

SMM price assessment methodology for Above-Standard 553# Silicon Metal (East China)

Product: SMM Above-Standard #553 Silicon (East China)

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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 attaches equal importance to normal transactions that meet the specifications and standards. SMM reserves the right to exclude from its price assessment any price data 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 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).**

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This document specifies the standards and management methods for above-standard 553# silicon metal (East China) 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 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 . SMM silicon metal prices principle

2.1 Definition

The above-standard 553# silicon metal (East China) prices are assessed and reported based on the methodology defined in this document. As a benchmark, it can be referred to by parties as their above-standard 553# silicon metal (East China) settlement price.

2.2 Form the price basis

The price of SMM above-standard 553# silicon metal (East China) is based on the information of silicon metal smelters, traders and downstream enterprises collected before the price is released in the morning of each trading day. The price evaluation is mainly based on the actual transactions reached on the day, and refers to offers, inquiries, intention prices of buyers and sellers and cognitive price negotiations. The submitters come from fixed market participants, including smelters, traders,

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processing enterprises and downstream buyers. When judging the collected data, SMM will integrate the situation of each transaction, including the relationship between the two parties, specification and quality of the transaction product, and payment terms, etc., to determine the price range of above-standard 553# silicon metal (East China). Prices resulting from transactions between affiliated enterprises, distress sales under financial or legal pressure, debt settlements, or any other non-recurring transaction behaviors will be excluded.

The prices provided by SMM aim to reflect the actual transaction levels of a commodity throughout the day. Therefore, when transactions, bids, and offers with the same specifications and shipment periods are simultaneously announced in the market, transaction information takes precedence over bid and offer information. During the evaluation process, we also consider other factors, but actual transactions, bids, and offers always take precedence.

Please read this section in conjunction with the SMM Data Input Hierarchy Guidelines.

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For the complete version of the methodology for the SMM oxygen-blown #553 silicon (east China) spot price, please contact legal@smm.cn