

Shanghai Metals Market Price Assessment Methodology

– Yangshan copper premiums

SMM Yangshan copper premiums

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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 Yangshan copper premiums assessment. These standards are formulated to establish a transparent and verifiable SMM price setting mechanism and provide market participants with an important pricing indicator.

To ensure that SMM Benchmarks and indices are constructed, maintained and operated to the highest standards, the administrator of the SMM Benchmarks – Shanghai Metal Markets (“SMM” or “the Administrator”, herein known as “SMM”) employs a robust governance framework to manage and approve new Benchmarks

and also approve changes to the methodologies of existing Benchmarks.

The SMM Benchmark Management Committee (“the Committee”) is responsible for all aspects of the design, management governance and calculation of the SMM Benchmarks, and is responsible for approving all policies and procedures relating to the provision of the Benchmarks. The Committee will regularly - and no less frequently than annually - review the methodology and its evaluation and publication process. Additionally, the Committee will review the methodology and all other relevant policy and procedure documents in response to changes to market conditions or any aspect of the dynamics of the underlying market the Benchmarks seek to measure.

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 Yangshan Copper premiums spot price assessment

China accounts for half of the world's copper consumption. Apart from the supply of copper cathode produced by its own high-capacity infrastructure, China imports a substantial amount of copper

cathode annually from other countries to fulfill its domestic demand. In 2023, imports of copper cathode exceeded 3.51 million tons, showing a year-on-year decrease of 4.37%. In the long run, the market share of imported copper is experiencing a declining trend, and the self-sufficiency rate of domestic copper cathode is projected to further improve. As domestic smelters release additional production capacity, the availability of domestically produced copper cathode will expand. Given the context of decelerating copper demand growth and diminished financing copper needs, the market share of imported copper will be further encroached upon by domestic copper production.

2.1 Definition

The SMM Yangshan copper premiums are assessed and reported based on the methodology defined in this document. As a benchmark, it can be referred to by both parties of a seaborne copper spot transaction in the Yangshan Free Trade Port Area as their settlement price. The prices reflect real trades or the most tradable levels of spot imported copper at the time of publication on each complete trading day. The SMM Yangshan copper premiums include under warrants and under bill of lading.

Yangshan copper premiums (under warrants): Traded premiums of benchmark LME-registered grade-A copper brands over LME spot prices in the Yangshan Free Trade Port Area (including Waigaoqiao Free Trade Zone).

Yangshan copper premiums (under bill of lading): Traded premiums of benchmark LME-registered grade-A copper brands over LME spot prices, cif Shanghai.

2.2 Introduction of price assessment

SMM collects data information used to evaluate Yangshan copper premiums by means of standard acquisition (that is, the collection of raw data information that complies with the SMM Data Standards Policy), 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 provided by the price submitters. The amount of each transaction that can be deemed as the standard Yangshan copper transaction in the price collection will be not less than 200 mt. Data collection, assessment (calculation) and daily management of SMM Yangshan copper premiums are conducted by SMM Yangshan copper business teams (consists of 2 price analysts and a price manager).

SMM's objective is to collect price (or data) reflecting arm's length spot market activity.

Types of data collected can include, but not limited to:

- Concluded transactions
- Firm bids that are available to the whole marketplace, with market accepted terms
- Firm offers that are available to the whole marketplace, with market accepted terms
- Expressions of interest to trade, with market accepted terms
- Third party reports of transactions
- Any other data that may be relevant to SMM prices

The price published by SMM is intended to reflect the real transactable value of a commodity in a time point or period during the day. As such, where a confirmed deal is done for the same specification and loading range as confirmed bids and offers, and when all are declared to the market simultaneously, the deal will take precedence over the bids and offers. During the assessment process, we may consider other information.

However, actual transactions, bids and offers will always take precedence.

Please read this paragraph with the SMM Benchmark Guidelines on Hierarchy of Data Inputs available at available at www.metal.com (English) or www.smm.cn (Chinese).

2.3 Source of raw price data

2.3.1 Collecting from price data submitters

Please note that the following standards and procedures need to be read together with the For more information, please refer to the Submitter Exclusion or Inclusion policy available at available at www.metal.com (English) or www.smm.cn (Chinese).

2.3.1.1 Criteria for price data submitters

SMM will select representative market participants from the industry chain as targeted price submitters for SMM Yangshan copper premiums assessment (data providers, including smelters, traders and downstream users).

SMM will take reasonable care to determine and verify the authenticity and reliability of price provider. The procedure SMM adopts is designed to minimise the risk of using any abnormal price data and oppose any manipulation of the Benchmark.

The SMM policy includes, but is not limited to, steps to take as follows:

- Collect relevant public domain documents (such as business licenses) for each price submitter and verify the authenticity of the documents.

- Ensure that each price submitter engages in the transaction, procurement, sales or production of Yangshan copper products.
- Ensure that each employee designated as the contact person of the price submitter can have direct access to relevant data in the company, and have the necessary authority and ability to submit the data to the price analyst of SMM in a timely manner and in accordance with the SMM Benchmark Submitter Code of Conduct.
- Invite other reputable market participants to help verify the credibility of price submitters.

2.3.1.1.1 Criteria for smelters

- Smelters should have copper cathode capacity of above 100,000 mt on an annualised basis; conduct standardised transactions smoothly across channels with stable sales performance; possess operational integrity, and enjoy good reputation in the market, in the view of SMM.
- Smelters should provide objective and honest feedback on their production and sales, including output, operating rate, quality of the product, sales price, sales volume, buyers and inventory, and be able to engage well with SMM analysts.
- Smelters should have a sound understanding of and insight into the macro economy, spot market situation and trades of the Yangshan copper market, and be able to engage with SMM Operational Teams in accordance with the SMM Benchmark Submitter Code of Conduct.

2.3.1.1.2 Criteria for traders

- Traders should have over two years of experience in spot seaborne copper trading in the Yangshan Free Trade Port Area with an annual purchasing or sales volume of above 50,000 mt; conduct standardised transactions smoothly across channels with stable purchasing and sales performance; possess operation integrity, influence and reputation in the market.
- Traders should provide objective and honest feedback on their copper cathode procurement and sales in the Yangshan Free Trade Port Area, including quality of the product, prices and volumes for purchase and sales, procurement sources, buyers, and inventory.
- Traders should have a sound understanding of and insight of the macro economy, and the fundamentals of trading of the Yangshan copper market, and be able and be able to engage well with SMM analysts.

2.3.1.1.3 Criteria for downstream users

- Downstream users should have an annual copper purchasing volume of above 10,000 mt imported via the Yangshan Free Trade Port Area; conduct standardised transactions smoothly across channels with stable purchasing performance; possess operation integrity, influence and reputation in the market.
- Downstream users should provide an objective and honest feedback on their seaborne copper procurement, including quality of the product, purchase prices

and volumes, procurement sources, and inventory, and be able to engage well with SMM analysts.

- Downstream users should have a sound understanding of and insight of the macro economy, keeping up with the latest updates of trading of imported copper in the Yangshan Free Trade Port Area, and be able to engage well with SMM analysts.

2.3.1.2 Formation and adjustment of the price submitter list

SMM selects price contributing companies based on the above criteria to produce a stable list. SMM signs a formal agreement with each price contributing company to ensure the accuracy and timeliness of the data provided as well as protect confidential information of the price submitter.

SMM delegates specific price analysts to collect transaction data and data related market information from price submitters. SMM will continue to evaluate every price submitter based on criteria above and make amendments to the lists for price contributing companies based on the results of evaluations. When a company fails to meet the criteria, it would be required to rectify within a limited period. If it refuses to rectify or fails to meet the criteria after within 30 days from the date of issue of the rectification notice, SMM will revoke its qualification for price contributing companies.

The updated list of SMM Yangshan copper premiums contributing companies:

Nature	Company Name
Trader	ARC RESOURCES COMPANY LTD.

Trader	Transamine
Trader	Jiangxi Copper International Trading Co., Ltd.
Trader	CITIC Metal Co., Ltd.
Trader	China Copper Mining Resources Co., Ltd.
Trader	Shanghai Dongcheng Trading Co., Ltd.
Trader	Wuxi Guokai Metal Resources Co., Ltd.
Downstream user	Zhejiang Hailiang Co., Ltd.
Trader	Jinchuan Group Co., Ltd.
Trader	
Trader	China Ordins Group Co., Ltd.
Trader	Shanghai Fuye Copper Co., Ltd.
Trader	Zhejiang Fuxi Trading Co., Ltd.
Trader	Jiangxi Copper South (Shenzhen) Co., Ltd.
Trader	Shanghai Maoyuan Industrial Co., Ltd.
Trader	Yanzhou Mining Group Co., Ltd.
Trader	United Copper (Asia) Co., Ltd.
Trader	CNMC International Trade Co., Ltd.
Trader	China-Base Ningbo Group Co., Ltd.
Trader	Northern Mining Co., Ltd.
Trader	Shanghai Jinjin Trading Co., Ltd.
Trader	Jijin International Trade (Shanghai) Co., Ltd.

Note: SMM will amend the list based on the selection criteria in this document. Data providers will not receive incentives, rewards or benefits from SMM for providing data.

2.3.1.3 Process of price data collection

SMM's Operational Teams will collect spot seaborne copper transaction data in the Yangshan Free Trade Port Area from price submitters by means of phone, fax, email, QQ, WeChat and other forms of communication between 10:00-11:30 China Standard Time ("CST") on each trading day. (Price data that are submitted after 11:30 CST will not be included in price assessment on the day, while data that does not contain the required minimum information details will not be included, either, even if the data are submitted before the deadline).

The data will include traded prices within the day, and the most likely traded prices, bids and offers. All communication content on instant messengers, WeChat messaging and emails as well as face-to-face communication will be recorded, while phone communication via phone calls will also be recorded in summary and input into the database. Price data must be a typical, repeatable transaction between unaffiliated market participants (completely financially and legally independent).

SMM looks to collect as much data as possible, including transactions, offers, bids and specifications of samples. SMM confirms and analyses submissions, and encourages all market participants to become submitters to the SMM Benchmarks and indices, as

more extensive data will increase the accuracy of the Benchmarks and indices.

SMM's Operational teams aim to collect comprehensive information related to the underlying markets the index seeks to measure.

Submissions received that do not fully adhere to SMM's defined requirements will not be incorporated into the index calculation.

SMM takes into account the principle of confidentiality, and all employees must strictly abide by SMM confidentiality and Conflicts of Interest policies, and never discloses any Benchmark and index compilation-related information, whether regarding Benchmark and index values, data or customers, unless required to by law.

SMM strictly prohibits Operational team employees and management from participating in transactions, offers, or bids as individuals or on behalf of market participants in the underlying markets the Benchmarks and indices seek to measure or any related derivative markets. They are also not permitted to provide market participants with free subscriptions or any other benefits in exchange for price or market information. A specific Conflicts of Interests declaration is required annually by Operational team employees, managers and any other staff involved in the production of SMM Benchmarks and indices, declaring that they have not benefited from non-public information. All staff involved in the calculation or management of SMM

Benchmarks and indices receive regular training on Conflicts of Interest. SMM maintains a Conflicts of Interest Register. For more information please refer to the SMM Conflicts of Interest Policy, available at www.metal.com (English) or www.smm.cn (Chinese).

Price data provided by the submitters to SMM should include at least the following kinds of information. SMM analysts should encourage the price submitter to report as much detailed information as possible, not just the minimum requirements specified:

Product specification

Yangshan copper: LME-registered grade-A copper cathode

Major brands

Please see section 2.4.2

Traded prices/bids/offers

The assessment can be the actually traded import premium, counter offer or quote of the price contributor or other market participants, or a market price range. Prices are integers in the unit of \$/mt.

Volume

The volume of a single transaction is between 200-2,000 mt.

Payment terms

Payment terms in the negotiated transaction agreement, such as bank cash, acceptance bills, etc.

SMM strictly controls the submission collection process, and only considers transactions, offers and bids that follow standard contract terms. SMM not only collects the submitted trade price, but also on any significant additional information. If necessary, SMM can require the submitter to provide relevant documents to judge the fulfillment of the contract and to verify the validity of data.

2.3.2 Collecting price data from other submitters

SMM's policy on collecting market information and data is that SMM welcomes all information from various sources or organisations, as long as the data submitter provides them for good faith and authentic purposes. However, the data submitter is required to accept the SMM code of conduct on data submitters. SMM does not accept instant messaging requests from unidentified individuals. SMM price analysts are required to confirm the identity of market participants at least in accordance with the procedures specified in 2.3.1.1 before conducting instant messaging communication with the data submitter.

2.4 Detailed formation process and related regulations

2.4.1 Data collection

SMM price analysts will collect price data and information based on the standards mentioned above. And a preliminary raw dataset is finally generated.

2.4.2 Data normalisation

SMM price analysts will normalise the preliminary data results, and the finalised prices will be in the form of a price range in discounts or premiums against the corresponding most-traded SHFE contract or three-month LME contract.

High-end of prices: The maximum of the verified traded prices will be decided as the high-end of the price range. The minimum of quotes by sellers will be used as the high-end of the price range where there is a lack of verified traded prices.

Low-end of prices: The minimum of the verified traded prices will be decided as the low-end of the price range. The maximum of quotes by sellers will be used as the low-end of the price range where there is a lack of verified traded prices.

The price data will be recorded both electronically and in writing. All electronic and written records are archived by analysts and kept at least five years in a secure network environment and physical environment. **For more details, please refer to the SMM Recordkeeping Policy available at www.metal.com (English) or www.smm.cn (Chinese).**

2.4.3 Information data analysis, verification and screening

SMM will always do its best to confirm bids, offers and deals information with related

parties. SMM will perform multi-party verification on information provided by the buyers/sellers with their counterparties, and will cross-validate with other relevant participants if the buyers and sellers are unable or unwilling to provide the information.

SMM will exclude any questionable, irreproducible or apparently abnormal quote and transaction in the price evaluation process, and note the reason for removal in the original data set, which will also be kept at least five years. For instance, SMM ensures that only transactions and quotes made between financially and legally independent parties will be included in the price evaluation process. SMM price analysts will compare and analyse data submitted by SMM price submitters, verifying whether the prices show trends that run counter to the wider market. The cases include but are not limited to:

- Traded prices are significantly higher due to the inclusion of special circumstances or special services
- A company's quotes are intentionally higher due to a special sales plan or policy of the company
- A company's bids reflect its prospects for the market price and is intentionally made public in advance

SMM analysts will investigate into the data submitted once any abnormal condition is detected. They will contact the price submitter to verify the accuracy, applicability and completeness of the data. If it is confirmed that errors, such as input errors, are made

in the submission process, SMM price analysts will correct the error and conduct verification and screening. If no mistakes are found in the data submission process, it could be concluded that the data submitted is disqualified and has to be removed from the original data set. The finalised price assessment is in the form of a price range in discounts or premiums.

Minimal subjective judgment from analysts is required in the SMM price evaluation process. The established standards and procedures will be applied to manage the actions taken by SMM price analysts in screening the collected data, and to evaluate the data included in the price assessment is valid or if the abnormal data has been excluded. For more details, please refer to the **SMM Guidelines for the Exercise of Expert Judgment** available at www.metal.com (English) or www.smm.cn (Chinese)

The experience of SMM price analysts in the seaborne copper trading market in the Yangshan Free Trade Port Area is to ensure that only data that meets clear methodological requirements can be included in the price evaluation process. After screening the original data set and removing disqualified data, SMM price analysts will not have any subjective judgment about the normalised data or the price assessments.

The SMM Benchmark Management Committee regularly reviews the implementation of these procedures to ensure compliance with its published standards. To attain the highest possible standards, SMM price analysts are trained and regularly appraised in

their respective markets in which they are responsible for assessing prices. This ensures that SMM analysts follow the requirements of the methodology in a consistent manner.

2.4.4 Evaluation of published prices (calculation)

Step 1: First, take the final dataset obtained from the previous chapter, which exists in the form of a premium and discount, and classify it according to the nature of price submitter mentioned in Section 2.3.1.2. Then, merge the premium and discount. In this version of the methodology, the price submitters are classified into three types: smelting enterprises, trading enterprises, and downstream enterprises. The merging process involves dividing the price range dataset for each type of enterprise into separate sets of several lower limit values and several upper limit values. Next, add weights to the two sets and calculate the weighted average. Finally, round to the nearest whole number. Specifically:

When transaction information and bid-ask information coexist, the data weight for transaction information is set at 70%, while the weight for bid-ask information is set at 30%.

When transaction information, bid-ask information, and other information are all present, the data weight for transaction information is set at 60%, the weight for bid-ask information is set at 30%, and the weight for other information is set at 10%.

In cases where only bid-ask information and other information coexist, the weight for bid-ask information is set at 80%, and the weight for other information is set at 20%.

When the number of qualified unilateral transactions on a given day is greater than or equal to 5, SMM believes the market is actively trading, and allocates weights to the standardized data based on transaction volume.

If the number of qualified unilateral transactions on a given day is between 1 and 4, SMM considers the spot market to be relatively inactive and assigns a 30% weight to the standardized transaction data, while allocating a 70% weight to the standardized valuation average.

In instances where there are no qualified transactions on a given day, SMM concludes that the spot market has no transactions and assigns equal weights to the standardized quotes/estimates.

Step 2: Divide the three premium and discount price ranges derived from the previous step into three lower limit values and three upper limit values. Assign respective weights to each and calculate the weighted averages. Then, round to the nearest whole number to determine the preliminary spot premium range. In this version of the methodology, the weight for smelting enterprises is set at 40%, the weight for trading enterprises is set at 30%, and the weight for downstream enterprises is set at 30%.

Step 3: Since the price reported by SMM is defined as the indicative spot transaction price

range for bank telegraphic transfers, which is the most probable payment method at the time of SMM Yangshan Copper Premium release on each complete working day, any actual or potentially feasible transaction prices that utilize letters of credit as a payment method should include the corresponding interest income. This ultimately determines the publishable indicative price range. The associated calculation formula is as follows:

$$\text{Spot Premium} = \text{Viable Transaction Price with Letter of Credit Payment} + \text{Letter of Credit Interest Income}$$

Over the years, based on market tracking and feedback, SMM has adopted an assessment strategy that combines range pricing with weighted averages for evaluating Yangshan Copper spot premium prices. In contrast, other assessment strategies, such as weighted harmonic averages, are easily influenced by random changes in transaction levels and volumes, leading to data distortion. Moreover, since the specific transaction quantity for any product cannot be predicted in advance, price evaluation methodologies based on transaction volumes have the following disadvantages:

1. Low transaction volume compromises pricing accuracy;
2. If no transactions are reached, price evaluation cannot be conducted;
3. The accuracy of overall pricing is impacted when a few price information collection points account for a significant proportion of transaction volume.

2.4.5 Special circumstances

SMM reserves the right to exercise judgments when trading liquidity is thin. We will make the assessments based on the economy, relationships between products, transportation and forward market if there is a lack of credible or verifiable market information, so as to make sure that the data samples used to evaluate the spot prices are sufficient and accurate. **For more details, please refer to the SMM Illiquid Market Management Policy and SMM Expert Judgment Policy available at www.metal.com (English) or www.smm.cn (Chinese).**

In addition, SMM will also make a price assessment when there is only one offer or bid, or when the price difference between offers and bids is too big to assess a tradable price. In these two cases, information of spread trade and mainstream market relationships will also be taken into consideration. SMM will set the assessed price between the highest bid and the lowest offer if information on the offers and bids manage to meet all other requirements set in this assessment methodology. SMM will not set the minimum data in the Yangshan copper premiums price assessment as sparse deals are sometimes heard in the market.

2.4.6 Price publication

The SMM Yangshan copper premiums assessment is published daily at 11:30 CST on the SMM English and Chinese websites at www.metal.com (English) or www.smm.cn

(Chinese), except for weekends and public holidays. The publication will be one or two days ahead of the public holidays which will be announced on the SMM websites.

The time of the price publication may also be affected by emergencies and force majeure factors, such as power outages and natural disasters. In such cases, SMM will make every effort to inform the market of the delayed publication schedule as soon as possible. **For more details, please refer to the SMM Disaster Recovery Procedures available at www.metal.com (English) or www.smm.cn (Chinese).**

Price information published by SMM is available to subscribers of SMM services and is entitled to copyright protection. Without a clear agreement with SMM, no third party may distribute the information or use it for commercial interests.

2.4.7 Modification of published prices

If there are any errors (mistake in calculation or errors caused by incorrect operations) after the price is published, SMM will immediately issue a correction statement to reflect the correct price. **For more details, please refer to the SMM Error Correction Policy available at www.metal.com (English) or www.smm.cn (Chinese).**

2.5 Review of key points

2.5.1 Product specification

Seaborne copper: Products that conform the LME-registered grade-A copper cathode standard.

2.5.2 Major brands and producers

CCC-P	Corporacion Nacional del Cobre de Chile
ENM	Corporacion Nacional del Cobre de Chile
AE	Corporacion Nacional del Cobre de Chile
HMG-B	KGHM Polska Miedz SA
SPCC-ILO	Southern Peru Copper Corporation
CbM	Caraiba Metais SA
ONSANI	LS-Nikko Copper Inc.
SUMIKO N	Sumitomo Metal Mining Co Ltd
TAMANO-P	Pan Pacific Copper Co., Ltd.
ISA	Mount Isa Mines Ltd
OLYDA	BHP Billiton Olympic Dam Corporation Pty Ltd
OLEN	n.v. Cumerio s.a.
GRESIK	PT Smelting
PSR ISABEL	Philippine Associated Smelting and Refining Corporation
ESOX	Minera Escondida Limitada
MB	Anglo American Norte S.A.
MV	Anglo American Norte S.A.
CMCC	Compañia Minera Cerro Colorado Ltda
MET	Minera El Tesoro
MIC-P	Minera Michilla S.A

Note: This list is in no particular order. SMM Yangshan copper premiums assessments cover brands that include but are not limited to the above ones.

2.5.3 Reference volume

SMM sets the typical transaction size that reflects market circulation at 200 mt or above.

2.5.4 Delivery

Delivered on bill of lading or ex-warehouses

2.5.5 Payment terms

Bank transfer, same-day arrival.

2.5.6 Delivery site

Bonded warehouses or ports

2.5.7 Unit of pricing

\$/mt

2.5.8 Format of publishing

The prices are published as a price range in US dollar, excluding tax

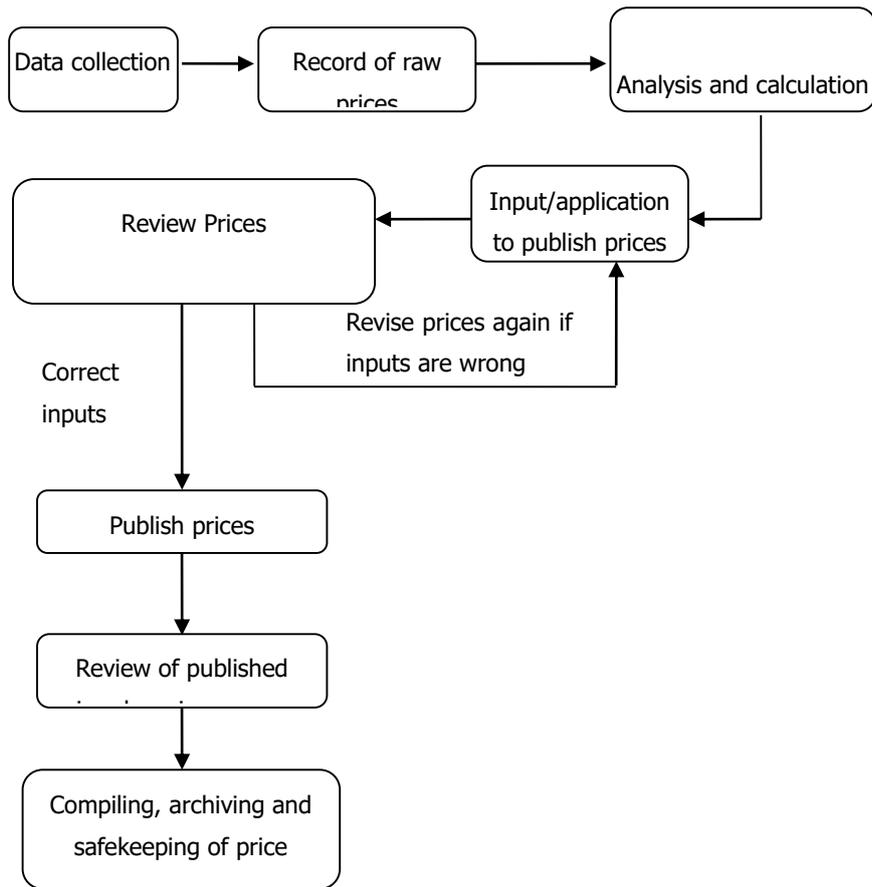
2.5.9 Publication time

11:30 CST, each working day (except for weekends and public holidays)

2.6 Price assessment process

SMM undertakes the Yangshan copper premiums assessments at 10:00-11:30 CST

Monday to Friday. The detailed process is as follows:



SMM strictly controls the submission collection process, and only considers transactions, offers and bids that follow standard contract terms. SMM not only collects the submitted trade price, but also on any significant additional information. If necessary, SMM can require the submitter to provide relevant documents to judge the fulfillment of the contract and to verify the validity of data.

2.7 Adjustment to the price assessment methodology

SMM updates our methodologies on a regular basis to reflect a constantly changing metals trading market. Amendments will be made based on feedback by market participants, and an internal check will be also made regularly. We will follow the

external consultation workflow to amend discrepancies in the methodology that may be less time-sensitive. Major revisions and updates will be published 28 days ahead of the changes, to seek opinions from market participants, unless there are unavoidable and unpreventable circumstances such as natural disasters, war or bankruptcy of the exchange, which will shorten the period. SMM promises to carefully look into any feedback to the adjustment of the price methodologies, and will amend the methodologies under certain circumstances even if some market participants do not approve of the changes. We will arrange an official consultation of the the Yangshan copper premiums assessment at least once a year. Dates of the most recent and the next session are at the start of this document. **For more details, please refer to the SMM Methodology Review and changes Policy, available at www.metal.com (English) or www.smm.cn (Chinese).**

3. Historical data

SMM maintains records of all communications with submitters, whichever collection channel is used: telephone, email or internet-based instant-communication tools, in order that all submissions used in the Benchmarks can be traced back to an original record of the received submission in line with the SMM Recordkeeping Policy. Via the Submitter Code of Conduct policy, all submitters are also subject to record keeping policies.

Submissions are stored in SMM's secure storage system to ensure the segregation and confidentiality of data, and to prevent the improper usage of the data by parties not involved in the Benchmark calculation process.

Subscribers of Shanghai Metals Market are able to access historical data of the price assessments since November 20, 2012. For information on subscribing to historical price data Please visit www.metal.com (English) or www.smm.cn (Chinese). For more details, please refer to the SMM Recordkeeping Policy, available at www.metal.com (English) or www.smm.cn (Chinese).

4. Compliance with SMM Policies

All SMM employees must comply with the methodologies published by SMM, as well as follow SMM's internal standards and policies, which include the SMM Conflict of Interest Policy, SMM Whistleblowing Policy, SMM Error Correction Policy, SMM Methodology Review, Consultation and Modification Policy, and SMM Complaint Policy.