

Shanghai Metals Market Price Assessment Methodology

SMM Foshan A00 aluminium ingot spot price

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1. Guidelines to SMM price assessment methodology

Shanghai Metals Market (“SMM”) is an independent service provider that does not participate in trades. SMM is a market observer that engages buyers and sellers in the commodities market. By consulting with industry independent participants, SMM drafts the methodology, examines and revises it regularly based on the specifications and terms of trade that are generally used in the market, with equal weighting given to transactions that meet the standards. SMM reserves the right to exclude any unreliable or unrepresentative price data from its price assessment, in line with this methodology and other related Benchmark governance policies and procedures.

SMM price assessments refer to metals spot prices or price indices of both the Chinese and overseas markets reported by SMM on a daily basis. All SMM prices are published according to a set of defined methodologies, indicating how the prices are accessed and reported. These methodologies are published on our website www.metal.com (English) or www.smm.cn (Chinese) or for all market participants to understand and refer to.

To reflect the actual trades in the spot market, SMM will update the methodology for SMM price assessments and publish all the revisions on our website www.metal.com (English) or www.smm.cn (Chinese) ahead of the changes. The notice period may be shortened under special circumstances, especially force majeure (natural disasters, wars, exchange bankruptcy, etc.) For queries or suggestions on the methodology, please contact SMM customer services (please find contact information on the SMM official websites). **Please read this paragraph in conjunction with the SMM methodology review and changes policy, and the SMM Complaint Policy available at www.metal.com (English) or www.smm.cn (Chinese).**

This document specifies the standards and management methods for the SMM Foshan A00 aluminium ingot spot price assessment. These standards are formulated to establish a transparent and verifiable SMM price setting mechanism and provide market participants with an important pricing indicator.

The SMM Benchmark Management Committee (“the Committee”) will regularly - and no less frequently than annually - review the methodology and its evaluation and publication process. The Committee maintains oversight of the SMM Benchmark methodology and its compilation process, ensuring that SMM prices and indices reflect as closely as possible the objective conditions of physical markets of relevant commodities. The Committee will immediately point out any problem it finds, and propose external consultations and modifications to the existing methodologies or processes, in order to improve the quality of prices or indices published by SMM. The Committee can only

propose changes to the methodologies and processes used in future Benchmark assessments, rather than modifying the already published prices or indices.

2. Guidelines to SMM Foshan A00 aluminium ingot spot price

2.1 Definition

The SMM Foshan A00 aluminium ingot spot price is assessed and reported based on the methodology defined in this document. As a benchmark, it can be referred to by both parties of A00 aluminium ingot (Foshan) spot transaction as their settlement price. The prices, shown in a price range, reflect the most tradable levels of spot A00 aluminium ingot ahead of publication on each complete trading day. The prices are assessed based on the trading situation in Foshan on the day, and other regions can adjust the actual settlement prices for transactions based on the Foshan prices and market correlation between two regions.

2.2 Introduction of price assessment

SMM collects data information used to evaluate A00 aluminium ingot spot prices by means of standard acquisition. The data, provided by contributing units, include indicative transaction prices, spot premiums/discounts for transactions that have been done, indicative spot premiums/discounts.

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For full version of the Shanghai Metals Market DRAFT Price Assessment Methodology – Foshan A00 aluminium ingot, please contact Frankliu@smm.cn