

# Benchmark Statement

## Fish Pool Index, FPI, and Monthly Settlement Price, MSP

Abbreviations used	
<b>FPI</b>	Fish Pool Index™ (FPI) is a weekly index. FPI is calculated every week and published at the Fish Pool Website
<b>MSP</b>	The Monthly Settlement Price (MSP) is the benchmark used to settle all financial contracts traded at Fish Pool. MSP is calculated as the simple average of the weekly FPI prices (not volume weighted) included in the Month.
<b>NSI</b>	Nasdaq Salmon Index, NSI, is operated by Nasdaq Copenhagen A/S, the administrator of the Nasdaq Salmon Index Family. The NSI is the average price in the 3-6 kg weight classes, weighted 30% SUP3-4, 40% SUP4-5 and 30% SUP5-6. Click <a href="https://salmonprice.nasdaqomxtrader.com/public/report?0">https://salmonprice.nasdaqomxtrader.com/public/report?0</a> to see the latest report, methodology etc.
<b>SSB</b>	SSB, Statistics Norway, export price for fresh salmon from Norway. Average of all sizes and qualities. Click <a href="https://www.ssb.no/en/utenriksokonomi/statistikker/laks">https://www.ssb.no/en/utenriksokonomi/statistikker/laks</a> to see the latest SSB price.
<b>Exporter</b>	A company with export licence from The Norwegian Seafood Council (Norges Sjømatråd), listed in the public register <a href="https://en.seafood.no/exporter/">https://en.seafood.no/exporter/</a>
<b>App 2</b>	Fish Pool Rulebook, appendix 2, Calculation of settlement price: Fish Pool Index and Monthly Settlement Price, published on <a href="http://fishpool.eu/wp-content/uploads/2014/08/FPI-App-2.pdf">http://fishpool.eu/wp-content/uploads/2014/08/FPI-App-2.pdf</a>
<b>ISB</b>	Index Surveillance Board. ISB shall secure the independent operation and trustworthiness of FPI and MSP and be advisory to the Fish Pool Board of directors. At present ISB consists of employees of Oslo Børs with the necessary index skills and knowledge.
<b>BMR</b>	BMR is the EU Benchmarks Regulation EU 2016/1011. The MSP is used as benchmark in the financial contracts at Fish Pool ASA.
<b>BMST</b>	Regulatory Technical standards for Benchmark Statements, EU 2018/1643

This document is published by Fish Pool ASA (“**Fish Pool**”), a Regulated market for Seafood derivatives. based on the **BMR**, Article 27

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General Information, BMST Art. 1.1	
<b>Benchmark names</b>	Fish Pool Index, FPI, and Monthly Settlement price, MSP. MSP is calculated as the simple average of the weekly FPI prices included in the month.
<b>Date of initial publication of this Benchmark Statement</b>	1 July 2020
<b>Date of latest update of this Benchmark Statement</b>	1 July 2020
<b>ISIN , International Securities Identification Number</b>	FPI and MSP do not have ISIN, but all financial contracts tradeable at Fish Pool have ISIN
<b>Contributions of input data</b>	Fish Pool receives input data from NSI and SSB. Nasdaq Copenhagen receives contributions of input data from contributors to calculate NSI. Statistics Norway uses invoice information from custom clearing of export of fresh salmon to calculate the SSB price.
<b>Type of benchmarks</b>	Commodity benchmarks according to Article 3(1)(23) of the BMR. Annex II of the BMR applies to FPI and MSP. The benchmarks are not critical benchmarks or regulated-data benchmarks. All price information is given by Norwegian Exporters. None of these companies is a supervised entity according to BMR.
Description of the market and prices, BMST Art 1.2	
<b>Size of the physical market</b>	The SSB figures contain 100% of the exported fresh salmon. In 2019 in total 943 thousand, T, tons were exported and included in the SSB figures. The NSI figures contain only sales to spot prices to the European market, and only Superior Salmon size SUP3-6 kg, the sizes mostly used by European salmon processors. In 2019 in total 258 T tons were reported to Nasdaq. 78% or 202 T tons were sizes SUP3-6 kg included in the NSI.
<b>Definition of salmon as the underlying physical commodity</b>	FPI and MSP aims at reflecting the market price for Superior quality Salmon, SUP, Head on gutted, Iced and packed in 20 kg boxes, reference exporters selling price FCA Oslo. To reflect one market price for salmon, an average of salmon size 3-6 kg is established. FPI measure the weekly price for fresh Atlantic Superior Salmon, MSP the monthly price. Invoice data from actual invoiced commercially based physical transactions from Exporters is used for calculating both indices
<b>Publication of information relating to the commodity benchmark</b>	Information about FPI and MSP are explained and published on the Fish Pool website: <a href="http://www.fishpool.eu">www.fishpool.eu</a> The complete database of historical prices can also be downloaded there.

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<b>Geographical boundaries of the market</b>	SSB measures export to all markets. In 2019 Norwegian salmon was exported to 111 countries. NSI is only export by truck to European countries. No overseas markets reached by airfreight is included in the NSI.
<b>Potential limitations of the Benchmarks and circumstances in which the FPI and MSC may become unreliable</b> BMST Art 1.3	
<b>Information relating to the economic reality</b>	It is voluntary for Exporters to participate in the NSI, while it is statutory to give invoice information to SSB. SSB contains price for all sizes and both ordinary and superior salmon. SSB contains all invoices, both spot and fixed contract prices. As SSB is a mix of contract and spot, SSB is lower ( <i>higher</i> ) than NSI when spot prices are higher ( <i>lower</i> ) than contract prices. As contract prices in physical fixed price delivery contracts normally follow the Fish Pool forward prices, the forward price history <a href="http://fishpool.eu/price-information/forward-prices-3/forward-closing-prices-history/">http://fishpool.eu/price-information/forward-prices-3/forward-closing-prices-history/</a> can give indications of fixed price levels to explain the deviations.
<b>Controls and rules that govern the exercise of judgement or discretion</b>	<p>An assessor, Fish Pool employee, performs a control of the input data on a weekly basis, using an IT tool giving “alert bells” for deviations between NSI, SSB and other spot price information available. Deviations normally occur when NSI is very high or low, explained by SSB containing fixed price contracts. Or in case of a volatile NOK currency, primarily the EURNOK, as SSB uses fixed currency rates from the Tuesday before the week of delivery, while Nasdaq uses a weighted average currency rate.</p> <p>A QA deviation is opened when deviations exceed certain limits, and Nasdaq and/or SSB is contacted in case the above reasons is not assessed to explain the deviation. App 2 has procedures for corrections, see next item.</p>
<b>Circumstances in which Fish Pool would lack sufficient input data to determine the benchmark according to the methodology or the accuracy and reliability of the methodology can no longer be ensured</b>	<p>FPI is calculated by importing electronically the NSI and SSB price when both indices are available, normally Wednesday the week after the week of delivery. Fish Pool does not require a minimum amount of transaction data for the benchmark calculation. Nasdaq and SSB have own procedures for calculation in case of none or few input data from contributors are available.</p> <p>Fish Pool Rulebook appendix 2 lays out the procedure if one or both of NSI and/or SSB cannot be created or strong indications of wrong index data. Preliminary changes can be:</p> <ol style="list-style-type: none"> <li>1. Increase weighting of other index(es) available</li> <li>2. Use index from previous week(s)</li> <li>3. Use one or several other indices to calculate FPI and MSP</li> </ol>
<b>Procedures in dealing with errors in input data or the calculation of the indices</b>	<p>In the unlikely event of an erroneous calculation due to</p> <ul style="list-style-type: none"> <li>• technical errors or</li> <li>• if any of the providers of indices needed for the weekly calculation informs Fish Pool of a correction in an earlier contribution,</li> </ul>

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	<p>The IT system will update the data automatically when the correct index price is presented by Nasdaq Clearing or SSB.</p> <p>If Fish Pool reveals incorrect application of the methodology or if the erroneous calculation, as explained above, is revealed, corrective measures will be taken.</p> <p>Fish Pool will, if the MSP was erroneous, correct the MSP, provided that the Clearinghouse will perform a corrective settlement based on the updated MSP according to the rulebook of the Clearinghouse.</p>
<b>Consequence if SSB or NSI is stopped or materially changed</b>	<p>The SSB price can be changed or stopped by a change in the Norwegian law. NSI can be changed or stopped by Nasdaq or the reporting companies withdrawing or demanding a material change in the report. App 2 contains procedures for changing the Methodology including informing the Trade members and rules for Special situations</p>
<b>Ex-post evaluation process</b>	<p>ISB performs an internal audit every quarter and Kontali Analyse performs annually an external audit of the indices.</p>
<b>Position of any person(s) responsible for carrying out the evaluations</b>	<p>Judgement/discretion may be exercised by assessors. At present 2 Fish Pool employees are assessors.</p>
<b>Procedures for changes in methodology, complaints and corrections</b>	<p>App 2 contains detailed rules for changes in methodology, complaints handling and procedures for corrections</p>
<b>Additional Information</b>	
Public information	<p>On the Fish Pool website; <a href="http://www.fishpool.eu">www.fishpool.eu</a> item: Trading, subitem: Regulatory information, Benchmark regulation you will find the latest version of the Methodology, Key elements and this Benchmark statement: <a href="http://fishpool.eu/trading/benchmark-regulation/">http://fishpool.eu/trading/benchmark-regulation/</a></p>

### Updates of this Benchmark Statement

This Benchmark Statement will be updated at least every two years. If there is a change of a Benchmark or material change to the Methodology the Benchmark, this Benchmark statement will be updated before implementation, together with the Methodology.

### Use of the FPI and MSP

FPI and MSP shall not be used to settle or clear, or be used as reference in, financial instruments without Fish Pool ASA's prior written consent. FPI is a registered trademark, and shall not be used without Fish Pool ASAs prior written consent.