

DUES
SUPPLEMENT
TO
BY-LAWS
OF

COPPER DEVELOPMENT ASSOCIATION INC.
(as amended to 12/02/2015)

As provided in Article IX of the By-Laws of Copper Development Association Inc. (the Association), dues shall be collected from its members to defray the known and anticipated expenses of the Association. This Dues Supplement to the Association's By-Laws specifies how the dues are to be allocated, assessed, and collected.

I. Allocation of Dues Among Member Companies and Supplemental Funding

For each class of member itemized herein, an allocation of dues is hereby established. In general, and with some exceptions specified herein, dues paid by a member (directly, or through International Copper Association, Ltd. (ICA) or any other copper-related trade association) of a member class shall be that proportion of the total dues paid by all members of that member class. With respect to primary producer members of the Association which are members of ICA, projects of the Association submitted to ICA that are in close alignment with the ICA Strategic Plan will be eligible for ICA supplemental funding, as may be determined by ICA in accordance with its By-Laws.

A. Producer Members Which Are Not Members of ICA

1. Definition. For purposes of this Dues Supplement, a primary producer is a producer member, without regard to where it may have its principal place of business, making deliveries within North America.
2. Dues Allocation. The dues payable by a particular producer shall be payable quarterly as follows:

The term "production" shall mean the total reported tonnage of refined copper delivered within North America produced or treated by or for the account of the Producer Member, including secondary copper, computed by multiplying the type of product set forth in Column I by the percentage figure set forth opposite the same in Column II of the following list:



<u>Column I</u> <u>Type of Product</u>	<u>Column II</u> <u>Percentage of Tons</u>
<u>Production</u> (by and for member)	
A. From member's own ores that it had mined, concentrated, smelted and refined, or that it had produced in refined form by solvent extraction/electrowinning or other hydrometallurgical processes	100%
B. From a member's own ores that it only had mined, Concentrated and smelted	92.5%
C. From member's own ores that it only had mined and concentrated	80%
<u>Purchases</u> , including scrap (by or for member)	
D. From member's purchases that it had smelted and refined	20%
E. From member's purchases that it only had smelted	12.5%
F. From member's purchases that it only had refined	7.5%
<u>Toll</u> , including scrap (treated on a toll basis by a member for a company not a member of the Association)	
G. From toll copper that member smelted and refined	20%
H. From toll copper that member only smelted	12.5%
I. From toll copper that member only refined	7.5%

Copper delivered or treated by or for the account of a person, firm, or corporation, who or which is not a member of the Association, but in which a member has a direct or indirect equity interest in excess of 10% and whose annual production is 5,000 short tons or more of copper (hereinafter referred to as a non-member affiliate), shall be added to the tonnage delivered or treated by such member to the extent of the percentage of such member's equity in the non-member affiliate.

If in the immediately preceding three years a primary producer member produced copper falling under two or more of the categories listed in the foregoing table, and in such years delivered such copper both within and without North America and the tonnage of deliveries within North America falling into each category cannot be determined, then for purposes of applying the foregoing table, there shall be apportioned to each category that proportion of such North American deliveries for such three years which the total deliveries (both North America and elsewhere) in such years of copper falling within each category bears to the total of all deliveries (both within and without North America) in such years of copper falling within all such categories.

In case of deliveries of copper in other refined states (e.g. copper chemicals, precipitates, etc.), there shall be taken into account for purposes of allocation of dues that percentage of the tonnage of product delivered, which corresponds to the ratio of the price per ton of the product so delivered to the price per ton of refined copper.

B. Fabricators

1. Minimum Dues. Except for wire mills, minimum dues for fabricators reporting shipments shall be \$4,200 assessed and due quarterly, for a fabricator with three year average reported shipments less than 4 million pounds.
2. Minimum Dues. Except for wire mills, minimum dues for fabricators not reporting shipments shall be \$6,500 assessed and due quarterly.
3. Fabricators Other than Wire Mills. The dues for North American fabricators shall be assessed and due quarterly as follows:

Fabricators who are members of the Association at the time of adoption of the Dues Supplement will be assessed dues at the same total amount as the dues and contributions the fabricator paid in 2012; dues to be due quarterly. These dues may change each year as determined by the Board of Directors.

Fabricators who are not members of the Association at the time of adoption of the 2012 Dues Supplement will be provided a dues rate to be applied against the rolling three year average shipments through June 30 of each year to be applied to the next calendar year; dues to be assessed and paid quarterly. These fabricators will pay the greater of the calculated dues, as described above, or the minimum dues. The dues rate will be set at \$0.15/cwt.

For the purposes of this section, the term 'production' shall mean in the case of all fabricator members except secondary smelters, the pounds of copper-based products shipped (metal weight) in North America by such members, including affiliated companies/operations, and shall

mean, in the case of secondary copper smelters, the copper content in pounds, of the materials (listed in the table below) purchased by secondary copper smelter members, or treated on toll basis by such members for a non-member and delivered or returned to the toll customer in North America.

In computing the production of fabricator members for the purposes of the aforementioned formula, the percentage of its production shall be in accordance with the table below:

<u>Column I</u> <u>Type of Product or Material</u>	<u>Column II</u> <u>Percentage of Production</u>
<u>Copper-based Products</u>	
A. Primary brass mills	
(i) Free-cutting brass rod	70% (less shipments of forging rod to affiliates)
(ii) All other products	100% (less shipments of forging rod to affiliates)
B. Redraw Mills	70%
C. Reroll Mills	100%
D. Fittings Manufacturers – wrought or cast	100%
E. Foundries	100%
F. Forging Mill	100%
<u>Secondary Smelters</u>	
G.-1 Copper-based alloy ingot manufacturers, based on production	25%
G.-2 Copper refinery shapes producers, based on refined copper content of the following material (including scrap)	
(i) Material for smelting and refining	20%
(ii) Material for smelting	12.5%
(iii) Material for refining	7.5%



Other Products

H. Chemical and powder manufacturers 100%

4. Wire Mills. Assessments for wire mills are based on annual sales revenue of copper products in North America for the previous year ending June 30, as follows:

Revenues under \$250M	\$4,500
Revenues \$250M-\$500M	\$6,000
Revenues \$500M-\$1 Billion	\$8,000
Revenues over \$1 Billion	\$14,000

The annual amounts for wire mills are assessed annually in the first quarter of each year, and proportionately allocated for years of partial membership.

C. Other Regular Members

For other regular members, such as smelters and refiners, or ingot manufacturers, not falling into producer or fabricator classifications, dues are determined on a case-by-case basis by the Board of Directors. In all such cases, minimum dues shall not be less than \$4,000 per annum.

D. Associate Members

The annual dues of associate members shall be based on the annual gross sales for the previous year ending June 30, of (i) products used in copper systems; (ii) products used in the fabrication of copper systems; (iii) manufactured products using a significant amount of copper or copper alloys; or (iv) services related to the interests of the Association, its members, and the copper industry:

<u>Annual Gross Sales</u>	<u>Annual Dues</u>
Under \$500,000	\$2,500
\$500,000 - \$1,000,000	\$5,000
\$1,000,000 - \$5,000,000	\$7,500
Over \$5,000,000	\$10,000

II. Other

The Board of Directors may approve ‘introductory’ dues levels for new members over a period of time to be determined by the Board of Directors; however, the introductory dues shall not be lower than the minimum dues levels then prevailing.