

CUPORI OY METAL PRICING POLICY

Cupori Oy (Cupori) offers Buyers of copper products (Buyer) (both: Parties) three (3) different metal pricing options:

1. Average price (AV): Average of the unknown London Metal Exchange (The LME) cash settlement prices of an agreed month.
2. Unknown price (UN): The official LME cash settlement price of an agreed LME date.
3. Known (backpricing) (FX): The last known official LME cash settlement price.

Metal pricing is a key step in every metal delivery. It includes a commitment from Cupori to provide the agreed upon metal, and a commitment from the Buyer to receive physical delivery of the metal, as outlined in the Delivery Agreement between the two Parties. Cupori hedges all physical sales on the LME and thus acts as a broker. Cupori thus commits itself to execute a metal purchase and match the price and quantity of each physical sale to a Buyer.

A metal premium and metal surcharge are added on the LME price. The metal premium includes the metal purchase cost, administrative costs and production costs (e.g. metal loss). The metal surcharge cover metal financing cost. The metal premium depends on the pricing option 1-3 used.

Executed pricing is a commitment by both Parties to execute the Delivery Agreement due to the LME position taken by Cupori. Pricing is possible every LME day. The last pricing date is three (3) working days before delivery from Cupori, or Friday preceding the week of delivery from Cupori, at 12:00 am CET.

The LME cash settlement price is valid for price fixing deliveries within the running month + the following two (2) months. Future price fixing for deliveries after the running month + the following two (2) months is also possible after request for offer from Buyer.

Any changes by the Buyer to the already-price-fixed Delivery Agreement (e.g. preponing or postponing a delivery date, increasing or decreasing volume) will be subject to an additional charge depending on the actual change.

Changes within two (2) weeks prior to the agreed upon delivery from date from Cupori is not permitted as raw material has already been sourced and the production process has started.

The physical delivery date must be confirmed by the Buyer at least six (6) weeks prior to the price fixed delivery date. Any deviation in the physical delivery date compared with the price fixed delivery date, which leads to a negative hedging impact for Cupori, must be compensated by the Buyer. A physical delivery date confirmation later than the price fixation date means capacity is not guaranteed. If the delivery date needs to be postponed due to capacity the Buyer will be charged accordingly for that postponement.

Any priced LME position will be closed by Cupori after the 5th month following the running month. Closing of an LME position causes Cupori a risk of a financial loss. Any loss occurred to Cupori when closing an LME position due to non-execution by the Buyer of the priced Delivery Agreement Cupori will be compensated in full, by the Buyer.

The conditions of the Metal pricing policy complements Cupori General Conditions of Sales.

