

Shanghai Metals Market Price Assessment Methodology Spot Battery-Grade Nickel Sulphate Price

Product: SMM Spot Battery Grade Nickel Sulphate 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. SMM continuously develops, reviews and revises its methodology by communicating with industry insiders, using the most common product specifications, terms of trade in the industry. SMM attaches equal importance to normal transactions that meet the specifications and standards. SMM reserves the right to exclude from its price assessment any price information deemed to be less reliable or unrepresentative.

SMM publishes spot metals prices (or indices, etc., including markets in China or outside of China) on a daily basis, commonly referred to as SMM prices. SMM has formulated corresponding methodologies for the published SMM prices, which have been published on SMM's official website www.smm.cn for reference. The methods and procedures for the formation and release of SMM prices are specified in these methodologies, and SMM prices are formed and released in strict accordance with the regulations of these methodologies.

In order to conform to the actual situation of the spot market, SMM will make necessary revisions to the SMM price methodology, and will announce it on the SMM official website www.smm.cn 28 days prior to the official implementation, unless there are special circumstances, especially force majeure (natural disasters, wars, bankruptcy of exchanges, etc.) that lead to shorter notice periods. If you have any questions or suggestions about the SMM price and its methodology, please contact the SMM customer service staff (please check the contact information on the SMM official website www.smm.cn). **Please read this paragraph in conjunction with the SMM Methodology Review and Change Policy, and the SMM Complaint Policy.**

This document specifies the standards and management methods for the SMM Spot Battery-Grade Nickel Sulphate Price. The purpose of this standard is to establish a transparent and verifiable SMM price setting mechanism and provide market participants with an important pricing indicator.

SMM Benchmark Administration Committee will review the methodology as well as the assessment and publication process. The Committee maintains oversight of the SMM Benchmark methodology and its compilation process, ensuring that SMM prices and indexes 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 indexes.

2. Guidelines to SMM Spot Battery-Grade Nickel Sulphate Price assessment

2.1 Definition

The SMM Spot Battery-Grade Nickel Sulphate (hereinafter referred to as nickel sulphate) Price is assessed and reported based on the methodology defined in this document. As a benchmark, it can be referred to by market participants as their settlement price for spot nickel sulphate trade. The prices reflect the price range that is most likely to be traded before the publication of Spot Battery-Grade Nickel Sulphate Price on each full trading day. The price is based on the domestic spot trade market on

the current day.

2.2 Introduction of price assessment

SMM collects data information used to evaluate spot nickel sulphate price by means of standard acquisition (that is, the collection of raw data information that complies with the SMM Data Standards), from including the bid and offer of the buyer and seller that were not traded on the same day, and the actually traded price of spot transaction by the price submitters. The amount of each transaction or quotations of nickel sulphate that can be deemed the standard Spot Battery-Grade Nickel Sulphate Price should be 100-1,000 mt. Data collection, assessment (calculation) and daily management of SMM Spot Battery-Grade Nickel Sulphate Price are conducted by the SMM nickel business team, which consists of 2 price analysts (A and B) and a price manager.

Standard specification of battery grade nickel sulphate

Please refer to the content below for standard production specification:

| Item | Battery grade nickel sulphate |
|--------------------------|-------------------------------|
| Nickel % | ≥22 |
| Cobalt % | ≤0.002 |
| Iron % | ≤0.001 |
| Copper % | ≤0.0005 |
| Lead % | ≤0.001 |
| Zinc % | ≤0.0005 |
| Calcium % | ≤0.002 |
| Magnesium % | ≤0.002 |
| Chromium % | ≤0.0005 |
| Cadmium % | ≤0.0005 |
| Manganese % | ≤0.001 |
| Sodium % | ≤0.01 |
| Hg % | ≤0.0003 |
| Water insoluble matter % | ≤0.01 |
| Oil % | ≤0.001 |
| Magnetism/ppb | ≤100 |

Product shape:

Crystal

Unit:

yuan/mt

Payment terms:

delivery to the factory, tax included; credit + bank acceptance (30-day credit + 6-month acceptance bill as standard, and other payment methods will be converted to this standard).

Format of publishing:

It is presented in the form of a price range, including tax (including 13% value-added tax).

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