Utipulp Nov. 6, 2023 summary of PIX questions **Fastmarkets FOEX/LH**

1. How many suppliers, agents and buyers are reporting to FOEX on a weekly basis?

FOEX receives prices from roughly 30 reporters every week.

2. How many suppliers, agents and buyers are reporting from time to time?

We only accept contributors who regularly report prices. Depending on the market situation, sometime a price submitter may not have prices to report and there can be a period exceeding one month before the next price report, but this is very uncommon.

3. Is there any surprising statistical gap or heavy weight of some countries, who do not report or who report?

The companies active in the pulp business are international, and many operate in many European countries, both sellers and buyers. We do not distinguish, nor see any surprising peculiarities of weights between specific countries. The companies have their weights embedded in the PIX index calculations.

4. Did you ever audit any of the reporting parties and if yes/no, what is the reasoning for this?

FOEX does not audit reporting companies. PIX pulp indices are audited annually by a major 3rd party auditing firm for adherence to IOSCO which is required as our European pulp indices are regulated in accordance with the European Benchmark Regulation. We annually distribute our Data Submitter Policy (DSP) to all price submitters as a reminder of the fundamental rules and principles for price contributions to PIX. A new company becomes a price submitter only after the principles and rules for the prices have been thoroughly presented to and understood by the newcomer.

5. What portion of the business represents the reporting tonnage of the market and what does this mean on statistical significance?

FOEX receives prices from a significant portion of the market. We know the rough annual total of tonnage each contributing company has traded on the market for the purpose of weighting the number of price points for each company in the PIX calculations. We calculate a confidence interval within which the average price (PIX) can be found with a 95% probability. The wider the confidence range is, the wider the range of the price data is, and vice versa.

6. Can you explain shortly the clusters, which are used to define the weight of the reported numbers?

The last page of our methodology document contains tables showing the number of price points eligible for the different tonnage brackets. Please see the tables at the end of this document.

7. How often is this weighing updated?

Annually, based on the traded volumes reported by the contributors.

8. How does the mechanism work for numbers which look unrealistic?

The automatic guardian for unrealistic numbers in the price data is the 10% cut of the upper and lower end of the number of price points in the PIX calculation. After this operation, the PIX index is calculated with the remaining 80% of the price data. The person performing the PIX calculations (Assessor) can enquire (if time allows) from the submitter whether a peculiar price is correct or a possible misprint, which can be corrected before calculations.

Question 6.

		PIX weighting scale for price points								
EUROPE			From March 2019							
			Price							**Price**
N B S K	**S E L L E R S**		**points**				**B H K P**	**S E L L E R S**		**points**
over	2 000 000	tons	16				over	2 800 000	tons	16
up to	2 000 000		14				up to	2 800 000		14
up to	1 500 000		12				up to	2 000 000		12
up to	1 000 000		10				up to	1 500 000		10
up to	800 000		9				up to	1 100 000		9
up to	600 000		8				up to	900 000		8
up to	500 000		7				up to	700 000		7
up to	400 000		6				up to	500 000		6
up to	300 000		5				up to	300 000		5
up to	200 000		4				up to	200 000		4
up to	100 000		3				up to	100 000		3
up to	50 000		2				up to	50 000		2
N B S K	**B U Y E R S**	**Price points**					**B H K P**	**B U Y E R S**		**Price points**
over	800 000		12				over	1 000 000		12
up to	800 000		10				up to	1 000 000		10
up to	700 000		9				up to	800 000		9
up to	500 000		8				up to	650 000		8
up to	400 000		7				up to	500 000		7
up to	300 000		6				up to	400 000		6
up to	200 000		5				up to	300 000		5
up to	100 000		4				up to	150 000		4
up to	50 000		3				up to	50 000		3