

Benchmark Statement for the NOREXECO Shanghai Final Index (NSFI)

Reference: EU 2016/1011 Article 27 and Annex II – Commodity Benchmarks

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Introduction

NOREXECO is the administrator of one (1) benchmark, the NOREXECO Shanghai Final Index (NSFI).

NOREXECO was approved as a Benchmark Administrator by the Norwegian Financial Supervisory Authority on 30 March 2021.

The NSFI is a Commodity Benchmark as the underlying commodity is pulp, physically fungible and deliverable anywhere in the world.

The NSFI is a monthly benchmark calculated and published by NOREXECO on the expiration days of the monthly physical pulp contracts listed on Shanghai Futures Exchange (SHFE), Shanghai, China. SHFE is established with the approval of the China Securities Regulatory Commission.

The NSFI is denominated in USD per Metric Ton (MT).

The ISIN code of NSFI is NO0010894140.

The NSFI is based on the following data:

1. The Final Delivery Settlement Price (FDSP) as determined by SHFE. This price is denominated in RMB and includes the prevailing Chinese VAT on pulp. The price is equal to the arithmetic average of the settlement prices of that contract over the last five (5) trading days on which it was traded. For the avoidance of doubt: the final value is determined by an exchange, SHFE, based on transactions executed on that exchange.
2. The prevailing Chinese VAT on pulp. The VAT is decided by the Chinese authorities. The VAT on the expiration day is deducted from the Final Delivery Settlement Price creating a net price in RMB.
3. The currency rate for CNY/USD Midpoint published by WM/Refinitiv at 11:00 am UK time, 12:00 CET on the expiration day. The currency rate is used to convert from RMB to USD.

There is no manual assessment made by NOREXECO or other parties. There is no contribution from other sources than those listed above.

Collection of the Final Delivery Settlement Price from SHFE and the currency rates from WM/Refinitiv are done at 10:30 CET and 12:00 CET respectively on the expiration day of the expiring month contract at SHFE.

The expiration day of a SHFE month contract is the 15th calendar day of the month, adjusted for Chinese public holidays or non-trading days at SHFE.

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DISCLAIMER

Use of the NOREXECO Shanghai Final Index (NSFI)

The NSFI shall not be used to settle or clear, or be used as reference in financial instruments without the prior written consent of NOREXECO ASA. Inquiries may be directed to benchmark@norexeco.com.

Limitations of Liability

NOREXECO ASA assumes no liability for loss or damages related to or arising out of the use of the NSFI. NOREXECO ASA expressly disclaims all warranties of accuracy, completeness, merchantability or fitness for a particular purpose with respect to the NSFI. Neither NOREXECO ASA nor any third party make any express or implied warranties or representations regarding the results which may be obtained as a consequence of the use of NSFI or regarding the value of the NSFI at any given time. NOREXECO ASA shall in no case be liable for errors or defects in the NSFI nor obliged to provide notice of, or publish, errors in the NSFI other than what is required by EU 2016/1011, the Benchmark regulation.

NOREXECO ASA June 6, 2025.

DISCLAIMER

The WM/Refinitiv Intra-Day Spot Rates are provided by Refinitiv. Refinitiv shall not be liable for any errors in or delays in providing or making available the data contained within this service or for any actions taken in reliance on the same

1 Description of the benchmark

1.1 The NOREXECO Shanghai Final Index - NSFI

The basis for the NSFI is the monthly delivery price for physical pulp in and out of SHFE warehouses. By deducting the VAT and converting to USD, the NSFI is the international price corresponding to the domestic pulp price in China.

China is the leading consumer and importer of market (international) pulp. The NSFI is the price that balances with the domestic price of pulp. International producers of pulp, and importers of pulp into China are exposed to the domestic price of pulp as well as the currency cross between CNY and USD.

The physical delivery of the SHFE month pulp contracts are facilitated by delivery into or take-out from the SHFE warehouses. This pulp is to a large extent originated from several international pulp producers and has as such been imported from overseas. SHFE publishes a list of acceptable pulp producers and pulp qualities that can be delivered to the warehouses.

2 Methodology

Annex II par 1 (a)

all criteria and procedures that are used to develop the benchmark, including how the administrator uses input data including the specific volume, concluded and reported transactions, bids, offers and any other market information in its assessment or assessment time periods or windows, why a specific reference unit is used, how the administrator collects such input data, the guidelines that control the exercise of judgement by assessors and any other information, such as assumptions, models or extrapolation from collected data that are considered in making an assessment;

Input data from SHFE is the Final Delivery Settlement Price of an expired month contract. It is the arithmetic average of the daily settlement prices calculated by SHFE based on transactions concluded on the SHFE exchange over the last five trading days in an expiring contract. No orders or bid/ask prices are used in the calculation. The daily settlement price is the volume weighted average of all transactions on that day as calculated and published by SHFE.

All transactions in the expiring contract from the last five days the expiring contract were traded are included in the calculations. There is no manual judgement or assessment involved in the determination of the arithmetic average of the settlement price by SHFE or any other persons or institution.

SHFE publishes the Final Delivery Settlement price on their web page after market close at 04:30 pm CST on the expiration days. NOREXECO verifies the published price by calculating the arithmetic average of the settlement prices based on the previously published daily values. If the NOREXECO calculation deviates by 2 RMB (0.04% based on pulp price 4,800 RMB/MT) or more from the price SHFE has published, a confirmation procedure between SHFE and NOREXECO is performed. The SHFE price will always be used.

Input data from WM/Refinitiv is the currency rate for CNY/USD as published at 11:00 am UK, 12:00 CET on the expiration day of a month contract. The values are collected by a program and verified by manual inspection. NOREXECO does not perform any further assessment or evaluation of the rates obtained from WM/Refinitiv.

The VAT rate for pulp in China is published by the Chinese authorities. The rate may be changed by

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the Chinese authorities. NOREXECO uses the VAT rate that applies on the expiration day of a month contract. NOREXECO verifies the prevailing VAT rate with SHFE on expiration day. NOREXECO does not perform any further assessment or evaluation of the prevailing Chinese VAT rate for pulp.

Annex II par 1 (b)

procedures and practices that are designed to ensure consistency between its assessors in exercising their judgement;

There are no assessors or judgements between assessors involved in the establishment of the benchmark. NOREXECO verifies that the numbers collected are correct 'copies' of the sources at SHFE and WM/Refinitiv before the computations take place.

Annex II par 1 (c)

the relative importance that shall be assigned to each criterion used in benchmark calculation, in particular the type of input data used and the type of criterion used to guide judgement so as to ensure the quality and integrity of the benchmark calculation;

There is no judgement, or criteria for judgement in the establishment of the benchmark. The formula used for the calculation is fixed. The input data used in the calculation of the benchmark are verified by the sources, SHFE and WM/Refinitiv before the SHFE Final Delivery Settlement Price and the currency rates respectively are published. SHFE is working under regulations governing its operations and methods of deriving at the price. The WM/Refinitiv FX rates are administered by Refinitiv Benchmark Services Limited, authorized as a Benchmark Administrator under EU BMR.

The SHFE Final Delivery Settlement Price is used for delivery of physical pulp after the expiration of a month contract at SHFE. The FX rates from WM/Refinitiv are widely used as references.

Annex II par 1 (d) and (e)

criteria that identify the minimum amount of transaction data required for a particular benchmark calculation. If no such threshold is provided for, the reasons why a minimum threshold is not established shall be explained, including setting out the procedures to be used where no transaction data exist;

criteria that address the assessment periods where the submitted data fall below the methodology's recommended transaction data threshold or the requisite administrator's quality standards, including any alternative methods of assessment including theoretical estimation models. Those criteria shall explain the procedures to be used where no transaction data exist;

There are no contributions to, or assessments of the SHFE Final Delivery Settlement Price other than the executed transactions in the expiring SHFE month contract. All transactions concluded on the five last days with transactions in the expiring contract are included in the calculation of the SHFE Final Delivery Settlement Price. This assures that there always is an exchange traded volume behind the input number to the benchmark. Regardless of volume behind the SHFE Final Delivery Settlement Price, the remaining open interest in the expired contract is delivered at that price.

Annex II par 1 (f)

criteria for timeliness of contributions of input data and the means for such contributions of input data whether electronically, by telephone or otherwise;

There are no submitted contributions to the benchmark in the meaning of market participants giving their input to any assessors. As such, the timing of such contributions is not relevant.

The input elements are the SHFE Final Settlement Delivery Price, WM/Refinitiv CNY/USD Midpoint fx rate and the Chinese VAT for pulp. NOREXECO collects, electronically and manually the numbers involved just after they are published. The SHFE price is published 04:30 pm CST or 10:30 CET

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while WM/Refinitiv publishes the rates on 11:00 am UK, 12:00 CET. NOREXECO has until 18:00 CET to collect and verify the numbers and calculate the benchmark.

Annex II par 1 (g)

criteria and procedures that address assessment periods where one or more contributors submit input data that constitute a significant proportion of the total input data for that benchmark. The administrator shall also define in those criteria and procedures what constitutes a significant proportion for each benchmark calculation;

There are no submitted contributions to the benchmark in the meaning of market participants giving their input to the assessors. As such, to distinguish between contributors and their significance are not relevant.

The input elements are the SHFE Final Settlement Delivery Price, the WM/Refinitiv CNY/USD Midpoint fx rate and the Chinese VAT for pulp. The basis value of the underlying commodity is coming from the SHFE Final Delivery Settlement Price.

Annex II par 1 (h)

criteria according to which transaction data may be excluded from a benchmark calculation.

All transactions executed on SHFE in the expiring contract on the last five days the contract had transactions are included in the calculation of the arithmetic average of the settlement prices of the expiring contract over the past five trading days it was actually traded. There is no judgement as to whether a transaction shall be included or not.

3 Other information required by par 3 of Annex II to the BMR

Annex II par 3 (a)

the rationale for adopting a particular methodology, including any price adjustment techniques and a justification of why the time period or window within which input data is accepted is a reliable indicator of physical market values;

Pulp, the underlying commodity to the NSFI, is traded globally in USD. The Methodology is the best way to convert the domestic Final Delivery Settlement Price of pulp as determined by SHFE in RMB on the expiration day into an international price ex China VAT on pulp denominated in USD.

The method requires no contributions from market participants or assessments other than verification of the calculations as the input to the procedure is single values collected from a regulated exchange, in China, and from WM/Refinitiv.

The NSFI is calculated on the expiration day of the SHFE monthly contract. The SHFE contract has physical delivery so the price is an accurate and reliable indicator of the physical market value within China.

Annex II par 3 (b)

the procedure for internal review and approval of a given methodology, as well as the frequency of such review

The methodology is fixed and specifies exactly how to determine the NSFI value. Internal review of the procedure is made annually.

Annex II par 3 (c)

the procedure for external review of a given methodology, including the procedures to gain market acceptance of the

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methodology through consultation with users on important changes to their benchmark calculation processes.

External review of the methodology is made by the external auditor.

The NOREXECO Product Development Group (PDG) consists of market participants and is a forum for discussions on products, development of products and changes to products and procedures.

4 Changes to the methodology

4.1 Changes, including material changes to the methodology

Annex II par 4 (a) and (b)

advance notice in a clear time frame that gives users sufficient opportunity to analyse and comment on the impact of such proposed changes, having regard to the administrator's calculation of the overall circumstances;

for users' comments, and the administrator's response to those comments, to be made accessible to all market users after any given consultation period, except where the commenter has requested confidentiality

Changes to the methodology will be discussed in the PDG before a wider consultation process will take place.

NOREXECO shall invite Trade Members to comment on the proposed changes and give a one-month consultation period.

Non-confidential responses to the consultation shall be published on NOREXECO's website.

After the consultation period is over, NOREXECO shall publish the desired changes and give users a notice period of minimum one month before the change is implemented.

4.2 Procedure in the event of cessation of the benchmark

It is possible that factors, including external factors beyond the control of NOREXECO, may necessitate changes to, or the cessation of the NSFI. It is possible that changes to, or the cessation of the NSFI may have an impact upon the financial instruments and financial contracts that reference the benchmarks.

A decision of cessation of NSFI is made by the Board of Directors of NOREXECO. Before the decision is taken, careful consideration is given to the reasons to cease and the impact on stakeholders. In making the decision, a number of factors may be considered, including but not limited to:

1. there being no investment in the benchmark,
2. the underlying market or input data is no longer available or insufficient,
3. the input data is no longer sufficient to represent accurately and reliably the market or economic reality that the benchmark is intended to measure or is not otherwise appropriate and the issue cannot be rectified through a change to the input data including using another benchmark as a substitute for the NSFI
4. the benchmark no longer meets its objective and a change to the methodology is not feasible,
5. the maintenance of the benchmark is no longer operationally possible or practicable,
6. commercial factors make the cost of maintaining the benchmark economically unsustainable when the use of the benchmark is considered over a period of time,
7. regulatory changes, or

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8. significant and permanent disruption to the market in question.

Prior to the cessation of NSFI, NOREXECO will publicly announce on its website the cessation plan with appropriate timelines. NOREXECO will follow the same procedures as for a material change of the methodology.

5 Ensuring reflection of the physical market

Annex II par 5

The administrator of a commodity benchmark shall regularly examine its methodologies for the purpose of ensuring that they reliably reflect the physical market under assessment and shall include a process for taking into account the views of relevant users.

The NSFI is based on the Final Delivery Settlement Price at SHFE for a month contract with physical delivery. The open interest in the expiring contract at SHFE is delivered on the Final Delivery Settlement Price. This ensures that the price reflects the prevailing physical market for the domestic pulp.

The NSFI is the domestic price in China, VAT deducted and converted to USD.

6 Quality and integrity of benchmark calculations

Annex II par 6 and par 7 are related to reporting, handling, control and calculation of price data received from contributors.

There are no contributions of price data from market participants used in the computation of the NSFI. The input is: 1) the Final Delivery Settlement Price as computed and published by SHFE. It is the arithmetic average of the settlement prices of transactions executed on the last five days with trades in the expiring contract. 2) the WM/Refinitiv Midpoint FX rate for CNY/USD as published at 11:00 am UK, 12:00 CET on the expiration day of the relevant SHFE contract.

Annex II 6 (a)

specify the criteria that define the physical commodity that is the subject of a particular methodology

The physical commodity is NBSK pulp delivered into, stored and taken out of designated warehouses approved by SHFE. Qualified pulp qualities are delivered by international producers as well as domestic producers.

Annex II 6 (b)

give priority to input data in the following order, where consistent with its methodologies

This is not applicable as there is no input data other than the Final Delivery Settlement Price at SHFE and the fx rate of WM/Refinitiv.

Annex II 6 (c)

employ sufficient measures designed to use input data submitted and considered in a benchmark calculation which are bona fide, meaning that the parties submitting the input data have executed, or are prepared to execute, transactions generating such input data and the concluded transactions were executed at arms-length from each other and particular attention shall be paid to inter-affiliate transactions

This is not applicable as there is no input data other than the Final Delivery Settlement Price at SHFE and the fx rate of WM/Refinitiv.

Annex II 6 (d)

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establish and employ procedures to identify anomalous or suspicious transaction data and keep records of decisions to exclude transaction data from the administrator's benchmark calculation process;

This is not applicable as there is no input data other than the Final Delivery Settlement Price at SHFE and the fx rate of WM/Refinitiv.

Annex II 6 (e)

encourage contributors to submit all of their input data that falls within the administrator's criteria for that calculation. Administrators shall seek, so far as they are able and is reasonable, to ensure that input data submitted is representative of the contributors' actual concluded transactions;

This is not applicable as there is no input data other than the Final Delivery Settlement Price at SHFE and the fx rate of WM/Refinitiv.

Annex II 6 (f)

employ a system of appropriate measures to ensure that contributors comply with the administrator's applicable quality and integrity standards for input data.

This is not applicable as there is no input data other than the Final Delivery Settlement Price at SHFE and the fx rate of WM/Refinitiv.

7 Description of calculations

Annex II 7 (a)

a concise explanation, sufficient to facilitate a benchmark subscriber's or competent authority's ability to understand how the calculation was developed including, at a minimum, the size and liquidity of the physical market being assessed (such as the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of input data that have been considered in a calculation; terms referring to the pricing methodology shall be included such as transaction-based, spread-based or interpolated or extrapolated;

There are no submissions of prices, volumes, transactions or any other input from market participants into the calculation of the NSFI.

The main input is the Final Delivery Settlement Price from SHFE on the expiration day on a month contract traded on SHFE. The Final Delivery Settlement Price from SHFE is based on actual transactions executed on that exchange.

The calculations are:

1. To get the net of VAT price in RMB:

$$\text{SHFE Final Delivery Settlement Price}_{\text{net}} = \text{SHFE Final Delivery Settlement Price} / (1 + \text{VAT rate})$$
 Format: 2 decimals rounded
2. To convert from RMB price to USD price:
 The NOREXCO Shanghai Final Index =

$$\text{SHFE Final Delivery Price}_{\text{net}} / (\text{CNY/USD Midpoint UK 11}_{\text{WM/refinitiv}})$$
 Format end result: 2 decimals rounded
 Format currency: 5 decimals rounded

Annex II par 7 (b):

a concise explanation of the extent to which, and the basis upon which, any judgement including the exclusions of data which otherwise conformed to the requirements of the relevant methodology for that calculation, basing prices on spreads or interpolation, extrapolation, or weighting bids or offers higher than concluded transactions, if any, was used in any calculation

This is not applicable as there is no input data other than the Final Delivery Settlement Price at SHFE and the fx rate of WM/Refinitiv.

8 Integrity of the reporting process

Annex II par 8 (a) to (d) are related to contributors and submitters and their reporting of information to the Benchmark Administrator.

There are no submissions of prices, volumes, transactions or any other input from market participants into the calculation of the NSFI.

The collection of Final Delivery Settlement price from SHFE and the fx rate of WM/Refinitiv is done by employees of NOREXECO.

9 Assessors

Annex II par 9 requires the Benchmark Administrator to:

Annex II par 9 (a)

adopt and have in place explicit internal rules and guidelines for selecting assessors, including their minimum level of training, experience and skills, as well as the process for periodic review of their competence;

There is no assessment process other than simple arithmetic in the determination of the NSFI.

The skills needed are basic knowledge of the operation performed in NOREXECO in relation to the market served, the expiration procedure on SHFE, the function of fx rates and use of office tools like Microsoft Excel or similar tool.

Employees working with market operations are appointed to do the collection and calculation procedure.

Annex II par 9 (b)

have in place arrangements to ensure that calculations can be made on a consistent and regular basis

The calculations take place once a month, i.e. on the expiration day of the SHFE month contract. The procedure starts after the fx rates are published by the WM/Refinitiv at 11:00 UK, 12:00 CET.

The input to, and the result of the calculations are documented and filed.

Annex II par 9 (c)

maintain continuity and succession planning in respect of its assessors in order to ensure that calculations are made consistently and by employees who possess the relevant levels of expertise; and

The resource planning for assessors are included in the regular resource management of NOREXECO. A minimum of three employees shall at all times be qualified for performing the calculations according to the specifications.

Annex II par 9 (d)

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establish internal control procedures to ensure the integrity and reliability of calculations. At a minimum, such internal controls and procedures shall require the ongoing supervision of assessors to ensure that the methodology was properly applied and procedures for internal sign-off by a supervisor prior to releasing prices for dissemination to the market.

The collection of the Final Delivery Settlement Price from SHFE and the fx rate from WM/Refinitiv are done by both manual and automated procedures. The input and the result of the calculations are compared and confirmed by two persons in writing before publication.

10 Audit trails

The administrator of a commodity benchmark shall have rules and procedures in place to document contemporaneously relevant information, including:

Annex II par 10 (a)
all input data

The input data is documented and filed.

Annex II par 10 (b)
the judgements that are made by assessors in reaching each benchmark calculation;

There is no judgement or assessment other than a verification that the input data have been correctly collected and used in the calculations.

The input data and the result of the calculations are documented and filed.

Annex II par 10 (c)
whether a calculation excluded a particular transaction which otherwise conformed to the requirements of the relevant methodology for that calculation, and the rationale for doing so;

Not relevant as there is no transaction information or other types of contributions from market participants used as input to the determination of the NSFI.

Annex II par 10 (d)
the identity of each assessor and of any other person who submitted or otherwise generated any of the information in points (a), (b) or (c).

The identity of the NOREXECO employees performing the collection of the Final Delivery Settlement Price from SHFE and the fx rate from WM/Refinitiv is documented together with the input and the result of the calculations.

There are no third party submitters or contributors that have given information to the points (a), (b) and (c) above.

11 Retention

The administrator of a commodity benchmark shall have rules and procedures in place to ensure that an audit trail of relevant information is retained for at least five years in order to document the construction of its calculations.

The relevant information, including the input, results and identity of the operators are stored for a period of at least five years.

12 Conflicts of interest I

The administrator of a commodity benchmark shall establish adequate policies and procedures for the identification, disclosure, management or mitigation and avoidance of any conflict of interest and the protection of integrity and independence of calculations. Those policies and procedures shall be reviewed and updated regularly and shall:

Annex II par 12 (a)

ensure that benchmark calculations are not influenced by the existence of, or potential for, a commercial or personal business relationship or interest between the administrator or its affiliates, its personnel, clients, any market participant or persons connected with them;

The input to the NSFI is the publicly available Final Delivery Settlement Price at SHFE and the fx rate published by WM/Refinitiv. The input values and the result of the calculations are transparent and may easily be verified by market participants.

There is no potential for manipulation or biased treatment of the input or create biased results of the calculation. NOREXECO would run a significant risk of reputation damage if the result of the calculations were not correct.

The value of the NSFI has no impact on NOREXECO's revenue or any employee's remuneration.

According to NOREXECO's Code of Conduct, the employees of NOREXECO are not allowed to have any commercial interest in the products traded on the exchange.

Annex II par 12 (b)

ensure that personal interests and business connections of the administrator's personnel are not permitted to compromise the administrator's functions, including outside employment, travel, and acceptance of entertainment, gifts and hospitality provided by the administrator's clients or other commodity market participants;

According to NOREXECO's Code of Conduct, the employees of NOREXECO are not allowed to have employment with a third party whether that party is a market participant or not.

Employees of NOREXECO shall exercise caution in accepting gifts and report gifts or proposed gifts, entertainment or hospitality exceeding EUR 100 to his/her immediate superior.

Annex II par 12 (c)

ensure, in respect of identified conflicts, appropriate segregation of functions within the administrator by way of supervision, compensation, systems access and information flows;

The methodology used for the NSFI is transparent and verifiable by market participants. There is no confidential data nor assessments involved so the collection of the input data and calculations are performed in the course of the regular operation of the exchange.

The value of each NSFI has no financial impact on NOREXECO as NOREXECO's trading fees is only volume based, not value based.

If any conflict of interest related to the performance of the methodology, this shall be reported to the management according to the general principles for handling of conflicts.

Annex II par 12 (d)

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protect the confidentiality of information submitted to or produced by the administrator, subject to the disclosure obligations of the administrator

There is no information submitted to NOREXECO from contributors. The result of the calculations is published. There is nothing to keep confidential related to the NSFI.

Annex II par 12 (e)

prohibit managers, assessors and other employees of the administrator from contributing to a benchmark calculation by way of engaging in bids, offers and trades on either a personal basis or on behalf of market participants;

There are no submissions or other input from contributors in relation to the NSFI. There is no way managers, assessors or other employees can influence the input to the NSFI as the input is collected directly from SHFE and WM/Refinitiv and verified by 4-eyes.

Norwegian law and NOREXECO Code-of-Conduct prohibits NOREXECO employees from engaging in trading in products listed on NOREXECO. Employees of NOREXECO possessing inside information in relation to commodity derivatives may neither directly nor indirectly, for their own or for third party accounts, subscribe, purchase, sell or exchange financial instruments or incite others to carry out such transactions.

Annex II par 12 (f)

effectively address any identified conflict of interest which may exist between the administrator's provision of a benchmark (including all employees who perform or otherwise participate in benchmark calculation responsibilities), and any other business of the administrator

NOREXECO is of the opinion that the methodology and the organization of the workflow in general protects against conflicts of interest between the administration of the benchmark and the operation of the exchange.

The collection of input and performing the calculations are not time-consuming or conflicting with other operational tasks.

The results of the calculation, i.e. the value of the NSFI has no impact on NOREXECO's earnings or other performance factors.

13 Conflicts of interest II

Annex II par 13

The administrator of a commodity benchmark shall ensure that its other business operations have in place appropriate procedures and mechanisms designed to minimise the likelihood that a conflict of interest will affect the integrity of benchmark calculations.

NOREXECO's other business operations are exchange operation, market service desk, market surveillance and sales&marketing.

The methodology itself protects the administration of the benchmark from influence from other business areas within NOREXECO as the inputs are from external sources, are transparent and are publicly available. Also, the calculation itself is transparent and not subject to influences from neither internal nor external sources.

NOREXECO is of the opinion that the integrity of the benchmark calculations is well protected from conflicts of interest.

14 Conflicts of interest III

The administrator of a commodity benchmark shall ensure that it has in place segregated reporting lines amongst its managers, assessors and other employees and from the managers to the administrator's most senior level management and its board to ensure

Annex II par 14 (a)

that the administrator satisfactorily implements the requirements of this Regulation;

NOREXECO has two main reporting lines: 1) from operation, including the performance of the methodology through managers to the top management and 2) from each employee to the Compliance officer which in turn have a direct line to the Board of Directors.

Given the transparent, non-confidential input to the benchmark calculations, the simple calculations and the publication of the resulting benchmark value, this structure is seen by NOREXECO to be adequate for the ongoing monitoring of compliance with the BMR regulation.

Annex II par 14 (b)

that responsibilities are clearly defined and do not conflict or cause a perception of conflict

The responsibility for the performance of the processes related to the benchmark is defined to be within the scope of the COO of NOREXECO.

The employees that participate in the collection of input and calculations are part of the operations team and under the supervision of the COO.

As there is no confidential information related to the administration of the benchmark, the procedures to collect data and do the calculations are part of the regular operation of the exchange.

There are no areas identified that may cause conflict between the management of the benchmark and the operation of the exchange.

15 Disclose of conflicts

The administrator of a commodity benchmark shall disclose to its users as soon as it becomes aware of a conflict of interest arising from the ownership of the administrator.

In the event of a conflict has arisen, or is to arise, the person(s) becoming aware of it shall immediately report to the Compliance officer. The Compliance officer shall without undue delay investigate and decide how to solve the conflict to ensure the integrity of the benchmark.

The company shall disclose to the users of the NSFI the conflict's nature, the background for it, the consequence of it and eventual mitigation steps taken.

16 Complaints

The administrator of a commodity benchmark shall have in place and publish a complaints handling policy setting out procedures for receiving, investigating and retaining records concerning complaints made about an administrator's calculation process. Such complaint mechanisms shall ensure that:

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Annex II par 16 (a)

subscribers of the benchmark may submit complaints on whether a specific benchmark calculation is representative of market value, proposed benchmark calculation changes, applications of methodology in relation to a specific benchmark calculation and other editorial decisions in relation to the benchmark calculation processes

NOREXECO is open to receive comments, proposals and complaints in respect of the NSFI, its input and calculation method.

Complaints regarding the calculated value of the NSFI on the expiration day must be submitted to and received by NOREXECO before 17:30 CET on the expiration day.

Comments and proposals may be received any time.

All complaints, comments and proposals shall be sent in writing to benchmark@norexeco.com.

Annex II par 16 (b)

there is in place a target timetable for the handling of complaints

Complaints regarding the calculated value of the NSFI on an expiration day shall be processed and decided upon within 30 minutes, latest at 18:00 CET on the same day. No correction to the NSFI will be made after 18:00 CET on the expiration day.

Complaints regarding other issues shall be confirmed as received by NOREXECO within two working days and a decision shall be made by NOREXECO within 30 days.

Annex II par 16 (c)

formal complaints made against the administrator and its personnel are investigated by that administrator in a timely and fair manner;

A formal complaint shall be handled by the Compliance officer of NOREXECO. The processing of the complaint shall at minimum consist of collection of relevant internal material including, but not limited to written and verbal communication, procedures, data and checklists. The complainant may be requested to produce supporting documents to the complaint before or during the inquiry.

Annex II par 16 (d)

the inquiry is conducted independently of any personnel who may be involved in the subject of the complaint;

In case the complaint is regarding topics in which the Compliance officer is incompetent, i.e. the Compliance officer is involved in the subject of the complaint, the CEO of NOREXECO shall appoint a competent person within or outside NOREXECO's organisation to handle the complaint.

Annex II par 16 (e)

the administrator aims to complete its investigation promptly

The investigation shall be conducted without undue delay.

Annex II par 16 (f)

the administrator advises the complainant and any other relevant parties of the outcome of the investigation in writing and within a reasonable period;

When the investigation is completed and a decision is made, NOREXECO shall inform the complainant and any other relevant parties in writing of the outcome before close of business on the seventh business day after the decision has been made.

Annex II par 16 (g)

there is recourse to an independent third party appointed by the administrator. if a complainant is dissatisfied with the way a complaint has been handled by the relevant administrator or the administrator's decision in the situation no later than six months from the time of the original complaint;

If the complainant disagrees with the way the complaint has been handled or the decision made, an appeal in writing may be filed with NOREXECO to benchmark@norexeco.com within the 14th day after the decision was sent to the complainant's address.

The appeal shall be forwarded to the independent third party, the benchmark Ombudsman appointed by NOREXECO at the time of the appeal.

The Ombudsman has until the end of the sixth month from the initial filing of the complaint to decide on the complaint and inform the complainant of the decision. The decision of the Ombudsman is final in respect of NOREXECO obligations related to the administration of the benchmark.

Annex II par 16 (h)

all documents relating to a complaint, including those submitted by the complainant as well as an administrator's own record, are retained for a minimum of five years.

NOREXECO shall keep all documents, internal as well as those submitted by the complainant on file for at least five years.

17 Disputes

Disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by the administrator of a commodity benchmark with reference to its appropriate standard procedures. If a complaint results in a change in price, the details of that change in price shall be communicated to the market as soon as possible.

The NSFI is not a daily benchmark. It is only calculated and published on the expiration day on the monthly pulp contract at SHFE,

The rules for handling complaints in relation to a published NSFI is described in section 16 above.

18 External auditor

The administrator of a commodity benchmark shall appoint an independent external auditor with appropriate experience and capability to review and report on the administrator's adherence to its stated methodology criteria and with the requirements of this Regulation. Audits shall take place annually and be published three months after each audit is completed with further interim audits carried out as appropriate.

NOREXECO has appointed KPMG AS as the external auditor.