

Shanghai Metals Market Index Management Committee Terms of Reference

Prepared by SMM

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1. RESPONSIBILITIES

The SMM Index Management Committee shall be responsible for discharging the responsibilities set out in the SMM Benchmark Index Management Committee Procedure.

2. MEMBERS

The membership of the Committee and its terms of reference are approved by the Board. In considering the Committee's membership, the Board is required to ensure the Committee has the expertise and skills required to fulfil its role.

The Board will consider and record the skills, expertise and experience of Committee members, whether there are any conflicts that arise and if so how they are managed, and the term for which each member will be a part of the Committee. Prospective members must, prior to joining the Committee, declare any conflicts that they are aware of, and sign a conflicts declaration in accordance with the Conflicts of Interest Policy.

3. THE CHAIRMAN

The Chairman of the SMM Index Management Committee will be a senior manager within SMM appointed by the Board. The Chairman will be appointed for a period of three years but can be re-appointed for subsequent terms.

The primary function of the Chairman is to facilitate the operation and deliberations of the Committee and ensure it fulfils its duties and role as set out in these terms of reference.

In addition, the Chairman of the Committee may make recommendations to the Board for the nomination or removal and replacement of its members. The Chairman of the Committee will act as the contact point for the Board and any relevant regulator (as applicable). The Chairman of the Committee may invite observers to attend in a non-voting capacity where particular matters are under consideration for which their skills and knowledge are needed to inform the discussion.

The Chairman of the Committee will also ensure that any appropriate regulator is notified in the event of any suspected misconduct by contributors or the administrator, and of any anomalous or suspicious input data (as appropriate).

A Deputy Chairman shall be appointed by the Index Management Committee.

4. THE SECRETARY

A Secretary shall be appointed by the Index Management Committee to support the work of the Committee. The Secretary will be responsible for:

- the preparation or sourcing of agendas and papers for the Committee's meetings, which will be distributed no later than three days prior to a meeting.
- maintaining a record of members' attendance and taking the minutes.
- following up action points resulting from meetings or other committee discussions
- ensuring meeting minutes are distributed to attendees.
- providing a report on the business of the Committee to the Index Management Committee, in conjunction with the Chairman.
- acting as a central point of contact responsible for receiving and processing requests received by regulators and supervisory authorities.

5. MEETINGS

The Committee meets every three months, or more often as required. The Committee shall have access to all documentation necessary to carry out its duties. On occasions where matters require consideration between meetings these may be considered via e-mail, or a separate meeting will be convened if necessary. Matters requiring legal advice may be privileged.

Where a decision is required between scheduled meetings of the Committee, a decision may be taken either:

- by convening a meeting of the Committee to be held in person;
- by telephone conference; or
- by emailing all Committee members for their confirmation of approval.

Such events may include:

- urgent rule changes;
- proposed decommissioning of an index;
- events involving abnormal trading, such as a lack of liquidity; or
- unanticipated changes in legal, regulatory, sourcing or licensing matters that make it impermissible or impracticable to calculate an index under existing rules.

6. REPORTING

The Chairman of the Committee shall report to the Board as appropriate or as required by the Board. The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its remit, and in particular where it considers action or improvement is needed in the management of the SMM Indices.

7. QUORUM AND VOTING

A quorum shall comprise a minimum of 4 voting members including the Chairman or, if the Chairman is unable to attend the meeting, the Deputy Chairman.

If votes are required, each Committee Member shall have one vote. No other attendees shall be eligible to vote. Should there be a vote on any matter, decisions of the Committee shall be made by a simple majority. Should there be a vote on any matter and should the number of votes cast for and against be equal, the Chairman (or in his absence the Deputy Chairman) shall be entitled to a casting vote in addition to their regular vote. Where a decision is being sought by email, a deadline will be set by which Committee Members shall be required to respond, at which time a decision shall be made as above.

8. CONFLICTS OF INTEREST

In the event of there being a conflict of interest, the member will be excluded from considering this matter and the exclusion will be recorded in the minutes of the meeting.

9. CONFIDENTIALITY

Committee members must maintain confidentiality of the Committee's determinations, as appropriate. There can be no advance disclosure or selective disclosure of the Committee's decisions and deliberations to clients or other third parties.

10. ANNEX I – COMMITTEE MEMBERSHIP

Chairman – Logan Lu, Management Director in SMM

Deputy Chairman – Kelly Ma, Management Director in SMM

Secretary – Paton Huang, mid-level manager in reporting line to Logan Lu

Members:

Head of Index & Price Operations – Jiang Ning, the lady who got over 20 year experience nonferrous industry and 15 years experiences in SMM pricing assessment.

Head of Legal/Compliance – Cai Ying, the lady who got over 10 year experience legal and administration

Head of Metals teams – Ye Jianhua, Liu Xiaolei, who are the directors of SMM research and analysis team.