



# NOREXECO Rulebook

## Appendix 2

### The Indices

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# 1 General provisions

The terms of this appendix apply to Products Listed at NOREXECO. NOREXECO cooperates with the independent Finnish Benchmark Administrator (Index provider) Fastmarkets FOEX, Fastmarkets RISI and Shanghai Futures Exchange. In the event of any conflict between the Rulebook and the terms in this appendix, the Rulebook shall prevail.

## 2 Benchmark/indices from Fastmarkets

Fastmarkets, which incorporates Fastmarkets RISI and Fastmarkets FOEX, is a leading cross-commodity price reporting agency headquartered in London. Lithium Hangar Holdco Limited, controlled by private equity firm Astorg, is the ultimate holding company for the Fastmarkets group of companies.

### 2.1 Fastmarkets standards and key principles

Fastmarkets indices and assessments are prepared and published pursuant to defined standards and key principles such as:

- Fastmarkets indices and assessments are calculated from price data received from buyers and sellers of the commodity/product in question;
- Fastmarkets is an independent company with no ownership links to any forest product companies;
- Fastmarkets methodology aims to include a broad cross-section of the market balancing price data from buyers and sellers;
- Fastmarkets' index and assessment methodologies are compliant with the IOSCO Principles for Price Reporting Agencies

### 2.2 Financial Products on Fastmarkets indices and assessments

The price indices and assessments published by Fastmarkets and used by NOREXECO are;

1. Pulp, northern bleached softwood kraft (NBSK), spot, dap Europe, \$/tonne
2. Pulp, bleached hardwood kraft, eucalyptus (BEK), spot, fca Europe, \$/tonne
3. PIX Pulp BHKP China net, \$/tonne
4. Pulp. NBSK CIF China, \$/tonne
5. PIX Recovered paper OCC 1.04, Eur/tonne

## 2.3 Publishing schedule of the underlying benchmarks

Fastmarkets' indices are published weekly in accordance with Fastmarkets stipulated publishing schedule.

Index publication days for weekly, European based indices, are Tuesdays. Index/publication days for the weekly, Asian based indices, are Fridays. If an index publication day falls on a Finnish holiday, the index day is moved to the next Finnish business day.

European indices are published at noon Finnish time, CET+1, on each day of publication. Asian indices are published at 10:00 AM Finnish time, CET+1, on Friday publication days and noon Finnish time, CET+1 on Tuesday publication days.

Fastmarkets spot pulp assessments are published monthly in accordance with Fastmarkets' published schedule. Publication days are on the 10<sup>th</sup> of the month or first working day thereafter if this is a weekend or public holiday. The assessments are usually published by noon Finnish time/CET+1 on each day of publication.

Fastmarkets NBSK CIF China assessments are published weekly in accordance with Fastmarkets' published schedule. Publication days are on Fridays. The assessments are usually published at 03:00 PM Singapore time on each day of publication.

**Detailed publishing schedules can be found [here](#).**

## 2.4 Fastmarkets' methodologies and specifications

Full details of Fastmarkets methodology and specifications for its global pulp assessments can be found [here](#).

Full details of Fastmarkets methodology and specifications for PIX BHKP China indices can be found [here](#).

Full details of Fastmarkets methodology and specifications for PIX OCC 1.04 dd indices can be found [here](#).

## 2.5 Price correction policy

Fastmarkets will not retroactively change the index value based on new information or additional submission of data received after a respective pricing session has closed.

Publication of price errors can occasionally happen for reasons that may include technical input errors or incorrect application of the methodology. To minimize the inconvenience to our subscribers, Fastmarkets aims to investigate each error as soon as it becomes aware of it and to publish a correction

promptly on our website through a pricing notice with an explanation of the reason for the correction. Fastmarkets will publish a correction of a price only where it has established undeniably that there has been an error. Fastmarkets price assessments are produced based on the best data available at the time of the assessment.

## 2.6 Fall-back procedure - Lack of price information to calculate PIX Indices

In the unlikely event that there are not enough eligible price points in a given week, and the lack of price points is threatening to distort the index development, Fastmarkets reserves the right to roll forward previous price data beyond the limits mentioned above. In such case, Fastmarkets will state that because there are an insufficient number of new price points, the previous week's index value will be republished.

## 2.7 Operation of the FOEX PIX Indices

NOREXECO has signed an agreement with Fastmarkets RISI, who acts as the commercial representative for Fastmarkets FOEX, whereby Fastmarkets FOEX, among other things, is responsible for monitoring, supervising and maintenance of the Price Indices.

## 2.8 Procedures for calculating the NOREXECO Final Settlement Index (NFSI)

The monthly NFSI is calculated as the simple arithmetic mean with two decimals rounded from the weekly PIX prices for the weeks included in the calendar month. There are either four or five weekly PIX prices in a month, in general depending on number of Tuesdays in a calendar month.

## 2.9 Corrections in the NFSI

In the event of errors in computing the NFSI are discovered, the latest NFSI may be corrected pursuant to the following rules:

NOREXECO may, in the event it is discovered that a final settlement was erroneous in a material manner because of an error in the calculation of the NFSI, decide that a correction shall be effectuated among the Trading Members involved. Such correction also requires the consent of the Clearing House.

No correction may be effectuated later than on the business day after the NFSI was published.

### 3 NSFI - Benchmark/index based on the Final Delivery Settlement Price at Shanghai Futures Exchange

Shanghai Futures Exchange (SHFE) offers trading in monthly futures for domestic physically delivered NBSK pulp. SHFE is regulated by the China Securities Regulatory Commission (CSRC).

The NOREXECO Shanghai Pulp Futures is financially settled against the NOREXECO Shanghai Final Index (NSFI). The NSFI is based on the monthly SHFE Final Delivery Settlement Price (FDSP) as calculated and published by SHFE. The SHFE FDSP is calculated as the arithmetic average of the daily volume weighted average price of the trades concluded during the last five days the expiring contract was traded on SHFE. The SHFE FDSP is published at 4:30 pm CST (10:30 am CET) on the expiration day of the month contract. The expiration day is the 15<sup>th</sup> day of the month, but may be altered due to weekends and public holidays.

SHFE publishes volumes, closing prices and volume weighted prices on their web-site. The SHFE Final Delivery Settlement Price is in RMB/MT and includes domestic VAT.

The NOREXECO Shanghai Final Index (NSFI) is based on the SHFE FDSP:

1. NOREXECO deducts the prevailing Chinese VAT on the expiration day from the SHFE FDSP.
2. NOREXECO calculates the USD/MT equivalent of the SHFE FDSP ex VAT based on the Refinitiv WMR CNY/USD mid price 11 UK time on the expiration day of the SHFE month contract.
3. NOREXECO publishes the NOREXECO Shanghai Final Index at 17:00 CET on the expiration day.

NOREXECO is registered as the Benchmark Administrator of the NOREXECO Shanghai Final Index.