



O.M.R. Inland Price Quotations (Free road tanker, ex-refinery/tank farm) Principles and Price Determination Standards

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1. INTRODUCTION

The O.M.R. OIL MARKET REPORT GmbH (hereinafter referred to as O.M.R) is an independent publisher and information provider that, on a commercial basis, creates and publishes, among other things, wholesale price quotations for oil products in Germany fca¹ ex-refinery and/or tank farms, which in turn serve market participants in their daily business activities. "Independent" in this context means that O.M.R is not involved, either as a corporation or as a person representing the corporation, in the market activities about which it reports; that is, O.M.R itself is not a market participant and, also, does not engage in the mineral oil trade, nor is it involved in price hedges.

The principles and price determination standards are orientated, among other things, with the IOSCO Principles, the Principles for Oil Price Reporting Agencies released by IOSCO (International Organization of Securities Commissions) in July 2013.

O.M.R. was also certified according to DIN ISO 9001:2015 in December 2018. The management system and processes of O.M.R. were reviewed and analysed with positive results, with a special focus on the collection and evaluation of data for the regional wholesale price quotations of petroleum products.

2. METHODOLOGY USED TO CREATE THE DOMESTIC PRICE QUOTATIONS

a. Products

The price surveys and evaluations are carried out for the products:

- **Gasoil 50 ppm** (DIN 51603-1)
- **Diesel 10 ppm** (DIN EN 590) mit max. 7 Vol % fatty acid methyl ester
- **Premium E5** (DIN EN 228) with max. 5 Vol % bio-ethanol
- **Premium E10** (DIN EN 228) with max. 10 Vol % bio-ethanol

These surveys and evaluations are conducted with active participants from all sectors of the market, including refining companies, import trade companies, and wholesale companies.

The daily selection and combination of the respective contacts (informants) and companies may vary depending on the market situation and the availability of contact persons.

¹ FCA Free Carrier (according to Incoterms 2010 of ICC "*International Chamber of Commerce*.)



b. Price Survey Procedure

- O.M.R market analysts proactively approach trustworthy market participants in order to gather credible information by telephone, interviews, and evaluation of list prices, with the aim to establish a comprehensive overview of the current market and price situation.
- Respective contact persons at each company can also enter price notifications that complement this process via email, or via a password-secured form available on the O.M.R website.
- The above prices and transactions are then subject to thorough analysis according to the guidelines for evaluating O.M.R Price information (see section 2c).
- O.M.R market analysts are trained in the survey methods, and the O.M.R guidelines for evaluating price information. Compliance with these rules is reviewed at regular internal meetings.

The survey of the pricing is done in 3 rounds daily on working days:

- Round 1: In the period from 10:15 to 11:30
- Round 2: In the period from 13:15 to 14:30
- Round 3: In the period from 15:45 to 17:00*

*(Fridays 15:15 to 16:30)

During the survey, the respective contacts are questioned regarding market prices and/or their offer prices. Furthermore, information is obtained on general market events, trading activities and sales. The 3rd round especially supplies, in addition to the current prices of the afternoon, a meaningful picture of volume in the market. When taking all previous survey rounds of the day into consideration, this shapes the final daily quotations.

In order to ensure transparency and feedback, the results of the first two surveys ("Prisma" Indications) are published accordingly as a domestic overview on the O.M.R website at the latest by 11:45 and, respectively, 14:45. This "Prisma" overview represents the market prices gathered at the time of each survey.

The "Prisma" Indications are not a binding precursor to the final daily quotations.



c. O.M.R Guidelines for Evaluation of Pricing Information

In order to be integrated into the final daily quotations, the price information thus collected must meet the following criteria:

- These are current trade prices for self-collection fca² at the refinery or tank farm, which are offered or fixed in day-to-day business. Daily/spot business is understood to mean new contracts concluded on the reported day, the price of which is not calculated on the basis of an existing contract with a formula price. The contractually agreed pick-up period begins and ends within a period of 21 calendar days after conclusion of the contract.
- Multiple transactions have been carried out (or could have been carried out) at the given prices.
- Prices apply to goods which are DIN-compliant and are additive-compliant according to standard commercial practice.
- Volumes are offered and/or traded under these prices that are quantitatively appropriate for wholesale transactions at prevailing market conditions (at least 90 cubic meters).

Should a transaction or a price notification not clearly fulfill any of these criteria, O.M.R market analysts will undertake a review, usually involving further discussions or the examination of submitted documents, which confirms compliance with the criteria. If doubts continue, such data is not considered when determining the price quotation.

Information categorically not considered:

- Fixed-date contracts, excess quantities, combined product amounts or exclusive agreements, particularly between related companies.
- Prices based on free deliver prices that have been recalculated to the ex refinery/tank farm fca prices.

² FCA Free Carrier (according to Incoterms 2010 of ICC "*International Chamber of Commerce*.)



d. Determination of quotations in price ranges

Review of pricing information by the responsible O.M.R market analysts, in accordance with the O.M.R. guidelines for evaluation of pricing information (see section 2c).

- Summary of the ascertained verified daily prices (product- and region-based) in price ranges.
- Capping the maximum and minimum (rock-bottom) prices.
- Display the daily quotations thus determined in the form of a lower limit value ("low") and an upper limit value ("high"). The average value between the low and the high-listing is referred to as "medium", "mean", or "mid", and this value for the weekly, 10-day, and monthly data is calculated arithmetically, taking all low and high values for each period into consideration.
- The publication of price quotations is carried out for current DIN EN-compliant product in:
 - EUR/100l self-collection fca³ ex German refinery or tank farm including energy tax, EBV, IWO.
 - EUR/Mton ex German refinery or ex tank farm excluding energy tax, EBV, IWO. Based on a specific weight of: 0.755 for Premium E5, 0.755 for Premium E10, 0.845 for Diesel, 0.845 for Gasoil.
 - Gasoline and diesel pricing is based on product with so-called trade additives.
 - For the evaluation of Premium Plus E5, a surcharge of **EUR 6.70** has been applied since 1st October 2016 to the base price for Super E5. This surcharge is adjusted according to alterations in the market price ratio.

e. Calculation of quotations if insufficient price reports are available

If there are insufficient price reports for a product, a calculated quotation is determined.

The calculation is based on the percentages change to the previous day of the same product in all other regions for which quotations could be published. An average is calculated from these percentage changes, which serves as a percentage markup or markdown on the previous day's quotation of the region/product to be calculated in order to determine the calculated quotation.

Any price so determined is indicated to be a calculated price quotation.

³ FCA Free Carrier (according to Incoterms 2010 of ICC "*International Chamber of Commerce*.)



f. Corrections

O.M.R. reserves the right to retrospectively correct quotations in case of typing errors, miscalculations, and incorrect entries. Subscribers are informed immediately after the correction. A reassessment of the market, based on information received after the mentioned survey periods, will not take place.

g. Areas of Validity for Inland Price Quotations

The regional designations chosen for the inland quotations correspond to the eight major German refinery and storage centers (regional markets), which also serve as centers of pricing:

Regional Designation	Market Location
North:	Hamburg
East:	Berlin
Seefeld:	Seefeld
South-East:	Leuna
West:	Duisburg, Gelsenkirchen, Essen
Rhine-Main:	Greater Frankfurt, Flörsheim, Hanau, Raunheim
South-West:	Karlsruhe
South:	Neustadt, Vohburg, Ingolstadt

3. VERIFICATION OF METHODOLOGY

The primary object of the methodology is to create price evaluations that reflect German domestic trade prices in a representative manner, in the form of reliable price quotations. In order to regularly monitor processes and audit price evaluations, O.M.R market analysts check the methodology's suitability for mapping domestic markets at least once a year. In addition, ongoing current monitoring of price evaluations is ensured by the multiple daily rounds of the survey, as well as by an internal sign-off of price evaluations by management.

Both measures are designed to ensure the integrity and reliability of price assessments. In the event that changes in methodology seem to make sense, the necessity of such would be verified and implemented in accordance with section 4, following.

4. CHANGES IN METHODOLOGY

These take place according to transparent procedures, in which O.M.R informs its subscribers about intended changes to the methodology. These include formal proposals for amendments based on internal checks and internal consultations. Such proposed amendments will be announced in the O.M.R reports, along with substantiation and a deadline for opinions. In this phase, the acceptance of the proposed changes to the methodology by a broader userbase will be comprehensively discussed. After this consultation phase, an O.M.R internal audit and decision takes place to determine whether the proposed changes to the price assessment methodology would be accepted by the majority as a contribution towards both improving market transparency, and ensuring the integrity of pricing evaluations. The result of the decision is published thereafter in the O.M.R reports, with the announcement of the date on which the changes occur, and when the adopted price assessment methodology goes into force.



5. INTEGRITY OF THE DATA TRANSMISSION PROCESS

To ensure the accuracy and integrity of the data transmission process, checks are carried out when necessary as to the identity of informants, as to inadmissible notifications, as well as to appropriate responses to questionable notifications.

6. DOCUMENTATION

O.M.R. ensures timely, central documentation and storage over a period of 12 months, of all relevant information and assessments that have gone into the creation of price quotations, including data that were not considered for evaluation. This measure is intended to answer requests for information by the relevant market surveillance authorities.

7. STAFF QUALIFICATIONS / CONSISTENCY OF RATINGS

O.M.R. is obliged to ensure the qualifications of its market analysts who handle the price evaluations. This includes, in particular, appropriate levels of education and experience. This obligation also includes continuity and succession plans for these employees. These measures are designed to ensure the integrity and consistency of price evaluations, which is why O.M.R. makes sure the responsible staff members are trained in, and familiar with, the assessment rules for the preparation of price evaluations and quotations.

8. CODE OF CONDUCT / COMPLIANCE

“Compliance”, generally understood as conforming to legal requirements, commitments voluntarily entered into, and internal company guidelines, is defined and executed at O.M.R in accordance with the rules of the Press Code, a collection of journalistic and ethical principles laid out by the German Press Council in 1973, and amended several times since.