would introduce unnecessary complexity and potential market distortions. Several respondents questioned whether there is a clearly identified market failure or demand that would justify such a fundamental change to the current Delivery Point framework.

Notwithstanding the predominantly negative feedback, a small number of respondents were either supportive or open to further consideration of the proposal. These respondents noted that permitting Delivery Points in producing regions could increase delivery optionality, encourage additional metal to be placed on warrant, and strengthen the LME's role during periods of market stress. However, even amongst this group there was broad recognition that any price adjustment mechanism would need to be transparent, predictable and carefully designed to avoid creating arbitrage opportunities or undermining confidence in the LME price.

Overall, respondents were generally of the view that the existing Delivery Point framework is functioning effectively and that any expansion into net producing regions would require a compelling justification, a clearly defined objective and careful consideration of the potential impacts on market structure, liquidity and price formation.

4.4.2 LME response and next steps

The LME recognises the potential benefits of a broader network but shares the concerns raised regarding the price implications and the complexity of the price-adjustment mechanism that would be required to address them. The LME does not consider that there is currently sufficient support, or a sufficiently developed rationale, to justify taking this proposal forward, and is therefore not progressing it at this time. Should the LME return to this topic in future, it would consult separately on the specific approach, including the design and calibration of any price-adjustment mechanism.

4.5 Outside storage of primary aluminium [Question 17]

Question 17: Do you believe the LME should permit outside storage for primary aluminium on a location-by-location basis? What do you believe are the advantages and risks of such a proposal?

Section 5.5 of the Discussion Paper sought views on whether the LME should permit outside storage for primary aluminium on a location-by-location basis. Outside storage for primary aluminium was permitted in the LME network for a brief period in the mid-1990s but was subsequently rescinded following concerns that weather conditions degraded the quality of material and labelling over time and that outside storage was less secure. The topic has been revisited in light of recent conversations regarding space availability at certain locations, given the possibility that outside storage could relieve space constraints and offer additional storage footprint, optionality and price differentiation.

4.5.1 Feedback received

Feedback on the proposal to permit outside storage for primary aluminium was mixed, with the majority of respondents expressing reservations about the proposal and questioning whether there is a clear market need to justify the associated risks.

A number of respondents did not support permitting outside storage, citing concerns around security, metal quality, operational integrity and competitive neutrality. Respondents noted that exposure to weather



conditions could increase the risk of oxidation, corrosion, deterioration of labels and strapping, and other quality-related issues. Others expressed concerns that outside storage could weaken existing warehouse standards, introduce additional regulatory and compliance complexity, and create competitive distortions between warehouse companies operating under different cost structures. Several respondents also questioned whether additional capacity is currently required, noting that existing indoor capacity remains sufficient and that temporary storage solutions could be considered in the event of future stock builds.

Other respondents adopted a more conditional position, suggesting that outside storage could be considered on a location-by-location basis where capacity constraints exist or where appropriate safeguards can be demonstrated. These respondents emphasised the importance of maintaining robust security, quality-control and reporting standards, and suggested that enhanced digital traceability tools, including barcodes, QR codes and LMEpassport integration, could help mitigate some of the operational risks associated with outdoor storage.

A group of respondents were supportive of the proposal, highlighting the potential for increased flexibility, lower storage costs and the ability to accommodate higher stock levels during periods of oversupply. One respondent specifically highlighted the warehousing constraints in Hong Kong and suggested that additional storage flexibility may be beneficial in that location.

4.5.2 LME response and next steps

Having considered the feedback received, the LME acknowledges the concerns raised by respondents regarding metal quality, security, competitive neutrality and operational complexity associated with outside storage. At the same time, the LME recognises that certain locations face unique warehousing constraints and that greater flexibility in the use of storage infrastructure may provide benefits in appropriate circumstances.

Accordingly, the LME has decided not to introduce a general framework permitting outside storage for primary aluminium across its warehouse network at this time. However, given the specific land constraints in Hong Kong which impact aluminium in particular (given it is often stored in high quantities), and the associated high costs of operating warehousing in that Delivery Point, the LME considers that there may be merit in exploring whether a carefully controlled outside storage framework could operate in Hong Kong.

This could provide the opportunity for Hong Kong to better support the aluminium market – in particular arbitrage trading between China and the rest of the world – through the provision of adequate space for storage, and equalise the costs of storage with other locations without compromising market integrity, security standards or the warrantability of metal. While the LME recognises that this arbitrage market is often closed due to tax regimes within China, recent aluminium market moves demonstrate the importance of flexibility within the network, such that it can offer additional functionality when useful. The LME further notes that there is currently no aluminium on warrant in sheds in Hong Kong at present, so no market participant would be disadvantaged by the introduction of this functionality.

The LME therefore intends to publish a separate, location-specific consultation on the potential use of outside storage for primary aluminium in Hong Kong. The consultation will seek views on the operational and commercial implications of the proposal, as well as feedback on the proposed requirements.

For the avoidance of doubt, no changes are being made to the current warehousing requirements as a result of this paper. Any proposal to permit outside storage will be subject to a separate market consultation and would only be implemented following consideration of the feedback received.



4.6 Indelible markings on primary aluminium, lead and zinc [Question 18]

Question 18: Do you support the proposal that producers of new and existing listed primary aluminium, lead and zinc brands must indelibly mark PCR numbers on the metal instead of, or in addition to labels? Do you believe an 18-month implementation period, approximately, is sufficient for all LME-listed primary aluminium, lead and zinc brands to introduce indelibly marked PCRs on metal instead of labels?

Section 5.6 of the Discussion Paper sought views, in line with the concerns regarding the robustness of labels on copper, on introducing a requirement for indelible markings on primary aluminium, lead and zinc, under which producers would, following a suitable future date, be required to indelibly mark PCRs on the metal instead of, or in addition to, using labels. The Discussion Paper outlined that any such requirement would be the subject of a separate consultation with a proposed effective date, and that the LME would endeavour to provide producers with up to approximately 18 months to implement the change.

4.6.1 Feedback received

Feedback on the proposal was generally supportive, with many respondents recognising the benefits of improved traceability, standardisation and consistency across LME-listed metals. Several respondents agreed that indelible PCR markings would reduce reliance on labels, which may become damaged or detached during handling and storage, and considered the proposal a logical extension of the traceability measures proposed for copper. A number of respondents also supported the proposed 18-month implementation period, viewing it as a reasonable timeframe for producers to introduce the necessary processes.

A number of respondents expressed qualified support, emphasising that implementation should be producer-led and coordinated closely with the Warehousing Committee and wider industry. Several respondents suggested that the proposal should be accompanied by more modern identification solutions, such as barcodes or QR codes linked to LMEpassport, to improve operational efficiency and facilitate verification by warehouses. Others noted that existing labelling systems remain effective where appropriate storage and handling practices are observed and questioned whether indelible markings would always offer a significant improvement. Some respondents also highlighted practical considerations such as the continued risk of identification issues where bundles are re-strapped or labels and markings become obscured.

A smaller number of respondents either did not express a view or raised concerns regarding the potential impact on the attractiveness of placing metal on warrant. In particular, one respondent cautioned against any measure that could discourage warranting activity, while another highlighted the need to avoid applying the requirement retrospectively to existing stocks. Overall, however, respondents were broadly supportive of the direction of travel, provided sufficient implementation time is allowed and practical operational considerations are taken into account.

4.6.2 LME response and next steps

The LME intends to take this topic forward and will develop a specific proposal to require indelible PCR markings on LME-listed primary aluminium, lead and zinc brands, to be consulted on in a subsequent consultation paper. Consistent with the approach taken for copper, that consultation will set out a proposed effective date and implementation period.

The LME's current view is that any new requirement should apply prospectively to newly listed brands and shapes, rather than retrospectively to metal already produced or brands already listed. Respondents generally supported the introduction of indelible PCR markings to improve traceability and the robustness of metal identification, but a number of respondents expressed concerns that retrospective application could result in market disruption and potentially affect the warrantability of existing stocks. Further, the issue of label



degradation was not considered as such a risk for these metals compared to copper; labels have been the primary identification method for many years without causing any material disruption to warranting practices. As such, the LME considers that a more gradual increasing of requirements for these three metals would still provide continuous improvement over time.

The LME also notes the suggestions made by respondents regarding complementary digital identification solutions, including barcodes and QR codes linked to LMEpassport, and will consider these as part of its ongoing work in this area.

For the avoidance of doubt, this paper does not make any change to the marking requirements for primary aluminium, lead or zinc; any such change would follow a subsequent consultation.



5 Conclusion

Having had due regard to the responses received to the Consultation and Discussion Paper, and in light of the observations made in this report, the LME has decided to implement the proposals outlined in section 4 of the Consultation and Discussion Paper as written, subject to the extended transition timetable for indelible PCR markings on copper. 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 stakeholders and other market participants who contributed to this Consultation and Discussion Paper, in particular its Physical Market Committee and Warehousing Committee.



6 Appendices

Appendix 1 – LME Warehouse Agreement – redline

Appendix 2 – LME Warehouse Agreement – clean

Appendix 3 – Current and proposed FOT rates following USD dollar conversion

Appendix 4 – LME Policy on the Approval and Operation of Warehouses – redline

Appendix 5 – LME Policy on the Approval and Operation of Warehouses – clean

Appendix 6 – LME Rulebook, Part 6 – redline

Appendix 7 – Guidance Notes for Copper – 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 and~~ 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 ~~FOT~~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 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. ~~FOT must be quoted in the currency of the listed location, except for FOTs in respect of aluminium premium Contracts, which must be quoted in the Major Currency of the relevant Contract.~~

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 ~~(or, in the case of aluminium premium Contracts, the Major Currency of the Contract)~~ and the currency of payment; and
- (ii) in the event that the parties cannot agree, ~~FOT shall be paid in the rate of conversion between~~ the currency of the listed location ~~(or, in the case of aluminium premium Contracts, 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 each 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, {date of decision notice, if implemented} Charge Caps were only in respect of the maximum permissible Warehouse Maximum Charge Levels for rent and FOT; following 31 July 2026 {date of decision notice, if implemented} 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, ~~and~~ (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 ~~2017~~2026 to 31 March ~~2018~~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 5.3.14. 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 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 7.7.32 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 Warrant-copper on Warrant on or after 1 January 2028[~~date to be determined via notice~~], 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[~~date to be determined via notice~~] if the metal is not accompanied by an Enhanced eCOA or a Basic eCOA.~~

~~7.7.2.7.3~~ 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.

~~7.7.3~~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.

9.4 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

~~9.14~~ Each Related Warehouse shall maintain effective information barriers between it and the relevant Trading Company as specified by the Exchange from time to time ~~as set out in the Notice: Information. Non-Related Warehouses shall also maintain effective information barriers between~~as specified by the Exchange from time to time. ~~Each Related Warehouse Companies and Trading Companies (Ref: 14/202: A195: W098), or any successor notice. The Non-Related Warehouse shall~~engage a firm of professional accountants in public practice, the choice to be agreed with the Exchange, to assure that the information barriers ~~it has~~that they have in place meet the criteria specified by the Exchange, ~~under such assurance standard(s) and in such manner as the Exchange may specify~~ from time to time.

~~9.15~~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:

~~9.15-19.14.1~~ any Delisting or Suspension of the Warehouse; and/or

~~9.15-29.14.2~~ 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 LME's Rules and 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:

$P_{avg\ 2015-17, \text{ local currency}}$ 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:

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

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

$ACPI_{august\ 2020}$ 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 $P_{t, \text{ local}}$ would be lower than $P_{t-1, \text{ local}}$, then $P_{t, \text{ local}}$ will instead be set to $P_{t-1, \text{ local}}$.

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:

$P_{avg\ 2015-17, \$}$ 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:

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

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:

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

Where

$ACPI_{\text{august } t-1}$ 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

$ACPI_{\text{august } 2025}$ 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\$

$$P_{t, \$} = P_{t, \text{local}} / FX_{\$ \text{august } t-1}$$

where $FX_{\$ \text{august } t-1}$ 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:

$P_{\text{sp cmte, local}}$ 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:

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

Where

$ACPI_{\text{august } t-1}$ 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

$ACPI_{\text{august } 2025}$ 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 $P_{t, \text{local}}$ would be lower than $P_{t-1, \text{local}}$, then $P_{t, \text{local}}$ will instead be set to $P_{t-1, \text{local}}$.

Rental Charges

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

$P_{\text{sp cmte, US\$}}$ 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:

$$P_{\text{sp cmte, local currency}} = P_{\text{sp cmte, US\$}} \times FX_{\$ \text{sp cmte}}$$

Where

$FX_{\$ \text{sp cmte}}$ 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:

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

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\$

$$P_{t, \$} = P_{t, \text{local}} / FX_{\text{august } t-1}$$

where $FX_{\text{august } t-1}$ 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:

$P_{\text{sp cmte, local}}$ 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:

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

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

Rental Charges

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

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

Define the Charge Cap in the local currency as follows:

$$P_{\text{sp cmte, local currency}} = P_{\text{sp cmte, US\$}} \times FX_{\text{sp cmte}}$$

Where

$FX_{\text{sp cmte}}$ 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:

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

Where

$\text{ACPI}_{\text{august } t-1}$ 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

$\text{ACPI}_{\text{august sp cmte } -2}$ 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\$

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

where $\text{FX}_{\text{august } t-1}$ 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 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 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.

9.4 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:

$P_{avg\ 2015-17, \text{ local currency}}$ 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:

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

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

$ACPI_{august\ 2020}$ 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 $P_{t, \text{ local}}$ would be lower than $P_{t-1, \text{ local}}$, then $P_{t, \text{ local}}$ will instead be set to $P_{t-1, \text{ local}}$.

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:

$P_{avg\ 2015-17, \$}$ 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:

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

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:

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

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 $P_{t-1,\$}$.

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:

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

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\$

$$P_{t, \$} = P_{t, \text{local}} / FX_{\text{august } t-1}$$

where $FX_{\text{august } t-1}$ 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:

$P_{\text{sp cmte, local}}$ 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:

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

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

Rental Charges

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

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

Define the Charge Cap in the local currency as follows:

$$P_{\text{sp cmte, local currency}} = P_{\text{sp cmte, US\$}} \times FX_{\text{sp cmte}}$$

Where

$FX_{\text{sp cmte}}$ 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:

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

Where

$\text{ACPI}_{\text{august } t-1}$ 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

$\text{ACPI}_{\text{august sp cmte } -2}$ 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\$

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

where $\text{FX}_{\text{august } t-1}$ 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.

Appendix 3: Current and proposed FOT rates following US dollar conversion

	FOT rates per tonne in local currency			FOT rates per tonne in US\$		
Country/Region	Currency	Current FOT rate	Cobalt	Currency	Proposed FOT rate	Cobalt
Belgium	€	33.00	39.80	\$	39.00	47.05
Germany	€	33.00	-	\$	39.00	-
Hong Kong SAR	HK\$	470.00	-	\$	60.15	-
Italy	€	34.25	-	\$	40.50	-
Japan	¥	3,380.00	-	\$	21.80	-
Korea (South)	KW	49,600.00	-	\$	34.20	-
Malaysia	MR	162.50	-	\$	41.50	-
Netherlands	€	33.00	39.80	\$	39.00	47.00
Saudi Arabia	SR	138.00	-	\$	36.80	-
Singapore	S\$	68.50	73.70	\$	54.00	58.15
Spain	€	33.00	-	\$	39.00	-
Sweden	SKr	304.00	-	\$	33.85	-
Taiwan	T\$	1,455.00	-	\$	46.25	-
UAE	Dir	136.00	-	\$	37.05	-
UK	£	24.40	-	\$	33.15	-
USA [no change]	\$	45.00	48.37	\$	45.00	48.37

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 for vehicle loading/unloading, with a minimum of 2 doors per Authorised Warehouse. The LME may, in its discretion, allow a fewer number of operational doors and/or a wider area to be accessed by such operational doors.
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.).

~~11.11.~~ Warehouses are required to supply the LME with their current rent ~~and~~ 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)~~:

~~(i)~~ Free on Rail, ~~(ii)~~:

~~(ii)~~ Free Alongside, ~~(iii)~~:

~~(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), ~~(iv) metal re-warranting,~~ and ~~(v) slot~~

~~(iv)~~ Slot rescheduling at the request of the metal owner.

~~12.~~ Certain ~~of these~~ 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.

~~12.13.~~ Warehouses may not charge fees for ~~these~~the services that exceed the levels published on their website, and may not impose any other compulsory charges on metal owners in respect of ~~these logistical activities, other than those so published.~~ 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.

~~13.14. 12.~~—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.

~~14.15. 13.~~ 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.

~~15.16. 14.~~—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.



~~16-17. 15.~~ 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) $1,000,000 \text{ tonnes} / 4,000 \text{ tonnes per Business Day}$

(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.

$$= 1.0 \times 256,000 + (262,400 - 256,000) = 256,000 + 6,400$$

$$= 262,400 \text{ tonnes}$$

- (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 follows¹. 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 LIFO 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 schedule² (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 schedule³ (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 slots⁴ 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 slots⁴ 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 LIFO Rule.
- (a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule² (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 schedule³ (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 slots⁴ 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 slots⁴ 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.

"LIFO 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 for vehicle loading/unloading, with a minimum of 2 doors per Authorised Warehouse. The LME may, in its discretion, allow a fewer number of operational doors and/or a wider area to be accessed by such operational doors.
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) $1,000,000 \text{ tonnes} / 4,000 \text{ tonnes per Business Day}$
 - (ii) $= 250 \text{ Business Days}$
 - (iii) $= 350 \text{ calendar days (assuming all weekdays are Business Days)}$

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.

$$= 1.0 \times 256,000 + (262,400 - 256,000) = 256,000 + 6,400$$

$$= 262,400 \text{ tonnes}$$

- (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 follows¹. 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 LIFO 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 schedule² (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 schedule³ (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 slots⁴ 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 slots⁴ 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 LIFO Rule.
- (a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule² (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 schedule³ (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 slots⁴ 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 slots⁴ 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.

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>.] ~~https://www.lme.com/en/about/regulation/rules/rule-book.~~ [https://www.lme.com/en/about/regulation/rules/rule-book.](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" <u>or "COA"</u>	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 ~~eCOA~~ <u>electronic COA</u> or an Enhanced ~~eCOA~~ <u>electronic COA</u> ;
"Enhanced eCOA"	means an electronic Certificate of Analysis, which is created within the eCOA System, and which meets the ~~eriteracriteria~~ <u>criteria</u> 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) ~~aan~~ LME Listed Sampler and Assayer (~~aan~~ "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

2. 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 A199.70 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.

3. SIZE OF LOT

25 tonnes (2% either more or less).

4. WARRANTS

4.1 Warrants shall be for 25 tonnes (2% either more or less).

4.2 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.

4.3 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.

4.4 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.

5. CERTIFICATES OF ANALYSIS

Requirement for eCOA to place metal on Warrant

- 5.1 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.
- 5.2 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.
- 5.3 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)

- 5.4 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

- 5.5 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.
- 5.6 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.
- 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 ALUMINIUM WARRANTS

- 6.1 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.
- 6.2 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. 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.
- 6.3 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.
- 6.4 All documentation for placing aluminium on Warrant must include the English language.
- 6.5 Straps replaced by a Warehouse must be of corrosion resistant material and in compliance with LME strapping standards.

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 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. WARRANTIES

- 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.

4.5. ADDITIONAL REQUIREMENTS FOR COPPER WARRANTS

4.15.1 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.

4.25.4 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 ~~must have a durable label provided by the Warehouse attached to the top cathode in a bundle showing 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.

5.6. **MAJOR CURRENCY**

US dollars.

6.7. **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.
- 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.
- 5.3 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 lead 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 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 Warehouse¹;
- (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'.

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 ~~batch~~referencecast 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 ~~batch~~referencecast 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 batchcast 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).
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	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 weight 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 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 zinc 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. **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 ~~batch~~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.

5. DRUMMED RMC REQUIREMENTS

5.1 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.

5.2 Warehouses are not permitted to place on Warrant any RMC supplied in unsound producer steel drums or steel drums with broken seals.

6. CERTIFICATES OF ANALYSIS

6.1 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.

6.2 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

7. ADDITIONAL REQUIREMENTS FOR ALL RMC WARRANTS

7.1 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.

7.2 All RMC Warrants require as supporting documentation a certificate of origin and a LSA certificate of analysis in English.

7.3 On request the Warehouse is obliged to submit to the holder of the Warrant the certificate of origin and analysis or a copy thereof.

7.4 The Warehouse Company is required to inform the LME of the name of the party that requests the warrant to be issued.

8. **MAJOR CURRENCY**

US dollars

9. **TESTING OF WARRANTED METAL**

9.1 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.

9.2 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.



Guidance Notes for Copper-Grade A Brands

LME Brand Listing Requirements

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 12 months or, if in the opinion of the LME ~~C~~opper ~~C~~ommittee, 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 ~~it's~~~~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-refundable¹.

¹ 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”²):
- (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.
 - (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 application³.
- 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 Support⁴ regarding the financial position of the producer⁵.

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

³ The LME copper committee will provide approval of the nominated testers as part of Stage Two.

⁴ In accordance with the draft appended to these Guidance Notes – Appendix A.

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

- (iii) Confirmation there has been no restructuring of the producer over the last three years and there is no ongoing restructuring; and
 - (iv) Evidence that the capital net worth of the producer⁶ is a minimum of US\$ 2 million.
- (b) A copy of the incorporation certificate of the producer.
- (c) Photographs of the 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 producer⁷.
- (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.
- (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.

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

⁷ In accordance with the draft appended to these Guidance Notes – Appendix B.

(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 Brands⁸:

(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") Requirements⁹.

(i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹⁰.

(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 data¹¹.

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.

⁸ 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](#).

⁹ For a more detailed understanding of the eCoA requirements, please see Appendix E to these Guidance Notes.

¹⁰ 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.

¹¹ 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 issued¹².
- 3.4 The LME reserves the right to require Random Selection is utilised for testing. This requires that cathodes for testing are selected at random by an LME Listed Sampler and 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 in 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.

¹² 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 ~~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 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 Riyouzuke Motoyama Tel: +81 6 6466 5517 Email: motoyama-riyouzuke@sei.co.jp

Poland	Contact
KGHM Polska Miedz SA 59-301 Lubin ul.M. Skłodowskiej-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, Lengkok Keluli 2, 212 Bukit Raja Prime Industrial Park, 41720, Klang, Malaysia	Mr. Ganesh Balaji Tel: +60 12-2251154 Email: ganesh@metro.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 Volgredà (BARCELONA) Spain	Sr Xavier Rovira Tel: +34 93 859 46 94 Email: xavier.rovira@lafarga.es
Sweden	Contact
Elcowire AB PO Box 914 S-25109 Helsingborg Sweden	Mr Jonas Ciardi Tel: +46 4219 5301 Mobile: +46 70 761 4726 Email: Jonas.ciardi@elcowire.com
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
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8 **Appendix E – eCoA Requirements**

[This requirement will come into effect from 1 January 2028 for copper]

8.1 What is LMEpassport?

LMEpassport is the LME's central digital depository 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.

8.18.4 For additional information on LMEpassport please refer to the dedicated webpage: [LMEpassport | London Metal Exchange](#).

Further Consultation on Physical Markets Enhancements

July 2026



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1 Executive summary

This paper seeks market feedback on a number of proposed changes relating to the LME's physical market operations and brand listing framework.

Section 4 and Section 5 follow on from feedback received in response to the discussion paper section of the LME Physical Markets Consultation and Discussion Paper released in March 2026 ("The Consultation and Discussion Paper") and addresses two physical market topics. Section 4 is a proposal to permit the outside storage of primary aluminium at LME-listed warehouses in Hong Kong. Section 5 is a proposal to introduce indelible production cast reference ("PCR") marking requirements for new LME brand registrations of aluminium, lead and zinc, and for registrations of new product sizes, shapes and profiles.

Section 6 sets out a package of proposed amendments to the LME's brand listing requirements. These include (i) reducing the time a producer has been in production to be eligible to submit a brand application and removing the associated committee exemption¹ process, (ii) revising production and chemical analysis data requirements, and (iii) amending tester and Listed Sampler and Assayer ("LSA") requirements. The proposals seek to improve the efficiency of the listing process while maintaining a robust framework that ensures the quality and integrity of listed brands.

Background and context for each proposal are provided throughout the paper, together with the relevant proposed amendments to the Policy on Approval and Operation of Warehouses ("Warehouse Operations Policy"), Policy for the Approval of Locations as Delivery Points ("Delivery Points Policy"), Warehouse Agreement, the Rules and Regulations of the LME (the "Rulebook") and Guidance Notes, presented in both redline and clean form in the appendices. Details of the consultation process, timetable and response protocol are set out in Section 3. The LME invites market feedback on the questions set out in Sections 4 and 5.

¹ Under current LME rules, new brands with less than 12 months of production history may be registered on an exceptional basis, subject to approval by the relevant committee.



2 Introduction

On 9 March 2026, the LME published the 2026 Original Consultation and Discussion Paper, which comprised a consultation on proposed enhancements to the LME physical network, a discussion section on possible further reforms, and a set of market updates. The consultation feedback period closed on 8 May 2026.

This paper seeks market feedback on two distinct sets of proposals relating to the LME's physical market operations and brand listing framework.

The first set of proposals (Sections 4 and 5) arises from the discussion paper section of the 2026 Original Consultation and Discussion Paper and the feedback received in response. In the LME Physical Markets Reform 2026: Feedback Analysis and Decision Notice (the "Decision Notice"), the LME concluded that the majority of the discussion topics would not be taken forward at this time, but identified two topics on which it wished to consult, being the potential introduction of outside storage for primary aluminium at one LME-listed warehouse location, and the introduction of indelible PCR markings for LME-listed primary aluminium, lead and zinc brands. Sections 4 and 5 set out the LME's detailed proposals on these matters.

In respect of outside storage of primary aluminium, the LME noted support for the additional flexibility that outside storage could offer at capacity-constrained and higher cost locations, balanced against concerns relating to weather-related degradation, damage to labels, and security, which were factors that contributed to the withdrawal of the practice in the 1990s. The proposal set out in this paper seeks to address these concerns through a location-specific framework, limited to Hong Kong. In response to the proposal in the 2026 Original Consultation and Discussion Paper to introduce indelible markings in respect of primary aluminium, lead and zinc, the majority of respondents supported it as a way to strengthen the robustness and traceability of markings on those metals. This paper accordingly considers extending indelible PCR marking requirements to the aforementioned metals.

The second set of proposals (Section 6) relates to the LME's brand listing requirements. The LME periodically reviews its listing requirements to ensure that they remain proportionate, efficient and aligned with market needs. Section 6 therefore sets out a package of proposed changes covering production timeline requirements, the production and chemical analysis data required as part of a listing application, and tester and LSA requirements.

Background and context for each proposal are provided throughout this paper, together with the relevant proposed amendments to the Warehouse Operations Policy, Warehouse Agreement, Rulebook and Guidance Notes in the appendices. Details of the consultation process, timetable and response protocol are set out in Section 3.



3 Format and response to this paper

3.1 Responding to the paper

The LME welcomes feedback to this paper from all market participants and other interested parties, including regulatory and governmental bodies and civil society.

The consultation will be open until 17:00 London time on 11 September 2026. Formal responses should be submitted in writing and sent to the LME at consultation@lme.com. Any market participant seeking clarification in relation to the subject matter of this paper is asked to contact Toktar Turbay at consultation@lme.com.

3.2 Elements to the paper:

This paper has been divided into three sections.

The first section (Section 4) presents a proposal arising from the discussion topics contained in the 2026 Original Consultation and Discussion Paper and the feedback received in response to it. Specifically, the LME is consulting on:

- The introduction of outside storage for primary aluminium at the Hong Kong Delivery Point

The second section (Section 5) also presents a proposal arising from the 2026 Original Consultation and Discussion Paper and the feedback received; specifically, the LME is consulting on:

- The introduction of indelible PCR markings for LME-listed primary aluminium, lead and zinc brands.

The third section (Section 6) sets out a package of proposed amendments to the LME's brand listing requirements. These proposals are intended to streamline the listing process while maintaining a robust framework that ensures the quality and integrity of LME-listed brands. The proposals cover:

- Reducing the period producers must be in production to be eligible to submit brand listing applications;
- Consequential amendments to production data and chemical analysis requirements; and
- Revisions to tester and Listed Sampler and Assayer ("LSA") requirements.

The LME is seeking feedback from market participants on all proposals contained in this paper. Background and rationale are provided for each topic, together with the LME's proposed amendments, where applicable, to the Warehouse Agreement, the Warehouse Operations Policy, Delivery Points Policy, Guidance Notes and the Rulebook.

To facilitate the consultation process, the paper includes a number of specific questions on which the LME is seeking market views. Respondents are welcome to answer some or all of these questions and are also encouraged to provide any additional comments they consider relevant.

For the avoidance of doubt, this consultation paper is intended to provide the background and rationale for the LME's proposals. Respondents should, however, pay particular attention to the drafting of the proposed requirement changes set out in the appendices.

3.3 Defined terms

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



3.4 Process and next steps

Responses made after the closing date will be read but will not be taken into formal consideration. The LME may need to share responses received with regulatory authorities, members of its group, and its legal or other professional advisers, or as required by law. Anonymised responses (verbatim or paraphrased) may be included in the documents stating the outcome of this consultation. Apart from this, all responses received will be treated in confidence.

Following due consideration, the LME may implement: (i) in respect of each proposal set out in this paper, that proposal, a modified version of that proposal, an alternative to it, or no measure in respect of the items covered; (ii) any other measure(s); or (iii) no measures. Following the market engagement period, the LME will advise the market on outcomes via one or more Notices.

3.5 The LME's financial interest

As the market is aware, pursuant to the LME stock levy, the LME receives 1.1% of the rent charged by LME-listed warehouses on LME-warranted metal (including metal waiting in queues). This rate has not increased since 2002, and the LME's decision-making process, and its conduct of this market engagement exercise, is in no way influenced by the existence of the stock levy. The LME notes for completeness that the proposal in Section 4 could, if implemented, increase the volume of metal held on warrant. However, the LME's focus is to ensure that prices can be effectively discovered on the LME, which is essential both to ensure that the market functions in an orderly manner in accordance with its regulatory obligations, and is important to the LME's value as an ongoing business. These factors far outweigh any financial return which could accrue as a result of the stock levy on rents in any economic circumstance.

3.6 Legal considerations

This document does not constitute a binding commitment from the LME to implement any of the proposals set out herein. Any statement in this document as to the LME's intent or commitment to any proposal is a statement of the LME's current intent, and it is possible that the LME may re-assess such intentions. The LME accepts no responsibility or liability with respect to any action taken or omitted to be taken in reliance on any statement made in this document. The LME may undertake subsequent consultations with respect to the implementation of specific proposals, in accordance with its usual consultation process and applicable rules. Nothing in this document should be construed as restricting any discretion of the LME to take such action as it considers appropriate in the operation of the LME, nor should anything in this document be construed so as to require the LME to take any action.



4 Outside storage of primary aluminium in Hong Kong

Outside storage of primary aluminium was permitted within the LME network for a brief period during the mid-1990s. It was subsequently rescinded following concerns that weather conditions degraded the quality of the material (and its labels) over time, and that such storage could be less secure. A further concern was that market participants considered that outside stored metal could be of less value.

More recently, the LME has received enquiries about the possibility of re-introducing outside storage for primary aluminium on a location-by-location basis, prompted by conversations regarding space availability at certain locations. In the 2026 Original Consultation and Discussion Paper, the LME sought views on whether outside storage of primary aluminium should be permitted, and on the advantages and risks of doing so.

Feedback in response to the 2026 Original Consultation and Discussion Paper was mixed; however, there was some support for the additional flexibility outside storage could provide, with interest concentrated on Hong Kong as the location where warehousing capacity is most constrained. This was balanced, however, against a reiteration of the historical concerns regarding metal quality, labelling and security, and questions as to fungibility and rent rates. The Decision Notice provides a more detailed summary of the feedback received and having considered that feedback, the LME will only consider the outside storage of LME-listed primary aluminium in Hong Kong, rather than the storage of such metal in any other Delivery Point.² The LME is therefore consulting on the proposal set out below, which would be limited to allow outside storage of primary aluminium at the Hong Kong Delivery Point only.

4.1 Proposed scope and approval process

The LME proposes to permit outside storage on the following basis:

- **Metal:** Primary aluminium only. Outside storage would not be permitted for aluminium alloy or for any other LME-listed metal.
- **Location:** The Hong Kong Delivery Point only. The LME considers that the lack of storage space with sufficient floor loading capacity represents a unique capacity constraint for Hong Kong, and as such, it is only proposing to allow outside storage in Hong Kong. The LME is also proposing to limit outside storage to primary aluminium, reflecting the fact that primary aluminium generally requires more space than other metals, as it is both lighter, and also is typically traded in much greater volumes. Further, it is sufficiently robust to withstand any weather-based degradation. Given the costs of storage in Hong Kong, it is also considered unlikely that primary aluminium would be stored outside for significant periods of time.
- **Approval:** Outside storage would be permitted only in a specifically defined area approved by the LME. A warehouse company wishing to use outside storage in Hong Kong would be required to apply to the LME in respect of each specific space, which would need to be inspected by the LME prior to granting any approval, and metal on warrant could not be placed in the outside storage area until the LME's approval had been granted. The LME would also retain the discretion to subsequently revoke warehouses' ability to store primary aluminium outside in Hong Kong if issues arose in respect of such storage. If this were to occur, however, the LME would endeavour to provide advanced notice to the market.
- **Documentation:** If the proposal was introduced an amendment would be made to the definition of "Authorised Warehouse" within the Warehouse Agreement, which currently states "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", which would be amended to refer to a "storage facility", rather than a "warehouse storage facility". As such, the storage facility which constitutes an Authorised Warehouse would still need to be approved by the LME for the storage of LME metal on warrant, and for

² Defined in the Rulebook as: "a specific group area within which warehouses may be listed and approved by the Exchange for the issue of Warrants".



all other locations apart from Hong Kong, the metal would need to be stored inside (noting only primary aluminium could be stored outside in Hong Kong). In addition, 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”.³

- In the event that the proposal is introduced, the Delivery Points Policy would also be amended to reflect the same definition of “Authorised Warehouse” above; a redline version of the proposed amendments to the Delivery Points Policy is included at Appendix 2. In addition, the Warehouse Operations Policy would be amended to reflect the same definition as referred to above, as well as referring to “access point” rather than just “operation door” for vehicles which are loading and unloading metal. A redline of the proposed amendments to the Warehouse Operations Policy is at Appendix 3.

4.2 Rent and charge caps

In response to the 2026 Discussion Paper, several respondents raised questions regarding the appropriate rent treatment for metal stored outside. Some respondents considered that outside storage may provide a lower level of storage service than indoor storage and therefore questioned whether the same rent should apply. Others cautioned against the creation of different economic classifications of otherwise fungible metal and highlighted the risk of creating a two-tier market, particularly if different rent structures were applied to indoor and outdoor storage.

The LME has carefully considered this feedback. Under the proposal set out in this paper, primary aluminium stored outside would remain fully warranted, deliverable and fungible with primary aluminium stored inside and as such, the LME does not propose a separate rent charge cap for primary aluminium held in outside storage. The applicable rent charge cap for the Hong Kong Delivery Point would apply equally to metal stored inside and outside. The LME considers that a single rent structure is consistent with the principle that all warranted metal at a Delivery Point should be treated equally where it meets the same delivery, quality and operational requirements.

As per current practice, warehouse companies and metal owners would remain free to negotiate commercial rents below the applicable rent charge cap. The LME does not propose any changes to Free In Truck (“FOT”) charges, re-warranting fees or any other Warehouse Maximum Charge Levels⁴ as a consequence of this proposal.

4.3 Load-out, queues and other obligations

The LME has considered whether primary aluminium stored outside should be subject to different load-out obligations, queue calculations or operational requirements from metal stored inside. The LME notes that several respondents to the 2026 Discussion Paper emphasised the importance of maintaining simplicity, consistency and fungibility within the LME warehousing network.

The LME therefore proposes that primary aluminium held in approved outside storage at the Hong Kong Delivery Point should be subject to the same load-out obligations, queue calculations and other warehouse operational requirements as primary aluminium stored inside a warehouse. For the purposes of the Warehouse Agreement and related policies, outside stored metal would be treated in the same manner as inside-stored metal when calculating load-out requirements, queue status and compliance with warehouse obligations.

³ The current definition of “LME Eligible Stocks” is defined in the Warehouse Agreement as “all metal within an LME-registered shed (which is not under Warrant and not Cancelled Tonnage) and is an LME brand”.

⁴ As defined in the Warehouse Agreement.



For the purposes of reporting off-warrant stock, metal stored outside should be included within the existing daily stock reporting framework, without any explicit distinction between indoor and outdoor storage.

The LME considers that applying a single set of rules will promote operational simplicity, avoid unnecessary complexity, support the fungibility of warranted metal and minimise the risk of unintended market distortions between indoor and outdoor storage arrangements.

The LME welcomes views on whether any specific operational requirements should differ for outside stored metal and, if so, the rationale for such differentiation.

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?



5 Indelible marking for primary aluminium, zinc, and lead

The LME understands that the majority of producers of LME-listed metals currently indelibly mark the PCR onto their metal, and that there are fewer producers of LME-listed metals that only use a label to mark the PCR on their metal. Labels can become detached, damaged or illegible over time, reducing the ability to cross-reference the metal to its Certificate of Analysis and other relevant documentation.

In the 2026 Original Consultation and Discussion Paper, the LME sought views of the market on whether indelible PCR markings should be introduced for copper, and the LME also asked for feedback on whether a similar requirement should be introduced for primary aluminium, lead and zinc.

Feedback was broadly supportive of strengthening the robustness of metal identification and improving traceability through the use of indelible PCR markings. Respondents noted the benefits of greater consistency across metals, reduced reliance on labels and improved warehouse operations. A number of respondents also highlighted the potential role of complementary digital identification solutions, such as barcodes or QR codes linked to LMEpassport.

Respondents also raised practical considerations relating to implementation, including the changes to casthouse processes and equipment that may be required, and emphasised the importance of providing an appropriate implementation period. In addition, several respondents expressed concerns regarding the application of any new requirement to existing listed brands and metal already produced, noting the potential for market disruption and impacts on warrantability.

Having considered this feedback, the LME is proposing to amend the original proposal such that the indelible PCR marking requirement only be applied prospectively to new primary aluminium, lead, and zinc brands which are listed after a date specified by the LME. In addition, if a producer of a currently listed brand wishes to list an additional size, shape, or profile⁵, it will also need to have the PCR indelibly marked on the metal. In the event that the LME were to adopt this proposal, it is proposing to implement the aforementioned requirements on the date that the decision notice would be issued. The LME would not expect the proposed requirements to have any market impact or to adversely impact producers who currently have applicant brands being considered by the LME for approval, as such brands all have indelibly marked metal. The LME has included the proposed changes to Part 6 of the Rulebook, which are set out in redline at Appendix 4 of this paper.

The LME notes that the above proposal differs from the proposal consulted on in respect of copper in the 2026 Discussion Paper, as the requirements in respect of copper applied to historic material, whilst these proposed indelible marking requirements would only apply to newly produced primary aluminium, zinc and lead. The LME believes there are reasonable grounds for the distinction as the LME has generally experienced more issues involving labels on copper (when such brands have labels) than the issues in respect of labels stating the PCR on primary aluminium, lead and zinc. The LME believes this is likely due to the differences in handling such metal. For example, when copper cathodes are normally transferred within a warehouse or loaded onto vehicles to be transported elsewhere, the forklift prongs will slot under the copper, while for cast metal the forklift prongs normally go on the side. This movement of the metal therefore impacts the placement of labels, with more issues often occurring as a result.

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?

⁵ Noting that 'profile' refers to the mould of the metal in question.



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



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

The brand listing requirements set out the core criteria that producers must meet to apply for their metal to be approved as an LME-listed brand, in addition to several other requirements relating to production and chemical analysis data, physical specifications, ISO certifications and responsible sourcing. The application process is in two stages; 'Stage One' is the submission and review of the application, and 'Stage Two' is testing⁶ and approval to list the brand.

More recently, the LME has received enquiries about the possibility of reducing the minimum period for which a producer has been in production to be eligible to apply for its metal to be an LME-listed brand.

The LME periodically reviews its listing requirements to ensure that they remain proportionate, efficient and aligned with market needs, and believes that the proposed amendments to the listing requirements will make the application process more efficient for producers and potentially reduce the overall application timeline. By enabling new brands to be listed more efficiently, these changes would also support the liquidity and effectiveness of LME contracts.

6.1 Minimum period of production for a brand application to be considered

One of the current core listing requirements for applicant producers who wish to have their brand listed on the LME is that the producer must be in production and have been producing metal for a minimum of 12 months before they submit their application. Alternatively, a brand listing application for copper, primary aluminium, lead, zinc, nickel, and tin will be considered earlier if, in the opinion of the relevant LME metals committee, adequate production capacity utilisation and satisfactory quality has been achieved prior to 12 months. The LME is proposing to amend the requirement for copper, primary aluminium, lead, zinc, nickel, tin and cobalt to allow producers that have been in production for at least six months to submit a listing application, provided they are able to satisfy all other applicable listing requirements – noting the LME is also proposing some metal-specific requirements, as outlined below.

The LME is cognisant that the length of time a plant has been in production is an important factor for producers to achieve stable and consistent quality of metal, particularly during the ramp-up phase. This change is intended to enable producers to apply for listing at an earlier stage, while maintaining the standards underpinning the LME's listing process. Further, the LME is therefore proposing to retain the ability to request additional production data or other supporting information where it considers necessary to support the review of brand listing applications. The proposed amendments for the relevant metals are:

Copper: The production plant must be in production for a minimum of six months on submission of the brand listing application, but the production plant must reach 12 months production before proceeding to Stage Two of the application process. Additionally, the LME will reserve the right to refuse a brand application or require a producer to be in production beyond the minimum requirements to progress its application, should the information submitted in the application not demonstrate consistent and stable quality, and/or producers have not reached sufficient utilisation of the plant's design capacity.

Primary aluminium, lead, zinc, nickel, and tin: The production plant must be in production for a minimum of six months at the time of the brand listing application. Additionally, the LME will reserve the right to refuse a

⁶ Noting that copper applications have a different testing process to primary aluminium, lead, zinc, nickel, and tin and testing is not required for cobalt applications.



brand application or require a producer to be in production beyond the minimum requirements to progress its application, should the information submitted in the application not demonstrate consistent and stable quality, and/or producers have not reached sufficient utilisation of the plant's design capacity.

Cobalt: The production plant must be in production for a minimum of six months on submission of the brand listing application, but the production plant must reach 12 months production before the brand can be listed (noting that the cobalt listing requirements do not require a testing phase). Additionally, the LME will reserve the right to refuse a brand application or require a producer to be in production beyond the minimum requirements to progress its application, should the information submitted in the application not demonstrate consistent and stable quality, and/or producers have not reached sufficient utilisation of the plant's design capacity.

6.2 Production data requirement

As a result of the proposed amendments to the minimum production requirements detailed in Section 6.1, the LME proposes the following amendments to the existing monthly production data required in a brand listing application:

Copper: Under the current requirement, producers must provide monthly production data for the most recent 12 months with their application. In accordance with the proposed change, producers who have been in production for less than 12 months must provide monthly production figures for the most recent six months on submission of their application, with a further six months provided when they have been in production for 12 months. The additional monthly production figures would need to be provided before the application can proceed to Stage Two.

Primary aluminium, lead, zinc, nickel, and tin: Under the current listing requirements, producers must provide monthly production data for the most recent 12 months with their application. The proposal would only require monthly production figures from the most recent six months, although the LME would reserve the right to request additional monthly production data.

Cobalt: Under the current requirement, producers must provide monthly production data for the most recent 12 months with their application. The proposal would result in producers who have been in production for less than 12 months being able to provide monthly production figures for the most recent six months on submission of their application, with a further six months of production figures to be provided when there have been 12 months of production.

6.3 Chemical analysis data requirement

Under the current listing requirements for copper, primary aluminium, lead, zinc, nickel and cobalt, producers must provide chemical analysis data for the most recent three months in their brand listing application. The LME notes that the proposed changes to the minimum period a producer must be in production to submit an application may raise concerns about the consistency of quality of the metal which the applicant brand is producing. In order to ensure that the quality of the metal still satisfies the LME's requirements, it is proposing the following additional enhancements to the chemical analysis data requirements to strengthen its assessment of the quality of a brand:

Copper: In addition to the current requirement to provide chemical analysis data for the most recent three months, producers who have been in production for less than 12 months would also need to provide additional chemical analysis for a further three months before the application could proceed to Stage Two.



Primary aluminium, lead, zinc, nickel, and tin: In addition to the current requirement to provide chemical analysis data for the most recent three months, the LME will reserve the right to request additional chemical analysis data.

Cobalt: In addition to the current requirement to provide chemical analysis data for the most recent three months, producers who have been in production for less than 12 months would be required to provide additional chemical analysis for a further three months before the brand could be listed.

6.4 Tester and LSA requirements

As part of Stage One of the application process for primary aluminium, lead, zinc, nickel, and tin, producers are required to nominate two Approved Testers and two LSAs. As part of the current requirements for Stage Two of the application process, a producer must send two test lots of metal, one test lot to each of the two nominated testers (the tonnage of the test lots is specified in the Guidance Notes for the relevant metal). One of the nominated LSAs must attend the site of each tester to sample the metal to undertake the required analysis, taking additional samples to provide to the second nominated LSA in order for them to undertake their own analysis.

Depending on a producer's geographical location and the availability of Approved Testers⁷, some producers may need to transport metal over long distances for testing, which can extend the overall application timeline. In addition, Approved Testers may not always have immediate capacity to undertake testing, further increasing the time required to complete an application.

The LME is proposing to introduce a second option that producers may utilise as part of the application process. This option is intended to provide flexibility and help mitigate potential logistical delays associated with the current testing requirements and may help reduce overall application timelines, whilst maintaining the critical role of LSAs who sample and analyse the metal as part of the application process.

Under this alternative option, producers can instead nominate one Approved Tester (rather than two), which must receive one test lot and the nominated LSA must attend the Approved Tester's site to sample the metal to undertake the analysis, as per current practice. In respect of the second test lot, the LSA nominated to visit the Approved Tester's site must attend the producer's plant to sample the metal to undertake the analysis, rather than the current requirement where the LSA needs to attend the respective sites of the two Approved Testers. The second nominated LSA will receive samples taken from both the Approved Tester's site and the producer's plant to undertake their analysis. Additionally, the producer must provide 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 LME has previously introduced similar amendments to the testing requirements for brand applications as part of the fast-track nickel initiative and temporary fee reduction initiative for lead, and these changes were well received by the market in both instances.

6.5 Questions on the proposed amendments to the brand listing requirements

In the event that market participants were supportive of the proposed amendments to the brand listing requirements for copper, primary aluminium, lead, zinc, nickel, tin, and cobalt and the proposals were introduced, the LME would amend the Guidance Notes for the relevant metals. As such, the LME has included a redline version of the Guidance Notes for copper, primary aluminium, lead, zinc, nickel, tin, and cobalt at

⁷ As listed in the relevant Guidance Note.



Appendix 5⁸. The LME welcomes the views of the market on this proposal more broadly in accordance with the questions below.

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?

⁸ The Guidance Notes for copper also include the amendments outlined in the LME Physical Markets Reform 2026 Feedback Analysis and Decision Notice.



7 Conclusion

The LME remains committed to ensuring its physical network keeps pace with evolving market requirements and best practice. As such, it welcomes feedback on the topics outlined above and looks forward to engaging with stakeholders to that end. Any interested party is encouraged to contact the LME through the routes outlined in Section 3.



8 Appendices

Appendix 1 – Warehouse Agreement – redline

Appendix 2 – Policy for the Approval of Locations as Delivery Points – redline

Appendix 3 – Policy on Approval and Operation of Warehouses – redline

Appendix 4 – LME Rulebook – redline

Appendix 5 – 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.

9.4 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:

$P_{avg\ 2015-17, \text{ local currency}}$ 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:

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

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

$ACPI_{august\ 2020}$ 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 $P_{t, \text{ local}}$ would be lower than $P_{t-1, \text{ local}}$, then $P_{t, \text{ local}}$ will instead be set to $P_{t-1, \text{ local}}$.

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:

$P_{avg\ 2015-17, \$}$ 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:

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

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:

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

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 $P_{t-1,\$}$.

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:

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

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\$

$$P_{t, \$} = P_{t, \text{local}} / FX_{\text{august } t-1}$$

where $FX_{\text{august } t-1}$ 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:

$P_{\text{sp cmte, local}}$ 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:

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

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

Rental Charges

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

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

Define the Charge Cap in the local currency as follows:

$$P_{\text{sp cmte, local currency}} = P_{\text{sp cmte, US\$}} \times FX_{\text{sp cmte}}$$

Where

$FX_{\text{sp cmte}}$ 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:

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

Where

$\text{ACPI}_{\text{august } t-1}$ 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

$\text{ACPI}_{\text{august sp cmte } -2}$ 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\$

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

where $\text{FX}_{\text{august } t-1}$ 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) Criteria related to Working Practices and Facilities for Locations

- 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) Continued compliance with policy and guidelines**
 - 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 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. LIFO 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) $1,000,000 \text{ tonnes} / 4,000 \text{ tonnes per Business Day}$
 - (ii) $= 250 \text{ Business Days}$
 - (iii) $= 350 \text{ calendar days (assuming all weekdays are Business Days)}$

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.

$$= 1.0 \times 256,000 + (262,400 - 256,000) = 256,000 + 6,400$$

$$= 262,400 \text{ tonnes}$$

- (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 follows¹. 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 schedule² (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 schedule³ (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 slots⁴ 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 slots⁴ 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 LIFO Rule.
- (a) The Deemed Cancellation Date in respect of the amount of metal scheduled into the Queue on the first available day in the schedule² (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 schedule³ (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 slots⁴ 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 slots⁴ 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.

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 A199.70 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.

5.25.4 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.

5.35.5 All documentation for placing aluminium on Warrant must include the English language.

5.45.6 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. WARRANTIES

- 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.
- ~~5.35.4~~ 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.
- ~~5.45.5~~ All documentation for placing lead on Warrant must include the English language.
- ~~5.55.6~~ 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 Warehouse¹;
- (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'.

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).
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	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.

5.35.5 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.

5.45.6 All documentation for placing zinc on Warrant must include the English language.

5.55.7 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.



Guidance Notes for Copper-Grade A Brands

LME Brand Listing Requirements

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 process¹ ~~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-refundable².

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 reached⁴.
- (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 application⁵.

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 Support⁶ regarding the financial position of the producer⁷.
- (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 producer⁸ 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 producer⁹.
- (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.

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 Brands¹⁰:
- (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”) Requirements¹¹.
- (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹².
 - (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 data¹³
- 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 issued¹⁴.
- 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 and 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.

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 Hovestrassse 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. Skłodowskiej-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, Lengkok 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 Volgredà (BARCELONA) Spain	Sr Xavier Rovira Tel: +34 93 859 46 94 Email: xavier.rovira@lafarga.es
Sweden	Contact
Elcowire AB PO Box 914 S-25109 Helsingborg Sweden	Mr Jonas Ciardi Tel: +46 4219 5301 Mobile: +46 70 761 4726 Email: Jonas.ciardi@elcowire.com
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 depository 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](#).



Guidance Notes for Primary Aluminium Brands

LME Brand Listing Requirements

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 months¹ ~~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-refundable².

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 months⁴.
- (k) The shape(s) to be listed; ingots, t-bars, sows.
- (l) A producer must either⁵:
 - (i) Provide the name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME approved testers of Primary Aluminium 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 only⁶.

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 Aluminium Committee will provide approval of the nominated tester(s) as part of Stage Two.

⁶ The LME ~~a~~Aluminium ~~C~~committee 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 Support⁷ regarding the financial position of the producer⁸.
- (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 producer⁹ 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 producer¹⁰.

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 months¹¹.
- (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 Brands¹²:
 - (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") requirements¹³.
 - (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹⁴.
 - (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 analysis¹⁵.
- (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.

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 ~~A~~luminium ~~C~~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 50mt from a minimum of four production batches. For 2.1(l)(i) producers must send 1 x 50mt 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 plant¹⁷. 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 plant¹⁸.
- 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 ~~A~~luminium ~~C~~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.

¹⁷ The testing programme is subject to change at the discretion of the LME ~~and LME Aluminium Committee.~~

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 depository 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; ~~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 Guisepppe 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@jsskindia.in
Italy	Contact
Alcoa Trasformazioni 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



Guidance Notes for Lead Brands

LME Brand Listing Requirements

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 months¹ ~~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-refundable². 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.

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~~⁴ months⁴.
- (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 either⁵:
 - (i) ~~Provide t~~The name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME ~~a~~Approved ~~t~~Testers of ~~l~~Lead 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 Zinc Committee 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 only⁶.

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 Support⁷ regarding the financial position of the producer⁸.
- (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 producer⁹ 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 producer¹⁰.

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 listed¹¹.
 - (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 Brands¹²:
 - (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") requirements¹³.
 - (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹⁴.
 - (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 analysis¹⁵.
- 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.

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 ~~L~~ead and ~~Z~~inc ~~C~~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 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 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 plant¹⁷.
- 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 ~~L~~ead and ~~Z~~inc ~~C~~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 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 depository 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; ~~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 Kolkata 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@jainmetalgrou.com Mr Mayank Pareek Tel: +91 4443409494 Mobile: +91 9811999111 Email: mayank@jainmetalgrou.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 Lebuah 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 Philliskirk 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



Guidance Notes for Special High Grade Zinc Brands

LME Brand Listing Requirements

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 months¹ ~~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-refundable².

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~~⁴ months.
- (k) The shape(s) to be listed; ingots and/or jumbos.
- (l) A producer must either⁵:
 - (i) ~~Provide t~~The name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME ~~a~~Approved ~~t~~Testers of ~~z~~Zinc 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 only⁶.

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~~Lead and ~~Z~~Zinc ~~C~~Committee 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 Support⁷ regarding the financial position of the producer⁸.
- (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 producer⁹ 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 producer¹⁰.

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 months¹¹.
 - (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 Brands¹²:
 - (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") requirements¹³.
 - (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹⁴.
 - (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 analysis¹⁵.
- 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 ~~L~~lead and ~~Z~~zinc ~~C~~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 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 plant¹⁶. 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 plant¹⁷.
- 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 ~~L~~lead and ~~Z~~zinc ~~C~~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.

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 depository 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; ~~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 District Zhejiang Province China 315203	Ms Amy Ma Tel: +86 (574) 8650 7398 Email: enquiry@genesissalloys.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



Guidance Notes for Nickel Brands

LME Brand Listing Requirements

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 months¹ ~~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-refundable².

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~~⁴ months⁴.
- (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 either⁵:
 - (i) Provide the name of two testers the producer intends to use for testing (Stage Two). The testers 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 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 only⁶.

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 ~~Nickel~~ Committee 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 Support⁷ regarding the financial position of the producer⁸.
- (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 producer⁹ 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 producer¹⁰.

(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 months¹¹.

(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 Brands¹²:

(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") requirements¹³.

(i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹⁴.

(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 analysis¹⁵.

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 plant¹⁷.
- 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.

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 depository 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; ~~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.

Luxembourg	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



Guidance Notes for Tin Brands

LME Brand Listing Requirements

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 months¹ ~~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-refundable².

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~~⁴ months⁴.
- (k) A producer must either⁵:
 - (i) Provide ~~the~~ The name of two testers the producer intends to use for testing (Stage Two). The testers nominated must be from the list of LME ~~a~~Approved ~~tin~~ ~~Testers of tin~~ 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 only⁶.

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 ~~Tin~~ ~~C~~committee 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 Support⁷ regarding the financial position of the producer⁸.
- (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 producer⁹ 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 producer¹⁰.

(h) An outline of the production process including a process flow diagram.

(i) A production site plan/diagram.

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 months¹¹.
- (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 Brands¹²:
 - (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") requirements¹³.
 - (i) Connect to LMEpassport to create enhanced eCoA records for all LME eligible metal¹⁴.
 - (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 analysis¹⁵.

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 ~~Tin C~~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 plant¹⁷.
- 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 ~~Tin C~~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 depository 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; ~~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 Dangsang-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, Pandan Road Singapore 609288	Mr Vincent Kho Tel: +65 6262 1616 Email: vincentkho@sinasahi.com.sg

Taiwan	Contact
Shenmao Technology Inc. No. 12-1 Gongye 2 nd Road Guanyin Industrial Area, Taoyuan County 328 Taiwan	Mr Tim Lin Tel: +886 3 416 0177 E-mail: timlin@shenmao.com



Guidance Notes for Cobalt Brands

LME Brand Listing Requirements

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 listed¹.
- 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-refundable².

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 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 reached⁴.
 - (l) The shape(s) to be listed: cut cathodes, broken cathodes, rounds, briquettes, coarse grain powder⁵.
- 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 Support⁶ regarding the financial position of the producer⁷.
- (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 producer⁸ 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 producer⁹.
- (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.

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 Brands¹⁰:
 - (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") requirements¹¹.
 - (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 analysis¹².

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 Ceo balt Ceo mittee 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 depository 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~~ become a mandatory requirement for all producers of LME-listed primary aluminium brands in October 2024; ~~and~~ 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](#).