



IHS McCLOSKEY COAL INDICES – BENCHMARK STATEMENT

1. General Disclosures	
Benchmark family name	IHS McCloskey Coal Indices
Date of initial publication of this document	9 July 2018
Date of last update to this document	9 July 2018
ISIN (where available)	There are presently no ISINs available or accessible for the benchmarks covered by this Benchmark Statement
Determination by contributions of input data	The administrator receives contributions of data from market participants in relation to this family of commodity benchmarks.
Qualification of the benchmark family	IHS McCloskey is a family of commodity benchmarks.
2. Key terms relating to the benchmark or family of benchmarks	
General description of the market or economic reality	IHS McCloskey tracks current and historical pricing for coal products across the entire coal supply chain. IHS McCloskey provides pricing reports for the spot markets.
Geographical boundaries of the market or economic reality	IHS McCloskey benchmarks cover Europe, Africa and Asia.
Other relevant information relating to the market or economic reality	N/A

3. The potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable	
Circumstances in which we would lack sufficient input data to determine the benchmark according to the methodology	IHS McCloskey's publicly available methodology states that we may assess markets in the absence of liquidity by using bid/offer ranges or by using a greater proportion of fair value input from market players. These are rigorously checked by applying historically demonstrable and defensible differentials to comparative markets. The only circumstance in which a benchmark could no longer be provided would be if the commodity being assessed became no longer economically viable to trade or value due to changing regulatory requirements.
Circumstances in which the degree of liquidity of the underlying market becomes insufficient to ensure the integrity and reliability of the benchmark determination according to the methodology	See above
4. The controls and rules that govern the exercise of judgment or discretion in the calculation of the benchmark or family of benchmarks	
Position of each function or body that may exercise discretion in the calculation of a benchmark	Discretion and judgment may be exercised by market assessors (see below) and the approach to such judgment and discretion is regularly reviewed by the Board of the administrator and the Benchmark Oversight Committee.
Governing the exercise of judgement or discretion	IHS McCloskey reserves the right to exercise editorial judgment in cases where input data is anomalous or suspicious and in cases where certain transactional information cannot be verified or validated with other market sources by the deadline for compilation or does not otherwise fit our methodology which is publicly available on our website here: https://ihsmarkit.com/products/coal-price-data-indexes.html . Market assessors may choose to exclude data on that basis, however, that data exclusion must be logged and approved by a senior editor prior to publication.

Ex-post evaluation process	When a correction is requested by a subscriber an investigation is launched by the market assessor and a senior editor to determine whether the correction request has merit. If the correction request is deemed to be a valid concern, a correction notice is posted through the email alert Newswire product (if it is a daily benchmark) or the publication is corrected and res-issued if it is a weekly benchmark
5. Review of the methodology and changes to, or cessation of, the benchmark or family of benchmarks	
The methodology	<ol style="list-style-type: none"> 1. IHS McCloskey methodologies are crafted and adopted with stakeholder input in accordance with our global compliance policy and IOSCO Principles for Oil Price Reporting Agencies. Any material change to a methodology is subject to a sufficient period of public comment usually four weeks in duration. <ul style="list-style-type: none"> • IHS McCloskey will utilize various types of market data in compiling its markers, including: <ul style="list-style-type: none"> • Transactions • Bids and offers • Other market information <p>Transaction information is the preferred source of data for the markers. However, depending on the liquidity of the markets being assessed, other information can be and is used, such as bids and offers and other market information. This can be in combination with transactions, or can substitute transactions, depending on the market liquidity and specific market circumstances. Consequently, in most markets there will be a relatively higher rank given to transactions over bids and offers and other market information in the compilation process.</p> 2. While IHS McCloskey market assessors are trained to use editorial judgment when necessary to exclude data that cannot be verified or validated by deadline or otherwise does not fit our methodology, any data exclusion must be reviewed and approved by a senior editor prior to publication of the price assessment. 3. Corrections that are determined to be necessary either from internal or external discovery are performed by the market assessor assigned to the day's report but must be approved by a senior editor prior to re-publication. Corrections will trigger

	a re-publication of the assessment on the day of discovery or the next possible working day.
Possible impacts of changes to, or the cessation of the benchmarks upon the financial contracts, financial instruments that reference the benchmark or the measurement of the performance of investment funds	<p>It is possible that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of an IHS McCloskey benchmark.</p> <p>It is possible that changes to, or the cessation of, the IHS McCloskey indices may have an impact upon the financial instruments that reference the benchmarks.</p>
6. Commodity benchmarks	
Qualification as a commodity benchmark	IHS McCloskey benchmarks are commodity benchmarks.
Title II or Annex II regime	IHS McCloskey benchmarks are commodity benchmarks and Annex II of the BMR applies.
Criteria that define the relevant underlying physical commodity	IHS McCloskey benchmarks and the underlying physical commodities represent prices at coal market hubs
Publication of information relating to commodity benchmark	<p>IHS McCloskey benchmark information and related calculations are explained and published in the daily Newswire alert and Weekly McCloskey Fax. The methodologies relating to the IHS McCloskey benchmarks are explained on our publicly available website: https://ihsmarkit.com/products/coal-price-data-indexes.html</p>
Additional information	
	<p>IHS McCloskey's most recent IOSCO assurance results and the methodologies relating to the IHS McCloskey benchmarks are explained on our publicly available website: https://ihsmarkit.com/products/coal-price-data-indexes.html.</p>

IMPORTANT:

This Benchmark Statement will be updated whenever the information it provides is no longer correct or sufficiently precise and at least where:

- (a) there is a change in the type of the benchmark;
- (b) there is a material change in the methodology for determining the benchmark or, where the benchmark statement refers to a family of benchmarks, in the methodology for determining any benchmark within the family of benchmarks.

This Benchmark Statement will be updated at least every two years.

ABOUT US

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

CONTACT US

For more information, including methodology documents please visit <https://ihsmarkit.com/products/coal-price-data-indexes.html> or contact us at customercare@ihsmarkit.com

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