

METALPRODEX

Warehouse Admission

2016-06-01

The English version is for informal use only. Only the German version is legally binding.

Table of Contents

Section 1: Warehouse Company	3
1.1 Metal Expertise	3
1.2 Financial Stability	3
1.3 Insurance	4
1.4 Internal Procedures and Quality	4
1.5 Technology/ IT Connectivity	4
1.6 Customs License	4
1.7 Fee Structure	4
1.8 METALPRODEX Processes	4
Section 2: Warehouse Facility	5
2.1 Ownership	5
2.2 Infrastructure Connectivity	5
2.3 Facility Security	5
2.4 Fire Protection	6

For a new applicant to be approved and listed as METALPRODEX Certified Warehouse, the following criteria shall be met:

Section 1: Warehouse Company

1.1 Metal Expertise

The applicant should be an international logistics company that operates an international network of sea or river terminals and warehouses and provides its services in the field of warehousing, stevedoring, customs clearance, global forwarding as well as inland distribution by every possible mean of transportation. The warehouse company has an affiliation to the metal markets and comprehensive expertise in metal storage and logistics. The warehouse company is able to store materials for both global metal trading companies as well as global metal producers.

The warehouse company must have their own staff available for tasks concerning supervision, administration and carrying out controls. This staff should be sufficiently experienced in metal storage, logistics and inventory systems, to ensure that a warehouse is able to comply with all applicable requirements on an ongoing basis.

It is required to have at least one staff member per country responsible for the communication with METALPRODEX within the warehouse company.

1.2 Financial Stability

Each warehouse company must be adequately capitalized. METALPRODEX assesses whether a warehouse's available capital is adequate by using the most recent audited balance sheets of the warehouse and applies generally accepted accounting principles to determine the extent to which net assets exceed net liabilities. METALPRODEX reserves the right to perform a credit assessment of a warehouse company and its subsidiaries.

In the event of bankruptcy or insolvency of a warehouse company or its subsidiaries, there must be no restrictions placed upon owners of metal wishing to take possession of their individually identified metal to remove it from the warehouse (provided rent and handling charges are paid). Restrictions have to be incorporated in the law of the jurisdiction where the warehouse is situated.

Warehouse facilities should be fully recognized by major international banks and insurance companies. Warehouse receipts and releases are internationally accepted to support "in-warehouse" financing and insurance of stocks held in a warehouse custody.

1.3 Insurance

The warehouse company is obliged to have a Liability Insurance in place to cover any losses caused by fraud and negligence by their personnel as well as unexplained losses. The minimum figure requirement may be increased by METALPRODEX if the market prices of metals on the METALPRODEX product list greatly increase in value.

1.4 Internal Procedures and Quality

The warehouse company should maintain the high level of confidentiality that the business of METALPRODEX customers requires.

The warehouse company should follow regulations according to the Health & Safety Act of a correspondent country and provide security maintained by the regulations of ISPS, C-TPAT. Internal procedures are set up in accordance with the quality standards of ISO 9001:2008 or ISO 9001:2015.

1.5 Technology/ IT Connectivity

The warehouse company shall have up to date technology and IT connectivity systems in place that allow for electronic transmission of information that are vital for online trading, such as deliver-in, movement of goods, placements of holds and others.

1.6 Customs License

The warehouse company must be customs licensed in order to provide storage space within a free trade zone (FTZ), VAT entrepot or a bonded warehouse location.

1.7 Fee Structure

Fee structures need to be in place. Fees are agreed directly between client and warehouse. Fees may be confidential and entirely at the discretion of the warehouse.

1.8 METALPRODEX Processes

The warehouse company must support METALPRODEX processes with the correspondent document flow to synchronise information about stock movement and ownership change between a warehouse company and METALPRODEX as the trading platform. All confidential

information will be transmitted by secure online channels. Other information may be transmitted via Fax, Email or Phone.

Section 2: Warehouse Facility

2.1 Ownership

The warehouse company should ideally own the warehouse building. Alternatively the warehouse company should hold a direct lease with the owners for a period of at least 2 years. Supporting evidence is required as part of the warehouse admission process.

2.2 Infrastructure Connectivity

- The warehouses are obligated to have adequate access to well-developed roads and the rail network and be situated in close proximity to major highways;
- With the exception of inland located warehouses, a warehouse must have adequate transport links while being situated in close proximity to private or public reloading berth(s), which are afloat and equipped with appropriate reloading facilities;
- Each warehouse should have container or break bulk terminals in close proximity.

2.3 Facility Security

- When the warehouse is open, operational staff directly employed by the warehouse must be on site at all times;
- Personnel are obligated to screen all incoming-vehicles, check the ID of the driver and entry authorization documents;
- The warehouse must have a fully fenced perimeter;
- If any side of the warehouse borders a public road, then it should not have any operational doors bordering the road and any of such doors must always be locked and alarm secured;
- Loading and unloading is always to take place within the perimeter of the warehouse and not in a public area;
- All dock doors should be only open when there is cargo activity, e.g. during loading and unloading operations;
- There should be permanent 24x7 controlled access on the entrance to the fenced perimeter;

- There should be complete closed-circuit television (CCTV) coverage of the entire facility, shipping/ receiving areas and yard areas where the metals are staged or stored;
- CCTV images should be recorded in real-time on tape, or digitally. These images should be retained in a secured area;
- All windows and doors of the building should be protected by an intrusion alarm that is monitored by a central station on a 24 x 7 basis;
- The entire security system should be periodically tested and maintained;
- If there is no 24-hour presence by security guards, then, when the warehouse is closed, there must be inspection of the facility at regular intervals by a security company.

2.4 Fire Protection

- There should be an adequate number of portable fire extinguishers located throughout the building. The type of extinguisher should be compatible with the cargo being stored. Their locations should be clearly-marked and fully-accessible to personnel. The extinguishers should be regularly checked by staff and inspected by a qualified third-party on at least an annual basis to ensure compliance with applicable laws;
- Warehouse personnel should be trained in general fire-safety, including specific instruction in the use of portable fire extinguishers;
- Building's fire-doors should be well-maintained, including fusible links for automatic doors;
- "No Smoking" signs should be posted throughout cargo-storage areas, and strictly followed;
- Fuel for vehicles and cargo handling-equipment should be separated from cargo-storage and high-traffic areas, protected from contact/damage;
- A fire department should be nearby with the equipment necessary to respond to an incident.