



Shanghai Ganglian E-Commerce Holdings Co., Ltd's 2021 Annual Compliance Statements for the Iron Ore Price Index Based on the IOSCO Principles for Financial Benchmarks

23rd May 2022

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Section I Disclaimer and Scope

1. Disclaimer

Shanghai Ganglian E-Commerce Holdings Co., Ltd's (hereinafter referred to as "Mysteel") is committed to complying with IOSCO Principles for Financial Benchmarks (hereinafter referred to as "principles"). Throughout 2021, Mysteel has focused on improving the internal systems and processes in order to provide the highest standards of IOSCO compliance for the Steel indices it administers. Mysteel is committed to the continuous improvement of the indices across the business for all of the Principles.

Redistribution, reproduction and/or photocopying in whole or in part of this report are prohibited without written permission. All information provided by Mysteel is impersonal and not tailored to the needs of any individual, entity or group of persons. The past performance of an index is not a guarantee of future results. These materials have been prepared solely for informational purposes.

The content is provided on an 'as is' basis. In no event shall Mysteel be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the indices. Mysteel and its respective employees, affiliates and partners hereby exclude, to the extent permitted by applicable law, all liability in connection with the use of this document.

2. Scope

The Mysteel Iron Ore Price Indices (hereinafter referred to as 'MIODEX') evaluated in this report reflects the price benchmark prepared by Mysteel in the international trade of Iron Ore, and it reflects the trading prices between mines, traders and steel mills in the forward spot market and port spot market of Iron Ore. The index includes SEADEx and PORTDEX under 17 Chinese Ports.

Mysteel Seaborne Iron Ore Indices

The Mysteel Seaborne Iron Ore Indices (SEADEx) represent tradable fixed prices among miners, traders and steel mills in the market of Seaborne Iron Ore. Submissions are based on vessels of Iron Ore that have not yet arrived at their destination of sale. The submissions used in the calculation of these indices include miners' tenders, transactions from the main Iron Ore trading platforms, private negotiations, and transactions, bids/offers between traders and steel mills. The unit of the index is USD per dry metric tonne (\$/dmt). The smallest price volatility range is \$0.05/dmt.

Mysteel Seaborne Iron Ore Premium Indices

The Mysteel Seaborne Iron Ore Premium Indices represents the transactions, bids and offers among miners, traders and steel mills for certain premium products, and especially the transactions, bids/offers for lump and pellet products. The unit of the lump premium index in USD per dry metric tonne unit, with the smallest price volatility range being \$0.001/dmt. The unit of the premium index in USD per dry metric tonne unit, with the smallest price volatility range being \$0.05/dmt.

Mysteel Seaborne Iron Ore Brand Prices

The Mysteel Seaborne Iron Ore Brand Prices Indices mainly represents the transactions, bids/offers among miners, traders and steel mills for certain premium products, and especially the transactions, bids/offers for different Iron Ore products. The unit of the index is USD per dry metric tonne unit, with the smallest price volatility range being \$0.05/dmt.

Mysteel Floating Iron Ore Brand Premium Indices

The Mysteel Floating Iron Ore Brand Premium Indices mainly represent the floating price transactions, bids and offers among miners, traders and steel mills for various products' floating prices. The unit of the index is USD per dry metric ton unit, with the smallest price volatility range being \$0.05/dmt.

Mysteel Iron Ore Portside Price Indices

Mysteel Iron Ore Portside Price Indices (PORTDEX) reflect the prices of the spot cargos in Chinese ports in RMB. They represent the tradable prices between domestic and international traders and mills. Mysteel publishes the Iron Ore Portside Indices for 8 Chinese ports, namely, Qingdao Port, Rizhao Port, Lianyungang Port, Caofeidian Port, Jingtang Port, Tianjin Port, Zhenjiang Port, and Fangcheng Port. The samples include transactions from spot tenders by steel mills, main Iron Ore trading platforms, and transactions, bids/offers between traders and steel mills. The unit of the indices and brand prices is RMB 1 Yuan/wet tonne (Free on Truck), with the minimum trading volume of 3,000 tonnes.

Mysteel Iron Ore Portside Brand Prices

Mysteel also released daily market prices for 17 ports, including Northeast ports: Bayu Port and Dalian Port; North China ports: Tianjin Port, Huanghua Port, Jingtang Port and Caofeidian Port; East China ports: Qingdao Port, Rizhao Port, Lianshan Port, Lanqiao Port and Lianyungang Port; Jiangnei ports: Taicang Port, Jiangyin Port, Zhenjiang Port and Beilun Port; South China: Fangcheng Port and Zhanjiang Port. The index and brand price unit is RMB 1 Yuan/wet ton (Free on Truck), with the minimum trading volume is 3,000 tons.

Mysteel Domestic Iron Ore Concentrate Indices

Mysteel Domestic Concentrates Iron Ore Indices (DOMEDEX) represent a tradable fixed price among miners, traders and steel mills in the Iron Ore domestic market. Submissions used in the calculation of these indices include miners' tenders, transactions from the main private negotiations, and transactions, bids and offers between traders and steel mills. The unit of the indices is RMB per dry metric tonne (yuan/dmt). The smallest price volatility range is Yuan 1/dmt. The smallest volume is 1000 tonnes.

In total, 56 Iron Ore Indices are included in the assurance of the compliance for the IOSCO Principles by December 31st, 2021, 2 new added indices compared to 2020. We listed them below:

No.	Benchmark	Symbol	Index Category
1	Seadex-62% Australian fines	IOMS001	Mysteel Seaborne Iron Ore Indices (Denominated in USD)
2	Seadex-62% low alumina fines	IOMS002	
3	Seadex-58% Australian fines	IOMS003	
4	Seadex-65% Brazilian fines	IOMS004	
5	Indian pellet forward spot price index	IOMS005	
6	Seadex-58% Indian fines	IOMS006	
7	Indian pellet premium index	IOMS007	Mysteel Seaborne Iron Ore Premium Indices (Denominated in USD)
8	Mysteel SEADEx 62.5% Lump Premium Index	IOMS008	
9	Mysteel SEADEx 63% Pellet Premium Index	IOMS009	
10	Mysteel SEADEx 65% Pellet Premium Index	IOMS010	
11	Mysteel SEADEx Pilbara Blend Fines Price	IOMS011	

No.	Benchmark	Symbol	Index Category
12	Mysteel SEADEx Newman High Grade Fines Price	IOMS012	Mysteel Seaborne Iron Ore Brand Prices (Denominated in USD)
13	Mysteel SEADEx Jimblebar Blend Fines Price	IOMS013	
14	Mysteel SEADEx Mac Fines Price	IOMS014	
15	Mysteel SEADEx Brazilian Blend Fines Price	IOMS015	
16	Mysteel SEADEx Crajas Fines Price	IOMS016	
17	Mysteel SEADEx Super Special Fines Price	IOMS017	
18	Mysteel SEADEx FMG Blend Fines Price	IOMS018	
19	Mysteel SEADEx Pilbara Blend Lump Price	IOMS019	
20	Mysteel SEADEx Newman Blend Lump Price	IOMS020	
21	Mysteel SEADEx Yandi Fines Price	IOMS021	
22	Mysteel SEADEx Robe Valley Fines Price	IOMS022	
23	Mysteel SEADEx 65% Ukrainian concentrate price	IOMS023	
24	Mysteel SEADEx 66% Ukrainian concentrate price	IOMS024	
25	Mysteel SEADEx 65% Ukrainian Pellets Price	IOMS025	
26	Mysteel SEADEx 63% Ukrainian Pellets Price	IOMS026	
27	Mysteel SEADEx Pilbara Blend Fines Premium Index	IOMS027	Mysteel Floating Iron Ore Brand Premium Indices (Denominated in USD)
28	Mysteel SEADEx Newman High Grade Fines Premium Index	IOMS028	
29	Mysteel SEADEx MAC Fines Premium Index	IOMS029	
30	Mysteel SEADEx Jimblebar Blend Fines Premium Index	IOMS030	
31	Mysteel SEADEx Yandi Fines Premium Index	IOMS031	
32	Mysteel SEADEx Brazilian Blend Fines Premium Index	IOMS032	
33	Mysteel SEADEx Carajas Fines Premium Index	IOMS033	
34	Mysteel PORTDEX 62% Australian Fines Portside Index	IOMP001	Mysteel Iron Ore Portside Price Indices (Denominated in RMB)
35	Mysteel PORTDEX 65% Brazilian Fines Portside Index	IOMP002	
36	Mysteel PORTDEX 58% Australian Fines Portside Index	IOMP003	
37	Mysteel PORTDEX Lump Ore Premium Index (New added)	IOMP004	
38	Mysteel PORTDEX 61% Iron Ore Portside Index (New added)	IOMP005	

No.	Benchmark	Symbol	Index Category
39	Mysteel PORTDEX Pilbara Blend Fines Price	IOMP006	Mysteel Iron Ore Portside Brand Prices (Denominated in RMB)
40	Mysteel PORTDEX Newman High Grade Fines Price	IOMP007	
41	Mysteel PORTDEX Jimblebar Blend Fines Price	IOMP008	
42	Mysteel PORTDEX Mac Fines Price	IOMP009	
43	Mysteel PORTDEX Brazilian Blend Fines Price	IOMP010	
44	Mysteel PORTDEX Crajas Fines Price	IOMP011	
45	Mysteel PORTDEX Super Special Fines Price	IOMP012	
46	Mysteel PORTDEX FMG Blend Fines Price	IOMP013	
47	Mysteel PORTDEX Pilbara Blend Lump Price	IOMP014	
48	Mysteel PORTDEX Newman Blend Lump Price	IOMP015	
49	Mysteel PORTDEX Yandi Fines Price	IOMP016	
50	Mysteel PORTDEX Robe Valley Fines Price	IOMP017	
51	Mysteel PORTDEX Royhill Fines Price	IOMP018	
52	Mysteel PORTDEX Royhill Lumps Price	IOMP019	
53	Mysteel PORTDEX Karara Concentrates Price	IOMP020	
54	Mysteel PORTDEX IOC6 Fines Price	IOMP021	
55	Mysteel DOMDEX 65% Concentrates in Huoqiu		Mysteel Domestic Iron Ore Concentrate Index
56	Mysteel DOMDEX 66% Concentrates in Tangshan		

Section II Management's Statement

We confirm that we have designed and implemented specific activities (the 'Relevant Activities') to adhere to the 'Principles for Financial Benchmarks' (the 'Principles') published by the International Organization of Securities Commissions.

In our attached report, we set out a description of the relevant frameworks and control procedures together with the related control objectives which are operated by Shanghai Ganglian E-Commerce Holdings Co., Ltd (Mysteel). We confirm and commit that:

- (1) The description of the report is fair and objective. Details of the IOSCO Principles for Financial Benchmarks together with the Relevant Activities in Section VI of the Report have been implemented by Mysteel with the identified exception in the operation of Relevant Activities listed in Section III of the Report;
- (2) Mysteel has designed complete control procedures based on IOSCO principles. The strict implementation of these procedures will enable Mysteel's benchmark operation to meet a series of target requirements including IOSCO principles.
- (3) In 2022, we will continue to improve our control procedures to ensure robust and transparent benchmarking. Mysteel will run all control procedures with sufficient effectiveness to achieve control objectives.

Our management is and shall be, responsible for the Statement and the design and operation of the Relevant Activities referred to in the first paragraph above. Specifically, management is responsible for establishing appropriate internal controls to ensure continued compliance with the Statement.



Signed on behalf of Shanghai Ganglian E-Commerce Holdings Co., Ltd (Mysteel)

Zhu Junhong, Chairman

23rd May 2022

Section III Identified Exceptions

This section describes the exceptions identified by Deloitte Touche Tohmatsu Certified Public Accountants LLP (referred as 'Deloitte' or 'we') in Deloitte's assurance for the period January 1st, 2021 to December 31st, 2021 in respect of Mysteel compliance with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks (July 2013). The specific contents include 'Principles Reference', and 'Identified Exceptions and Mysteel's Response'. In the 'Identified Exceptions and Mysteel's Response' column, Deloitte describes the discovery and explanation of the exceptions by comparing the IOSCO financial benchmark principle with the current situation of Mysteel. At the same time, Mysteel states its mitigation or improvement measures for exceptions in the Mysteel's Response section.

No.	Principles Reference	Identified Exceptions and Mysteel's Response
1	<p>Principle 18 – Audit Trail 18.1 Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</p> <p>(a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p> <p>(b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p> <p>(c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p> <p>(d) The identity of each person involved in producing a Benchmark determination; and</p> <p>(e) Any queries and responses relating to data inputs.</p>	<p>Identified Exceptions: During our review, we has noted the following exceptions:</p> <p>Mysteel kept index calculation sheets, which contain the input data used and the index calculation process. However, Mysteel did not store all submitted data and input information that some index decisions depend on, including the data submitted through e-mail, WeChat (individual and commercial), and other channels or other information, on the internal secure cloud disk of Mysteel. This is not convenient for audit work to trace and check the accuracy and integrity of original data.</p> <p>(a.1) Internet instant messaging tools (such as WeChat) are channels for Mysteel to collect market data and information. However, Mysteel fails to completely download and store the communication records between Index Team members and the submitter by month. So far, only the WeChat communication records of some dates in 2021 were captured and uploaded to the cloud disk for backup, while a large number of records were still stored in the chat records of WeChat software itself, not uploaded to the cloud disk for backup. Therefore, it is difficult to ensure that all submitted information used for the index calculation can be traced back to the original records, which does not meet the requirements of 'Record-Keeping' in the Methodologies.</p> <p>Although WeChat has its own historical data storage function, it has limited flexibility in searching and formatting. Mysteel has not yet used the technical solutions available in the current market to convert WeChat conversation records into a long-term retained, searchable format and keep the data in a safe location for at least 5 years;</p> <p>(a.2) All data and communication records collected by Mysteel through e-mails are currently stored in the mailbox, while not downloaded and saved to the cloud disk for backup on a regular basis. Once any unexpected situation occurs to the</p>

		<p>mailbox, including login or email service problems, it is difficult to ensure that all submitted information used for the index calculation can be traced back to the original records. This does not meet the relevant requirements of "record keeping" in the methodologies.</p> <p>Mysteel's records of the information listed above are kept for less than five years.</p> <p>Mysteel's Response: Mysteel will continue to implement the record keeping of relevant information in accordance with the requirements of the IOSCO trail principles. In 2018, Iron Ore team started to keep records according to Principle 18 of IOSCO requirement, which have now been kept for 4 years. In the future, Mysteel will continue to implement the requirements of the IOSCO principles to properly manage and keep the relevant information to achieve records traceability.</p>
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Section IV Independent Assurance Report

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO SHANGHAI GANGLIAN E-COMMERCE HOLDINGS CO., LTD (HEREAFTER 'MYSTEEL') IN RESPECT OF THE MYSTEEL'S RESPONSES TO THE IOSCO PRINCIPLES FOR FINANCIAL BENCHMARKS FR07/13

Deloitte's Engagement in the Assurance and Report Use

Deloitte Touche Tohmatsu Certified Public Accountants LLP (hereafter 'Deloitte' or 'we') has been engaged to perform testing procedures and carried out a limited assurance in accordance with our terms of reference as for our engagement in the process of assurance. Our assurance report is made solely for the use of the directors, as a body, of Mysteel, and solely for the purpose of reporting on the internal controls of Mysteel, in accordance with the terms of our engagement in the process of assurance. Our limited assurance engagement focused on Mysteel's consolidated control policies and procedures disclosed in Section VI of this report for 2021.

We have fully performed our profession and responsibilities through the process of assurance. Our assurance does not contain any assessments related to the quality of service provided by Mysteel or whether the service meets the requirements of Mysteel's customers. Meanwhile, any verbal responses provided by the Deloitte are also subject to the confidentiality restrictions of our terms of reference as the independent practitioner of this assurance. However, we do not assume any obligation or responsibility (including but not limited to the negligence) related to such verbal responses.

Without Deloitte's written permission, our assurance report is not allowed to be used or edited, in any circumstances. In addition to the internal use of our assurance report, if Mysteel intends to disclose or reproduce this assurance report in whole or in part in any forms (including electronic format or other media), or in addition to citing the name of the Deloitte in any documents (including electronic formats other than internal reports, articles, communications or other media), Mysteel should:

- (i) Provide and submit a draft of the documents which Mysteel intends to publish to Deloitte;
- (ii) Obtain written permission from Deloitte to publish, before publishing, copying or referring relevant information mentioned above.

Our assurance report is not allowed to be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances. We agree that with Deloitte's written permission, Mysteel shall provide a copy of the report to its stakeholders to read-only if it is necessary to understand, provided that relevant stakeholders agree not to disclose, present, copy, distribute or provide information covered in this report to any other party without getting the written permission from Deloitte.

We agree to provide a copy of the report to the user entity (or 'user unit') of Mysteel to read-only with Deloitte's written permission. The user entity shall abide by and agree not to disclose, edit or re-edit our assurance report in whole or in part without getting the written permission from Deloitte. In addition, the user entity cannot provide our assurance report in whole or in part to any other party. We do not assume any responsibility or obligation to the user entity.

For any disclosure mentioned as the above, it is required to get Deloitte's written permission as a necessary condition.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mysteel for our work, for this report or for the limited conclusions we have performed.

Our Approach

Through the whole process of our engagement in the assurance, we complied with International Standard on Assurance Engagement (ISAE) 3000 (Revised). Our criteria against which the control policies and procedures were evaluated are the internal control objectives as set out in the ISAE 3000 (Revised). We applied two approaches through our assessments, including:

- (i) **Approach I**
Our assessments are based upon obtaining copies of policies for control procedures as described in the Mysteel's Approach to implementation of the IOSCO Principles for Financial Benchmarks of Section I of this report, and reviewing and evaluating these policies for control procedures to some extent so as to form our conclusions for Policy Review (PR) in the Deloitte's assessments of Section VI of this report;
- (ii) **Approach II**
With the purpose of inspecting evidence about Mysteel's effective implementation of control procedures, we also conducted our assessments by obtaining and testing samples of specific control procedures to form our conclusions for Process and Implementation Check (PIC) in the Deloitte's assessments in Section V of this report. Samples we obtained include working files, meeting notes, training documents, the sample of data and so on, which are clearly indicated and detailed in Deloitte's assessments for Section VI of this report.

The nature, timing, and extent of the procedures we applied and the criteria against which we conducted our assessments on Mysteel's control procedures are also detailed in Section VI of this report.

Inherent Limitations

Based on our research, the objective of IOSCO Principles is to create an efficient and general framework of Principles that apply to various financial markets. IOSCO Principles are generally for the financial benchmarks and mostly do not specify the requirements at an industry level. Some of the Principles may not accommodate certain features of the Iron Ore industry practice subject to our assurance, such as range and average price indicated in Principle 9. For this case, we conducted an investigation to a certain extent on the Iron Ore market and observed that for range and average price indicated in Principle 9, compliance with this specific IOSCO Principles for Iron Ore Index assessments is constrained by the industry-inherent characteristics of Iron Ore market.

Our consideration for testing the validity and reliability of the financial benchmarks depends on below two types of information:

- (i) Inputs submitted to Mysteel Index Administrator, for which their submitters are solely responsible;
- (ii) Control Procedures conducted by the Mysteel Index Administrator to analyze information mentioned above.

This report is made for the assurance subject to Mysteel, therefore submitters of information mentioned as above are not subject to the IOSCO Principles and we have no rights for commenting on the source data submitted by these parties, except for the situation where inputs are submitted by internal resources of the Mysteel. To fully perform our responsibilities as the practitioner of assurance, we reviewed not only Mysteel's control policies and procedures over their internal systems but also those on their interactions with external resources so as to check the compliance with each principle to some extent.

With the respect of inherent limitations, the serious mistake caused by errors, frauds, collusion, or management override, would be unable to detect during our assurance. At the same time, the prediction of future control assessment also has an inadequate control risk due to the change of conditions, or the deterioration of policies/procedures compliance. Our assurance cannot detect the above situation. As we mentioned above, our conclusion is based on the historical information collected in 2021. Therefore, we are not responsible for and do not recommend to create any projection based on information and conclusions in this report to any future periods.

The Basis for Qualified Opinion

Our basis for the qualified opinion is specifically associated with exceptions indicated in Section III of this report. Based on our review and testing, through the implementation of control procedures, exceptions indicated in Section III of this report have not been operated by the Mysteel to a certain extent that the IOSCO Principles required in 2021. However, we noticed that Mysteel is working on designing some specific procedures as mitigation measures corresponding to these exceptions.

Limited Assurance Conclusion

Based on the results of our conducted procedures, nothing has come to our attention to indicate that Mysteel's responses to Principles in section VI in 2021 are not fairly stated in all materials respects.

Deloitte Touche Tohmatsu Certified Public Accountants LLP
China

23rd May 2022



Section V Updated/New Control Measures for Assurance Period

No.	Subject	Description	Description of Updated or New Control Measures ¹	Nature		Impact on Compliance		
				Upda. ²	New	Posi. ³	Nega. ⁴	Neut. ⁵
1	Traceability of price updates	Timely report to IMC once index updated and the reporting emails are copied to leave a trace.	<p>Related Description: Before 2021, some of the new and deleted indices of Iron Ore were not sent to IMC members by email in the first place. After rectification, the information of new indices of Iron Ore in 2021 (no indices deleted within the scope of IOSCO principles authentication in this year) were sent to IMC by email in the first place and a trace was left.</p> <p>Compliance Impact: It facilitates compliance with IOSCO Principle 10 "When a benchmark is materially revised, the benchmark administrator shall issue a review report on the revision of the benchmark or make the review report on the revision of the benchmark available for review, which shall include the reasons for the revision. It is convenient for the members of the Index Management Committee to further understand the changes in the price release</p>	√		√		

¹ The change control measures are divided into two types: renewal control measures and new control measures. Compared with the time point on 30, 2021, the updated control measures are changes to the existing control measures, and the new control measures are increased on the basis of the existing control measures.

² Update

³ Positive

⁴ Negative

⁵ Neutral

No.	Subject	Description	Description of Updated or New Control Measures ¹	Nature		Impact on Compliance		
				Upda. ²	New	Posi. ³	Nega. ⁴	Neut. ⁵
			and to make relevant comments and suggestions at the first time.					
2	Price collection method	A new price collection method has been added.	<p>Related Description: In addition to phone calls and emails, price collection before 2021 was carried out on the private WeChat of data collectors. From the second half of 2021, enterprise WeChat have been used for internal communication and data collection.</p> <p>Compliance Impact: It facilitates compliance with IOSCO Principle 18.1 "Based on the corresponding national legal or regulatory requirements, managers shall retain all their written records for at least five years". The storage time of enterprise WeChat is longer, and there will be no situation where the price collection record disappears after the departure of the staff, which is more convenient for the price trace work.</p>		√	√		
3	Price collection method	New price entry system	<p>Related Description: Before 2021, the price entry of the RMB index was carried out on the third-party system. From 2021, these steps have all been moved to the company's newly developed internal system; the domestic mine price entry was carried out on the Partner Cloud this year while the IT department is developing the internal system simultaneously.</p> <p>Compliance Impact:</p>		√	√		

No.	Subject	Description	Description of Updated or New Control Measures ¹	Nature		Impact on Compliance		
				Upda. ²	New	Posi. ³	Nega. ⁴	Neut. ⁵
			It facilitates compliance with IOSCO Principle 15 "When a manager collects data from any external resource, the manager shall ensure that appropriate internal controls are in place over the process of data collection and transmission". Moreover, the use of internal systems guarantees the confidentiality and security of some confidential data.					

Section VI Principles and Responses

Types of Approaches	Description
Policy Review (PR)	For Policy Review (PR) detailed below, Deloitte checked and reviewed the content of Mysteel's control policies corresponding to the IOSCO Principles from January 1 st , 2021, to December 31 st , 2021.
Process and Implementation Check (PIC)	For Process and Implementation Check (PIC) detailed as the below, Deloitte obtained samples or investigated daily process and operation of Mysteel's control procedures and relevant activities corresponding to the IOSCO Principles from January 1 st , 2021 to December 31 st , 2021.

In addition, Deloitte Touche Tohmatsu Certified Public Accountants LLP conducted the following types of tests to determine whether Mysteel effectively implemented the control measures based on the IOSCO financial benchmark Principles from January 1st, 2021, to December 31st, 2021.

Types of Tests	Description
Inquiry	Conducted detailed interviews with relevant personnel to obtain evidence that the control was in operation during the reporting period and is accompanied by other procedures noted below that are necessary to corroborate the information derived from the inquiry.
On-Site Observation	During the whole assurance period, the implementation of relevant control measures was observed and inspected on-site to prove the effective implementation of relevant special control activities.
Examination of Documentation / Inspection	If the performance of the control is documented, inspected documents and reports indicating the performance of the control.
Re-performance the Calculation	The input test case, manually calculated expected results and compared actual results of processing to expectations.

We interviewed key members of the Mysteel Index Management Committee, the Head of Compliance, and the Head and Members of the Iron Ore Index Team.

According to the frequency of control implementation, we take samples to check whether the control measures in internal monitoring, methodology change, compliance training, audit file preservation and salary independence of the Index Management Committee are effectively implemented; we take samples of index calculation data for recalculation and check the accuracy of index preparation. The sample is used as the supporting document for our assessment.

Principle 1 - Overall Responsibility of the Administrator

IOSCO Principle 1	Mysteel's Response	Deloitte's Assessment
<p>The Administrator should retain primary responsibility for all aspects of the Benchmark determination process.</p> <p>For example, this includes:</p> <p>1.a Development: The definition of the Benchmark and Benchmark Methodology;</p> <p>1.b Determination and Dissemination: Accurate and timely compilation and publication and distribution of the Benchmark;</p>	<p><u>Context</u></p> <p>Mysteel is primarily responsible for all aspects of the benchmarking process, and detailed responsibilities including benchmark definition, decision-making and communication, operations, governance of the methodology.</p> <p><u>Relevant Activities</u></p> <p>1.a: Mysteel's external and internal iron ore index methodologies (including seaborne, portside, and domestic) explains in detail the definition of Iron Ore price index, the content of the benchmark, data collection, sample collection, index calculation, index publish and internal and external supervision, etc.. The methodology has undergone a maintenance update this year, adding the description of the new indices.</p>	<p>We observed that Mysteel, as the administrator of Mysteel Iron Ore Index, retains primary responsibilities for all respects of the benchmark determination process.</p>

Principle 1 - Overall Responsibility of the Administrator

IOSCO Principle 1	Mysteel's Response	Deloitte's Assessment
1.c Operation: Ensuring appropriate transparency over significant decisions affecting the compilation of the Benchmark and any related determination process, including contingency measures in the event of the absence of or insufficient inputs, market stress or disruption, failure of critical infrastructure, or other relevant factors; and	1.b: Mysteel clearly defines the index compilation, dissemination and promotion process in the index calculation policy and index methodology, including internal and external methodology (including seaborne, portside, domestic Iron Ore).	<p><u>Policy Review</u></p> <p>For 1.a, we obtained the latest published methodology of Iron Ore Price Index⁶, published methodology of Domestic Ore Price Index⁷, internal methodology of Forward Spot Price Index⁸, internal methodology of Portside Spot Price Index⁹, internal methodology of Domestic Ore Price Index¹⁰. In these documents, definitions of relevant benchmarks are clearly described in the two published methodologies, and the methodology of benchmarks is also introduced in details in the internal Iron Ore Index methodologies.</p>

⁶ The published Iron Ore Price Index Methodology, namely Mysteel Iron Ore Price Index Methodology, is an external Methodology of Iron Ore Price Index, including Forward Spot Price Index and Portside Spot Price Index external methodology.

⁷ The published Domestic Ore Price Index Methodology, namely Mysteel Domestic Ore Price Index Methodology, is an external methodology of Domestic Ore Index.

⁸ The internal methodology of Forward Spot Price Index is the internal manual of Mysteel Iron Ore Forward Spot Price Index.

⁹ The internal methodology of Portside Spot Price Index is the internal manual of Mysteel Iron Ore Portside Spot Price Index.

¹⁰ The internal methodology of Domestic Ore Price Index is the internal manual of Mysteel Domestic Ore Price Index.

Principle 1 - Overall Responsibility of the Administrator

IOSCO Principle 1	Mysteel's Response	Deloitte's Assessment
<p>1.d Governance: Establishing credible and transparent governance, oversight and accountability procedures for the Benchmark determination process, including an identifiable oversight function accountable for the development, issuance, and operation of the Benchmark.</p>	<p>Mysteel will now, as always, publish the Mysteel index through the Mysteel Chinese and English website, Mysteel Chinese and English index daily newspaper and mobile app after the sample collection and calculation are completed every working day, and have a traceable release time. At the same time, the record keeping file on the shared disk of the Mysteel index team also records the release time of the corresponding index. The release time this year has not changed and is following the standard. The methodologies will be continuously updated in 2021. (Only the latest version is displayed on the website)</p>	<p>We obtained the latest published internal methodology of Portside Spot Price Index, which introduces in detail the complete process of Portside Spot Price Index formulation, as well as the accurate and timely compilation, release and disclosure of Portside Spot Price Index.</p>

Principle 1 - Overall Responsibility of the Administrator

IOSCO Principle 1	Mysteel's Response	Deloitte's Assessment
	<p>1.c: The Mysteel extreme event management policy enumerates inadequate management data input, market pressure or market disruption, other important infrastructure failures or any other emergency situations. At the same time, Mysteel's internal methodology also clearly instructs the analysts responsible for index compilation how to respond to each extreme situation. In the external methodology, Mysteel also provides a detailed flow chart for index calculation under market pressure. A detailed introduction to the corresponding situation can also be found in the index training document. In 2021, there were no extreme events that met our definition. The Mysteel Iron Ore team operated in accordance with the compiled situation table in the case of poor market liquidity.</p>	<p>For 1.b, we reviewed that Mysteel has detailed policies on the implementation of compilation, publication, and distribution of the benchmark in the published Iron Ore Index Methodology. In addition, we have obtained the internal working manual of the Portside Spot Price Index, which details the complete process of Portside Spot Price Index development, as well as the accurate and timely preparation, release and publicity of the Portside Spot Price Index.</p> <p>For 1.c, we obtained a copy of the Managing Extreme Events Policy. We reviewed that in the Managing Extreme Events Policy, Mysteel clearly defines extreme events (including the absence of or insufficient inputs, market stress or disruption, and breakdown of critical infrastructure), and introduces corresponding procedures for dealing with extreme events and policies of publishing announcements to the market.</p>

Principle 1 - Overall Responsibility of the Administrator

IOSCO Principle 1	Mysteel's Response	Deloitte's Assessment
	<p>1.d: Mysteel has established an index management committee in the past and continues to operate. The members of this committee are composed of senior managers or senior analysts from various departments of the company. They are not directly involved in the daily management of any index, and they in the quarterly index management committee meeting to understand and monitor the progress of the index and feedback. The team will meet at least once a quarter to oversee the operation of the index team. The four index management committees in 2021 are all held as scheduled. At the same time, the head of the Iron Ore index team will conduct daily management and supervision of the team. At the beginning of 2021, the city was closed due to the epidemic, but it has not affected the daily calculation of the index for the time being.</p>	<p>For 1.d, we obtained a copy of the Control Framework for Index and Benchmark Administration. We reviewed that in the Control Framework for Index and Benchmark Administration, Mysteel clearly describes its oversight function, which includes the Index Management Committee, External Advisory Group, and their corresponding responsibilities.</p> <p><u>Process and Implementation Check</u></p> <p>For 1.b, we reviewed the process by which Mysteel prepared, published and made public its benchmarks. Samples of documents published were taken. We obtained the index calculation table and the benchmark release time on the official website of Mysteel. We obtained 28 samples of Mysteel user records and benchmark release schedule by systematic sampling method, and focused on the important festivals (Spring Festival, National Day and Christmas Eve) in China and abroad. We have observed that the preparation, release, and publication of Mysteel indices are accurate and timely.</p>

Principle 2 – Oversight of Third Parties

IOSCO Principle 2	Mysteel's Response	Deloitte's Assessment
<p>Where activities relating to the Benchmark determination process are undertaken by third parties - for example, collection of inputs, publication or where a third party acts as Calculation Agent - the Administrator should maintain appropriate oversight of such third parties. The Administrator (and its oversight function) should consider adopting policies and procedures that:</p> <p>2.a Clearly define and substantiate through appropriate written arrangements the roles and obligations of third parties who participate in the Benchmark determination process, as well as the standards the Administrator expects these third parties to comply with;</p> <p>2.b Monitor third parties' compliance with the standards set out by the Administrator;</p>	<p><u>Context</u></p> <p>Mysteel is aware and has always understood that when any benchmarking process is undertaken by a third party, Mysteel will maintain proper supervision of these third parties and adopt appropriate policies and procedures to manage such third parties. But so far, no third party has participated in the determination process of the Mysteel index. Mysteel has also formulated corresponding third-party management policies in accordance with IOSCO principles for third parties that may appear in the future to ensure the fairness of index operation.</p>	<p><u>Policy Review</u></p> <p>We obtained a copy of the Third-Party Management Policy, and observed that for any activities relating to the benchmark determination process are undertaken by third-parties, Mysteel will supervise and monitor through the whole process and make sure that third parties will conduct related activities based on Third Party Management Policy and corresponding standards.</p> <p>For 2.a, we have obtained Third-Party Management Policy, which clearly specifies the management methods for the third-party participating in or responsible for any process of determining the Mysteel Iron Ore Index, such as data collection, index calculation. The policy also sets out standards or guidelines that Mysteel expects third-parties to adhere to, including:</p> <ul style="list-style-type: none"> • Good reputation • Clear strategies and objectives, including service concept, quality initiative and efficiency • Experienced talents in implementing and monitoring indices • The existing infrastructure and systems can meet the needs of third-party responsibilities • Strict internal control, system and data security and privacy protection • Solid internal training (skills, compliance, etc.) mechanism • Adequate internal and external audit policies

Principle 2 – Oversight of Third Parties

IOSCO Principle 2	Mysteel's Response	Deloitte's Assessment
<p>2.c Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of third parties who participate in the Benchmark determination process; and</p> <p>2.d Take reasonable steps, including contingency plans, to avoid undue operational risk related to the participation of third parties in the Benchmark determination process.</p> <p>This Principle does not apply in relation to a third party from whom an Administrator sources data if that third party is a Regulated Market or Exchange.</p>	<p><u>Relevant Activities</u></p> <p>2.a: Currently Mysteel does not have any third-party participation in the index determination. Taking into account the possible participation of third parties in the future, Mysteel has formulated a special policy and clearly stipulated the management methods for any third party participating in or responsible for any Mysteel Iron Ore index determination process, such as data collection, index calculation, and The policy also stipulates the standards or guidelines that Mysteel expects third parties to comply with, such as a solid business reputation and experience requirements in implementing relevant benchmark procedures to ensure that the operation of the index can ensure fairness in the event of a third party.</p>	<p>For 2.b, we have obtained the Third-Party Management Policy, which clearly describes that Mysteel will regularly supervise the third-parties to check whether they meet the standards set by Mysteel, including experienced personnel, infrastructure, strict internal control system, high- quality and regular internal training mechanism and appropriate internal and external audit policies.</p> <p>For 2.c, we observed the index determination process on-site and took index calculation samples to recalculate the index decision-making process. The Iron Ore Index decision-making process was participated by members of the Mysteel Iron Index Team, not involving the participation of third-parties. In the event of third-party involvement in the future, Mysteel undertakes to disclose to stakeholders and any relevant regulators the identity and role of third-parties involved in the benchmark decision-making process.</p>

Principle 2 – Oversight of Third Parties

IOSCO Principle 2	Mysteel's Response	Deloitte's Assessment
	<p>2.b: There is no third party participating in index determination in the current operation of Mystee Index. To prepare for third-party participation and avoid risks that may arise in the future, Mysteel has developed a special Third-party management policy. If there is a third party to participate in the determination of the index in the future, Mysteel will regularly monitor the third party to check whether they meet the standards set by Mysteel. The requirements include experienced personnel, infrastructure, and a strict internal control system. High-quality and regular internal training mechanisms and appropriate internal and external audit policies.</p>	<p>For 2.d, we have obtained the Third-Party Management Policy, which clearly describes the emergency plan of Mysteel monitoring the third-party. At present, Mysteel does not employ a third-party in any index determination process, and there is no need to start the emergency plan.</p>

Principle 2 – Oversight of Third Parties

IOSCO Principle 2	Mysteel's Response	Deloitte's Assessment
	<p>2.c: Mysteel currently does not involve the participation of third parties in any index determination process. As stated in the current Mysteel third-party management policy, if any third party participates in the index determination process in the future, Mysteel will promptly provide all stakeholders and relevant regulatory agencies (not applicable at this time) with the identity of the third party participating in the benchmark determination process And the specific role, but the index determination process for the whole year of 2021 did not involve a third party.</p>	

Principle 2 – Oversight of Third Parties

IOSCO Principle 2	Mysteel's Response	Deloitte's Assessment
	<p>2.d: Mysteel currently does not employ any third party in any index determination process. If any third party participates in the index determination process in the future, Mysteel has formulated a contingency plan and possible situation to monitor the third party in the supervision section of the Mysteel third-party management policy. Mysteel has prepared for the possibility of third-party participation. If the company hires a third party, new problems may arise. Under such conditions, Mysteel will do its best to respond to and mitigate such emergencies, and formulate relevant emergency plans in a timely and effective manner to avoid any operational risks related to specific third parties. Mysteel has been and will continue to strengthen supervision, take reasonable measures based on the actual situation, and continue to improve to ensure that the benchmark meets the standards defined by IOSCO.</p>	

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
<p>To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate. Administrators should disclose any material conflicts of interest to their users and any relevant Regulatory Authority if any.</p> <p>3.1 The framework should be appropriately tailored to the level of existing or potential conflicts of interest identified and the risks that the Benchmark poses and should seek to ensure:</p> <p>3.1.a Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;</p>	<p><u>Context</u></p> <p>In order to protect the integrity and independence of the benchmark, Mysteel has detailed policies and procedures related to recording, implementing and identifying, communicating, managing, mitigating or avoiding conflicts of interest, reviewing, updating our strategies and plans, and notifying Mysteel users All important conflicts of interest. (Currently there is no relevant regulatory agency)</p> <p>3.1: Mysteel will formulate and timely adjust the conflict of interest policy based on the level of identified and existing and potential conflicts of interest and the degree of risk brought by the index. Mysteel has reviewed the personal accounts of relevant personnel this year. There is currently no occurrence of a conflict of interest in any index tem member.</p>	<p>We obtained a copy of Conflicts of Interest Register, Conflicts of Interest Declaration Letter, Gifts and Entertainment Policy, and Personal Trading Account Policy. We observed that Mysteel has documented, implemented and enforced policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. We reviewed that these policies are reviewed and updated by the administrators mentioned above.</p> <p><u>Policy Review</u></p> <p>For 3.1.a, we reviewed that in the Conflicts of Interest Register, Mysteel has recorded and updated all existing and potential conflicts of interest. Mysteel also clearly defines its corresponding prevention and mitigation policies to manage the conflicts of interest in the conflicts of interest registration form.</p> <p>For 3.1.b, we observed that in the Gifts and Entertainment Policy, Mysteel clearly explains its specific standards of conduct regarding the giving and receiving of gifts, entertainment, and hospitality across the Mysteel.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
<p>3.1.b Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;</p> <p>3.1.c Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;</p> <p>3.1.d Adequate supervision and sign-off by authorized or qualified employees prior to releasing Benchmark determinations;</p> <p>3.1.e The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject to the disclosure obligations of the Administrator;</p>	<p>3.1.a: Mysteel has a strict conflict of interest policy, as well as index formulation related conflict of interest registration forms, mitigation and handling measures and procedures. All staff related to the index sign a conflict of interest statement every year. At the same time, Mysteel also implements a gift and entertainment service acceptance policy and a personal trading account policy to ensure that the index is not affected by conflicts of interest during the operation of the index.</p> <p>3.1.b: Mysteel has developed a strict conflict of interest policy, which defines the types of conflicts of interest, including personal interests and business relationships. Members of the Mysteel Index team receive training on conflicts of interest and sign a new conflict of interest declaration every year. The index team will have a clear salary structure to ensure that they are fairly compensated and to avoid any conflicts of interest. At the same time, Mysteel also has a personal account transaction management policy to prevent index team members from trading index-related products to seek potential economic benefits to ensure the fairness of the index. Mysteel will have a more complete periodic review mechanism in 2022.</p>	<p>In addition, we also observed that in the Personal Trading Account Policy, Mysteel has already set up requirements to ensure that personal investment activities are conducted in compliance with applicable laws and regulations. However, there is no detailed mechanism and process for regular inspection and handling of conflicts of interest to ensure that conflicts of interest related to individual investment activities are avoided or managed.</p> <p>For 3.1.c, we obtained a copy of the organizational structure and observed that Mysteel has clear reporting lines. In the Index Management Committee's Terms of Reference, Mysteel also clearly defines the responsibilities of each independent reporting line.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
<p>3.1.f Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and</p> <p>3.1.g Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivized by the levels of the Benchmark.</p>	<p>3.1.c: Mysteel has a strict reporting line and organizational structure to avoid unnecessary or potential conflicts of interest. Although there are many new employees joining and leaving in 2021, Mysteel's index team structure has been operating according to IOSCO principles to avoid any possible and potential conflicts of interest.</p> <p>3.1.d: On each index release date, Mysteel will record the completion of index compilation, check the data input and index calculation process, and approve the work content of the index publisher. The review process of portside, seaborne, and domestic Iron Ore is consistent. Data input and index calculation process will be audited and approved by Mysteel senior analysts with 8-11 years of experience in the Iron Ore industry or those who have performed seaborne index calculations for one year. The index and daily report will not be released to the market until the personnel approved the entire process and the daily pdf report. If the relevant personnel happens to be absent, the head of the index will conduct an inspection and sign for approval. Detailed information can be found in the internal methodology and the MIODEX index work log Excel spreadsheet.</p>	<p>For 3.1.d, we observed that in the Internal Iron Ore Methodology, Mysteel clearly states the index publication review process and daily report review process before releasing. We randomly selected the indices calculation of both RMB index and US dollar index, and found no abnormalities in the test.</p> <p>For 3.1.e, we obtained a copy of the Submitter Code of Conduct. We observed that the requirements regarding the confidentiality of data, information and other inputs submitted to the administrators are captured in the Submitter Code of Conduct.</p> <p>For 3.1.f, we obtained a copy of Conflicts of Interest Policy and observed that this policy applies to all Mysteel employees, such as members of the Index Management Committee.</p> <p>For 3.1.g, we observed that in the Conflicts of Interest Policy, Mysteel clearly states the removal of remuneration links to the levels of the benchmark.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
<p>3.2 An Administrator's conflict of interest framework should seek to mitigate existing or potential conflicts created by its ownership structure or control, or due to other interests the Administrator's staff or wider group may have in relation to Benchmark determinations. To this end, the framework should:</p> <p>3.2.a Include measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business (including all staff who perform or otherwise participate in Benchmark production responsibilities), and any other business of the Administrator or any of its affiliates; and</p>	<p>The release process of the 2021 Iron Ore Index has been running in accordance with this standard. For the portside index and domestic index, Mysteel has a complete process and policy design for the review of the index release. Before the index is released, the index system will automatically conduct an early warning review of the data, and the system will automatically assign a senior analyst review. After the senior analyst passes the review, the index can be released. Senior analysts have 8-11 years of experience in the Mysteel Iron Ore industry and are qualified to approve these indexes. If the senior analyst happens to be absent, the head of the index will check and sign off. Due to the high requirements in 8-11 years, it will be adjusted in accordance with the actual situation in the future.</p>	<p>For 3.2, we observed that for submitters, Mysteel sets out the Submitter Code of Conduct to control the exchange of information. In addition, we observed that Mysteel Conflicts of Interest Policy introduces measures to avoid, mitigate or disclose conflicts of interest that exist and may exist between its benchmark determination business and any other businesses of the administrator or any of its affiliates.</p> <p>For 3.2.a, we obtained a copy of Conflicts of Interest Policy and observed that this policy applies to all employees involved in the management of the Mysteel Iron Ore Price Index.</p> <p>For 3.2.b, we observed that in the Conflicts of Interest Policy, it indicates that 'Mysteel Index Management Committee and Mysteel External Advisory Group are required to comply with the requirement to declare and manage conflicts'.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
<p>3.2.b Provide that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority promptly.</p>	<p>3.1.e: Mysteel has formulated a code of conduct related to submitters, which clearly stipulates the confidentiality of submissions (the submitted data shall not be shared or published internally or externally). Part of data, information and other information are received via a dedicated email address. The dedicated email is currently accessible to team members who know the password. The Mysteel index team opened a new paid private cloud data storage area at the end of June 2021, which can only be accessed by the index team using the corresponding account password. Mysteel has also signed non-disclosure agreements with many major international data submitters, and some new international data submitters have been added this year. As part of the submitter's agreement, Mysteel will keep the submitted information confidential unless requested by the submitter. In 2021, Mysteel also updated the list of submitters. All submitters signed a physical contract or sent the corresponding submitter agreement and code of conduct via emails. There are no objections from submitter regarding the submitter's code of conduct.</p>	<p><u>Process and Implementation Check</u></p> <p>For 3.1.b, we have observed that members of the Index Team have signed a Statement of Conflict of Interest. At the same time, we observed that the chairman and vice chairman of the IMC signed the statement of individual trading account. We also noted that in 2021, Mysteel failed to take internal control measures for compliance monitoring or regulatory review of individual trading accounts of the Index Team member.</p> <p>For 3.1.d, we obtained samples of the working logs of the Mysteel Iron Ore Index. We observed that Mysteel made a record of the index release inspection process in the index log according to the index release review procedure.</p> <p>For the Portside Spot Price Index, we have also obtained the record of senior analysts' early warning inspection in the index system. We have observed the benchmark decision-making process on the spot, and we have observed that before the benchmark release, senior analysts of the Index Team have conducted sufficient supervision and review.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
	<p>3.1.f: In order to control the information exchange between employees or between employees and third parties that could involve the risk of conflict of interest, Mysteel separates the index team from the brokerage team or any team related to business activities by setting up physical barriers. At the same time, a strict conflict of interest policy and a real-time update of a conflict of interest registration form have also been established to avoid or mitigate existing or potential conflicts of interest, and to manage information that affects benchmark determination. No relevant internal conflicts of interest were discovered this year, and index-related back-end data can only be accessed by members of the index team, and index team members cannot access the back-end system of the brokerage team. Mysteel will also introduce relevant mechanisms in 2021 to further review potential conflicts of interest.</p> <p>3.1.g: According to Mysteel's conflict of interest policy, Mysteel employees who participate in benchmarking have a fixed remuneration, and the level of remuneration will not be linked to the trend of the index.</p>	<p>In the sampling inspection, we found that due to the system being replaced on August 31, 2021, the new system could not display the name of the auditor released by the index on that day, resulting in the assurance personnel not being able to observe the auditor field in the sample (system screenshot) after 2021.8.31, and there was no other audit trace record. It is understood that after August 31, 2021, the newly replaced IT system had a system problem, resulting in the inability to display the name of the reviewer released by the index on that day. However, after communicating with the technology, you can get the audit person's trace record on the technical end, so as to prove that the auditor after 2021.8.31 has a record.</p> <p>For 3.1.e, we obtained a sample of the signed Data Submission Agreement, which indicated the obligations of both parties (Mysteel and its Submitters) that ensure the confidentiality of data, information, and other inputs. We also checked the access to the dedicated e-mail address for receiving inputs and access to the private cloud drive for storing inputs and inspected that only Index Team members can access to the e-mail and the private storage space.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
		<p>For 3.1.f, we noticed that the Brokerage Team is based in Singapore while the Index Team is based in Shanghai, China. We also checked Mysteel's internal system and observed that neither of the team is able to access each other's internal system.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
	<p>3.2: Mysteel has developed a conflict of interest management framework to minimize existing/potential conflicts of interest.</p> <p>3.2.a: Mysteel physically separates the index team from the brokerage team or any team related to Mysteel's internal business activities by creating a wall.</p> <p>Mysteel has a strict conflict of interest policy and has updated the conflict of interest registration form, including mitigation methods and management measures and procedures. The index IT system and the file storage system are also set up with different permissions, and non-index personnel cannot access them. The highest authority in the system is only controlled by supervisors and senior researchers. Other personnel only have ordinary browsing rights. In the background system, the trading team and the index team cannot view or change each other's system files.</p>	<p>For 3.1.g, we sampled and reviewed the salary records of Index Team members, and observed that each Index Team member's monthly salary was composed of basic salary, standard meal allowance, standard car allowance, and other elements, and was not directly or indirectly rewarded or encouraged by the benchmark value level.</p> <p>For 3.2.b, we reviewed the Index Management Committee's quarterly meeting notes for disclosing conflicts of interest to its stakeholders.</p> <p>In the review, we focused on reviewing whether the control measures related to the conflict of interest are effectively implemented but did not review whether the relevant conflict of interest occurs.</p>

Principle 3 – Conflicts of Interest for Administrators

IOSCO Principle 3	Mysteel's Response	Deloitte's Assessment
	<p>3.2.b: The Mysteel Index team reviews and identifies conflicts of interest caused by changes in ownership structure or management control. The Mysteel conflict of interest policy requires anyone to report and register in a timely manner and take timely mitigation measures. Conflicts will be disclosed in a timely manner, but there will be no internal conflicts in 2021.</p>	

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
<p>An Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark. The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and the nature of Benchmark inputs and outputs. The control framework should be documented and available to relevant Regulatory Authorities if any. A summary of its main features should be Published or Made Available to Stakeholders.</p> <p>4.1 This control framework should be reviewed periodically and updated as appropriate. The framework should address the following areas:</p> <p>4.1.a Conflicts of interest in line with Principle 3 on conflicts of interests;</p>	<p><u>Context</u></p> <p>Based on the importance of the identified potential/existing conflicts of interest, the degree of discretion in the benchmarking process or benchmark input/output data, Mysteel has developed and implemented an appropriate control framework for benchmark determination/release. And do a good job of clear archiving (currently there is no relevant regulatory agency in this regard) and disclose the main key points to stakeholders.</p> <p>4.1: Mysteel regularly reviews the control framework (reviewed by IMC) and updates it appropriately. The framework addresses conflicts of interest, benchmark quality, complaints, and employee expertise.</p> <p>4.1.a: The conflict of interest covered by the Mysteel framework complies with the conflict of interest principle 3. There are a total of 20 discovered and potential conflicts of interest. For details, please refer to the Mysteel conflict registration document. No conflicts of interest of index team members have been found in 2021. All members Relevant agreements have also been signed.</p>	<p>We reviewed that in its control framework, Mysteel clearly describes its implementation of an appropriate control framework for the process of determining and distributing the benchmark.</p> <p><u>Policy Review</u></p> <p>For 4.1, we reviewed that the Index and Benchmark Management Control Framework was periodically reviewed at the 1st IMC quarterly meeting in 2021.</p> <p>For 4.1.a, we reviewed the requirements in the 'conflict of interest' section of the Mysteel Index and Benchmark Management Control Framework, which are consistent with the relevant requirements for conflict of interest in Principle 3. At the same time, Mysteel has formulated the internal control process and conflict of interest policy to meet the relevant requirements of Principle 3 for conflict of interest.</p>

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
<p>4.1.b Integrity and quality of Benchmark determination:</p> <p>i. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with Principle 6 to 15 on the quality of the Benchmark and Methodology;</p> <p>ii. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources;</p> <p>iii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with Principle 16 to 19; and</p> <p>iv. Providing robust infrastructure, policies, and procedures for the management of risk, including operational risk.</p>	<p>4.1.b: During the benchmark decision process, Mysteel follows a robust operation method to ensure the integrity and quality of the benchmark. Mysteel has a strict internal audit process and data input documents; and has established a strict internal supervision and external complaint mechanism, and established an accountability system. Mysteel IT department built an increasingly sophisticated operating system for the index team and reduced the level of operational risk. This year, regular staff training was also conducted to assist in risk management and internal process optimization. Mysteel trained its employees on January 21, 2021, February 23, 2021, September 29, 2021, October 9, 2021, October 26, 2021 and also conducted compliance training on December 9, 2021.</p>	<p>For 4.1.b.i, we reviewed the section 'Integrity and Quality of Benchmark Determination' in the Index and Benchmark Management Control Framework to ensure that the relevant contents for maintaining the quality and reliability of the benchmark are consistent with the Principles 6 to 15 for the quality of the benchmark and methodology.</p> <p>For 4.1.b.ii, we reviewed Mysteel's Iron Ore Index Methodology. In Chapter 5, 'Audit', Mysteel developed a strict internal audit process for data input reliability, including due diligence on data input sources.</p> <p>For 4.1.b.iii, we have reviewed that Mysteel has published complaint policy, audit policy, and audit documents retention policy. Those policies are consistent with requirements in Principle 16 to 19 and have established strict complaint mechanisms and accountability systems.</p>

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
<p>4.1.c Whistleblowing mechanism: Administrators should establish an effective whistleblowing mechanism to facilitate early awareness of any potential misconduct or irregularities that may arise. This mechanism should allow for external reporting of such cases where appropriate.</p> <p>4.1.d Expertise:</p> <p>i. Ensuring Benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence; and</p> <p>ii. Staff training, including ethics and conflicts of interest training, and continuity and succession planning for personnel.</p>	<p>4.1.c: In order to establish an effective reporting mechanism, Mysteel has established an information quality supervision committee and a specific charter, and emailed the charter to every Mysteel employee in the world to ensure that all employees understand the reporting mechanism. Mysteel has also established complaint email addresses and physical mailing addresses on external websites in both Chinese and English. For details, please refer to the Constitution of the Information Quality Supervision Committee. As of 2021, no report related to the index has been found so far, and the Iron Ore index is currently operating well. The Mysteel Information Quality Supervision Committee will conduct timely, accurate and objective supervision of the information released by various departments of the company in accordance with the articles of association. It has independent supervisory powers. At the same time, employees can also report any violations of laws and regulations to the Information Quality Supervision Committee.</p>	<p>For 4.1.b.iv, we observed that Mysteel has established management policies such as Submitter Code of Conduct, Data Hierarchy and Expert Judgment Guide, and Extreme Event Management Policy. Mysteel also continues to train its employees on expertise and compliance to help manage risk.</p> <p>For 4.1.c, we also obtained a copy of the Information Quality Management Committee Charter and reviewed that in the Information Quality Management Committee Charter, Mysteel clearly describes its requirements for whistleblowing mechanism.</p> <p>For 4.1.d.i, we have reviewed the 'expertise' section of the Index and Benchmark Management Control Framework, which clearly requires that the Index Management Committee has the responsibility to ensure that the members of the Mysteel Index Team have the appropriate professional level and received the appropriate training.</p>

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
<p>4.2 Where a Benchmark is based on Submissions: Administrators should promote the integrity of inputs by</p> <p>4.2.a Ensuring as far as possible that the Submitter comprise an appropriately representative group of participants taking into consideration the underlying Interest measured by the Benchmark;</p> <p>4.2.b Employing a system of appropriate measures so that, to the extent possible, Submitters comply with the Submission Guidelines, as defined in the Submitter Code of Conduct and benchmarks and the Administrators' applicable quality and integrity standards for Submission;</p> <p>4.2.c Specifying how frequently Submissions should be made and specifying that inputs or Submissions should be made for every Benchmark determination; and</p>	<p>4.1.d: The Mysteel team consists of index leaders, index senior researchers, and index junior researchers. Index senior researchers and index leaders have 8-11 years of industry experience. The index leader and senior analysts of the index team will regularly review notes and other work, and make records and comments.</p> <ul style="list-style-type: none"> - If the employee is a novice to the team, his/her notes and other work must be reviewed by a senior analyst every month. - If the employee has 1-3 years of work experience, the notes and other work must be reviewed by a senior analyst quarterly. - If the employee has more than 3 years of experience, the notes and other tasks must be reviewed by the index leader twice a year. Mysteel has systematic training materials, training systems and training records, and regularly trains employees. In addition, Mysteel has also established records of employees' daily responsibilities related to index determination, and established a clear personnel file preservation and backup system to ensure that the operation of the index is traceable. 	<p>For 4.1.d.ii, we have reviewed the 'expertise' section of Index and Benchmark Management Control Framework, which explicitly requires that Mysteel provide training for Index Team members, and strictly regulate the training contents of employees to ensure that they understand and comply with internal procedures and methods.</p> <p>For 4.2.b, we obtained the Submitter Code of Conduct. We note that Mysteel has developed an appropriate system of measurement for its submitters to ensure that the submitter complies with the guidelines set out in the Submitter Code of Conduct, as well as the standards for the quality and reliability of data submission.</p> <p>For 4.2.c, we obtained the Submitter Code of Conduct. We note that the section 'Submitters Data Entry Procedures' specifies that the frequency of data submission for each trading day and that data submission is used for index decision-making.</p> <p>As a benchmark manager, Mysteel's Index Management Committee regularly reviews the submitted data and provides training for the submitter.</p>

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
	<p>Training is provided annually: as described in the Mysteel Index Analyst Training and Mysteel Methodology (Internal Use) document, to ensure that all index team members have a clear understanding of the operation of the index.</p>	

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
<p>4.2.d Establishing and employing measures to effectively monitor and scrutinize inputs or Submissions. This should include pre-compilation or pre-publication monitoring to identify and avoid errors in inputs or Submissions, as well as ex-post analysis of trends and outliers.</p>	<p>4.2.a: Mysteel has the largest group of data submitters in the industry. The list includes major industry participants from the complete upstream and downstream of the industry: steel mills, traders, mines, and trading platforms, taking into account the fundamental interests involved in benchmarking. Due to industry fluctuations, there are some changes to the submitters in 2021, and the submitters of new changes have also sent corresponding submitter guidelines to them.</p> <p>4.2.b / 4.2.c: Mysteel has a complete set of data submitter documents, such as the submitter's code of conduct, which is sent to the submitter every year. In the submitter's code of conduct, key processes are defined, such as data submission procedures, submitter management strategies, systems and control procedures. The policy has not been changed this year. In addition, there is a submitter review process as a supplement, which is regularly updated and evaluated to track the performance of submitters and whether they are trustworthy.</p>	<p>For 4.2.d, we obtained Submitter Code of Conduct for Mysteel Iron Ore Index, and observed that there are detailed requirements in methodology for pre compilation or pre publish monitoring (to identify and avoid errors in input data or submission) and analysis of post publish trends and outliers.</p> <p><u>Process and Implementation Check</u></p> <p>We noticed that Mysteel published its control framework on both its English and Chinese websites. We observed that the control framework is well documented and reviewed by the Index Management Committee periodically.</p> <p>For 4.1.b, we reviewed the process of benchmark determination and observed that:</p> <ul style="list-style-type: none"> • The quality and integrity of the Benchmark is consistent with the quality of methodology; • Input sources are reviewed by senior analysts before the daily publication of the benchmark

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
		<ul style="list-style-type: none"> Due to the large gap in the price float ratio of the US dollar index in a single day, the early warning function of the release system currently adopts a full warning mode (that is, as long as it is inconsistent with the price of the previous day, it will be warned). Therefore, Deloitte recommends that the system implement personalized improvement of the early warning function of each index, and set a reasonable early warning threshold for each index that meets its changing characteristics. After communication, we learned that the Iron Ore dollar index calculation currently uses a full warning method to improve the reliability and quality of the benchmark, and is upgraded on the basis of a separate warning. Mysteel team will better improve the operating system, and already has the ability to personalize the adjustment of the early warning value, which can be implemented at any time.

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
	<p>4.2.d: Mysteel has formulated and adopted comprehensive measures to strictly follow methodological requirements and procedures to ensure effective monitoring and review of data input and submitted data, including monitoring before data generation and data submission (identifying and avoiding Data input errors) and analysis of trends and outliers after submission. More detailed information can be found in Mysteel's internal and external methodology and employees' daily work records. The operation in 2021 has also been following the corresponding process, and the exclusion of outliers is also recorded in the calculation table.</p> <p>At present, Mysteel conducts preliminary screening by the calculator after the sample is exported, and in the preliminary screening, the calculator can errata the sample that does not meet the requirements and supplement the sample with missing information. This operational behavior has clear operational principles in the methodology to ensure effective supervision and inspection of data input or data submission, and this methodological description has been introduced to the market for a long time.</p>	<p>For 4.1.b, we noticed that Mysteel has established complaint policy and information disclosure policy for dealing with complaints and we observed that Mysteel published the complaint handling procedure on its official website.</p> <p>For 4.1.b and 4.2, we noticed that Mysteel is working on the development of its Index system and observed that it will improve the quality, consistency, sufficiency, and confidentiality of data. We reviewed this internal Index system, and observed that:</p> <ul style="list-style-type: none"> • Only Index Team members have access to the internal index system; • Only head and senior analysts in the Index Team have privileged access to the internal index system, while other team members only have read-only authorizations; • To apply access to the internal index system, users need to get approval from administrators.

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
		<p>For 4.1.d, we obtained a copy of training documents and observed that each member of the Index Team and related staff participated in the training, which included ethics, conflicts of interest, continuity and succession planning for personnel. We also noticed that Mysteel is working on building a robust IT system to support its index services.</p> <p>For 4.2, we noticed in the daily submission, senior analysts in the Mysteel Index Team review submissions in each procedure of the benchmark determination, However, there are still the following three types of data entry errors, which are then found and corrected by the calculator after reviewing during the calculation. Therefore, the Deloitte team recommends adding a system prompt function to the data entry system to improve the accuracy of data entry:</p>

Principle 4 – Control Framework for Administrators

IOSCO Principle 4	Mysteel's Response	Deloitte's Assessment
		<p>(1) Warning against outliers, indicating that the price entry is inaccurate, and there are outliers that are too high or too low;</p> <p>(2) Warning for duplicate lines, prompting price index lines with exactly the same parameters;</p> <p>(3) This warns against blank values and indicates that the data information is incomplete (if parameters such as price/tonnage are not filled in).</p> <p>For 4.2.a, Mysteel has the largest group of data submitters in the industry. The list includes the main industry participants from the upstream and downstream of the industry: steel mills, traders, miners, and trading platforms, and the quality of these submitters provide insurance to cover the basic interests for stakeholders involved in benchmarking.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>Administrators should establish an oversight function to review and provide a challenge on all aspects of the Benchmark determination process. This should include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.</p> <p>The oversight function should be carried out either by a separate Committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.</p>	<p><u>Context</u></p> <p>Mysteel has established an oversight function to review all aspects of the benchmarking process and ask questions accordingly. This includes considering the characteristics of the benchmark, the intended or known use of the benchmark, and the importance of existing or potential conflicts of interest that have been identified.</p> <p>The oversight function is performed by the Mysteel Index Management Committee. The supervision function and its composition are scientific and reasonable, and can effectively review the Mysteel index team. The supervisory functions of the Mysteel Index Management Committee are classified according to industry attributes (Iron Ore, steel, etc.).</p>	<p><u>Policy Review</u></p> <p>For 5.1, we obtained the policy which describes the Mysteel Index Management Committee's responsibility. We observed that Mysteel has established strong measures to maintain the supervision function of the Index Management Committee, and we have documented the supervision function of the Index Management Committee. At the same time, we have observed that the benchmark methodology and complaint policy have been made public on the Mysteel website, and they all include the key points of supervision measures of Index Management Committee.</p> <p>For 5.1/5.2/5.4, we checked meeting minutes of IMC quarterly meetings, and observed that IMC performed its supervision function related to benchmark and methodology, issues and risks related to benchmark, use of expert judgment, submitter code of conduct, etc.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>5.1 An Administrator should develop and maintain robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities if any. The main features of the procedures should be Made Available to Stakeholders. These procedures should include:</p> <p>5.1.a The terms of reference of the oversight function;</p> <p>5.1.b Criteria to select members of the oversight function;</p> <p>5.1.c The summary details of membership of any Committee or arrangement charged with the oversight function, along with any declarations of conflicts of interest and processes for election, nomination or removal and replacement of Committee members.</p>	<p>5.1: Mysteel develops and maintains a sound procedure for its index management committee, which has corresponding records and can be used by related parties. According to the principles of the International Organization of Securities Regulators (IOSCO), stakeholders have the right to be informed of the main features of the procedure/process. (Currently, Mysteel's external methodology and complaint policy are available on the Mysteel website. Mysteel believes that the methodology already includes the main procedures and processes for benchmarking, and the methodology will also be updated on the website as soon as it is changed).</p>	<p>For 5.1.a, we obtained the policy which describes the Mysteel Index Management Committee's responsibility, and including four chapters: 'Overall Responsibility', 'Methodology', 'Data Submission' and 'Governance'. It specifically describes the supervision function of the Index Management Committee.</p> <p>For 5.1.b, we obtained the policy which describes the Mysteel Index Management Committee's responsibility, and the criteria for selecting the members of the Index Management Committee is described in chapter 'Members'.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>5.2 The responsibilities of the oversight function include:</p> <p>5.2.a Oversight of the Benchmark design:</p> <p>i. Periodic review of the definition of the Benchmark and its Methodology;</p> <p>ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);</p>	<p>These procedures/processes include:</p> <p>5.1.a: Mysteel has an independent index management committee responsible for the supervision and management of the index. The Mysteel Index Management Committee reviews, questions and improves all aspects of the benchmarking process. The main oversight functions of the committee are divided into four areas: overall responsibility, methodology, data submission and governance. The total number of supervision projects is 21, and the corresponding 21 supervision projects are described in detail in the Mysteel Index Management Committee document, The members of the first three IMC meetings in 2021 remain the same as last year, and new members were added in the third meeting after voting. Please refer to the screenshot of the email notification for details.</p>	<p>For 5.1.c, we obtained the policy which describes the Mysteel Index Management Committee's responsibility. In the chapter 'Appendix 1 - Members', it is introduced that the members of Mysteel Index Management Committee are composed of professionals from Iron Ore, steel, coal coke, non-ferrous industry, as well as the internal audit and legal affairs of Mysteel; In the 'Members' section, Mysteel describes the procedures for election, nomination or removal; in addition, we obtained a Conflict of Interest Statement signed by all Index Management Committee members. The Conflict of Interest Statement is maintained in computer and public disk by Mysteel compliance officer for at least five years.</p> <p>For 5.2, we obtained the policy which describes the Mysteel Index Management Committee's responsibility, and we observed responsibilities of the oversight function for the Index Management Committee.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>iii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorizing or requesting the Administrator to undertake a consultation with Stakeholders were known or its Subscribers on such changes as per Principle 12; and</p> <p>iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines that set out how the Administrator should consult with Stakeholders about such cessation.</p>	<p>5.1.b: When selecting committee members, the index management committee ensures that committee members have the professional knowledge and skills required to perform their duties. The Index Management Committee reviews and records the skills, expertise and experience of the committee members, examines whether they have any conflicts of interest, how to manage these conflicts and the tenure of each committee member. Before becoming a committee member and signing a conflict declaration every year in accordance with the conflict of interest policy, the member must clearly declare any existing conflicts of interest that they are aware of.</p> <p>5.1.c: Mysteel has developed a detailed index management committee policy, which includes member introduction, election, nomination or removal; in addition, all committee members have signed a conflict of interest statement, which is stored in a security file for at least five years. The members of the first three IMC meetings in 2021 remain the same as last year, and new members were added in the third meeting after voting. Please refer to the screenshot of the email notification for details.</p>	<p>For 5.2.a, we obtained the policy which describes the Mysteel Index Management Committee's responsibility, and in the chapter 'Methodology', it describes the regular monitoring of the benchmark by the Index Management Committee, the definition of methodology and benchmark changes, the procedures for reviewing and approving the termination of the benchmark, and measures are taken to let stakeholders understand the issues and risks related to the benchmark. We also reviewed meeting minutes of four IMC quarterly meetings, which recorded IMC's review of the definition and methodology of the benchmark, understanding of stakeholders' inquiries on problems and risks of the benchmark, monitoring on changes of the methodology, checking and approving the termination of the benchmark.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>5.2.b Oversight of the integrity of Benchmark determination and control framework:</p> <p>i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;</p> <p>ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and</p> <p>iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.</p>	<p>5.2: The specific responsibilities of the Index Management Committee include: 5.2.a: The Mysteel Index Management Committee regularly monitors the definition of benchmarks, methodology and benchmark changes, reviews and approves the procedures for terminating benchmarks, and takes measures to let stakeholders know about benchmarkrelated issues and risks. After the operation of Mysteel for the past two years, Mysteel has been contacting and identifying outstanding senior people in the industry and some non-stakeholders, trying to establish an external advisory group for the index. However, due to personal wishes, the establishment has not been successful. Based on the principle of seeking truth from facts, after discussion by the Mysteel Index Management Committee and key departments, Mysteel finally decided to suspend the work plan of establishing an external advisory group for the Mysteel Index.</p> <p>During the index management committee meeting, Mysteel discussed in detail the supervisory responsibilities in compliance with the IOSCO principles and retained a series of documents including the meeting agenda and meeting minutes.</p>	<p>For 5.2.b, we obtained the policy which describes the Mysteel Index Management Committee's responsibility, and in the chapter 'Governance', it describes the integrity of the Index Management Committee's monitoring benchmark preparation and the management and implementation of the benchmark. At the same time, the chapter 'Governance' describes the results of the internal and external audit considered by the Index Management Committee, as well as the follow-up actions taken after the implementation of remedial highlighted in the audit results. Any changes in the methodology benchmarks are described in the section 'Methodology', including the assessment of whether the methodology can continue to properly measure the interests of the target, the review of the changes that will or have occurred in the methodology, and the authorization or requirement for benchmark managers to consult with stakeholders or subscribers on the changes in accordance with principle 12.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>5.3 Where conflicts of interests may arise in the Administrator due to its ownership structures or controlling interests, or due to other activities conducted by any entity owning or controlling the Administrator or by the Administrator or any of its affiliates: the Administrator should establish an independent oversight function which includes a balanced representation of a range of Stakeholders where known, Subscribers and Submitters, which is chosen to counterbalance the relevant conflict of interest.</p>	<p>5.2.b: The Mysteel Index Management Committee supervises the completeness of the benchmark compilation, the integrity of the benchmark framework and the management and implementation of the benchmark, including the specific content of the benchmark that may involve third parties in the future. The Mysteel Index Management Committee reviews the results of internal and external audits, as well as the follow-up actions taken after the implementation of the remedial actions highlighted in the audit results; supervises the use of expert opinions by Mysteel and ensures that the published methods are adopted.</p> <p>During the index management committee meeting, committee members reviewed the above-mentioned compliance content in detail and kept corresponding meeting minutes.</p>	<p>For 5.3 We obtained the code of conduct for submitters, which includes submission standards, submission management, conflict of interest arrangements, policy and control management, index operation monitoring, archiving and cooperation documents between Mysteel and regulators. It is confirmed that Mysteel has always maintained close communication with subscribers and submitters, and has also established a channel for complaints and suggestions, which is received and handled by the index management committee. This supervision mechanism is maturely operating.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>5.4 Where a Benchmark is based on Submissions: the oversight function should provide suitable oversight and challenge of the Submissions by:</p> <p>5.4.a Overseeing and challenging the scrutiny and monitoring of inputs or Submissions by the Administrator. This could include regular discussions of inputs or Submission patterns, defining parameters against which inputs or Submissions can be analyzed, or querying the role of the Administrator in challenging or sampling unusual inputs or Submissions;</p> <p>5.4.b Overseeing the Code of Conduct for Submitters;</p> <p>5.4.c Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and</p>	<p>5.3: During the assurance year, Mysteel did not have any interest conflict caused by the ownership structure of the index manager or the interests of the controller, or any entity owning or controlling the manager and other actions taken by the index manager and its subsidiaries. Therefore, Mysteel does not consider establishing an independent supervision function, but follows the current conflict of interest management mechanism, that is, fully managed by the Index Management Committee.</p>	<p>For 5.4.a, We obtained the policy which describes the Mysteel Index Management Committee's responsibility, and in the chapter 'Data Submission', it describes the supervision responsibilities of the Index Management Committee in reviewing the submitter and submitted data. In addition, we obtained the Iron Ore Index Price Methodology, and there are detailed requirements for data input or submission. It also states that the impact of human operation or judgment on the indices is minimized through the control procedure. We tested and verified the implementation of the control procedure through the data input and submission process through on-site observation.</p> <p>For 5.4.b, we obtained the Submitter Code of Conduct, which includes submission standards, submission management, conflict of interest arrangements, policy, and control management, benchmark operation monitoring, archiving and cooperation between Mysteel and regulators.</p>

Principle 5 – Internal Oversight

IOSCO Principle 5	Mysteel's Response	Deloitte's Assessment
<p>5.4.d Establishing measures to detect potential anomalous or suspicious Submissions and in case of suspicious activities, to report them, as well as any misconduct by Submitters of which it becomes aware to the relevant Regulatory Authorities if any.</p>	<p>But in order to fulfill the supervisory function, Mysteel can guarantee that under the existing resource conditions, when a conflict of interest occurs, Mysteel has the ability to temporarily establish an external consulting team.</p> <p>5.4: Mysteel benchmark data is generated based on the submitted results, so Mysteel monitors and inquires the submitted content appropriately through the following methods:</p> <p>5.4.a: Strict submitter management documents can be found in the terms of reference of the Mysteel Index Management Committee, which includes review of submitters and management of submitted data. The data management method submitted by the submitter is clearly stipulated in the submitter's code of conduct.</p> <p>The submitter review process details the input data and submission parameters or Mysteel's questioning or sampling of special input data or submitted data.</p>	<p>For 5.4.c, we obtained the policy which describes the Mysteel Index Management Committee's responsibility, and in the chapter 'Data Submission ', it states that the Index Management Committee performs the supervision function on the data submitter, and establishes the procedure to deal with the violation of the code of conduct.</p> <p>For 5.4.d, we obtained the code of conduct for the submitter, which requires the submitter to establish appropriate monitoring arrangements to detect and evaluate suspicious data input.</p> <p>Mysteel has also established measures to detect potential outliers and suspicious submission data, including recording each submission data that is not used in index calculations. Mysteel used statistical methods to mitigate the impact of outliers on the baseline. All these audit results will be analyzed and submitted to the Index Management Committee.</p> <p><u>Process and Implementation Verification</u></p> <p>For 5.1 / 5.2 / 5.4, we checked the minutes of IMC's quarterly meeting, and observed that the relevant issues and risks of indices, the use of expert judgment, the code of conduct of submitters and other relevant contents were discussed and resolved in the meeting. That is to say, IMC has performed the relevant supervision function. In addition, members of IMC have also responded to internal audit findings in 2021.</p>

Principle 6 – Benchmark Design

IOSCO Principle 6	Mysteel's Response	Deloitte's Assessment
<p>The design of the Benchmark should seek to achieve and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.</p> <p>Benchmark design should take into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest:</p> <p>6.a Adequacy of the sample used to represent the Interest;</p> <p>6.b Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);</p> <p>6.c Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;</p>	<p><u>Context</u></p> <p>When this benchmark is designed, Mysteel seeks accurate and reliably reflecting the Iron Ore market, which means that it seeks the measurement of the marked interests and economic entities and eliminates the factors that may result in Mysteel prices and exponential distortion. At designation benchmarks, Mysteel considered various features and factors, such as the related markets' size and liquidity, transaction distribution and market dynamics of the foundation.</p> <p>6.a. The overall trading volume is about 351 million in the Iron Ore spot market, which does not include long-term agreement mines. Mysteel tries to collect most of the data. All major market participants, including "four" mining and top ten steel mills and traders are submitted to Mysteel the related data. In the 2021 port spot market, FMG, Rio Tinto and Vale, as the major miners already sell their cargoes in the 2021 portside market. The major traders or steel mills also resell some of their cargoes in the port spot market, including HBIS, PSU, ITG and Xiangyu.</p>	<p><u>Policy Review</u></p> <p>We obtained a copy of the Overall Introduction to the Iron Ore Market and noticed that Mysteel clearly explains its application and selection of market data, which is closely related to the benchmark design.</p> <p>For 6.a, we observed that in the Overall Introduction of the Iron Ore Market, Mysteel clearly stated the adequacy of the samples. We obtained a sample size used by Mysteel in 2021 and observed that the sample is sufficient to represent the interests.</p> <p>For 6.b, we observed that in the Overall Introduction of the Iron Ore Market, Mysteel clearly stated the relevant market size and liquidity.</p> <p>For 6.c, we observed that in the Overall Introduction of the Iron Ore Market, Mysteel clearly stated the relative scale of the market interests.</p>

Principle 6 – Benchmark Design

IOSCO Principle 6	Mysteel's Response	Deloitte's Assessment
<p>6.d The distribution of trading among Market Participants (market concentration); and</p> <p>6.e Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).</p>	<p>In the 2021 seaborne market, there are four miners sold their cargoes, including BHP, Vale and FMG. The main traders and steel mills are also involved HBIS, ITG, C&D and Caravel.</p> <p>In the 2021 domestic Iron Ore market, the main participation of the mines includes the Anhui Jinli, Qianxi Fuzhen and Qian'an Longyu. The related steel mills include Xinda Steel, etc. In addition to mines and steel mills, the concentrating mills were also one of the participants in the domestic Iron Ore market, including the Hongjun, etc. The main miners, steel mills, and concentrates mills provides the related data samples to Mysteel. Related documents can refer to market data samples and sufficient part of the sample in the 2021 Iron Ore market that both of them were provided by Mysteel.</p>	<p>For 6.d, we observed that in the Overall Introduction of the Iron Ore Market, Mysteel clearly stated that all major market participants (all major suppliers and buyers) are providers of Mysteel.</p> <p>For 6.e, we observed that the IMC conducted comprehensive supervision on the index and continuously paid attention to market dynamics to ensure that the index could measure the economic meaning of interests.</p> <p><u>Process and Implementation Check</u></p> <p>In order to test 6.a and 6.d, we took a sample of market data and observed that the data of Forward Spot Price Index includes the data of 'four major' mines and the top ten steel plants and traders. The Portside Spot Price Index includes big traders and steel mills.</p>

Principle 6 – Benchmark Design

IOSCO Principle 6	Mysteel's Response	Deloitte's Assessment
	<p>6.b When the benchmark is designed, Mysteel considers the scale and liquidity of the relevant market. Mysteel uses all spot cargoes as the index sample, most of which are Australian and Brazilian fines. The sample collected by Mysteel covers approximately 72% of the market, which can ensure adequate transactions to achieve observable and transparent pricing. Specifically, more details can refer to the overall introduction of the Iron Ore market and another document called market data samples, who are both submitted by Mysteel.</p> <p>6.c When the benchmark of Iron Ore is designed, Mysteel uses all spot cargoes as an index sample. In all Iron Ore spot market transactions including repeated shift transactions, Mysteel has collected most of its transactions. All major market participants are Mysteel's data submitters (around 100). Specifically, more details can refer two documents, called market data samples and 2021 data submitters and the relative scale of the basic market in the overview 2021 Iron Ore market, which all these documents are provided by Mysteel.</p>	<p>In order to test 6.e, we observed that Mysteel has developed an internal training plan to ensure that all index analysts are well trained and have sufficient expertise and ability to collect data from the market and capture every detail of the market. The Mysteel Index Management Committee conducts comprehensive supervision over the index and continues to pay attention to market dynamics to ensure that the index can measure the economic essence of interests.</p>

Principle 6 – Benchmark Design

IOSCO Principle 6	Mysteel's Response	Deloitte's Assessment
	<p>6.d Market participants are usually divided into suppliers and buyers. The buyers are divided into traders and steel mills. The main suppliers are "four major" miners: Rio Tinto, Vale, BHP and FMG. The main steel mill is the Aselittar, Baowu Group, HBIS, Shagang Group and Angang Group. As far as the trader is mainly Cargill, Glencore and Trafigura. All major market participants - all major suppliers and buyers are Mysteel's transaction information submitter. Mysteel maintains high frequency contact with them every day.</p> <p>The port spot market is more dispersed. Most of the major ports have the Iron Ore trade. In addition to the miners, there were many traders and steel mills, and they will trade with each other. The related large traders include ITG, CNDM, Cargill, Glencore, Trafigura and PSU, etc. In the seaborne market, market participants also include mines, traders, and steel mills. The miners include Rio Tinto, BHP, Vale and FMG, and steel mills include HBIS and Shagang Group, and traders include ITG, C&D Carval and Trafigura, etc. Different domestic mines and imported mines, major participants include mines, steel mills, and miners, mines include, steel mills, including mining factories.</p>	

Principle 6 – Benchmark Design

IOSCO Principle 6	Mysteel's Response	Deloitte's Assessment
	<p>The above can be evidenced by the 2021 Submitter Contact List provided by Mysteel and the trading distribution of market participants in the 2021 Iron Ore Market Overview.</p> <p>6.e Mysteel has made a range of policies and procedures to ensure that all index analysts have been well trained, qualified to collect data from the market and capture every detail of the market. The Mysteel Index Management Committee fully supervised the index and will hold a quarterly meeting to evaluate the exponential performance to ensure that it reflects the market and monitors any potential market changes. Refer to Mysteel's daily professional training materials as proven, including photos and related PPTs, and refer to the last part of the market in the 2021 Iron Ore market review.</p>	

Principle 7 – Data Sufficiency

IOSCO Principle 7	Mysteel's Response	Deloitte's Assessment
<p>The data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the Interest measured by the Benchmark and should:</p> <p>7.a Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</p> <p>7.b Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Benchmark measures for it to function as a credible indicator of prices, rates, indices or values.</p>	<p><u>Context</u></p> <p>Mysteel has developed specialized policies and procedures to ensure that there is enough data to represent Iron Ore markets and Iron Ore prices accurately and reliably.</p> <p>7.a In the document introduced in the iron mine market, Mysteel proves that the price and index formation is formed by constructing the supply side (i.e., the mine) and the demand side (i.e., traders and suppliers) when Mysteel designs the benchmark. A total of more than one hundred submitters submitted data to Mysteel to ensure that the index represents the market.</p> <p>7.b About the benchmark, Mysteel index is based on the transaction that can be observed between the two sides of the Iron Ore market. In the 2021 spot market, about 351 million tons of Iron Ore in the seller and the buyer were traded in accordance with the principles of fair trading, and Mysteel can observe these transactions every day. Mysteel collected and received a few hundred market participants submitted transaction data, including four miners and top ten traders and steel mills.</p>	<p><u>Policy Review</u></p> <p>We noticed that in The Overall Introduction to the Iron Ore Market, Mysteel clearly introduces specific requirements for the sufficiency of data: 'Mysteel has to collect enough samples to represent the Iron Ore market. Global Iron Ore production is expected to reach 1.638 billion tons by 2021, of which China's imports are about 1.171 billion tons (204 million tons of block ore, 49.4 million tons of pellets, 124 million tons of concentrate, 736 million tons of fine ore). For this 1.171 billion tonnes of Iron Ore, about 880 million tonnes are sold as long-term contracts, meaning they are not traded in the spot market or are not observed. The actual trading volume on the spot market is about 415 million tons, which is basically consistent with the spot trading data (351 million tons) collected by Mysteel iron ore team. In 2021, Mysteel collected about 20,826 forward spot samples and 56,804 port spot samples.</p>

Principle 7 – Data Sufficiency

IOSCO Principle 7	Mysteel's Response	Deloitte's Assessment
<p>This principle requires that a Benchmark be based upon (i.e., anchored in) an active market having observable Bona Fide, Arms-Length Transactions. This does not mean that every individual Benchmark determination must be constructed solely of transaction data. Provided that an active market exists, conditions in the market on any given day might require the Administrator to rely on different forms of data tied to observable market data as an adjunct or supplement to transactions. Depending upon the Administrator's Methodology, this could result in an individual Benchmark determination being based predominantly, or exclusively, on bids and offers or extrapolations from prior transactions. This is further clarified in Principle 8.</p>	<p>To accurately reflect the market, Mysteel retains the flexibility of using non-transaction data supplementation market data when there is no transaction data, such as a tradable price, bid, offer and expert judgment, etc. to supplement the index sample.</p>	<p><u>Process and Implementation Check</u></p> <p>We checked the submitters' list and noticed that Mysteel's submitters are sufficient to represent the interest measured by the indices, which ensured the rationality of the indices calculation.</p> <p>For testing 7.a/7.b, we obtained a sample of submissions, and observed that these submissions are based on indices that have been formed by competitive forces of supply and demand and are anchored by observable transactions entered into are arms- length between buyers and sellers in the market for the interest the benchmark measures.</p>

Principle 7 – Data Sufficiency

IOSCO Principle 7	Mysteel's Response	Deloitte's Assessment
<p>Provided that subparagraphs (a) and (b) above are met, Principle 7 does not preclude Benchmark Administrators from using executable bids or offers as a means to construct Benchmarks where anchored in an observable market consisting of Bona Fide, Arms-Length transactions.</p> <p>This Principle also recognizes that various indices may be designed to measure or reflect the performance of a rule-based investment strategy, the volatility or behavior of an index or market or other aspects of an active market. Principle 7 does not preclude the use of non-transactional data for such indices that are not designed to represent transactions and where the nature of the index is such that non-transactional data is used to reflect what the index is designed to measure. For example, certain volatility indices, which are designed to measure the expected volatility of an index of securities transactions, rely on non-transactional data, but the data is derived from and thus 'anchored' in an actual functioning securities or options market.</p>		

Principle 8 – Hierarchy of Data Inputs

IOSCO Principle 8	Mysteel's Response	Deloitte's Assessment
<p>An Administrator should establish and Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks. In general, the hierarchy of data inputs should include:</p> <p>8.a Where a Benchmark is dependent upon Submissions, the Submitters' own concluded arms-length transactions in the underlying interest or related markets;</p> <p>8.b Reported or observed concluded Arm's-length Transactions in the underlying interest;</p> <p>8.c Reported or observed concluded Arm's-length Transactions in related markets;</p> <p>8.d Firm (executable) bids and offers; and</p>	<p><u>Context</u></p> <p>Mysteel has dedicated policies and procedures in place to ensure the data hierarchy used for index determination is compliant with the IOSCO Principle. These policies and procedures are available upon request from stakeholders, like submitters.</p> <p>8.a/8.b/8.c/8.d and 8.e: Mysteel has a data hierarchy and expert judgment policy and internal methodology to cover all the above. The detailed information of the data hierarchy includes the submitter's own transactions, trading platforms and miners' transactions, tradable prices, bids and offers. The information collected from the basic interest market and related markets, especially this year's portside market's methodology, has also added tradable prices, and has detailed records in the internal methodology. In order to maintain the flexibility of using input data and ensure Mysteel index's quality and integrity, Mysteel has established the prerequisites to use expert judgments, including no transactions in the market, no bids or offers, no offering prices or indexes of certain specific brands, etc. For the specific descriptions, please refer to the latest version of the data hierarchy and expert judgment guide.</p>	<p><u>Policy Review</u></p> <p>We observed that in the Internal Methodology, Mysteel clearly describes its data hierarchy standard. We noticed that this data hierarchy complies with IOSCO's requirements for the data.</p> <p>We also obtained a copy of Data Hierarchy and Expert Judgement Guidelines and noticed that Mysteel has a clear guideline regarding the hierarchy of data inputs and exercise of expert judgment used for the determination of benchmarks.</p> <p><u>Process and Implementation Check</u></p> <p>For testing 8.a/8.b/8.c/8.d/8.e, we obtained a sample of Mysteel's data inputs and observed that it achieved requirements that set up in guidelines for the data hierarchy. That is to use the reliable transaction information directly provided by market participants, transaction platform, mine bidding transaction, transaction price, inquiry and offer, and information collected from the basic interest market and relevant market.</p>

Principle 8 – Hierarchy of Data Inputs

IOSCO Principle 8	Mysteel's Response	Deloitte's Assessment
<p>8.e Other market information or Expert Judgments.</p> <p>Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity, and reliability of its Benchmark determinations, as set out in the Administrator's Methodology. The Administrator should retain the flexibility to use the inputs it believes are appropriate under its Methodology to ensure the quality and integrity of its Benchmark.</p>	<p>For example, on March 17, 2021, an expert judgment was adopted for Seaborne Mysteel 62% Australian Fines index. The Newman High Grade Fines on the platform was traded at a fixed price on that day. According to our survey in the market at the time, the standardization result of the transaction deviated from the market level. According to the methodology, the sample of fixed price transactions should appropriately delete the influence of time on the sample. Therefore, we have deleted the time standardization based on expert judgment. In addition, an expert judgement was launched on November 2, 2021, mainly for the Lump Premium on that day, which was due to lack of support from many samples and the month was changed on the same day.</p>	

Principle 8 – Hierarchy of Data Inputs

IOSCO Principle 8	Mysteel's Response	Deloitte's Assessment
<p>For example, certain Administrators may decide to rely upon Expert Judgment in an active albeit low liquidity market, when transactions may not be consistently available each day. IOSCO also recognizes that there might be circumstances (e.g., a low liquidity market) when a confirmed bid or offer might carry more meaning than an outlier transaction. Under these circumstances, non-transactional data such as bids and offers and extrapolations from prior transactions might predominate in a given Benchmark determination.</p>		

Principle 9 – Transparency of Benchmark Determinations

IOSCO Principle 9	Mysteel's Response	Deloitte's Assessment
The Administrator should describe and publish with each Benchmark determination, to the extent reasonable without delaying an Administrator publication deadline:	<p><u>Context</u></p> <p>Mysteel has detailed policies and procedures, such as market introduction and internal methodology for each index determination, including market description, sample size, index calculation and index publication deadlines, to ensure that Mysteel works can reach to the highest level of IOSCO principles. Market presentations and internal methodology documents are available upon request by stakeholders and regulators.</p> <p><u>The specific content</u></p> <p>9. a: Stakeholders or market authorities can obtain the Mysteel methodology on the Mysteel website. The Index team can explain the process of determining the index and the latest release date upon request. For the size and liquidity of the market, such as defining the number and capacity of submissions, range and average quantity, range and average price(due to industry characteristics not applicable to the Iron Ore market), and the percentage of the sample data in the total market data, it is reflected in the Excel sample table.</p>	<p><u>Policy Review</u></p> <p>For 9.a, we observed that in the internal methodologies, Mysteel clearly describes its rationale for how the benchmark is determined, which is sufficient to facilitate a stakeholder's or market authority's ability to understand. We noticed that if a stakeholder requests to know the content of internal methodologies, Mysteel is able to provide it to the stakeholder with further explanation.</p> <p>For 9.b, we reviewed Data Hierarchy and Expert Judgement Guidelines and internal methodologies. We noticed that Mysteel clearly describes its application of expert judgment through the daily process of benchmark determination.</p> <p><u>Process and Implementation Check</u></p> <p>For 9.a, we obtained a sample of raw data and observed that the liquidity of the market is assessed, the range and average volume, and the indicative percentages of each type of market data are considered in the benchmark determination.</p>

Principle 9 – Transparency of Benchmark Determinations

IOSCO Principle 9	Mysteel's Response	Deloitte's Assessment
<p>9.a A concise explanation, sufficient to facilitate a Stakeholder's or Market Authority's ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning 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 market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (i.e., transaction-based, spread-based or interpolated/extrapolated);</p>	<p>The sample list includes transactions, tradable prices, bids and offers. For each sample, collect details of the seller or buyer, quantity, price and time. In terms of the pricing, there are internal methodology as a guide, detailing the actual implementation process, such as for the portside pricing methodology, the non-mainstream brand price has further a clear reference object, including Indian Fines and Concentrate. The specific can see inside the methodology. This pricing adjustment is mainly used as internal staff methodology." (Please refer to the manual of internal methodology of portside market P4-P9 for details). Mysteel keeps all the index determination history in a calculation table, which shows whether the index is completely based on transactions or based on spreads, etc., according to the given 28 dates, the US dollar has a total of 28 calculation tables, but the RENMINBI and domestic mines have 25 calculation tables, of which there are three dates due to the holidays there is no index on the day, so there is no index calculation table, and other spot check dates have calculation tables.</p>	<p>We inspected a few calculation samples and manually calculated the expected results based on the raw data mentioned above. We noticed that the actual results of processing were as same as the expectations. For 9.b, we observed that on November 2, 2021, due to the lack of samples and the change of month on that day, the calculation data inputs were insufficient. The index team used expert judgment based on an offer input in the calculation process on that day, but did not calculate according to the criteria for exercising expert judgment, which includes such scenarios as no transactions, bids or offers, no samples for certain brand prices or indices, etc.</p>

Principle 9 – Transparency of Benchmark Determinations

IOSCO Principle 9	Mysteel's Response	Deloitte's Assessment
<p>9.b A concise explanation of the extent to which and the basis upon which Expert Judgment if any was used in establishing a Benchmark determination.</p>	<p>9. b: To standardize the use of expert judgment, Mysteel has a special process for introducing expert judgment. More details can refer to the expert judgment guide. In addition, Mysteel has an internal methodology that details the application process for introducing expert judgment without any transactions, bids and offers or without sufficient samples. Mysteel also lists all the appropriate scenarios that can be applied when calculating the index. It includes the usual and unusual circumstances, such as when there is only a tradable price and a transaction, when there is only a bid, an offer and a transaction, and when there is no transaction but the tradable price. For each case, there is a matching calculation formula to ensure that all index analysts use expert judgments consistently.</p>	

Principle 10 – Periodic Review

IOSCO Principle 10	Mysteel's Response	Deloitte's Assessment
<p>The Administrator should periodically review the conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has undergone structural changes that might require changes to the design of the Methodology. The Administrator also should periodically review whether the Interest has diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.</p> <p>The Administrator should Publish or Make available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.</p>	<p><u>Context</u></p> <p>Mysteel has developed special policies and procedures to ensure that the index and methodology are regularly reviewed to ensure the quality and integrity of the index. Mysteel established a special organization called Index Management Committee (IMC) to oversee indexes and related businesses. IMC monitors market activity and trends as well as Mysteel index and team performance. Mysteel has held four IMC quarterly meetings in 2021 to evaluate and monitor the index and determine whether any structural changes have been observed in the Iron Ore market. For example, during the first IMC meeting, some new varieties were added based on market liquidity and increased attention. Price index such as 64% Indian pellet price index, 64% Indian pellet premium, increase the sample type (tradable price) of portside price, etc., according to these changes in the market variety to the port, and modify the grade as in the second. During the second and third IMC meetings, the grade of JMBF was revised, and the typical value of 65% Brazilian Fines index ore was revised.</p>	<p><u>Policy Review</u></p> <p>We observed that in the Index Management Committee Terms of Reference, Mysteel clearly states that '(the Index Management Committee is) carrying out reviews of the Mysteel Iron Ore Indices to assess whether new indices are required or that existing indices should be closed, for example, if the underlying Interest/market has diminished or non-functioning'. We also noticed that for dealing with changes with the methodology, Mysteel clearly describes its policies and procedures in Methodology Management Policy and Index Transition and Cessation Policy.</p>

Principle 10 – Periodic Review

IOSCO Principle 10	Mysteel's Response	Deloitte's Assessment
	<p>If the Iron Ore index needs to be changed due to the change of Iron Ore market, Mysteel index team will be terminated according to index of the transition and the policy to deal with. the concrete measures include introducing alternative or terminate index, etc. For example, during the second IMC meeting, the seaborne brand price of SSFT and SSFG was suspended; and during the third IMC meeting, the portside prices of Luojing Port and Nantong Port were suspended. The changes described and the review records are available in the minutes of the four IMC meetings. Each IMC meeting will vote on the relevant changes in the index, and vote on the spot to decide whether to pass or not. The specific resolutions can check the minutes of the four IMC meetings and the list of tables in the materials. The minutes of the four IMC meetings can be forwarded to IMC and related stakeholders on request.</p>	<p><i>Process and Implementation Check</i></p> <p>We obtained the 2021 Index Management Committee meeting minutes and noticed that the Index Management Committee reviewed conditions in the underlying interest that the benchmark measures and discussed whether there would be a need to change the methodology.</p>

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
<p>The Administrator should document and Publish or Make Available the Methodology used to make Benchmark determinations. The Administrator should provide the rationale for adopting a particular Methodology. The Published Methodology should provide sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments.</p>	<p><u>Context</u></p> <p>Mysteel Iron Ore indices methodology (including seaborne indices methodology, portside indices methodology, domestic concentrate indices methodology) all explain the sample collection and data screening of the Mysteel Iron Ore index ("index" or "MIODEX") calculation and management methods in its internal methodology. These indices are designed to reflect the daily price changes in the Iron Ore market and provide important pricing indicators for Iron Ore market participants. The Mysteel Iron Ore Index can be used by specific stakeholders and can be used as a reference financial instrument. For details, please refer to the published Mysteel Iron Ore Index Method.</p> <p><u>Relevant Activities</u></p> <p>11.1.a: In the Mysteel Iron Ore Indices methodology, there are definitions of terms used in the Iron Ore market, such as product, price type, pricing unit and transaction process. For example, fine, lump, concentrate, pellets, futures, portsides, seaborne, lump premium, pellet premium, dry tonnage unit, dry tonnage, wet tonnage, fixed price, floating price, settlement price, CFR price and FOB price, etc.</p>	<p>We observed that a methodology used for benchmark determination is documented and made available, which includes the rationale for adopting various methodologies on the English website: https://www.Mysteel.net. We noticed that information included in the external methodologies were sufficient for (particular) stakeholders to understand and reference.</p> <p><u>Policy Review</u></p> <p>For 11.1.a and 11.1.b, we noticed that in the internal methodologies, Mysteel clearly defines key terms related to the methodologies and provides sufficient details related to criteria and procedures used to develop the benchmark.</p> <p>For 11.1.d, we learned that there were no corresponding extreme events this year. Therefore, expert judgment is not used.</p> <p>For 11.1.e, we noted six calculation errors in the Iron Ore index for 2021, all of which were announced to the market through the website according to the external methodology of Iron Ore.</p>

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
<p>11.1.a At a minimum, the Methodology should contain:</p> <p>11.1.a Definitions of key terms;</p> <p>11.1.b All criteria and procedures used to develop the Benchmark, including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;</p> <p>11.1.c Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;</p>	<p>11.1.b: Mysteel has developed standards and evaluation procedures for all indices. 1. According to the Mysteel collection channel hierarchy and data hierarchy, Mysteel collects transaction, bids and offers information submitted by major overseas mines, domestic and foreign trading companies and steel mills. Mysteel also collects transaction, buying and selling price information from major Iron Ore trading platforms and other market participants. 2. The index team collects observable transactions, bids and offers, and tradable prices, and listens to the opinions of market participants. Floating price samples are converted to fixed prices using SGX swap prices. The Mysteel Index team also collects this data from the Mysteel broker team by accessing a webbased system in the same way as the independent platform.</p>	<p>For 11.1.e, we noticed that in the correction part of the external and internal methodologies, Mysteel clearly explains its procedures for dealing with error reports.</p> <p>For 11.1.f, we noticed that in the Methodology Management Policy, Mysteel requires the Index Management Committee to conduct periodic reviews of the methodologies, policies and procedures involved in the calculation and management of Mysteel indices.</p> <p>For 11.1.g and 11.1.h, we noticed that in the Methodology Management Policy, Mysteel clearly states its procedures for dealing with the content of the methodologies, and potential limitations of the benchmark, including the consultation with its stakeholders, as appropriate.</p> <p>For 11.2, we observed that criteria for including and excluding the submitter and notice periods due to changes of criteria are included in the Submitter Review Process Policy.</p>

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
<p>11.1.d The procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);</p> <p>11.1.e The procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;</p> <p>11.1.f Information regarding the frequency for internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;</p> <p>11.1.g The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and</p>	<p>3. In the absence of any transaction, bid or offer, expert judgment will be used to formulate the index. This will include reference to observed changes in relevant markets, such as the Iron Ore futures contract on the Dalian Commodity Exchange and the Iron Ore swap contract on the Singapore Exchange. Only senior analysts with at least three years of industry experience can exercise expert judgment.</p> <p>4. Mysteel aims to provide a typical price evaluation for the market and accurately track daily price changes. Therefore, with sufficient submission information available, each final index is a weighted average of the number of standardized transaction samples. The index team will follow the procedures specified in the Mysteel data hierarchy and prioritize samples with higher credibility.</p>	<p><i>Process and Implementation Check</i></p> <p>For 11.1.b, we use the sampling method to select calculation samples of Mysteel in 2021 and recalculate them. The result of the recalculation is consistent with that of Mysteel.</p> <p>For 11.1.c, we observed the benchmark decision-making process on-site, and find that the senior analyst of the Index Team supervised and reviewed the daily work process of benchmark decision-making.</p> <p>For 11.1.d, we observed that on November 2, 2021, due to the lack of samples and the change of month on that day, the calculation data inputs were insufficient. The index team used expert judgment based on an offer input in the calculation process on that day, but did not calculate according to the criteria for exercising expert judgment, which includes such scenarios as no transactions, bids or offers, no samples for certain brand prices or indices, etc.</p> <p>For 11.1.e, We noted two calculation errors in 2021 Iron Ore Index, both of which were announced to the market via the website based on the published Iron Ore Price Index Methodology.</p>

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
<p>11.1.h The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p> <p>11.2 Where a Benchmark is based on Submissions, the additional Principle also applies:</p> <p>The Administrator should clearly establish criteria for including and excluding submitters. The criteria should consider any issues arising from the location of the Submitter, if in a different jurisdiction to the Administrator. These criteria should be available to any relevant Regulatory Authorities, if any, and Published or Made Available to Stakeholders. Any provisions related to changes in composition, including notice periods should be made clear.</p>	<p>11.1.c: To improve the consistency of expert judgment. During periods of high market pressure, disruption or low market liquidity, Mysteel reserves the right to use expert judgment in the case of insufficient reports received, including reference to other market information, such as supply and demand fundamentals and other factors that affect the price of Iron Ore factor. The detailed plan is described in Mysteel's internal Iron Ore index method. Only senior analysts with at least three years of industry experience can exercise expert judgment. The specific use of expert judgment has been responded to in Principle 6.</p> <p>11.1.d: In the case of high market pressure, interruption or low market liquidity, the index analyst will follow the extreme market situation response process chart in the Mysteel Iron Ore indices methodology to deal with. Mysteel has clearly described the conditions for the use of expert judgment in its methodology and implemented it as required. There was no corresponding extreme event this year.</p>	<p>For 11.1.f, we obtained the 2021 minutes of the Index Management Committee meeting and noted that the methodologies were discussed during the meeting. As for the annual review conduction of methodologies, Mysteel has decided to cancel Index Advisory Group in 2021.</p> <p>For 11.2, we obtained the submitters' list and observed that current submitters satisfy criteria for being included in the submitters' list.</p>

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
	<p>11.1.f: Mysteel will review all internal and external methodologies at least quarterly. If the index management committee and stakeholders decide to stop publishing the Mysteel index, they should notify at least three months in advance. This period includes time for internal review and external investigation, applicable to extreme events, applicability, index correction and development.</p> <p>11.1.g: The committee, users and stakeholders or any other interested parties can propose changes to the Mysteel Iron Ore indices methodology. Mysteel will consider all proposals and consider their advantages, and will generally negotiate such changes with users and stakeholders. Where possible, notices of changes will be announced before implementation. In 2021, no stakeholders asked for consultation on Mysteel indices methodologies.</p> <p>11.1.h: When proposing the termination of a Mysteel index, Mysteel, as an index manager, should first consider the possibility of solving the existing problems of the index. Problems that may affect the normal update of the index include: the market liquidity of the index subject decreases; sample collection difficulties, etc.</p>	

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
	In 2021, all terminated indices are implemented according to the measures described in the methodology.	

Principle 11 – Content of the Methodology

IOSCO Principle 11	Mysteel's Response	Deloitte's Assessment
	<p>11.2: Mysteel established a hierarchical structure of submitters based on mine production, trading company trading volume and steel mill production capacity. According to Mysteel's different jurisdictional requirements, Mysteel considers any issues regarding the location of the submitter and provides them to stakeholders. As part of the content involves sensitive information of other companies, the specific plan is in the Mysteel Iron Ore internal methodology. Details about the content of the submitter are all responded to in principle 14.</p>	

Principle 12 – Changes to the Methodology

IOSCO Principle 12	Mysteel's Response	Deloitte's Assessment
<p>An Administrator should Publish or make available the rationale of any proposed material change in its methodology, and procedures for making such changes. These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark's use) of changes.</p>	<p><u>Context</u></p> <p>When a major change in methodology occurs, Mysteel will publish or provide reasons for the change in the website and index daily, and gradually improve the normative process of changing methodology accordingly. Mysteel's procedures clearly define what constitutes a major change. Mysteel will consult subscribers when making changes, and notify subscribers of the changes to ensure the continuity and integrity of their baseline decisions. When making changes, Mysteel will define the changes and when they will be applied. When changing methodology, Mysteel will implement relevant changes in accordance with established policies and procedures throughout the process.</p> <p>According to the existing process, Mysteel will notify and consult stakeholders when there are major changes in the indices methodologies. These changes are considered to be significant according to the requirements of the supervisory function and are related to the breadth and depth of the benchmark use and the nature of the stakeholders. In 2021, Mysteel has updated its methodology (including seaborne, portside and domestic concentrate) several times.</p>	<p>We noticed that Mysteel has a systematic procedure for dealing with changes to the methodologies.</p> <p><u>Policy Review</u></p> <p>For 12.a and 12.b, we obtained a copy of the Methodology Management Policy and observed that Mysteel provides an effective and efficient method to deal with the adjustment of methodologies, which including advance notice, clear timeframe and deeply considering for its stakeholder's opinions.</p> <p>We reviewed the modified methodology statement at https://tks.Mysteel.com/ and identified that in the statement, it clearly described the effective time, notified stakeholders in advance and provided them with a clear timeline. At the same time, Mysteel clearly describes the reasons for the change of methodologies and the corresponding measures.</p>

Principle 12 – Changes to the Methodology

IOSCO Principle 12	Mysteel's Response	Deloitte's Assessment
<p>Those procedures should be consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations. When changes are proposed, the Administrator should specify exactly what these changes entail and when they are intended to apply.</p> <p>The Administrator should specify how changes to the Methodology will be scrutinized, by the oversight function.</p> <p>The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that is appropriate and proportionate to the breadth and depth of the Benchmark's use and the nature of the Stakeholders.</p>	<p>The updated content is publicly described in the methodology appendix. Readers can learn about the changes in our Iron Ore methodology.</p> <p><u>Relevant Activities</u></p> <p>12.a: Taking into account the assessment of the overall situation, Mysteel created a methodological change management program. For any changes to the Mysteel indices methodologies, Mysteel will notify the market one to three months before implementation. Mysteel provides advance notice and a clear time frame to provide stakeholders with ample opportunities to analyze and comment on the impact of this proposed major change. Mysteel provides detailed instructions in the methodologies change management procedure. In 2021, Mysteel updated the internal methodologies of the seaborne index one time and three times externally.</p>	<p><u>Process and Implementation Check</u></p> <p>In 2021, the Mysteel Iron Ore index methodology was changed three times: the Iron Ore index methodology was changed once, and the port spot price index methodology was changed twice. Each methodology revision was checked against the requirements of the IOSCO principles.</p> <p>In 2021, the major revisions of Mysteel's Iron Ore Index methodologies were compiled to the IOSCO principles are listed as below:</p> <p>Port Spot Price Index Methodology: On April 20, 2021, the port block premium was added; On July 16, 2021, the 61% index of new ports was correlated;</p> <p>Iron Ore Price Index Methodology (External Methodology): On November 30, 2021, a new list of submitters (Appendix C) was added.</p>

Principle 12 – Changes to the Methodology

IOSCO Principle 12	Mysteel's Response	Deloitte's Assessment
<p>Procedures should:</p> <p>12.a Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyze and comment on the impact of such proposed material changes, having regard to the Administrator's assessment of the overall circumstances; and</p> <p>12.b Provide for Stakeholders' summary comments, and the Administrator's summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<p>12.b: Mysteel will summarize the comments of users and stakeholders on the proposed changes, as well as summarize the comments and responses. For example: Mysteel terminates some indices in 2020, relevant consultations have been published in the Iron Ore announcement, and the summary opinions and conclusions are submitted to IMC for approval. In the case of approval and no objection from stakeholders, it will be officially launched according to the announcement date.</p>	<p>The above major revisions of the internal methodologies were reviewed by the IMC meeting, and revisions of the external methodologies were reviewed by the IMC meeting and published.</p>

Principle 13 – Transition

IOSCO Principle 13	Mysteel's Response	Deloitte's Assessment
<p>Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark. The Administrator should take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.</p>	<p><u>Context</u></p> <p>Mysteel has developed clear cessation and transition policies and procedures to address situations where the benchmark ceases or no longer represent its intended interests due to changes in market structure, product definitions, or other factors.</p> <p>These policies and procedures are proportionate to the estimated breadth and depth of contracts and financial instruments that reference a benchmark and the economic and financial stability impact that might result from the cessation of the benchmark. Mysteel considers the views of stakeholders and relevant regulatory authorities in determining what policies and procedures are appropriate for Mysteel's benchmark. Relevant Activities</p> <p>13.1: Mysteel's cessation and transition policies and procedures to ensure that users and other stakeholders who have financial instruments that reference the Mysteel index can have time for adjustment when the reference benchmark changes significantly. This year, Mysteel has stopped updating some indices (such as 52%, 56% Indisan fines), all of which are announced through the website.</p>	<p><u>Policy Review</u></p> <p>For Principle 13, we obtained copies of index transition and cessation policies and procedures, and we noticed that in its policies and procedures, Mysteel has clearly described:</p> <ul style="list-style-type: none"> • Need for fall-back provisions in the event of a material change to or cessation of the referenced benchmark; • External factors beyond the control of the Administrator might cause changes in the benchmark; • Guidelines for selecting reliable backup benchmarks; • The practicability of maintaining parallel benchmarks; • If the appropriate standby benchmark cannot be identified, the manager will follow the appropriate reasonable procedures; • Define a duration policy to continue to develop and use benchmarks in order to allow the transition of existing contracts to alternative benchmarks as necessary; and • Management encourages stakeholders to participate in the process of selection and transition to alternative benchmarks.

Principle 13 – Transition

IOSCO Principle 13	Mysteel's Response	Deloitte's Assessment
<p>These written policies and procedures should be Published or Made Available to all Stakeholders.</p> <p>13.1 Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <p>13.1.a Contracts or other financial instruments that reference a Benchmark, have robust fallback provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</p> <p>13.1.b Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.</p>	<p>13.1.a: Mysteel's cession and transition policies and procedures provide effective and practical solutions for contracts or other financial instruments that refer to the benchmark when the benchmark changes significantly or ceases. Currently, Mysteel has no index directly referenced by financial instruments.</p> <p>13.1.b: Stakeholders will be notified of the various conditions for major changes to the benchmark through emails, websites, etc., and they have the right to apply to Mysteel for the cession and transition of the benchmark. These factors include external factors beyond Mysteel's control, including the decline in market liquidity of index samples; the reduction in the number of sample collection channels; index sample monopoly (meaning that all index samples are held by a small number of major submitters); sample data is missing.</p>	<p><i>Process and Implementation Check</i> In FY 2021, no Iron Ore indices was stopped within the scope of IOSCO principles.</p>

Principle 13 – Transition

IOSCO Principle 13	Mysteel's Response	Deloitte's Assessment
<p>13.2 Administrators' written policies and procedures to address the possibility of Benchmark cessation could include the following factors if determined to be reasonable and appropriate by the Administrator:</p> <p>13.2.a Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics (e.g., credit quality, maturities, and liquidity of the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;</p>	<p>13.2: Mysteel has developed policies and procedures that are deemed reasonable and suitable for dealing with issues related to the termination of benchmarks in the following situations.</p> <p>13.2.a: Mysteel has developed guidelines for selecting reliable alternative indices. According to Mysteel's index compilation principles, samples with representativeness, high transparency, authenticity and good liquidity will be selected. The new benchmark will be designed to meet the asset/liability needs of stakeholders. It will rely on transparent transaction data.</p> <p>13.2.b: Mysteel has established cession and transition policies and procedures to ensure the practicality of parallel benchmarks. In the case of the cession and transition of the benchmark, when stakeholders want to switch to the alternative index, a 6-month period will be provided for users to transition to the new index in an orderly manner. In 2021, as the Mysteel 62% index is the index with the best sample liquidity and the highest market recognition, it will be used as a transitional index</p>	

Principle 13 – Transition

IOSCO Principle 13	Mysteel's Response	Deloitte's Assessment
<p>13.2.b The practicality of maintaining parallel Benchmarks (e.g., where feasible, maintain the existing Benchmark for a defined period of time to permit existing contracts and financial instruments to mature and publish a new Benchmark) in order to accommodate an orderly transition to a new Benchmark;</p> <p>13.2.c The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p> <p>13.2.d In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and</p>	<p>13.2.c: If no suitable alternative benchmark is found, Mysteel will follow the cession and transition policies and procedures, fully negotiate with stakeholders, and issue a cession notice to stakeholders at least 3 months in advance in the website and daily reports .</p> <p>13.2.d: Mysteel's cession and transition policy defines a period of three to six months during which the current benchmark will continue to be generated so that there is sufficient time for the current benchmark and its deadline to fully transition to the replacement benchmark. Time completely ended</p> <p>13.2.e: When choosing other benchmarks, Mysteel will fully adopt the suggestions of market participants and stakeholders. Stakeholders and related agencies will receive relevant notifications, including the timetable for Mysteel to start a new benchmark. In 2020, we did not receive relevant objections</p>	

Principle 13 – Transition

IOSCO Principle 13	Mysteel's Response	Deloitte's Assessment
<p>13.2.e The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.</p>		

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>Where a Benchmark is based on Submissions, the following additional Principle also applies: The Administrator should develop guidelines for submitters ('Submitter Code of Conduct'), which should be available to any relevant Regulatory Authorities, if any and Published or Made Available to Stakeholders.</p>	<p><u>Context</u> To ensure compliance with IOSCO principles, Mysteel has developed a Guide of Conduct for Submitters (the "Submitters Code of Conduct") for use by stakeholders and any relevant regulatory authorities.</p> <p>Mysteel considers that any party providing information related to the determination of the Index is a data submitter of the Mysteel Index and must comply with the requirements set out in this Code of Conduct. Such information may include, but is not limited to, prices related to the Iron Ore market.</p> <p>Submitters providing data to the Mysteel Index team shall comply with the requirements set out in this Code of Conduct to ensure the integrity and quality of data submitted to Mysteel. All submitters should be aware that the Mysteel submitter's identity will be disclosed to the regulatory authorities should regulatory requirements arise. As an administrator, Mysteel is responsible for monitoring the Submitter's compliance with the Submitter Code of Conduct.</p>	<p><u>Policy Review</u> We noticed that in the Submitter Code of Conduct, Mysteel clearly describes its requirements for submitters, including</p> <ul style="list-style-type: none"> • Submitter's Data Input Procedures; • Submitter Governance Policy; • Conflicts of Interest Arrangements; • Systems and Controls Arrangements; • Benchmark Manipulation Detection Arrangements; • Record-Keeping Management; and • Cooperation with Mysteel and Regulators.

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>The Administrator should only use inputs or Submissions from entities that adhere to the Submitter Code of Conduct and the Administrator should appropriately monitor and record adherence from Submitters. The Administrator should require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred.</p> <p>The Administrator's oversight function should be responsible for the continuing review and oversight of the Submitter Code of Conduct.</p>	<p>Industry participants who submit data used to calculate the Mysteel Index should confirm its conformance with the Guidelines. This can be done by email or by submitting back an agreement form contained in the Appendix to the Guidelines. Mysteel records each time a guideline is sent to the submitter and records each feedback the archive receives from the submitter, according to the record archiving strategy. Mysteel requires submitters to reconfirm the agreed content of the guidelines annually. All relevant documents have been saved in the Miodex secure inbox.</p> <p>If industry participants do not confirm agreement with the Guidelines, Mysteel shall consider the potential risk of including the Submitter's data in determining the Index and exclude the Submitter's data if the potential or inclusion risk is deemed to be high.</p> <p>Mysteel sends out training materials via email to submitters to ensure they understand the principles set out in the guidelines. The notes explaining IOSCO and the purpose of the Submitter Code of Conduct will be published in conjunction with the Code to provide clarity.</p>	<p>For 14.a, we have reviewed the Submitter Code of Conduct published by Mysteel, and in the 'Submitters Data Entry Procedure' section, it is explicitly required that the submitters should provide all relevant data to Mysteel on each trading day in accordance with the relevant submission agreement. The submitters shall submit details of each relevant transaction, inquiry or offer. The submitter shall not make an expert judgment or any price estimate. Mysteel prefers to receive data through a secure email. When there is a problem transferring information through this method, the submitter can submit data through other methods, such as by phone.</p> <p>For 14.b, we have reviewed the Submitter Code of Conduct published by Mysteel. In the chapter of 'Submitter Governance Policy', it is explicitly required that the submitter should inform Mysteel of the name, role, responsibility and contact information of the submitter.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>The Submitter Code of Conduct should address:</p> <p>14.a The selection of inputs;</p> <p>14.b Who may submit data and information to the Administrator;</p> <p>14.c Quality control procedures to verify the identity of a Submitter and any employee(s) of a Submitter who reports (s) data or the information and the authorization of such person(s) to report market data on behalf of a Submitter;</p> <p>14.d Criteria applied to employees of a Submitter who are permitted to submit data or information to an Administrator on behalf of a Submitter;</p> <p>14.e Policies to discourage the interim withdrawal of Submitters from surveys or Panels;</p> <p>14.f Policies to encourage Submitters to submit all relevant data; and</p>	<p>In accordance with the Mysteel Submitter Review Process, Mysteel continuously reviews the suitability and reliability of industry participants to ensure the quality and integrity of their submissions and to provide mechanisms to include and exclude submitters from performing their oversight functions.</p> <p>Mysteel updates the Submitter List in 2020 through an annual review and summary. Mysteel will summarize and review the market participants in the first half of the year and send the submitter agreement to the new submitters during the internal audit in the middle of each year in the future. At the end of the year, Mysteel will conduct a market review and summary in the second half of the year and send the submitter agreement to the new submitters. At the same time, Mysteel will send the Submitter Agreement to the existing Submitter annually.</p>	<p>For 14.c, we have reviewed the Submitter Code of Conduct published by Mysteel. In the section of 'Benchmark Manipulation Detection Arrangements', it is clearly required that the submitter should make appropriate monitoring to detect and evaluate suspicious data input; the submitter must report to Mysteel any suspicious behavior that attempts to operate or has successfully manipulated any Mysteel Index; the submitter should establish a reporting mechanism when there is potential manipulation of the data submitted to calculate the Mysteel index or any other exception occurs during the submission process, it is allowed to report to the corresponding senior staff anonymously, or report to relevant external regulators as appropriate.</p> <p>For 14.d, we reviewed the Submitter Code of Conduct published by Mysteel. In the chapter of 'Submitter Governance Policy ', it is clearly required that the submitter should develop internal governance policies to ensure that the employees responsible for submitting data are properly trained and have the necessary professional knowledge and ability.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>14.g The Submitters' internal systems and controls, which should include:</p> <p>i. Procedures for submitting inputs, including Methodologies to determine the type of eligible inputs, in line with the Administrator's Methodologies;</p> <p>ii. Procedures to detect and evaluate suspicious inputs or transactions, including inter-group transactions, and to ensure the Bona Fide nature of such inputs, where appropriate;</p> <p>iii. Policies guiding and detailing the use of Expert Judgment, including documentation requirements;</p> <p>iv. Record-keeping policies;</p> <p>v. Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;</p>	<p><u>The specific content</u></p> <p>14. a: When selecting input data, Mysteel follows the data hierarchy and the submission channel hierarchy. The Submitter shall provide Mysteel with all relevant data for each Trading Day in accordance with the relevant Submission Agreement. The submitter shall submit details of each relevant transaction, inquiry or offer. The author should not make expert judgments or make any price estimates. Mysteel prefers to receive data via secure email. When problems are encountered in transmitting information through this method, the submitter can submit data through other methods, such as over the phone.</p> <p>14. b: Mysteel mainly collects transaction and bid quotation data submitted by mainstream overseas mines, domestic and foreign trading companies and steel mills in China.</p> <p>To ensure data integrity, transparency and timeliness, Mysteel will classify data according to importance. According to the source and content of data, the collection channels of Iron Ore index samples are divided into four levels, as follows: Level 1: The four major mines, large state-owned iron and steel production enterprises, large trading enterprises with annual trading volume of more than 10 million tons.</p>	<p>For 14.e, we reviewed the Submitter Code of Conduct published by Mysteel. In the section of 'Submitters Data Input Procedure', it is clearly required that the submitter should always adhere to the submission. There are corresponding procedures to ensure the continuity of submission, and the submission will not be temporarily stopped.</p> <p>For 14.f, we reviewed the Submitter Code of Conduct published by Mysteel, and in the 'Submitter's Data Entry Procedure' section, Mysteel encouraged the submitter to provide all relevant data in its best efforts generated on each trading day to Mysteel in accordance with the submission agreement.</p> <p>For 14.g, we reviewed the Submitter Code of Conduct published by Mysteel, which requires the submitter to establish internal control procedures:</p> <p>1. In 'Submission Guidelines' in the Submitter Code of Conduct, the submitter should provide Mysteel with all the relevant data created on each trade date in accordance with the relevant submissions agreements and on a best efforts basis.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>vi. Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime);</p> <p>vii. Suspicious Submission reporting;</p> <p>viii. Roles and responsibilities of key personnel and accountability lines;</p> <p>ix. Internal sign off procedures by management for submitting inputs;</p> <p>x. Whistleblowing policies (in line with Principle 4); and</p>	<p>Level 2: The contact person of small and medium-sized steel production enterprises and traders with relatively high level, among which, the contact person of steel mills shall be the procurement supervisor, and the contact person of small and medium-sized trading enterprises shall be the general manager or sales supervisor. Level 3: Iron Ore spot Trading platform, such as Global Ore, Corex, MITS (MySteel Iron Ore Trading System), etc. Level 4: Other small and medium-sized steel mills and traders, contact level for general supervisors or salesmen.</p> <p>14. c: Mysteel has internal oversight and audit policies and procedures to control the quality of submitters, including submitter governance policies, conflict of interest policies, system and control policies, and benchmark manipulation and testing policies.</p>	<p>2. In 'Submission Guidelines' in the Submitter Code of Conduct, the submitter should submit the details of every relevant transaction, bid or offer. The submitter should not apply any expert judgment or undertake estimations of prices.</p> <p>3. In 'Submission Guidelines' in the Submitter Code of Conduct, Mysteel prefers to receive submissions of data into the index via secured electronic transmission channels. Submitters experiencing issues transferring information through this method may submit the data through alternative methods such as via telephone.</p> <p>4. In 'Submission Guidelines' in the Submitter Code of Conduct, if you encounter any problems with submitting data, please contact Mysteel on miodex@mysteel.com in order to assist you.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>xi. Conflicts of interest procedures and policies, including prohibitions on the Submission of data from Front Office Functions unless the Administrator is satisfied that there are adequate internal oversight and verification procedures for Front Office Function Submissions of data to an Administrator (including safeguards and supervision to address possible conflicts of interests as per paragraphs (v) and (ix) above), the physical separation of employees and reporting lines where appropriate, the consideration of how to identify, disclose, manage, mitigate and avoid existing or potential incentives to manipulate or otherwise influence data inputs (whether or not in order to influence the Benchmark levels), including, without limitation, through appropriate remuneration policies and by effectively addressing conflicts of interest</p>	<p>14. d: The Submitter shall establish internal governance policies to ensure that the staff in the Submitter's enterprise responsible for the submission of the Data are properly trained and have the necessary expertise and competence. Employees responsible for submitting data to Mysteel shall be aware of this Code of Conduct and have been properly trained to understand the Code and the best market conditions. This requirement should be extended and applied to all employees involved in data submission. Adequate supervision, audit, discipline and complaint management policies and arrangements are in place. See more information in Submitter Code of Conduct.</p> <p>14. e: Mysteel does not encourage the temporary withdrawal of investigations used to collect the author's data. In order to reduce the risk of temporary withdrawal, Mysteel has established a policy to temporarily exclude or permanently exclude an existing submitter. In cases where the quality or consistency of the data provided by the submitter is of concern, Mysteel will consider withholding the data provided by the submitter until the relevant investigation is completed.</p>	<p>5. In 'Submission Guidelines' in the Submitter Code of Conduct, who have foreseen that they will in part or in whole suspend or terminate contributions to the calculation of the indices, should where possible notify Mysteel at least thirty days before that action takes place.</p> <p>6. In 'Submission Guidelines' in the Submitter Code of Conduct, Mysteel expects submitters to be consistent and to have appropriate procedures to ensure continuity of submissions, and therefore to not cease submissions on a temporary basis.</p> <p>ii. In 'Benchmark Manipulation Detection Arrangements' in the Submitter Code of Conduct, the submitter should put in place appropriate monitoring and surveillance arrangements to detect and evaluate suspicious data inputs. This includes monitoring of transactions and estimates, to ensure the bona fide nature of such inputs.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
<p>which may exist between the Submitter's Submission activities (including all staff who perform or otherwise participate in Benchmark Submission responsibilities), and any other business of the Submitter or any of its affiliates or any of their respective clients or customers.</p>	<p>14.f: Mysteel strives to collect as much data as possible, including sample transactions, bid and offer quotes and sample chemical morphology (i.e., sample specifications). Mysteel statistically identifies and analyses submissions and encourages all market participants to become submitters of the Mysteel Index, as the more extensive the data source of the Index is, the truer it is to reflect the target market it measures.</p> <p>14.g: Submitters providing data to the Mysteel Index shall comply with the requirements set out in this Code of Conduct to ensure the integrity and quality of data submitted to Mysteel. Mysteel publishes the Mysteel Submitter Code of Conduct, IOSCO Principles and Data Submission Protocol to all Submitters. Submitter is required to review, sign and send back to Mysteel. For submitters who do not respond within 10 business days, Mysteel will send a second email containing the same document. The email explicitly informs the Submitter that if the Submitter continues to provide the Data to Mysteel thereafter, it will be by default their acceptance of the relevant terms and conditions and in accordance with the policies set out in the Submitter's Code of Conduct.</p>	<p>iii. In 'Record Keeping Management ' in the Submitter Code of Conduct, the submitter should document their indices submission methodology, including articulating eligible data input criteria and the use of expert judgement.</p> <p>iv. In 'Record Keeping Management ' in the Submitter Code of Conduct, the submitter should retain an audit trail recording all submissions, including hard copy and electronic records, for a minimum of five years.</p> <p>v. In 'Systems and Controls Arrangements' in the Submitter Code of Conduct, The submitter's internal arrangements should include the documentation of sign-off and / or pre-submission processes. In section 3.5 of 'Benchmark Manipulation Detection Arrangements' in the Submitter Code of Conduct, the submitter should establish whistleblowing arrangements that allow the anonymous reporting of potential manipulation of data submitted for the calculation of the Mysteel Indices, or any other irregularity arising from the submission process, to appropriate senior employee and where appropriate, externally to relevant regulatory authorities.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
	<p>i. For the purpose of collecting quality data, Mysteel has a submission guide for submitters. Contents include:</p> <p>(1) Submitter shall provide Mysteel with all relevant data created on each trading day in a timely manner and at a high standard in accordance with the relevant submission agreement;</p> <p>(2) The Submitter shall submit the details of each relevant transaction, purchase and sale order. Submitter should not apply any expert judgment or make price estimates;</p> <p>(3) Mysteel Preferred to receive data through a secure electronic transmission channel. In case of problems in transmitting information through this method, the submitter can submit data through other methods, such as telephone.</p> <p>(4) If the submitter encounters any problems while submitting the data, they can contact the secure Mysteel Index email. Address: miindex@mysteel.com.</p> <p>(5) If the Submitter expects to suspend or terminate the provision of data for the calculation of the Index in part or in whole, it shall, as far as possible, notify Mysteel at least thirty (30) days prior to the occurrence of such action.</p>	<p>vi. In 'The Submitter Governance Policy' in the Submitter Code of Conduct, employees hold the appropriate expertise and competency within the submitter to submit data, and are appropriately trained. The employees involved in the submission of data are made aware of this Code of Conduct and have received appropriate training to understand both the Code of Conduct and best market practice. This should be extended to all employees if relevant.</p> <p>vii. In ' Benchmark Manipulation Detection Arrangements' in the Submitter Code of Conduct, the submitter should put in place appropriate monitoring and surveillance arrangements to detect and evaluate suspicious data inputs. This includes monitoring of transactions and estimates, to ensure the bona fide nature of such inputs.</p> <p>viii. In introduction section of the Submitter Code of Conduct, accountability mechanisms such as a complaints process, documentation requirements and audit reviews.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
	<p>(6) Mysteel expects submitters to be consistent and establish appropriate procedures to ensure continuity of information submission and avoid temporary interruption of submission. See Part II of the Mysteel Submitter Code of Conduct and the data collection section of the methodology.</p> <p>ii. Submitter shall establish appropriate monitoring and monitoring arrangements to detect and evaluate suspicious data inputs. This includes monitoring transactions and estimates to ensure the true nature of such inputs. For insider trading, the indices cannot be traded directly on the Iron Ore spot market. They are the reference index for pricing. Therefore, there is no insider trading.</p> <p>iii. Mysteel does not wish the author to exercise any expert judgment or make price estimates. If it is unavoidable and necessary for the submitter to use the expert judgment, the submitter shall document the index submission method, including clarifying the qualified data entry criteria and the use of the expert judgment.</p>	<p>ix. In 'Submitter Governance Strategy' in the Submitter Code of Conduct, the submitter should inform Mysteel of the names, roles, responsibilities and contact details of the senior officer responsible for the submitter's data submission process, and of any officer authorised to sign off and send the submitter's submission.</p> <p>x. In ' Benchmark Manipulation Detection Arrangements' in the Submitter Code of Conduct, the submitter should establish whistleblowing arrangements that allow the anonymous reporting of potential manipulation of data submitted for the calculation of the Mysteel Indices, or any other irregularity arising from the submission process, to appropriate senior employee and where appropriate, externally to relevant regulatory authorities.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
	<p>iv. Submitter shall maintain a review record of all submissions, both paper and electronic, for a minimum period of five years. For more details, see the Mysteel Submitter Code of Conduct that has been published to all Submitter Mysteel.</p> <p>v. In order to ensure the smooth operation and accuracy of the Mysteel Iron Ore Index, Mysteel requires the submitter to conduct input verification prior to submission and establish a senior employee review procedure to check the input and ensure its correctness.</p> <p>vi. Submitter staff shall have appropriate professional knowledge and competence and receive appropriate training Employees participating in the submission of data are aware of this Code of Conduct and have been properly trained to understand the Code of Conduct and market realities. If relevant, this requirement should be extended to all employees.</p>	<p>xi. In 'Conflict of Interest Arrangements' in the Submitter Code of Conduct, the submitter should put in place effective arrangements to manage any conflicts of interest that may arise from the submission process. Examples of arrangements that may give rise to conflicts of interest include:</p> <ul style="list-style-type: none"> • Lack of physical separation between employees involved in the submitting process and the trading desk; • Remuneration policies which might directly or indirectly incentivize employees to influence or manipulate submissions; • Segregation of duties which may lead to employees inappropriately influencing the data submitted; • Employees dealing/participating in the markets from which data is submitted to Mysteel.

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
	<p>vii. The author shall establish appropriate monitoring and monitoring arrangements to detect and evaluate suspicious data inputs. This includes monitoring transactions and estimates to ensure the true nature of such inputs.</p> <p>viii. Accountability mechanisms, such as complaint processes, documentation requirements and audit reviews.</p> <p>ix. The Submitter shall inform Mysteel of the name, role, responsibilities and contact information of the senior official responsible for the Submitter's data submission process, as well as any official authorized to sign and send the Submitter's submission. For more details, please refer to the Mysteel Submitter Code of Conduct, which has been published to all Mysteel Submitter.</p>	<p><u>Process and Implementation Check</u></p> <p>We observed the fourth meeting minutes of Index Management Committee and found that IMC reviewed the Submitter Code of Conduct.</p> <p>We obtained the agreement between Mysteel and its submitters and checked the confirmation email that Mysteel sent the Submitter Code of Conduct. In order to ensure the quality of the submission, Mysteel has sent the Submitter Code of Conduct and the submitter training policy to its submitters. At the same time, the submitter agrees to accept and implement the relevant requirements formulated by Mysteel. However, it is important to note that the confirmation email is sent on a later date in 2021.</p>

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
	<p>x. Submitter shall establish a reporting mechanism to allow anonymous reporting of potential manipulation of the data submitted for the purpose of calculating the Mysteel Index or of any other irregularities arising from the submission process. Whistleblowers may report this to appropriate senior employees and, where appropriate, to the relevant regulatory authorities externally. For more details, please refer to the Mysteel Submitter Code of Conduct, which has been published to all Mysteel Submitter.</p> <p>xi. Submitter shall establish effective arrangements to manage any conflict of interest that may arise during the submission process. Examples of arrangements that may give rise to conflicts of interest include:</p> <ul style="list-style-type: none"> • Lack of physical isolation between staff involved in the submission process and the trading desk; • May directly or indirectly incentivize employees to influence or manipulate submitted compensation policies; • Separation of responsibilities that may cause an employee to improperly influence the data submitted; • Staff who process/participate in markets where data is submitted to Mysteel. 	

Principle 14 – Submitter Code of Conduct

IOSCO Principle 14	Mysteel's Response	Deloitte's Assessment
	<p>For more details, please refer to the Mysteel Submitter Code of Conduct, which has been published to all Mysteel Submitter.</p>	

Principle 15 – Internal Controls over Data Collection

IOSCO Principle 15	Mysteel's Response	Deloitte's Assessment
<p>When an Administrator collects data from any external source the Administrator should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of the Front Office Function, the Administrator should seek corroborating data from other sources.</p>	<p><u>Context</u></p> <p>Mysteel strictly controls submissions from external sources and data collection processes and considers only trade and offer information that complies with standard contract terms. Mysteel collects the transaction price submitted, as well as any significant additional information, including payment, logistics and final delivery time of the Product. For internal control purposes, all index analysts involved in data collection are fully trained. Collection and recording facilitate the daily process of index submission and are reviewed and approved by senior analysts to protect the integrity and confidentiality of the data.</p>	<p><u>Policy Review</u></p> <p>We observed that in the Submitter Code of Conduct, Mysteel clearly describes its requirements for the collection of data from any external sources.</p> <p><u>Process and Implementation Check</u></p> <p>We obtain data samples from external sources and observe that they meet the data requirements mentioned in the internal methodology. At the same time, in order to protect the reliability and confidentiality of data, the senior analysts of the index group review the data collected from external resources during the daily benchmark decision-making process.</p> <p>During the on-site review process, we also obtained data samples collected from various front-office functions of Mysteel, and we observed that senior analysts of the index group reviewed these internal data in the daily benchmark decision-making process and checked with the external market data.</p>

Principle 15 – Internal Controls over Data Collection

IOSCO Principle 15	Mysteel's Response	Deloitte's Assessment
	<p>For the Forward Spot Price Index, the Mysteel Index team has access to the Iron Ore broking team's data via a web-based platform. There are two types of data collected from the platform. One is trading and buying and selling data from physical brokerage platforms. The second is the swap price from the swap broker service at around 5:30 p.m. At the same time, the Mysteel Index team collects data from outside markets by accessing data from other market platforms, such as mining companies' bids, Global Ore, Corex and other trading platforms, or by email. The Mysteel Index team strives to gather data from a wide range of participants that reflect market conditions.</p> <p>For Iron Ore portside index, Mysteel only collects data from the outside at present, and the collection team collects data directly from market participants through telephone, WeChat, email and other methods. The collection time range was from 8:30 a.m. to 5:30 p.m. each day. During this period, Mysteel will verify all the collected samples, such as transaction samples. Mysteel will verify the transaction situation to at least one of the buyers and sellers.</p>	

Principle 15 – Internal Controls over Data Collection

IOSCO Principle 15	Mysteel's Response	Deloitte's Assessment
	<p>If the collected samples deviate too much from the market price of the day, Mysteel will further verify the reason with the submitter of the samples and decide whether to include them in the calculation samples according to the conditions stipulated in the internal methodology.</p> <p>For domestic Iron Ore index, Mysteel only collects data from outside, and the collection team directly collects data from market participants through telephone, WeChat and other methods. The collection time range was from 10 a.m. to 4:30 p.m. each day. During this period, Mysteel will verify all the collected samples, such as transaction samples. Mysteel will verify the transaction situation to at least one of the buyers and sellers. If the collected samples deviate too much from the market price of the day, Mysteel will further verify the reason with the submitter of the samples and decide whether to include them in the calculation samples according to the conditions stipulated in the internal methodology.</p>	

Principle 16 – Complaints Procedures

IOSCO Principle 16	Mysteel's Response	Deloitte's Assessment
<p>The Administrator should establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is a representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination.</p> <p>The complaints procedures policy should:</p> <p>16.a Permit complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;</p>	<p>16. a: Mysteel has established a webpage link named "Complaints and Supervision" on both English and Chinese websites, which can be accessed without login to the website. An email address and physical address are provided on the Complaints and Supervision website so that complaints can be filed in writing. The Mysteel Complaint Policy can be downloaded free of charge from the website. Mysteel Index Complaint Policy Mysteel is committed to providing high quality indexes to the market. We advocate transparency, high quality data collection, and adherence to our robust methodologies and procedures.</p> <p>If a market participant would like to provide feedback, report errors or complaints, please use the following email address. The Mysteel Complaint Policy can also be downloaded here.</p> <p>All complaints must be made in writing.</p> <p>E-mail: complaints@mysteel.com Address: 7th Floor (A65), Shanghai Ganglian E-Commerce Holdings Co.,Ltd., 68 Yuanfeng Road, Baoshan District, Shanghai 200444, China</p>	<p>We noticed that Mysteel has policies for dealing with complaints and disputes, which are made available to its stakeholders.</p> <p><u>Policy Review</u></p> <p>For 16.a, we observed that Mysteel has set up a web link called 'complaint and supervision' on English and Chinese websites, which can be accessed without log into the website. The 'complaint and supervision' link provides an email address, which allows users to submit complaints.</p> <p>For 16.b, we obtained a complaint policy and observed that Mysteel clearly explained its procedures for handling complaints. The policy includes the procedures for receiving and investigating complaints about the index decision-making process in a timely and fair manner, isolating any person who may or may be involved in the complaints, and providing opinions on the investigation results to the complainants and other relevant persons within a reasonable period of time and keeping all records of the complaints.</p>

Principle 16 – Complaints Procedures

IOSCO Principle 16	Mysteel's Response	Deloitte's Assessment
<p>16.b Contain procedures for receiving and investigating a complaint made about the Administrator's Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;</p> <p>16.c Contain a process for escalating complaints, as appropriate, to the Administrator's governance body; and</p>	<p>16. b: There is a section in the Mysteel Complaint Policy entitled "Complaint Process and Complaint Handling" which details the procedures for receiving and investigating complaints about the Mysteel Benchmark Determination Process. Complaints will be investigated in a timely and fair manner by a person who is independent of any person who may or may be involved in the subject of the complaint. The person will inform the complainant and other interested parties of his findings within the period specified by the policy and will retain records of all relevant complaints for a minimum of five years. If the index changes as a result of complaints, it will be published as a "Subscriber Notification" (mysteel.net and mysteel.com) on both English and Chinese websites. (No complaints have been received since the launch of the register)</p>	<p>For 16.c, we obtained a complaint policy and observed that Mysteel clearly explained its procedures for handling complaints in this policy. The policy includes procedures to escalate complaints to management's governing body.</p> <p>For 16.d, we obtained a complaint policy and observed that Mysteel explicitly required all documents related to the complaint, including the documents submitted by the complainant and the records of the manager, to be kept for at least five years.</p> <p>For 16.e, we obtained a complaint handling process and observed that Mysteel has stated the dispute procedures (informal complaints) of index decision-making in this policy, and the manager refers to their appropriate standard procedures for resolution.</p>

Principle 16 – Complaints Procedures

IOSCO Principle 16	Mysteel's Response	Deloitte's Assessment
<p>16.d Require all documents relating to a complaint, including those submitted by the complainant as well as the Administrator's own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.</p>	<p>16. c: There is a section entitled Complaint Handling in the Mysteel Complaint Policy which details how complaints can be referred to the competent departmental governance body (Index Management Committee) as appropriate.</p> <p>16. d: Subject to IOSCO compliance, Mysteel will retain all documents relating to the complaint, including those submitted by the complainant and Mysteel's own records, for a minimum of five years, subject to the applicable national legal or regulatory requirements. In the index team shared cloud disk, there is one called IOSCO_AUDIT / 1_Complaints, where all the documents related to the complaint will be kept.</p>	<p><u>Process and Implementation Check</u></p> <p>For 16.a, we observed that on https://www.Mysteel.com/feedback/index.html, Mysteel provides a specific e-mail address for complaints.</p> <p>For 16.b, we obtained a complaints register and noticed that all documents relating to complaints are stored in this complaints register and personnel who is independent of any person who may be or may have been involved in the subject to the complaints is in charge of dealing with these complaints and queries.</p> <p>For 16.c, we checked the related policy which states the complaints escalation. Through interview, email, on-site observation of Mysteel's complaint email, we confirmed to Mysteel's compliance manager that there is no complaint to be submitted to the Index Management Committee in 2020.</p>

Principle 16 – Complaints Procedures

IOSCO Principle 16	Mysteel's Response	Deloitte's Assessment
<p>16.e Disputes about a Benchmarking determination, which are not formal complaints, should be resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that should be Published or Made Available to Subscribers and Published or Made Available to Stakeholders as soon as possible as set out in the Methodology.</p>	<p>16. e: If Mysteel receives an inquiry in relation to the benchmark measurement and the review results in a change in the benchmark measurement, Mysteel will refer the dispute to the Index Management Committee in accordance with the Mysteel Complaints Procedure. At the same time, Mysteel will publish a "Subscriber Notification" to both English and Chinese websites as well as English and Chinese daily reports as soon as possible. Subscribers and stakeholders will be able to access and search the notice on the Web site for at least five years. As of this year, Mysteel has stored records for four years and a history record of the period between 2013 and 2018, which is not very well-defined (stored in the http://103.98.220.19:38000/#group/6/Iron Ore Portside Team-Historical Record).</p>	<p>For 16.d, Mysteel does not have a five-year record of complaint documentation due to IOSCO compliance-related implementation started from the beginning of 2018. However, Mysteel's team is working on collecting the complaint details and saving in the shared drive timely since the middle of 2018.</p> <p>For 16.e, for disputes over benchmark decisions (not formal complaints), Mysteel will record such disputes in the index questionnaire and refer to the Mysteel complaint procedure to report the disputes to the Index Management Committee. We obtained the index inquiry form and the minutes of the Index Management Committee meeting and observed that Mysteel handled such disputes with reference to the complaint procedure.</p>

Principle 17 – Audits

IOSCO Principle 17	Mysteel's Response	Deloitte's Assessment
<p>The Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated criteria and with the Principle. The frequency of audits should be proportionate to the size and complexity of the Administrator's operations.</p>	<p><u>Context</u> EXTERNAL AUDITS Mysteel appointed Deloitte in 2019 as an external certifier to review managers' compliance with its established standards and principles. Deloitte has extensive global experience in this area as a forensic provider based on IOSCO benchmarking principles. Such reviews are performed annually by a designated external company, which is proportional to the size and complexity of Mysteel benchmark operations and the breadth and depth of benchmark use by stakeholders. The adoption of an annual audit model is also in line with industry practice for other commodity price reporting agencies that follow IOSCO principles. External verification will take place at the end of each natural year and the self-assessment form will be sent to Mysteel by the end of November each year to complete the assessment so that the results of the verification can be published by the end of December each year and the report and compliance statement will also be notified to stakeholders.</p>	<p><u>Policy Review</u> We observed that Mysteel has documented the internal and external periodical audit review, the corresponding frequency and timing in their audit policy.</p> <p>The compliance manager was hired by Mysteel in May 2019. He will cooperate with the internal audit department to conduct the annual internal audit.</p> <p><u>Process and Implementation Check</u> We have examined the internal audit report for Iron Ore Index in 2020. The internal audit report includes basic elements such as audit matters, audit period, report body, audit findings, report date, etc. Also, we found that the Mysteel Index Management Committee reviewed the internal audit report and send the feedback via E-mail.</p>

Principle 17 – Audits

IOSCO Principle 17	Mysteel's Response	Deloitte's Assessment
<p>Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator (except for Benchmarks that are otherwise regulated or supervised by a National Authority other than a relevant Regulatory Authority), an Administrator should appoint an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated Methodology. The frequency of audits should be proportionate to the size and complexity of the Administrator's Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.</p>	<p><u>INTERNAL AUDITS</u></p> <p>Mysteel will conduct an internal audit every year to ensure that the index team is audited every six months, first by an internal auditor and then by an external auditor. An internal audit was conducted in August 2020, and the final audit report was completed in November.</p> <p>Mysteel's compliance manager is based in Singapore and reports directly to the CEO of Mysteel. By reporting to the CEO, this structure ensures that the compliance manager is completely separate from and unaffected by the index function. At the same time, compliance managers have their own separate offices, set up "separation walls" to ensure that they do not have access to information that could affect them, and ensure that they have the option to conduct investigations and reviews in a confidential manner.</p> <p>Mysteel also has an independent audit department that will assist the compliance manager with audits.</p>	

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
<p>18.1 Written records should be retained by the Administrator for five years, subject to applicable national legal or regulatory requirements on:</p> <p>18.1.a All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p> <p>18.1.b The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p> <p>18.1.c Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p> <p>18.1.d The identity of each person involved in producing a Benchmark determination; and</p>	<p>18.1.a: All market data on which benchmark determination depends, submissions and any other source information are stored on a secure cloud disk set up specifically for the index team. All submission data submitted to Mysteel via email will be sent to a secure inbox. miodex@mysteel.com, the email will be retained for at least 5 years. As of this year, Mysteel had stored records for two years. Any additional information provided to the Index team over the phone will be recorded in a secure note-taking system and Mysteel requires the Index team to record any submissions submitted by WeChat and to download and storWeChatB1 conversations on a monthly basis for recording and review.</p> <p>18.1. b: The use of expert judgments is recorded daily in a special record file called the Miodex Index Log for review and submitted to the IMC at regular IMC meetings to assess and track the performance of the index team and to track decisions in the overall index calculation in a daily spreadsheet. The index work log contains information about the use of statistical analysis to remove any data anomalies and exclude data if the correct delivery time has been exceeded. The whole process and each decision can be reinterpreted.</p>	<p><u>Policy Review</u></p> <p>For 18.1, we obtained a copy of policies for Record Keeping and Audit Trail, and observed that Mysteel clearly states its requirements on audit trails of the below items: In its chapter 'Introduction', Mysteel, as an administrator, has to keep adequate written records for five years of all information surrounding the determination of the Benchmarks, for the purpose of creating an audit trail. In its section 'Annual review and data retention period' of Oversight chapter, Mysteel recommend that recordkeeping data is retained for as long as possible (and for a minimum period of five years as required within the IOSCO Principles) in accordance with industry standards.</p> <p><u>Process and Implementation Check</u></p> <p>We observed that Mysteel has been retaining all the market data and information sources relied upon for benchmark determination for more than two years. In addition, Mysteel has also retained changes in or deviations from its standard procedures and Methodologies since 2013. However, there are identified exceptions for Mysteel regarding the retention of audit traceability documents.</p>

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
<p>18.1.e Any queries and responses relating to data inputs.</p> <p>If these records are held by a Regulated Market or Exchange the Administrator may rely on these records for compliance with this Principle, subject to appropriate written record sharing agreements.</p>	<p>In 2020, Mysteel used two expert judgments, on March 17 and November 2 respectively. The whole process can be deduced again, every decision and use expert judgment because, on March 17, at a fixed price clinch a deal the price of this single Newman powder, according to our survey of the market that day, clinch a deal the standardized results deviating from the market level, according to our methodology, fixed price clinch a deal the sample should be appropriate to delete the influence of time on the sample, so we according to the expert judgment to delete the standardized time. On November 2nd, expert judgment was used because the premium of Iron Ore and stone was insufficient in liquidity for a long time and there was no support from many price samples. Therefore, expert judgment was used to determine the price of LP on the same day and month.</p>	<p>Mysteel kept index calculation sheets, which contain the input data used and the index calculation process. However, Mysteel did not store all submitted data and any other input information that some index decisions depend on, including the data submitted through e-mail, WeChat, and other channels or other information, on the internal secure cloud disk of Mysteel. This is not convenient for audit work to trace and check the accuracy and integrity of original data use. (a.1) Internet instant messaging tools (such as WeChat) are channels for Mysteel to collect market data and information. However, Mysteel fails to completely download and store the communication records between Index Team members and the submitter by month. So far, only the WeChat communication records of some dates in 2020 were captured and uploaded to the cloud disk for backup, while a large number of records were still stored in the chat records of WeChat software itself, not uploaded to the cloud disk for backup.</p>

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
<p>18.2 When a Benchmark is based on Submissions, the following additional Principle also applies: Submitters should retain records for five years subject to applicable national legal or regulatory requirements on:</p> <p>18.2.a The procedures and Methodologies governing the Submission of inputs;</p> <p>18.2.b The identity of any other person who submitted or otherwise generated any of the data or information provided to the Administrator;</p> <p>18.2.c Names and roles of individuals responsible for Submission and Submission oversight;</p> <p>18.2.d Relevant communications between submitting parties;</p> <p>18.2.e Any interaction with the Administrator;</p>	<p>18.1.c: As stated in the "Mysteel Extreme Event Management" policy. In cases of market stress or market disruption, the Mysteel strategy must be used: Mysteel Extreme Event Management Template. This template defines the recording and preservation of events throughout the process, including specific problems, proposed solutions, and the date and time of each decision and the name of the person responsible for the decision that should be recorded. Mysteel will follow the extreme event management process and all details will be recorded in the template. The internal methodology details the process that the index team should follow when calculating the index in times of market stress or disruption, or whether it is necessary to republish the previous day's index. All events/actions, people involved and decisions will be recorded.</p>	<p>Therefore, it is difficult to ensure that all submitted information used for the index calculation can be traced back to the original records, which does not meet the requirements of 'Record-Keeping' in the methodologies.</p> <p>Although WeChat has its own historical data storage function, it has limited flexibility in searching and formatting. Mysteel has not yet used the technical solutions available in the current market to convert WeChat conversation records into a long-term retained, searchable format and keep the data in a safe location for at least 5 years.</p>

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
	<p>18.1.d: Record in the Miodex Index Log the identity of the people involved in setting the benchmark and the senior analysts who check and approve the determination of the index daily.</p> <p>18.1.e: All queries and responses related to data entry or the index are recorded in the "Miodex Index Log", which is stored on a shared disk for at least 5 years. Each query has a unique ID so that Mysteel can track the query and response to ensure that it is resolved in a clear and transparent manner.</p>	

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
<p>18.2.f Any queries received regarding data or information provided to the Administrator;</p> <p>18.2.g Declaration of any conflicts of interests and aggregate exposures to Benchmark related instruments;</p> <p>18.2.h Exposures of individual traders/desks to Benchmark related instruments in order to facilitate audits and investigations; and</p> <p>18.2.i Findings of external/internal audits, when available, related to Benchmark Submission remedial actions and progress in implementing them.</p>	<p>18.2. a: Submitter Code of Conduct, Data Submitter Agreement, Training Report are applicable to input submitted to Mysteel. All documents are stored on secure cloud disk for at least 5 years. As of this year, Mysteel had stored records for two years. All communications relating to the Submitter's procedures and the Submitter's Code of Conduct are stored in the private Miodex email inbox.</p> <p>18.2.b: The meeting recording system, email, WeChat and daily calculation sheet all record the data submitted to Mysteel. All Mysteel landline calls in Shanghai are recorded so that they can be monitored for audit purposes. Mysteel is working with the IT department to improve the internal system of all communication methods to ensure accurate data recording and minimize manual operations. Mysteel's internal methodologies specifies in detail that no matter how the communication method is, the communication with the submitter must be recorded. Even if a contact has been attempted, but the other party does not answer, the analyst must record the communication. The requirements are as follows:</p>	<p>(a.2) All data and communication records collected by Mysteel through e-mails are currently stored in the mailbox, while not downloaded and saved to the cloud disk for backup on a regular basis. Once any unexpected situation occurs to the mailbox, including login or email service problems, it is difficult to ensure that all submitted information used for the index calculation can be traced back to the original records. This does not meet the relevant requirements of "record keeping" in the methodologies.</p> <p>Mysteel's records of the information listed above are kept for less than five years.</p>

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
	<ul style="list-style-type: none"> • Including tonnage, product, delivery time, iron, silicon, aluminum, phosphorus content, moisture and price; • The mentality of the contact person towards the market; • What the source is saying about the market now; • What is the source's view on the price (58/62/65, blocks/pellets, iron/silicon/phosphorus/aluminum) as long as it is related to trading/trading products; Are the contacts willing to share anything interesting that's happening in the market? Is it possible to quote the contact's description in the end-of-day comments? 	

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
	<p>18.2.c: Mysteel has a complete list of companies and individuals who submit data. The Mysteel Index team regularly meets face to face with the key submitters, not only the submitters but also the manager/general manager of the Iron Ore division. Within Mysteel, senior analysts are responsible for the daily supervision of submitters and are overseen by the head of indexes and the internal management committee.</p> <p>18.2.d: Any communication between Mysteel and the Submitter is done using the MIODEX@Mysteel.com email address - all emails will be archived annually and kept on a secure shared storage hard drive for 5 years. As of this year, Mysteel had stored records for two years.</p> <p>18.2.e: Use MIODEX@Mysteel.com or a private email address to communicate with administrators. All e-mails will be archived annually and stored on a shared storage hard drive for 5 years.</p>	<p><u>Policy Review</u></p> <p>For 18.2.a, 18.2.b, 18.2.c, 18.2.d, 18.2.e, 18.2.f, 18.2.g, 18.2.h, 18.2.i, we obtained the Submitter Code of Conduct. In its chapter 'Records Management', Mysteel clearly described that the submitter should keep records of the procedures and methodologies for managing the submission of input data for at least five years. Data to be retained should include records on: -The procedures and methodologies governing the submission of data inputs; -The identity of any external persons who submitted or otherwise generated any of the data inputs or information provided to Mysteel; -The names and roles of individuals responsible for submission and submission oversight; -Relevant communications between submitting parties; -Any interaction with Mysteel; -Any queries received regarding data inputs or information provided to the Mysteel; - Declaration of any conflicts of interests and aggregate exposures to Mysteel Index-related instruments;</p>

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
	<p>18.2.f: All queries and replies related to data entry or any other information provided to managers are recorded in the "Miodex Index Log" table, which is stored on a shared storage hard disk for at least 5 years. As of this year, Mysteel had stored records for two years. Each query has a unique ID so that Mysteel can monitor queries, responses, and solutions in a clear and transparent manner.</p> <p>18.2.g: There is a section in the recordkeeping audit trail policy that requires the author to declare any conflict of interest and to aggregate all exposures to the financial instruments associated with the benchmark.</p> <p>18.2.h: In the authors' code of conduct policy issued annually to the authors, it is stated that the authors must abide by the following: 4.2.7 State any conflict of interest and the overall risk to the Mysteel Index related instruments;</p>	<p>-Exposures of individual traders/desks to indices-related instruments; -Findings of external/internal audits, when available, related to submission remedial actions and progress in implementing them.</p> <p><u>Process and Implementation Check</u></p> <p>We observed that Mysteel has been retaining all the market data and information sources relied upon for benchmark determination for more than two years.</p> <p>For 18.2.a, Mysteel saved Submitter Code of Conduct and Data Submission Agreement and training materials to the cloud disk. However, as assessment in 18.1, all data and communication records collected by Mysteel through e-mails are currently stored in the mailbox, while not downloaded and saved to the cloud disk for backup.</p> <p>For 18.2.b and 18.2.c, Mysteel saved Submitters' List and Organizational Structure of the Index Department to the cloud disk.</p>

Principle 18 – Audit Trail

IOSCO Principle 18	Mysteel's Response	Deloitte's Assessment
	<p>4.2.8 Individual traders/trading desks' exposure to index-related instruments; 4.2.9 Results of external/internal audit (if applicable), submission of remedial actions and implementation of remedial actions.</p> <p>5.1 The submitter must cooperate with Mysteel or any regulatory authority in the course of an investigation relating to the Mysteel Index. Companies submitting data must provide records promptly upon request.</p> <p>18.2.i: Mysteel is committed to providing high quality services to all index users and stakeholders and ensuring regular audits by internal and external auditors. When feedback from internal or external auditors is received, the Index Management Committee will meet to discuss and approve remedial actions. The index team will use the audit results to review its processes and procedures and improve them, taking into account all comments. Progress will be recorded and presented to the Index Management Committee at the next meeting for approval and signature, ensuring that all feedback is addressed.</p>	<p>For 18.2.d and 18.2.e, all communication between Mysteel and the Submitter collected by Mysteel through e-mails are currently stored in the mailbox, while not downloaded and saved to the cloud disk for backup.</p> <p>For 18.2.f, all queries received regarding data or information provided to the administrator were recorded in Miodex Index Log and saved in the cloud disk.</p> <p>For 18.2.g, Mysteel saved all conflict of interest statements and benchmark related instruments that require disclosure to a cloud drive.</p> <p>For 18.2.h, individual traders/desks to Benchmark related instruments were saved to the cloud disk.</p> <p>For 18.2.i, Mysteel saved findings of external/internal audits related to benchmark submission remediation and implementation progress to a cloud drive.</p>

Principle 19 – Cooperation with Regulatory Authorities

IOSCO Principle 19	Mysteel's Response	Deloitte's Assessment
<p>Relevant documents, Audit Trails and other documents subject to these Principles shall be made readily available by the relevant parties to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties and handed over promptly upon request.</p>	<p><u>Context</u></p> <p>Mysteel stores all documents related to index compilation on a secure and reliable cloud storage drive (cloud disk) with restricted access. Index data, policies and any related documents are stored in this location for at least five years. As of this year, Mysteel had stored records for two years. Mysteel will fully cooperate and respond promptly to any regulatory request for access to any of Mysteel's data or policies. This year, as Mysteel has hired compliance managers to oversee and other duties, all records will be reviewed semiannually. At the same time, Mysteel's index team, index management committee and compliance manager promised to provide any documents requested by the auditor.</p>	<p><u>Policy Review</u></p> <p>We observed in cooperation with Regulators and Supervisors policies, Mysteel clearly states that 'Mysteel will disclose information received and produced by the Mysteel in the administration and operation of the Mysteel Iron Ore Indices ('the indices'), to relevant Chinese supervisory and regulatory authorities'.</p> <p><u>Process and Implementation Check</u></p> <p>We observed that Mysteel maintained relevant documents, audit trails and other documents subject to this Principle for review by the relevant regulators.</p>

Principle 19 – Cooperation with Regulatory Authorities

IOSCO Principle 19	Mysteel's Response	Deloitte's Assessment
	<p>RECORD KEEPING AND AUDIT TRAILS To support the audit process written records will be retained by Mysteel for a minimum of five years, related to the indices on the following areas:</p> <ul style="list-style-type: none"> • All market data, submissions, any other data, and information relied upon for benchmark determination • The exercise of expert judgment • Other changes or deviations made by Mysteel from standard procedures and methodologies, including those made in market stress or disruption • Any queries or responses relating to data inputs • Any complaints, details of investigations and responses by Mysteel plus remedial actions • Submitters' notes issued to the market for any reason • Declarations of conflicts of interest and any details of investigations into conflicts of interest • Any occurrence of extreme events and the management of extreme events 	

Section VII References

In this section, we listed references for Mysteel's responses, including both policies and documents (like working files, meeting notes, samples, etc.), as shown in Section VI of this report.

Principle ID	References
Principle 1	<ul style="list-style-type: none"> • Control Framework for Index and Benchmark Administration • Outline of Control Framework for Index and Benchmark Administration • Managing Extreme Events Policy • Documents for Iron Ore Index Training • Introduction of Index Management Committee • Meeting Minutes of Index Management Committee • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 2	<ul style="list-style-type: none"> • Third-Party Management Policy
Principle 3	<ul style="list-style-type: none"> • Conflicts of Interest Policy • Conflicts of Interest Internal Control Procedures • Conflicts of Interest Register • Submitter Code of Conduct • Personal Trading Account Policy • Conflict of Interest Declaration Letter • Gifts and Entertainment Policy • Organizational Structure of the Index Department • Organizational Structure of Index Management Committee • Meeting Minutes of Index Management Committee • Data Submission Agreement • Submitters' List • The monthly salary of Index Team members • Performance Stats

Principle ID	References
Principle 4	<ul style="list-style-type: none"> • Data Submission Agreement • Meeting Minutes of Index Management Committee • Conflict of Interest Declaration Letter • Conflicts of Interest Internal Control Procedures • Conflicts of Interest Policy • Control Framework for Index and Benchmark Administration • Outline of Control Framework for Index and Benchmark Administration • Documents for Iron Ore Index Training • Audit Policy • Recordkeeping and Audit Trail Policies • Submitter Code of Conduct • Data Hierarchy and Expert Judgement Guidelines • Complaint Handling Procedures • Complaint Policy • Disclosure to Complainants • Information Quality Management Committee Charter • Submitters' List • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 5	<ul style="list-style-type: none"> • Meeting Minutes of Index Management Committee • Introduction of Index Management Committee • Control Framework for Index and Benchmark Administration • Outline of Control Framework for Index and Benchmark Administration • Conflict of Interest Declaration Letter • Iron Ore Indices Internal Audit Report 2021 • Data Submission Agreement • Submitter Code of Conduct • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 6	<ul style="list-style-type: none"> • Overall Introduction to the Iron Ore Market • Description of Sample Collection of the 2021 Mysteel Iron Ore Index Price • Statistics of Calculation Samples • Documents for Iron Ore Index Training

Principle ID	References
Principle 7	<ul style="list-style-type: none"> • Overall Introduction to the Iron Ore Market • Submitters' List • Statistics of Calculation Samples
Principle 8	<ul style="list-style-type: none"> • Performance Stats • Data Hierarchy and Expert Judgment Guidelines • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 9	<ul style="list-style-type: none"> • Submitters' List • Data Hierarchy and Expert Judgement Guidelines • Performance Stats • Control Framework for Index and Benchmark Administration • Outline of Control Framework for Index and Benchmark Administration • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 10	<ul style="list-style-type: none"> • Meeting Minutes of Index Management Committee • Introduction of Index Management Committee • Methodology Management Policy • Index Cessation & Transition Policy • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 11	<ul style="list-style-type: none"> • Performance Stats • Meeting Minutes of Index Management Committee • Managing Extreme Events Policy • Data Hierarchy and Expert Judgement Guidelines • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index) • Submitter Code of Conduct • Introduction of IOSCO and Submitter Code of Conduct • Submitters' List • Submitter Review Process Policy

Principle ID	References
Principle 12	<ul style="list-style-type: none"> • Meeting Minutes of Index Management Committee • Methodology Management Policy • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 13	<ul style="list-style-type: none"> • Index Transition and Cessation Policy • Index Transition and Cessation Implementation Procedures
Principle 14	<ul style="list-style-type: none"> • Data Hierarchy and Expert Judgement Guidelines • Submitter Code of Conduct • Submitters' List • Submitter Review Process Policy • Data Submission Agreement • Introduction of IOSCO and Submitter Code of Conduct • Index Cessation & Transition Policy • Statistics of Calculation Samples • Conflicts of Interest Internal Control Process • Conflicts of Interest Policy • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 15	<ul style="list-style-type: none"> • Performance Stats • Data Submission Agreement • Submitter Code of Conduct • Conflicts of Interest Internal Control Process • Conflicts of Interest Policy

Principle ID	References
Principle 16	<ul style="list-style-type: none"> • Documents for Iron Ore Index Training • Complaint Handling Procedures • Complaint Policy • Complaints Register • Disclosure to Complainants • Index Questionnaire • Introduction of Index Management Committee • Meeting Minutes of Index Management Committee
Principle 17	<ul style="list-style-type: none"> • Meeting Minutes of Index Management Committee • Iron Ore Index Internal Audit Report 2021 • Audit Policy
Principle 18	<ul style="list-style-type: none"> • Performance Stats • Organizational Structure of the Index Department • Meeting Minutes of Index Management Committee • Recordkeeping and Audit Trail Policies • Submitter Review Process Policy • Data Submission Agreement • Submitters' List • Submitter Code of Conduct • Data Hierarchy and Expert Judgement Guidelines • Complaints Register • Index Questionnaire • Methodology Management Policy • Conflicts of Interest Internal Control Process • Conflicts of Interest Register • Conflict of Interest Declaration Letter • Internal & External Iron Ore Index Methodologies (includes Forward Spot Price Index, Portside Spot Price Index and Domestic Ore Price Index)
Principle 19	<ul style="list-style-type: none"> • Cooperation with Regulators and Supervisors • Audit Policy • Introduction of Index Management Committee • Third-Party Management Policy • Information Quality Management Committee Charter • Recordkeeping and Audit Trail Policies