

Shanghai Metals Market Price Assessment Methodology

SMM A00 aluminium ingot spot price

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Last consultation date: April 1, 2019

Expiry date: January 1, 2021

Date last updated: April 1, 2020

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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 believes the processes and procedures documented in their Methodologies represent the most

accurate way of representing the underlying economic reality of the markets each Benchmark seeks to measure.

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) 28 days ahead of the changes. 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 A00 aluminium ingot spot prices assessment. These standards are formulated to establish a transparent and verifiable SMM price setting mechanism and provide market participants with an important pricing indicator.

2. Guidelines to SMM A00 aluminium ingot spot prices

2.1 Definition

The SMM A00 aluminium ingot spot prices are 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 spot transaction as their settlement price. The prices reflect the price range that is most likely to be traded before and after the publication of SMM A00 aluminium ingot spot prices on each complete trading day. The prices are based on the trade situations in Shanghai and Wuxi on the same day. The actual settlement prices in other regions can be adjusted based on the SMM A00 aluminium ingot spot prices and correlation between markets in different regions.

2.2 Product standards

A00 aluminium ingots: meet requirements for "Al99.70" grade specified in the Unalloyed Aluminium Ingots for Remelting GB/T 1196-2017.

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