

Definitions of the terms used by LEONI related to the copper business

Some of the terms used related to the copper business in contractual documents of LEONI are not used consistently in the industry. LEONI, however, endeavours to use terminology consistently in the interests of transparent business relationships and customer communication. In order to avoid difficulties in their interpretation, we refer to the following definitions of the terms. These definitions form part of the contract. If the terms defined below are used in contractual documents, they have the meaning given below.

English term	Definition
Camden	The price of copper published by the International Wire Group (IWG), which is based on the COMEX listing and includes the expected copper price movements for the next two weeks. It is published every two weeks by the IWG at www.iwgcopper.com .
COMEX	Price for copper in USD on the New York Mercantile Exchange, COMEX Division (Commodity Exchange Inc.), which has licensed warehouses for gold, silver and copper.
DEL	Deutsche-Elektrolyt-Kupfer-Notierung für Leitmaterial (German Electrolyte Copper for Conducting Purposes) – current price for copper in EUR, which is calculated and released by a trust agency set up by DEL-Notiz e.V on a daily basis based on the average of various listings.
Effective cross section	The effective cross section is the actual geometric cross section of a conductor (where applicable, inside a cable). Small tolerances are possible due to production processes.
Total price	For copper cables, the total price is generally made up of the adder price and the final sales price for the copper product.
GIRM	The GIRM (Groupement d'Importation et de Répartition des Métaux) publishes a copper value based on the LME. It can be accessed at www.kme.com/fr . The listing is mainly used in France.
Adder price	The adder price gives the price for the cable without the metal content, which is calculated separately.

Copper base/copper base price	The copper base price is a standard value agreed with the customer (e.g. EUR 150/100 kg). Stating the copper base price (e.g. EUR 150/100 kg) is intended to make it easier to compare quotations. On the basis of a hypothetical copper listing of, for example, EUR 150/100 kg, a total price is calculated, which can be compared to other quotations that are calculated based on a different or the same hypothetical copper listing. The actual price to be paid may deviate significantly upwards or downwards depending on the actual copper listing as a considerable copper surcharge may have to be paid in some cases. It is therefore not possible to ascertain the actual invoice amount or a ballpark indication of its amount from this price.
(Copper) premium/fabrication charge/fabrication adder	The term describes the costs incurred when transforming the raw copper ore into a usable form, i.e. up into continuous cast wire rod.
Final sales price for the copper product	The final sales price for the copper product is calculated based on the agreement with the customer. Calculation factors are normally the delivery quantity, the type of cable, the copper sales factor and a copper price model (e.g. low DEL average for the month prior to delivery plus 1 % procurement costs).
Copper price model	The copper price model is a copper invoicing model agreed with the customer which determines which amount, taking various factors into consideration, such as a certain listing over a certain period, is to be used as an invoicing value for the copper component when invoicing the customer. Example: 3-month DEL average plus 1 % procurement costs.
Copper sales factor	The copper sales factor is a purely commercial calculation factor that is used to calculate the total price of a cable. Although customarily expressed in the business in kg/km, the copper sales factor does not indicate the quantity or weight of the actual copper contained in the cable. It is a purely arithmetic calculation factor that does not give any direct indication of the quantity of copper used in the cable.
Copper surcharge	The copper surcharge is calculated based on the difference between the copper price model agreed with the customer and the copper base price agreed with the customer, which is multiplied by the copper sales factor. The following formula is used to calculate the copper surcharge: Copper surcharge [€/km] = $\text{Copper sales factor [kg/km]} \times \frac{(\text{agreed copper price model [€/100kg]} - \text{copper base price [€/100kg]})}{100}$
LEONI (as an exchange key)	Continually updated LEONI prices for various copper alloys, which are made up of at least two elements. The respective formula is based on the chemical composition of the respective alloy.
LME	Exchange price on the London Metal Exchange for copper in USD. The LME listing is also the basis for determining the DEL listing in EUR.

LME1	Exchange price on the London Metal Exchange, one of the world's largest metal trading centres. The exchange determines global reference and cash settlement prices for metals on a daily basis. The copper premiums, which are determined annually by the trust agency DEL-Notiz e.V. and which are intended to cover the production stages up to the manufacture of the cathode, are included in this price, in contrast to the LME.
MK	The "metal listing for copper" (German: Metallnotierung Kupfer) refers to the metal base price calculated by the largest European manufacturer of semi-finished copper products. The MK price is based on the LME listing plus additional price components and is accessible at www.westmetall.com .
Nominal cross section	Nominal cross section is the cross section specified in certain documents. This does not always correspond to the actual cable cross section, but it is a good basis for standardisation and calculations. The electrically effective cable cross section for metal cables is determined by measuring the electrical resistance (generally the DC resistance) and, due to the different constructions of the individual types of cable and additional processing effects, does not categorically correspond to the geometric cable cross section, which would be derived from the nominal cross section and the standard values for specific resistances. It is therefore a nominal value that indicates certain operational characteristics and possible uses. This is to be expressly indicated when using the term.
Nominal	The use of the term "nominal" with reference to a number indicates that it refers to an abstract indicator. The specific number indicated may differ from the actual number; however, a number given as "nominal" indicates an approximate value that is generally present based on the standards and experience.
SHME	The Shanghai Metal Exchange (SHME), a state futures exchange in China, is a non-profit, self-regulating corporation. The exchange was created for trading in non-ferrous metals including copper, aluminium, lead, zinc, tin and nickel. The listing is normally used in China.
WME / Westmetall	Westmetall GmbH & Co. KG is an internationally oriented trading company for non-ferrous metals. Its core business is trading the commodity metals copper, tin, nickel and lead as well as copper alloys. Daily prices for these metals are published online at www.westmetall.com . LEONI uses these mainly for alloys.