

Guide to Business Functions in Commodity Trading.

Risk Manager

Use this guide to understand the “middle” layer of information in understanding how the business works, and how the Risk Manager platform integrates into the day-to-day functions of the various user groups.

Part 1 - Basic Concepts

Who is Involved in a Trade?

Markets & Commodities

Anatomy of a Trade

Trade Status

What is Commodity Trading / Risk Management?

Overage / Underage

Part 2 - Users

Dashboards

User Types & Hierarchy

Vendor - Persona & User-flows

Customer - Persona & User-flows

Trade Admin - Persona & User-flows

Company Admin - Persona & User-flows

System Operator - Persona & User-flows

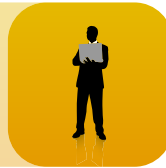
Financial Processes

Who is involved in a Trade?

At its most basic level, a Trade involves a **purchaser** and a **vendor**. These two users agree on the parameters of their trade, such as amounts, commodity types, and at which market exchange/date to price the commodity.



Purchaser



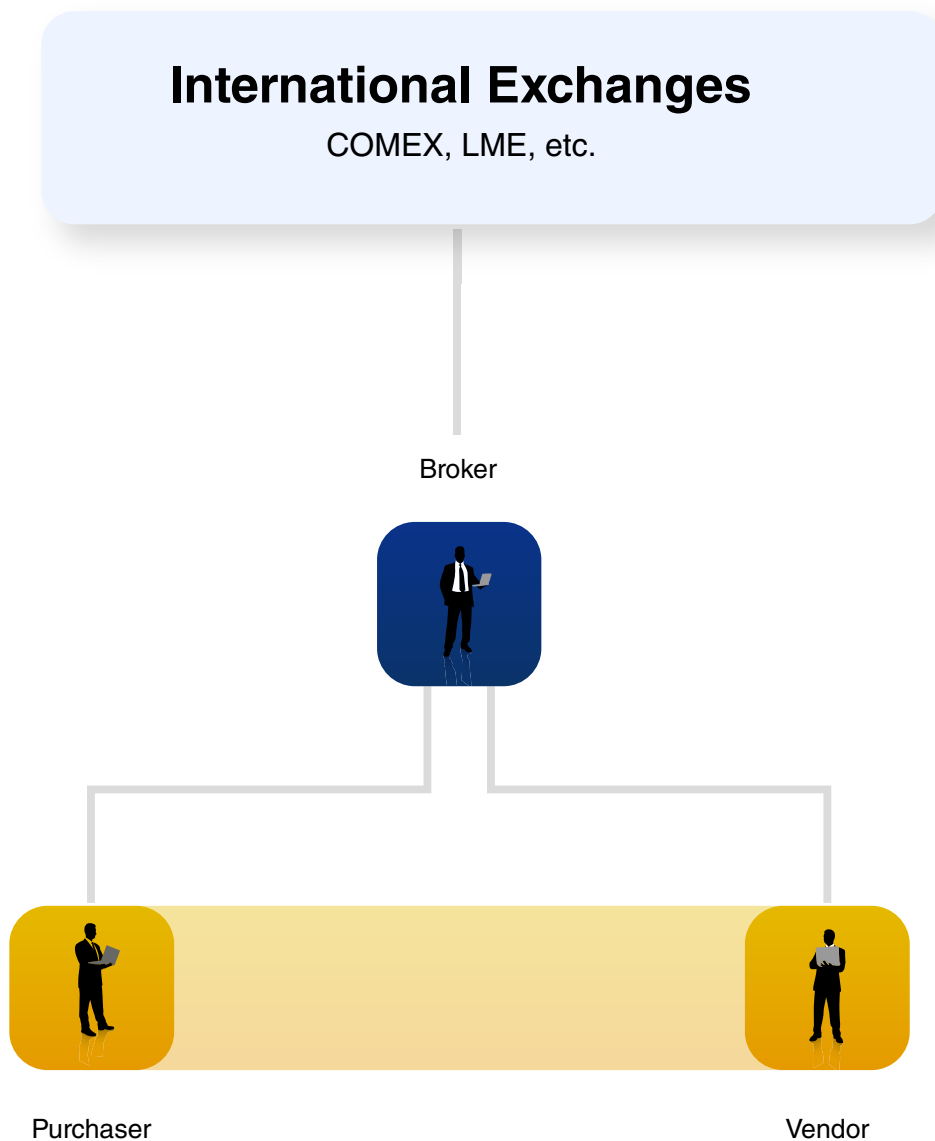
Vendor

These users must access the international exchanges (COMEX, LME) in order to execute their trades in accordance with national/international regulations, and with the most accurate and up to date price.

Financial Processes

Who is involved in a Trade?

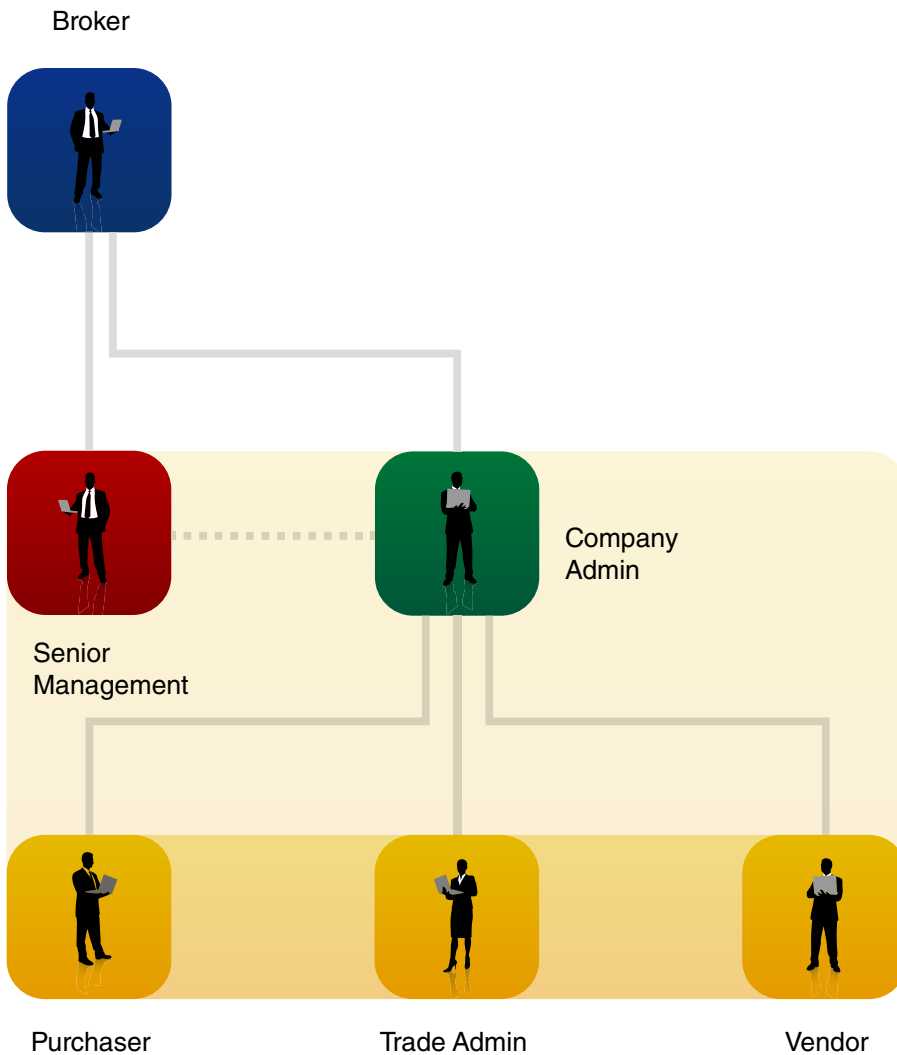
Many vendors and purchasers choose to go through a **broker** instead of spending their own valuable time on the process of actually executing these trades. The broker acts as the link between these users and the international exchanges.



Financial Processes

Who is involved in a Trade?

In the case of the RiskManager platform, there are additional users involved who are specific to the more complicated company structures of the specific organizations who will be using it.



*All of these users are part of the same organization, and represent the **client side** of the platform to the broker. **A detailed breakdown of each user's role can be found later in the document.***

Financial Processes

Who is involved in a Trade?

The System Operator will act as “landlord” to several similar networks of “tenants” with whom they act as the broker for. As of the MVP, there is only one System Operator, however, there may eventually be multiple.

Broker



Clients

Financial Processes

Anatomy of a Trade

A trade and its associated parameters of risk are represented by contracts.

Contracts								
Contract #	Status	Updated	Market	Commodity	Position	Discount	Value	Trades
XXXX-XXXX	Incomplete	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	Unlinked >

The economics of Physical commodity trading result from the net of the Physical Commodity Purchase from a vendor, the Physical Commodity Sale to a Customer. And any Financial hedge activity that was completed to manage the financial pricing risk that may have occurred. Because the customers of this system may have hundred or thousand of physical Purchases and Sales at any one time, there must be a process to Link a given purchase to a given sale, and commensurately to Link any financial trading/hedging actions that have been taken. Only when all of these component are linked and put together, can a true picture of the Gross Economic Margins and results be understood.

Contracts

Transactions

Contracts									Transactions					
Contract #	Status	Updated	Market	Commodity	Position	Discount	Value	Trades	Type	Quantity	Price	User	Time	
XXXX-XXXX	Incomplete	9/21/22	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>	Sell	14	\$85,000	Jonathan T.	7:43pm	
XXXX-XXXX	Incomplete	9/21/22	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>	Sell	14	\$85,000	Jonathan T.	7:43pm	
XXXX-XXXX	Incomplete	9/21/22	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>	Buy	14	\$85,000	Jonathan T.	7:43pm	
XXXX-XXXX	Incomplete	9/21/22	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>	Buy	14	\$85,000	Jonathan T.	7:43pm	
XXXX-XXXX	Incomplete	9/21/22	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>	Buy	14	\$85,000	Jonathan T.	7:43pm	

Each transaction is a **buy or a sell**, and typically has an individual **Transactional User** attached to it.

A user may have several contracts and transactions at various states in the process at any given time.

A contract or sub-contract outlines the physical parameters of a trade:

Contract Summary			
Material:	B/C	Commodity Price:	\$2,5746
Volume Priced:	50,000 lbs	Discount:	85% of total
Qty (Lots):	2 Container (44,000 lbs + 6000 lbs)	Adjusted Price:	\$2,18841
Remaining Lots	1 of 2	Total Value:	\$85,000

Depending on its status and which user is looking at it, a contract or subcontract will also display vendor/customer information, remaining containers, hedge impact results, and overage/underage calculations.

Ready to Hedge
06/20/2020

Contract [↗](#)

0933-0021

Vendor(s)

- John Smith ABC Corporation ✕
- John Smith ABC Corporation ✕
- John Smith ABC Corporation ✕
- John Smith ABC Corporation ✕

Customer(s)

- John Smith ABC Corporation ✕
- John Smith ABC Corporation ✕
- John Smith ABC Corporation ✕
- John Smith ABC Corporation ✕

COMEX / Mar

FC IFF

Orders ▼

[ADD NEW](#) [↗](#)

Type	Commodity	Market	Units	Value	User	Updated
Sell	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm
Buy	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm

Contract Summary

Material:	B/C	Commodity Price:	\$2,5746
Volume Priced:	50,000 lbs	Discount:	85% of total
Qty (Lots):	2 Container (44,000 lbs + 6000 lbs)	Adjusted Price:	\$2,18841
Remaining Lots	1 of 2	Total Value:	\$85,000

Overage / Underage

38,000 lbs available in Surplus.

Zero out Surplus

Amount from Surplus:	Add
Potential Profit / Loss	+ \$300
Net Over/Under Hedge:	+ XXX lbs, to surplus

Hedging

	Volume:	Hedge:	Net Impact (Hedge):	Net Impact (Total):
Buy (Physical):	88,000 lbs.	74,800 lbs.	3740	-3740
Sell (Financial):	-88,000 lbs.	-74,800 lbs.	-3740	3740
			0	0.00

Notes: etc, etc, etc....

[SAVE](#)

*** Please note that the above numbers have not been calculated using the actual formulas. For the real calculations/formulas, please reference the Excel Spreadsheets provided with the developer package.**

Financial Processes

Trade Status

Contracts and sub-contracts at various states in the process are categorized with a **color-code** system so that a user understands what is needed to complete the process.

Checking my contract-related tasks, organized by color/type.

The image displays two overlapping screenshots of the RiskManager web application. The top screenshot shows the main dashboard with a navigation sidebar on the left, a top header with a search bar and user profile, and a central content area. The central area includes a 'Total Trading' summary with a value of \$22,000,352 and a line chart, a 'Contracts' table with columns for Contract #, Status, Updated, Market, Commodity, Position, Discount, Value, and Trades, and an 'Unlinked Transactions' table. A 'My Tasks' panel is visible on the left, showing a 'To-Do' list with 4 items. A red circle highlights a notification in the 'Activity' section: 'New Unlinked Transaction Kevin C.I.ABC Corporation UNLINKED'. The bottom screenshot is a zoomed-in view of the 'My Tasks' and 'Activity' sections. The 'My Tasks' panel shows a 'To-Do' list with 4 items. The 'Activity' section shows a list of recent events, including 'You added Contract Info Me I.ABC Corporation XXXX-XXXX', 'New Unlinked Transaction Kevin C.I.ABC Corporation UNLINKED', 'Contract Assigned to Kevin C.I.ABC Corporation XXXX-XXXX', 'Completed Contract Kevin C.I.ABC Corporation XXXX-XXXX', and 'Completed Contract Kevin C.I.ABC Corporation XXXX-XXXX'. A red circle highlights a notification: 'New Unlinked Transaction Kevin C.I.ABC Corporation UNLINKED'.

Dark Green // Submitted All Users except for System Operator

Contract:

A dark-green contract is the next stage after a “ready” contract. This means it has been submitted for execution, and will be marked as complete when the System Operator has executed it.

⋮	XXXX-XXXX	Submitted	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>
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Transaction:

A dark green transaction mirrors its parent contract's status.

⋮	Sell ↘	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>
⋮	Buy ↗	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>

Gray // Complete All Users

Contract:

A gray contract has been executed and recorded. It can be referenced at anytime for records. Additionally, newly executed contracts will have a “Reconcile Shipping” option in the report, with which a user can enter any discrepancies in the weights that deviated from the contract from the actual logistical process of shipping. Totals and calculations will be updates as such. The “status” column will display the amount gained or lost on the contract, relative to each user.

⋮	XXXX-XXXX	+\$7830.00	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	2 of 2	>
---	-----------	------------	---------	-------	---------------	----------	-----	----------	--------	---

Transaction:

A gray transaction mirrors its parent contracts status.

⋮	Buy ↗	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>
⋮	Sell ↘	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>

Red // Needs Attention All Users except for System Operator

Contract:

A red contract for a client-side user needs attention A) because it is approaching the deadline for execution, as is stated in the contract parameters, and it is missing fields, or B) because the month is about to roll over, and the contracted prices will no longer be accurate, as futures change price month to month.

⋮	XXXX-XXXX	Attention	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>
---	-----------	-----------	---------	-------	---------------	----------	-----	----------	--------	---

Transaction:

A red transaction mirrors its parent contract's status.

⋮	Sell ↙	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>
⋮	Buy ↗	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>

Red // Needs Attention System Operator

Contract:

A red contract on the System Operator side needs attention for both of the reasons on the client side, OR because a client has submitted a contract to be hedged, and the System Operator must approve it in order to be executed.

⋮	XXXX-XXXX	Attention	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>
---	-----------	-----------	---------	-------	---------------	----------	-----	----------	--------	---

Transaction:

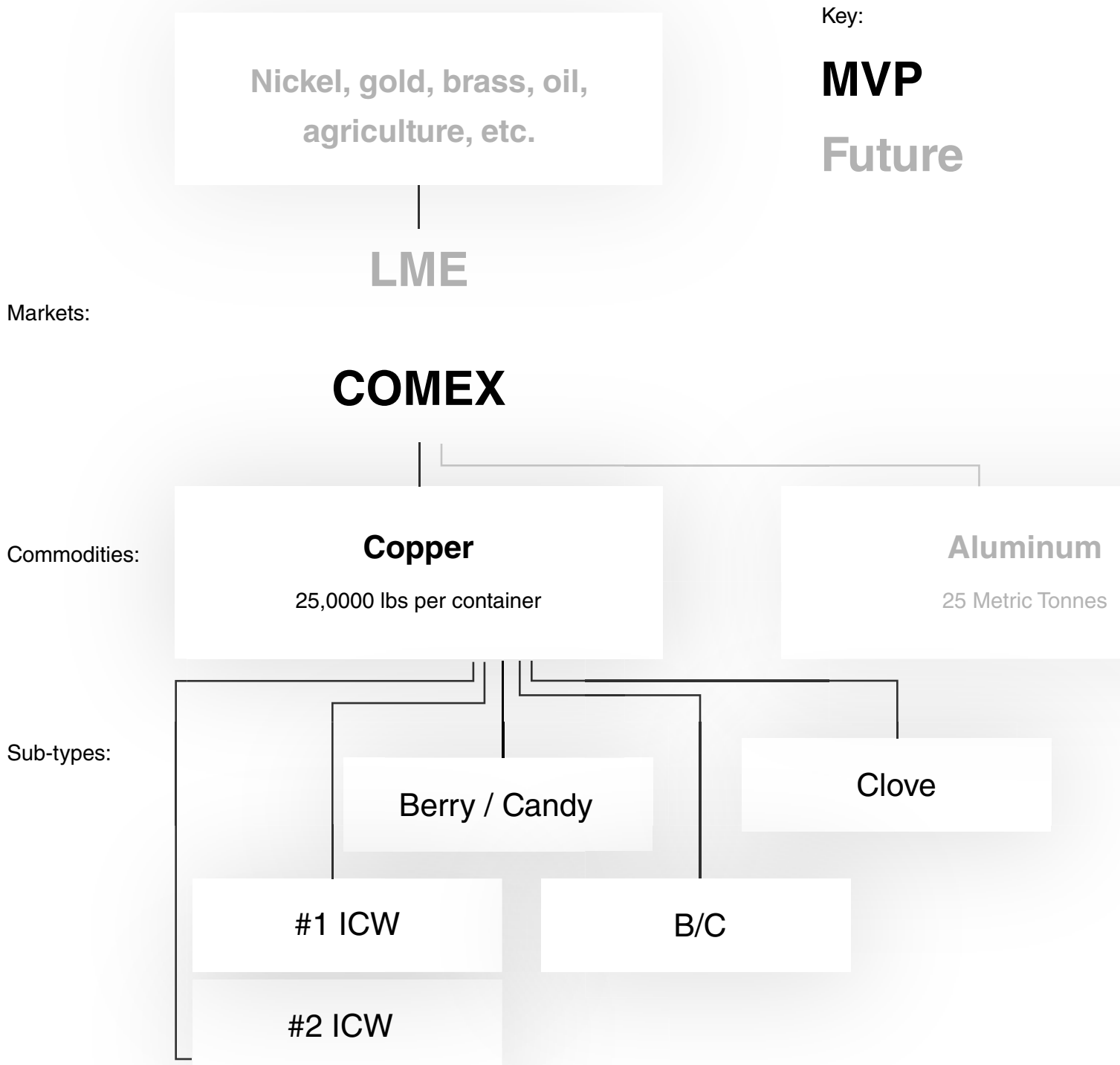
A red transaction mirrors its parent contract's status.

⋮	Sell ↙	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>
⋮	Buy ↗	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>

Financial Processes

Markets & Commodities

The MVP will focus on the commodity copper and its various types of scrap types. (For a better understanding of Metal scraps, research at ISRI.org) It will also be priced using the COMEX futures market market, a US based futures market part of the CME Group (CMEGroup.com). Later, new commodities will be added, as will the ability to price them using other futures markets, like the London Metals Exchange (LME). (LME.com)



Financial Processes

Trade Status

Contracts and sub-contracts at various states in the process are categorized with a **color-code** system so that a user understands what is needed to complete the process.

Yellow // Incomplete All Users

Contract:

An incomplete contract can be incomplete for a couple of reasons. Either one of more of its trade parameter fields are not completely filled in, or it has yet to be linked to individual transactions.

☰	XXXX-XXXX	Incomplete	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	Unlinked	>
---	-----------	------------	---------	-------	---------------	----------	-----	----------	----------	---

Transaction:

A transaction is labeled incomplete when it is either missing fields, or if it has yet to be linked to a parent contract.

☰	Sell ↙	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>
☰	Buy ↗	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>

Green // Ready All Users

Contract:

A contract that is green has all required fields entered, and has been linked to all necessary transactions. The column on the furthest right on the card will display the remaining units on the contract that are planned but not yet executed.

☰	XXXX-XXXX	Ready ✓	9/21/22	COMEX	Berry / Candy	Mar / 20	85%	\$85,000	1 of 2	>
---	-----------	---------	---------	-------	---------------	----------	-----	----------	--------	---

Transaction:

A transaction that has been linked to a contract and has all fields filled in will display as green.

☰	Buy ↗	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>
☰	Sell ↙	Berry/Candy	COMEX	14	\$85,000	Jonathan T.	7:43pm	>

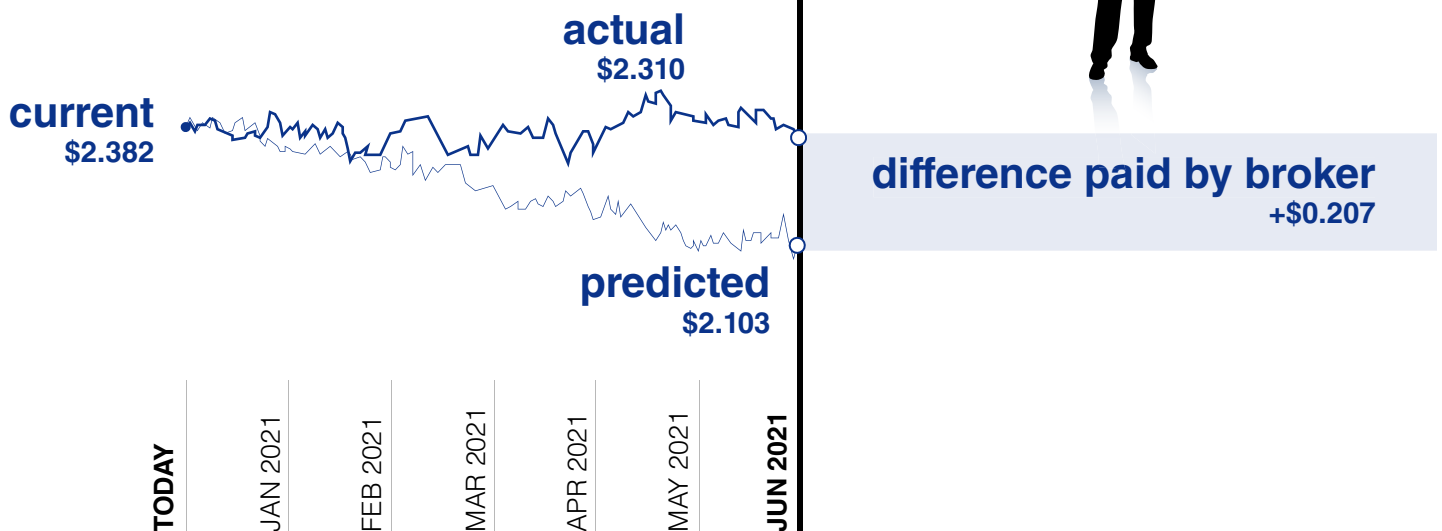
Financial Processes

What is Commodity Pricing Risk Management?

Commodity Pricing Risk management represents the tools, strategies and tactics used to manage pricing risk inherent in a traders portfolio. Commodity price risk management and Commodity price speculation as two sides of the same coin. With the former, the trader is looking to use the financial commodity markets to remove risk that is already present in a business portfolio. As an example, if an aluminum product fabricator is sitting on a large inventory of Aluminum raw materials and have not sold the product they will be made from, that fabricator might benefit from commodity price risk management tools that can reduce that risk. This differs from a speculator whom might have no exposure to a commodity price movement, and they use the markets to take a position (and consequently risk) by using the markets to trade commodities. Commodity price risk managers use financial markets to Hedge their risk exposure. Hedging is a term used to define actions taken that help to mitigate risk that would otherwise affect the financial results of the bearer of commodity risk. **How a Physical Scrap Trade might look?**

COMEX

Copper Price / lb.



"I want to buy 4 containers of scrap copper from you **next July.**"

"Okay, according to COMEX, the **Jul 2021** futures price is predicted to be **\$2.986 / lb.** So since your discount for scrap is minus 5cts, your all-in price would be **2.103 cts/lb right now.**"


"I'm fine with paying that, but what if the **market fluctuates** unpredictably before then for you?"

That **risk** is being managed by my risk management desk. You only pay what we agree upon right now."

Financial Processes

Overage / Underage

Over time, the System Operator managing future pricing risk accumulates and manages either a surplus or a deficit, dependent on whether they have made or lost money to the fluctuations in the market on their Financial hedges and their Physical material purchases and Sales. In return for undertaking the financial risk management task of being exposed to the fluctuations of the market, the customer is ideally able to apply surplus amounts to new contracts, effectively keeping track of all the mathematical marbles for which they are responsible.



System Operator
Broker / Risk Manager

Contract:
2 containers of ICW #2
@ Jan / 2020 COMEX

Hedge Results:
+ \$.163 / lb
+ \$652 to surplus

Contract:
2 containers of ICW #1
@ Apr / 2020 COMEX

Hedge Results:
+ \$.217 / lb
+ \$868 to surplus

Contract:
3 containers of Berry/Candy
@ Apr / 2020 COMEX

Hedge Results:
- \$.072 / lb
- \$432 surplus

Surplus:
\$22,352
8,800 / 25,000 lbs.

auto-trade at
+/- 25,000 lbs

Set Rules:

Sell automatically:
1 Lot (25,000 lbs) when surplus reaches +1 Lot (25,000 lbs)

Buy automatically:
1 Lot (25,000 lbs) when surplus reaches +1 Lot (25,000 lbs)

TRADE MANUALLY

Only the System Operator/Commodity Advisor has visibility of the surplus. The System Operator has control over how to manage the surplus, and can implement automation tools that allow the surplus too be traded once the amount reaches the minimum weight for a transaction unit, or container or customized to a given Customers requirements.

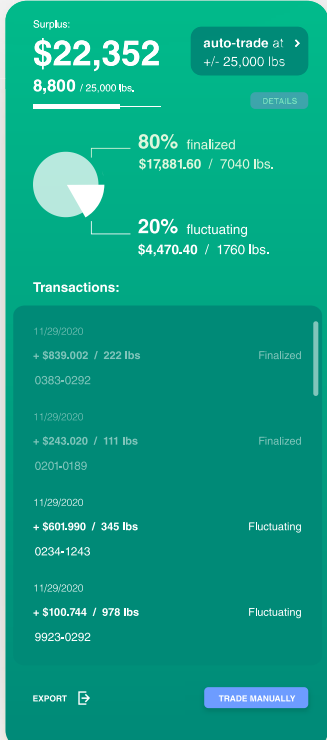
The surplus is made up of two parts:

Fluctuating:

The mathematical leftover volume of product that exists as quantities of physical commodities and the combination of financial hedge positions. The value of this amount is subject to the fluctuations in the market day-to-day. Think of it like this. Futures markets trade in finite quantities. As an example 1 Comex futures contract is for 25,000 lbs. But in the real world of international trade actual containers of shipped material typically weight around 44,000 lbs, and even then its always different. So lets say we want to hedge an actual container that is 43,989 lbs of materials. If we sell 2 Comex contracts, we will essentially have "overhedged" by 50,000 lbs minus 43,989 lbs = 6,011 lbs. This systems "Overage/Underage" feature is designed to allow the Commodity Advisor and the Customers themselves manage this mathematical reality, and accrue or apply or push these marble around in a manner that allows control management and understanding of risk, and the gross margin management of their businesses.

Finalized:

This portion of the surplus has been traded for cash, and is a stable amount that is safeguarded from market fluctuations.



Surplus:
\$22,352
8,800 / 25,000 lbs.

auto-trade at
+/- 25,000 lbs

80% finalized
\$17,881.60 / 7040 lbs.

20% fluctuating
\$4,470.40 / 1760 lbs.

Transactions:

11/29/2020	+ \$839,002 / 222 lbs	Finalized
0383-0292		
11/29/2020	+ \$243,020 / 111 lbs	Finalized
0201-0189		
11/29/2020	+ \$601,990 / 345 lbs	Fluctuating
0234-1243		
11/29/2020	+ \$100,744 / 978 lbs	Fluctuating
9923-0292		

EXPORT TRADE MANUALLY

Users

Dashboards

There are four different dashboards in the platform, each with their own capabilities and authorities.



System Operator
Broker / Risk Manager



Senior Management
Executive



Company Admin
Transactional Leadership

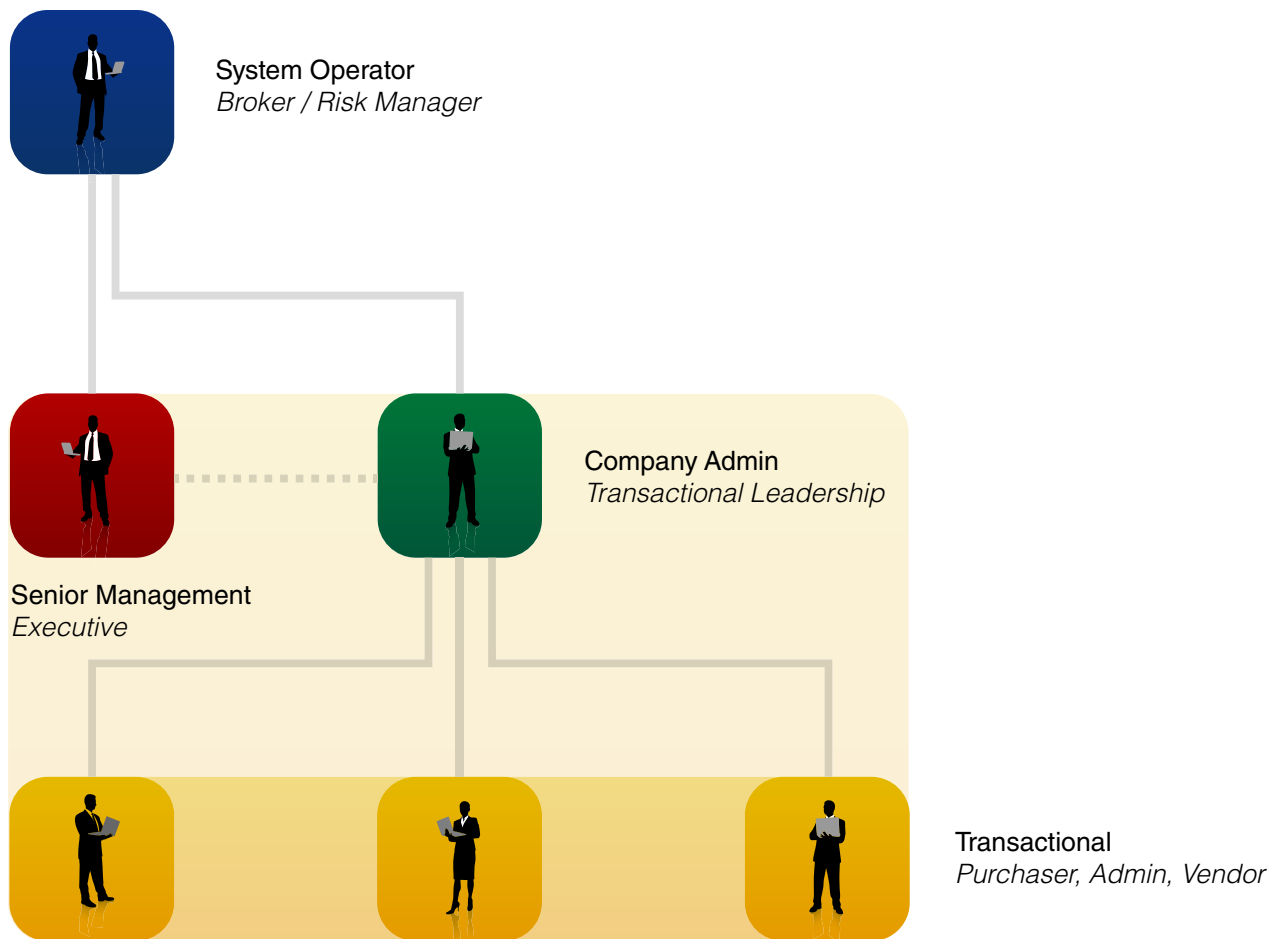


Transactional
Purchaser, Admin, Vendor

Users

User Types & Hierarchy

There are six user types total. The top three in the hierarchy are comprised of one persona. The transactional user is divided into three different users, who have different roles in the process, but identical capabilities.



————— Visibility & Override Powers (Down)

..... Visibility (Down)



Brian Green

Brian is a trader with
ABC Corporation

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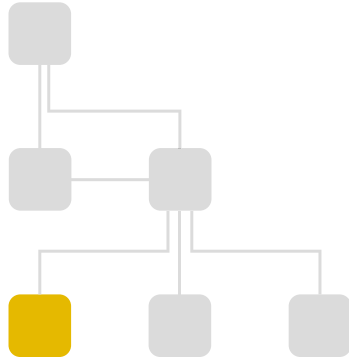
 Trader

 Orlando, FL

Transactional Dashboard

Vendor

The Vendor is one of three user types that make up the Transactional Dashboard. This user represents the seller of commodities in a contract. Transactional users are all equal in terms of hierarchy, and have the same powers.



Role in commodity trading:

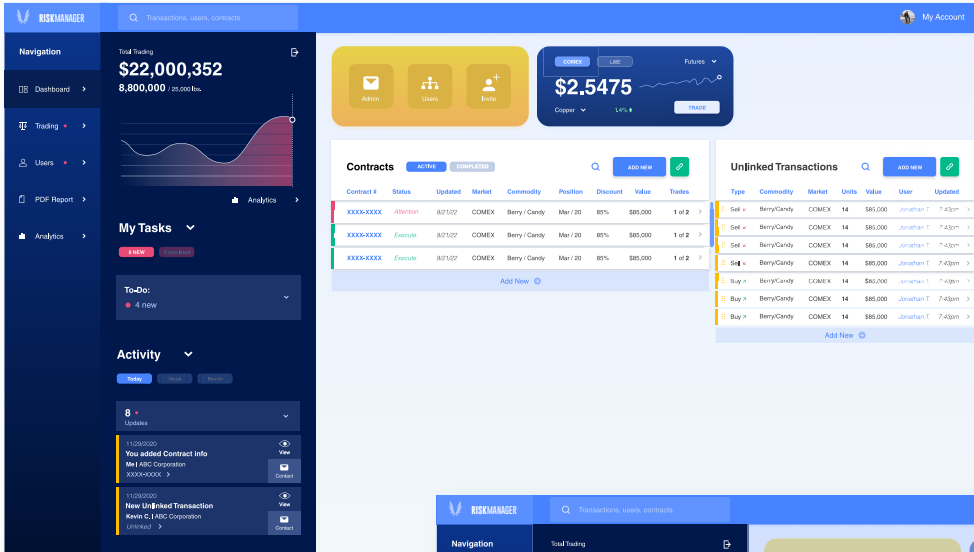
- Is invited by a Trade Admin to collaborate on a contract.
- Connects unlinked Sale transactions to appropriate contracts.
- Also has identical authorities as other Transactional users.
- Has visibility over own analytics, trades, etc.
- Has the ability to invite/assign users from their company to contribute to contracts

Role in user-management:

- Must be invited to the platform by a Company Admin.
- Can search for & view contact info and trade history of other Transactional users at the same company.
- Can send requests for approval to Company Admin to invite new users to the platform.

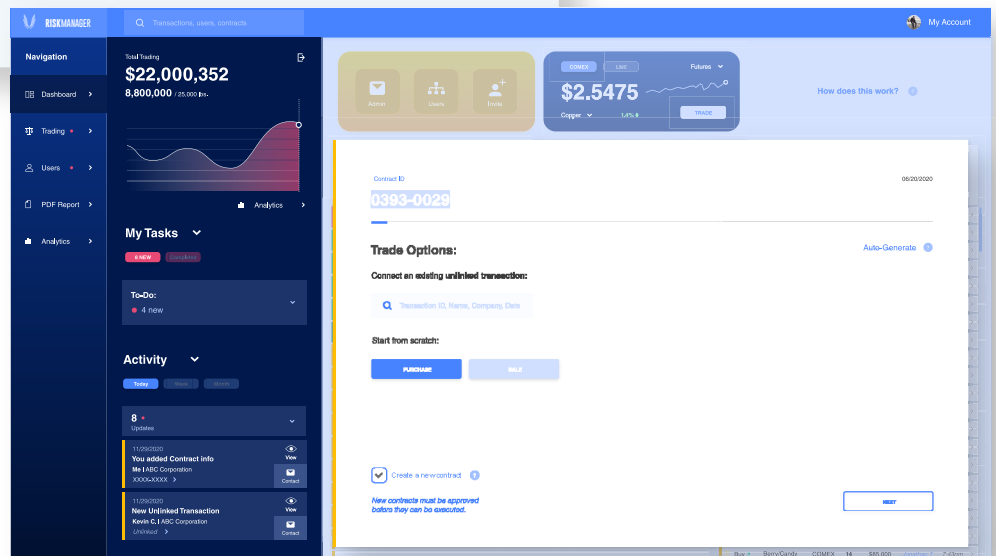
Transactional Dashboard

Create a Blank Contract

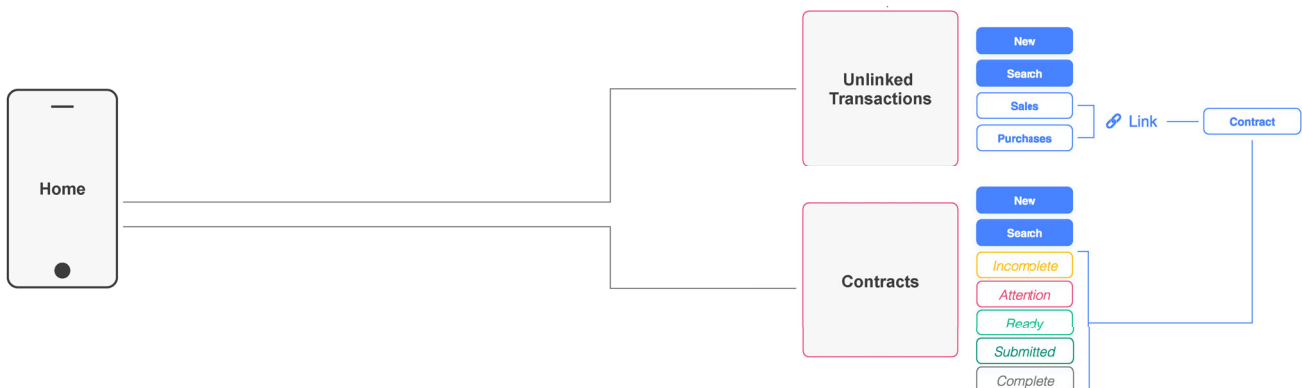


1. I click Add New

2. Since I don't know what transactions need to be linked to this contract, I click Purchase below Start From Scratch.

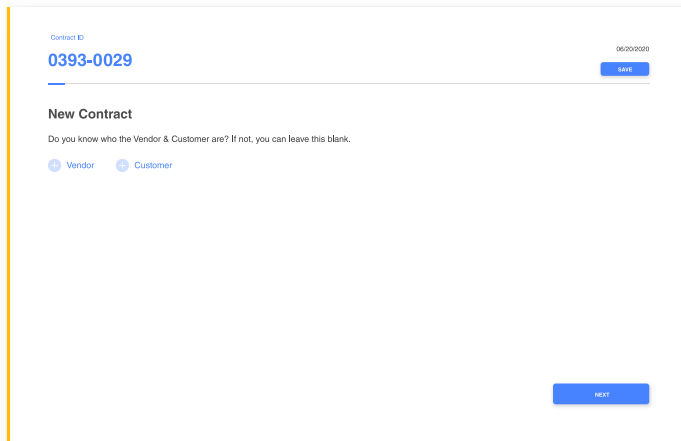


3. I make sure the Create a New Contract box is checked, and I click next.

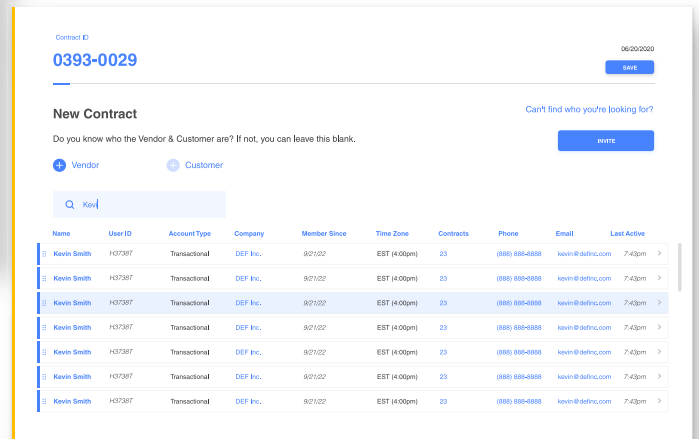


Transactional Dashboard

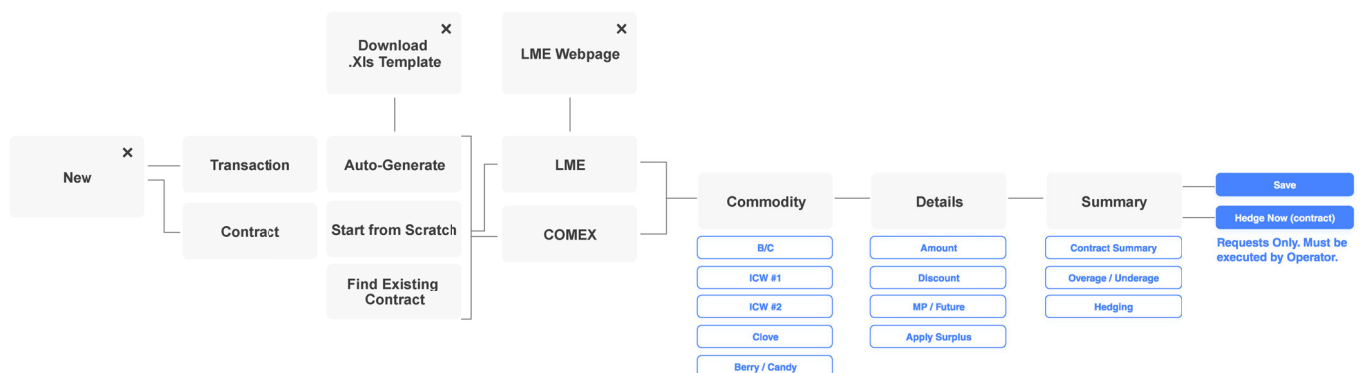
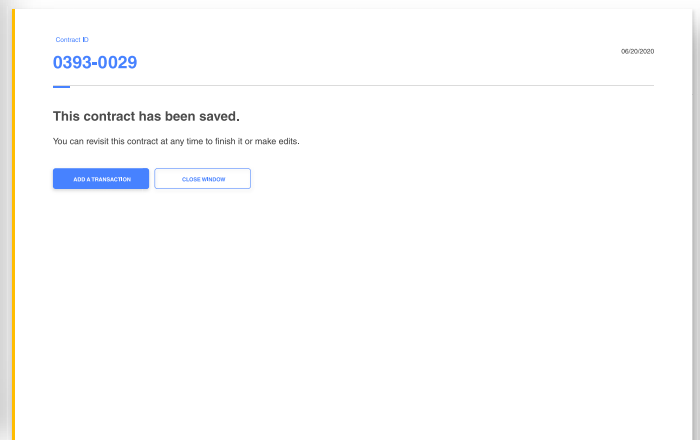
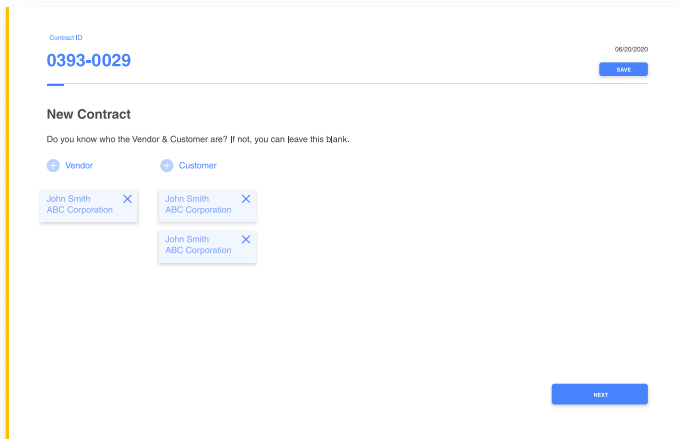
Create a Blank Contract



4. I know who the vendor and customer are, so I click the + button and search them by name.



5. I add the appropriate users, then click Save. The vendors and customers I selected will know they need to complete the contract.





Will Davis

Will is a trader with ABC Corporation.

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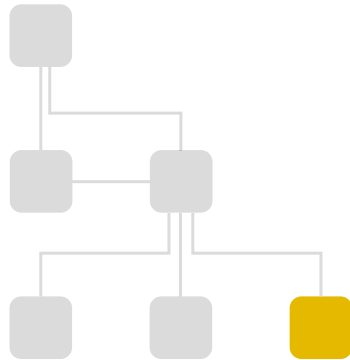
 Trader

 Syracuse, NY

Transactional Dashboard

Customer

The Customer is one of three user types that make up the Transactional Dashboard. This user represents the buyer of commodities in a contract. Transactional users are all equal in terms of hierarchy, and have the same powers.



Role in commodity trading:

- Is invited by a Trade Admin to collaborate on a contract.
- Connects unlinked Buy transactions to appropriate contracts.
- Also has identical authorities as other Transactional users.
- Has visibility over own analytics, trades, etc.
- Has the ability to invite/assign users from their company to contribute to contracts

Role in user-management:

- Must be invited to the platform by a Company Admin.
- Can search for & view contact info and trade history of other Transactional users at the same company.
- Can send requests for approval to Company Admin to invite new users to the platform.



Sarah Miller

Sarah is a trader with ABC Corporation.



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Trader

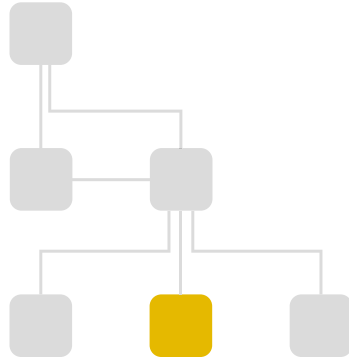


Lakewood, CO

Transactional Dashboard

Trade Admin

The Trade Admin is one of three user types that make up the Transactional Dashboard. This user is responsible for creating blank contracts, and inviting vendors & customers to fill them in. Transactional users are all equal in terms of hierarchy, and have the same powers.



Role in commodity trading:

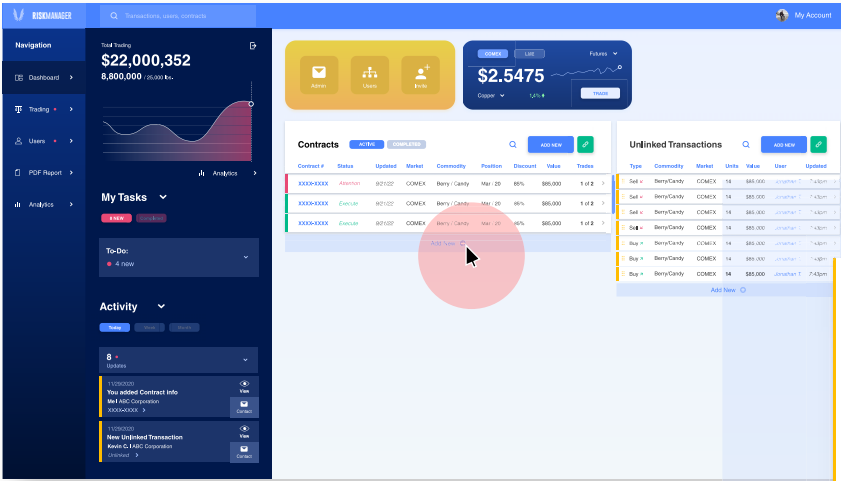
- Sets up blank contracts.
- When known, invites the appropriate buyers and sellers to complete contracts by linking transactions to them.
- Also has identical authorities as other Transactional users.
- Has visibility over own analytics, trades, etc.
- Has the ability to invite/assign users from their company to contribute to contracts

Role in user-management:

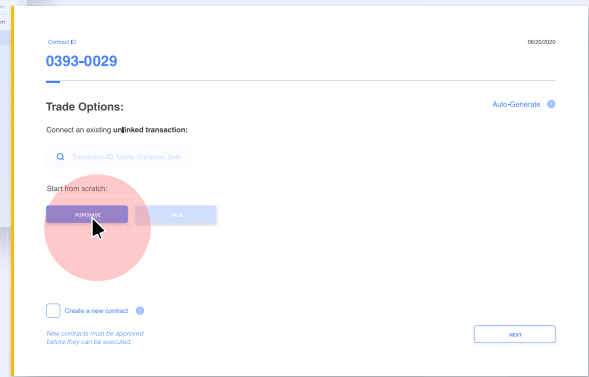
- Must be invited to the platform by a Company Admin
- Can search for & view contact info and trade history of other Transactional users at the same company.
- Can send requests for approval to Company Admin to invite new users to the platform.

Transactional Dashboard

Create an Unlinked Transaction



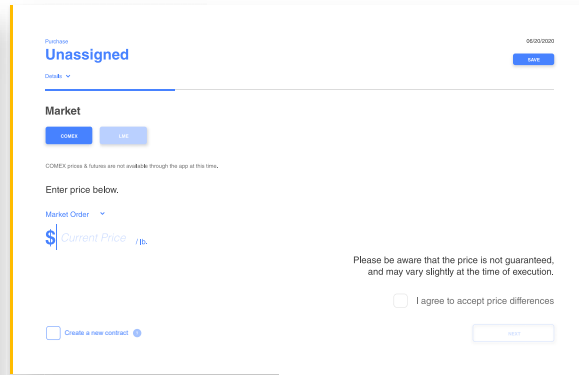
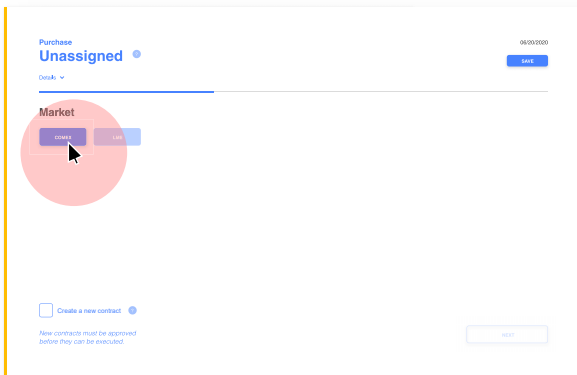
1. I click Add New on the Transactions table.



2. I choose Purchase, and make sure that the "Create New Contract" box is unchecked.

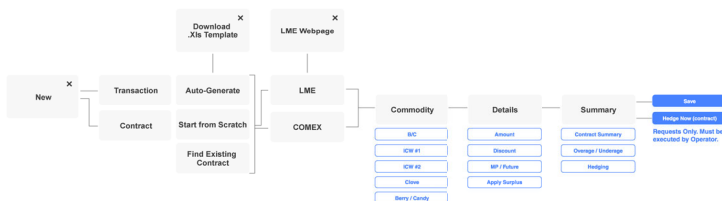
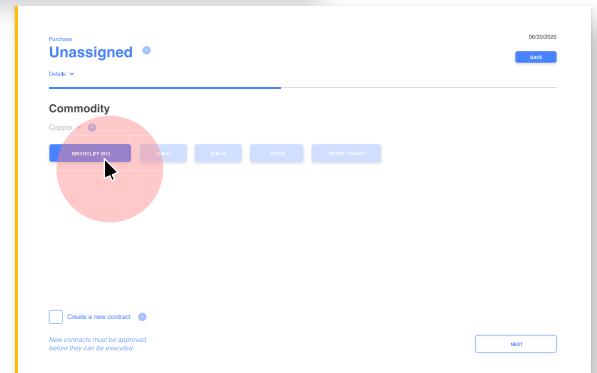
A

B



3. I choose the market, COMEX or LME. In Version A, the platform is linked via API to the actual exchange, and updates prices automatically. In Version B, the current price is not connected, and must be entered manually.

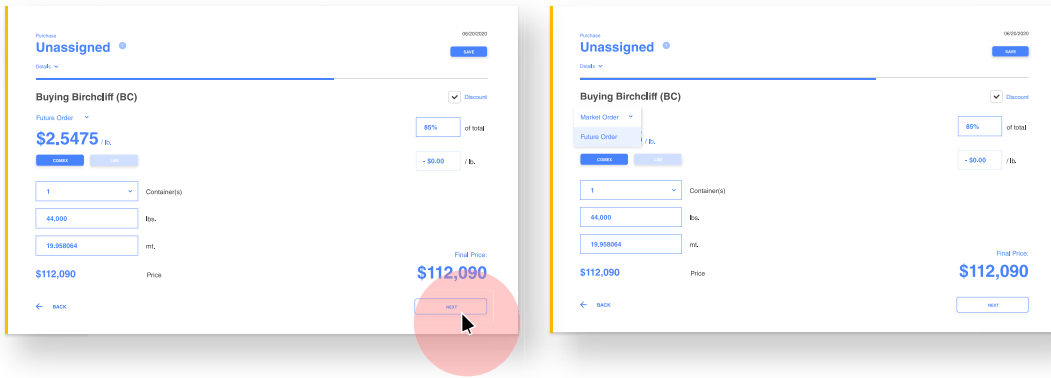
4. I pick my commodity type.



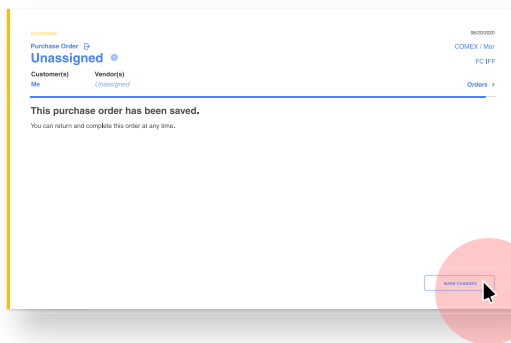
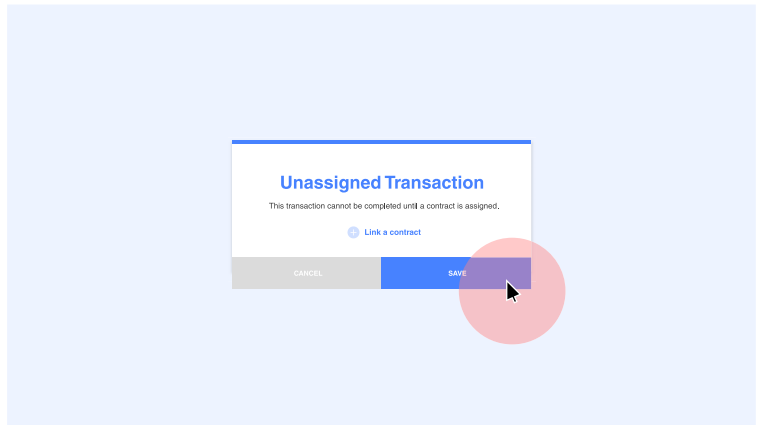
Transactional Dashboard

Create an Unlinked Transaction

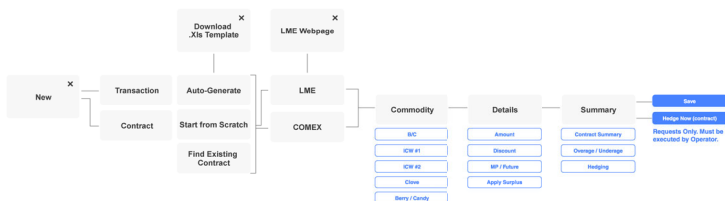
5. I fill in information about quantity, discount, etc. If it's a future order, I am prompted by the blue Market shortcut dropdown to pick which month.



6. Since the transaction is unassigned and not linked to a particular contract, I am given a warning popup stating that this is the case, and it will be saved in the Unlinked Transactions table.



7. I save the purchase order, and can access it later if I want to link it to a contract.

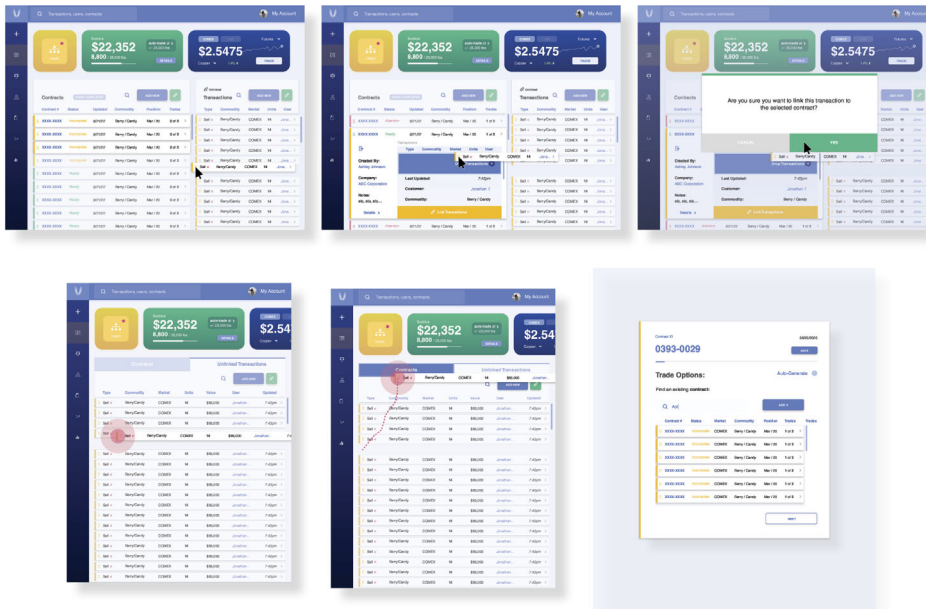
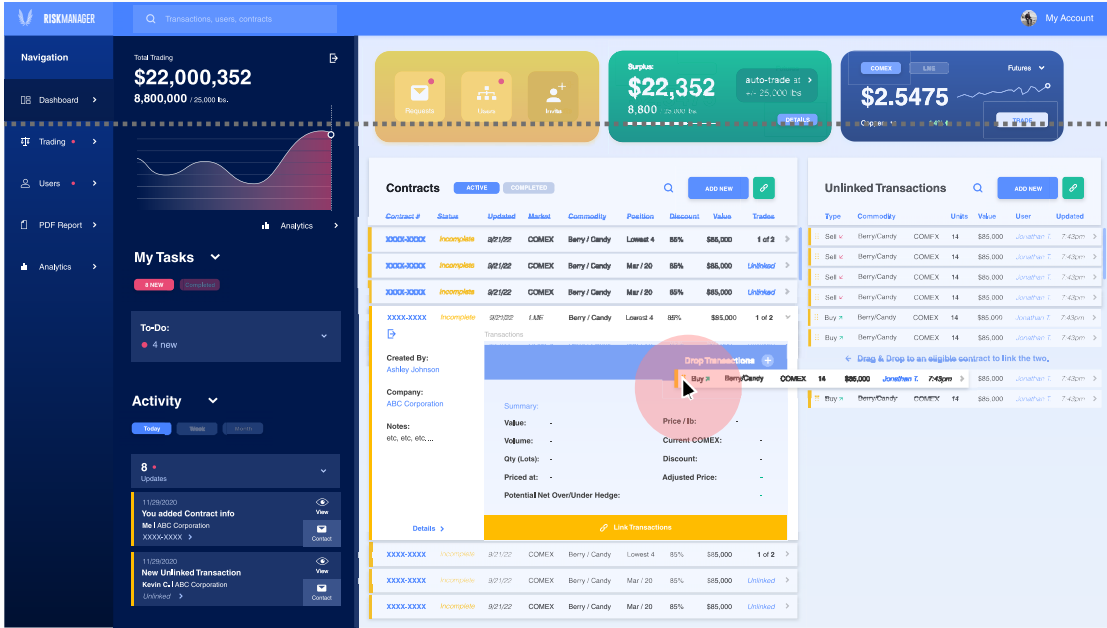


Transactional Dashboard

Link Transactions & Contracts

There are multiple avenues that can be taken to link a transaction & contract:

A. Open details, drag and drop
(interaction details are in the XD files)

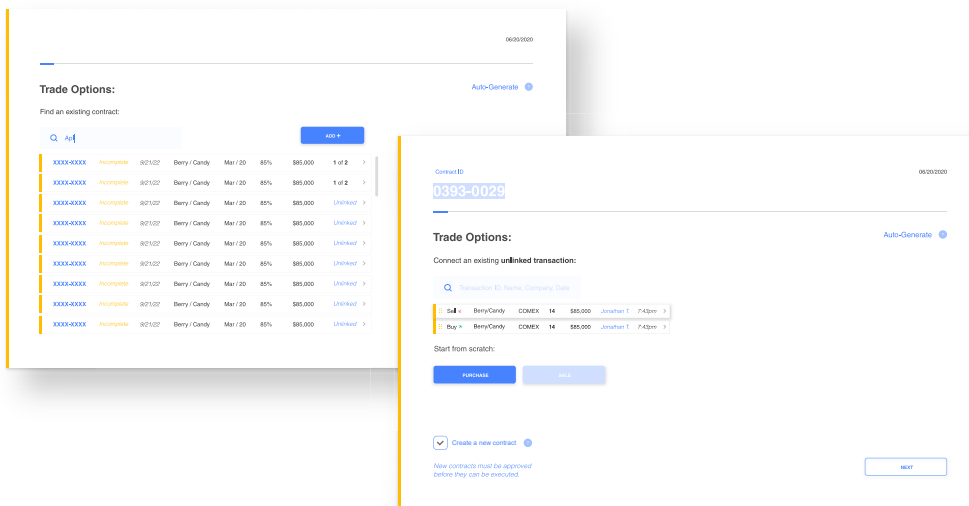


Transactional Dashboard

Link Transactions & Contracts

There are multiple avenues that can be taken to link a transaction & contract:

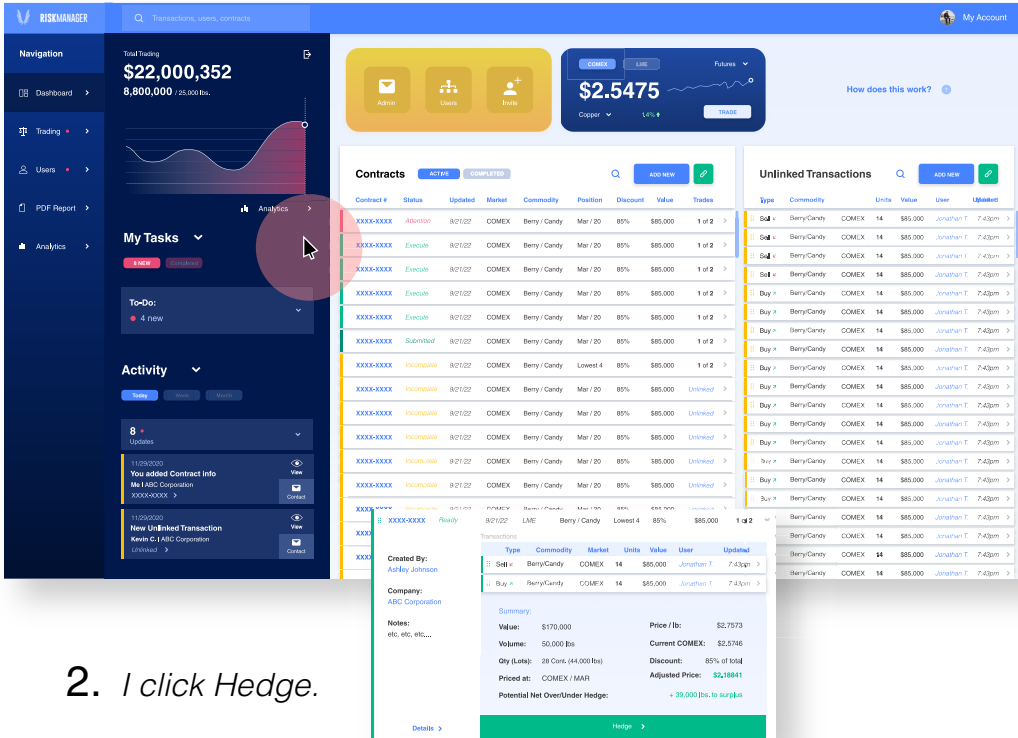
B. Search for other relevant contracts/transactions during the creation process.



C. Expand the details of any unlinked contract or transaction, and click Link. OR, have click the green Link button at the top of the table. This will take you to Step B.

Transactional Dashboard

Hedge a Contract



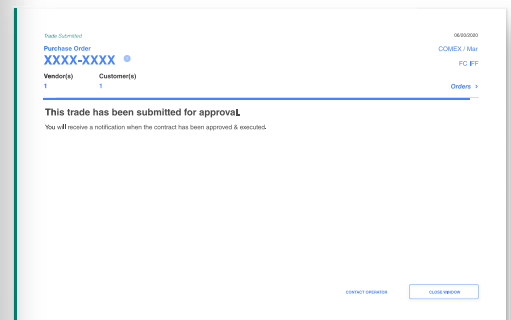
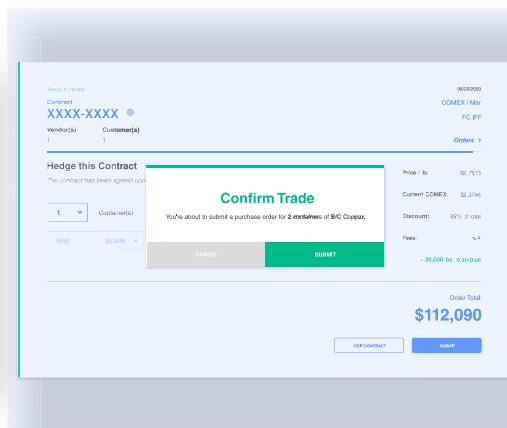
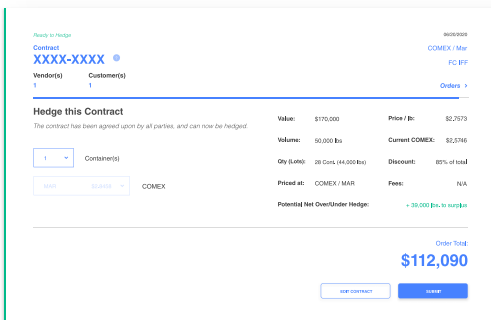
1. I click on of the green contracts, labeled "ready" to open the expanded detail view.

2. I click Hedge.

3. I select the number of containers in the contract that I want to hedge.

4. I confirm my order.

5. When the System Operator has executed the trade, I will be notified.





Kevin Williams

Kevin is a Sales Executive at ABC Corporation. He manages dozens of buyers and sellers.



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Sales Executive

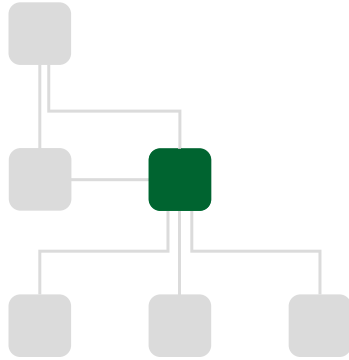


Omaha, NE

Company Admin Dashboard

Company Admin

The Company Administrator is the top position in the hierarchy on the client side. This user is responsible for inviting & managing lower level transactional users, as well as senior management users. This user has full visibility over all trades, user activity & analytics in their down-network.



Role in commodity trading:

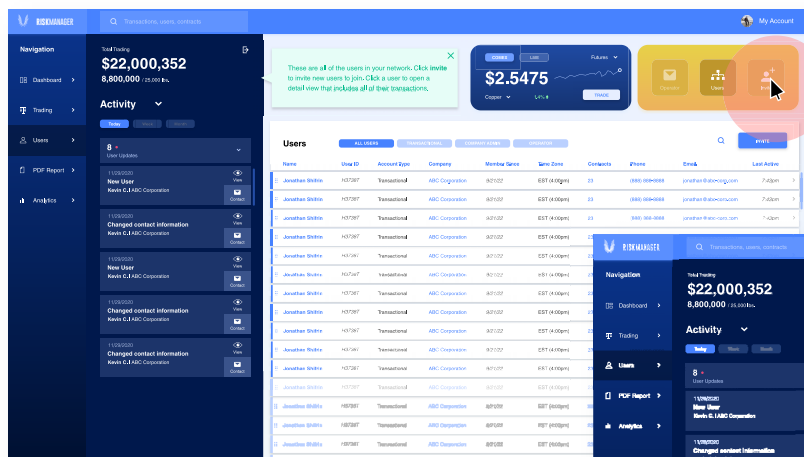
- Has the ability to create contracts and assign users (though this isn't their main job)
- Has visibility over trades, analytics, and activity of all users in their "down network."
- Has the ability to veto or change any transaction or contract created by a user in their down-network.

Role in user-management:

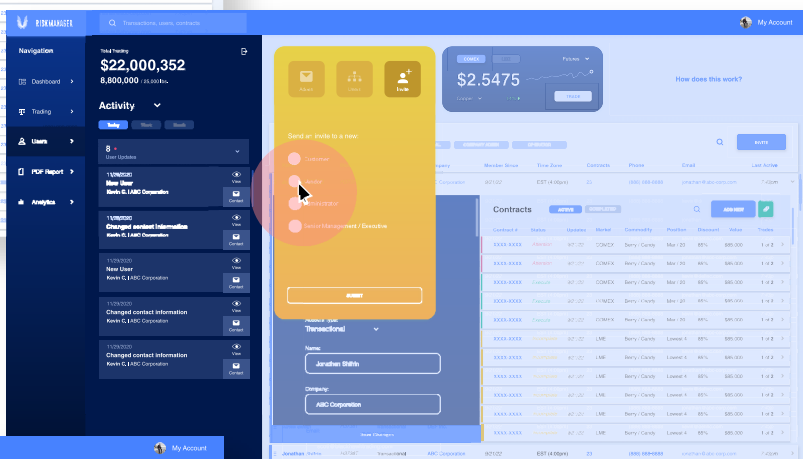
- Is responsible for inviting transactional users to the platform.
- Has ability to delete users, or reassign them.
- Responsible for approving requests for invitations of new users sent by transactional users in their down network.

Company Admin Dashboard

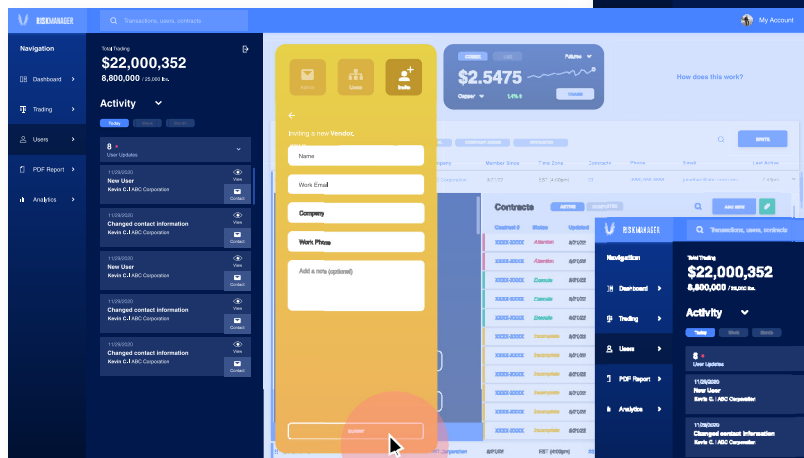
Inviting a New User



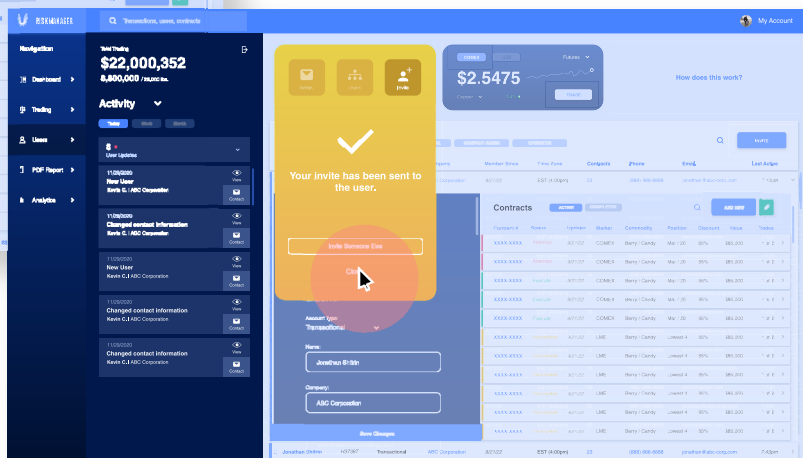
1. I click Invite on the Users shortcut tab.



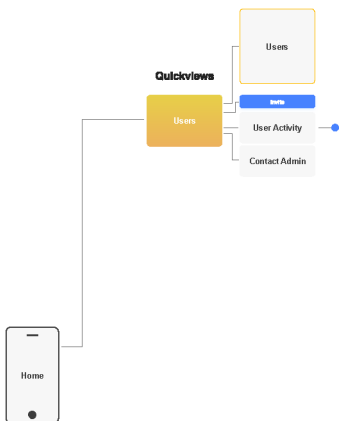
2. I specify which user type I want to invite, & click Submit.



3. I fill in the user's information and click Submit.



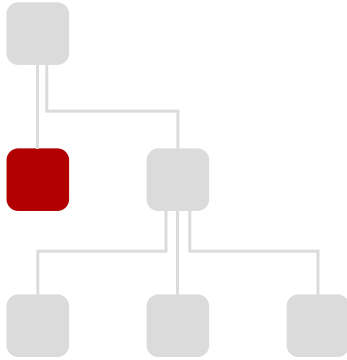
4. They receive an email with sign-up instructions, and I have the option to either close the window, or invite another user.



Senior Management Dashboard

Senior Manager

The Senior Manager is the decision maker at a company, and likely is the one to make the decision to purchase the platform for their company. Though this user has zero powers as far as trading and inviting users (unless requested), they have full visibility over their entire company as far as analytics, trades, and user databases.



David Jung

David is a C-Level executive at ABC Corporation, and oversees the entire sales department. He operates on big-picture information, and delegates management of day-to-day activity to Company Admins.

Role in commodity trading:

- Has full visibility of all contracts, transactions, changes, & analytics of users at their company.
- Can only make changes themselves if they request that their account be modified.

Role in user-management:

- Has full visibility over all user activity at their company.
- Like a Transactional Users, has the ability to invite new users via a request to a Company Admin user.

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 Sales Executive

 Omaha, NE



Scott Stewart

Scott is the president and CEO of Blackhawk Resources. He has over 15 years of experience managing risk for clients who trade commodities, like scrap metal and agriculture.

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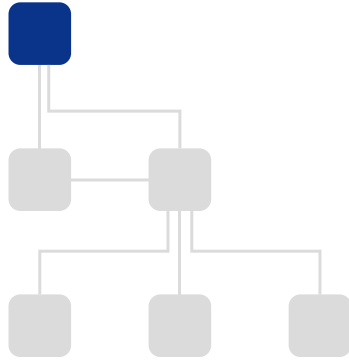
 Commodity Advisor

 Cleveland, Ohio

System Operator Dashboard

Commodity Advisor

The System Operator is the highest in the chain of command in the entire system, and represents the brokerage side of the supply chain by executing contracts and absorbing risk for buyers and sellers.



Role in commodity trading:

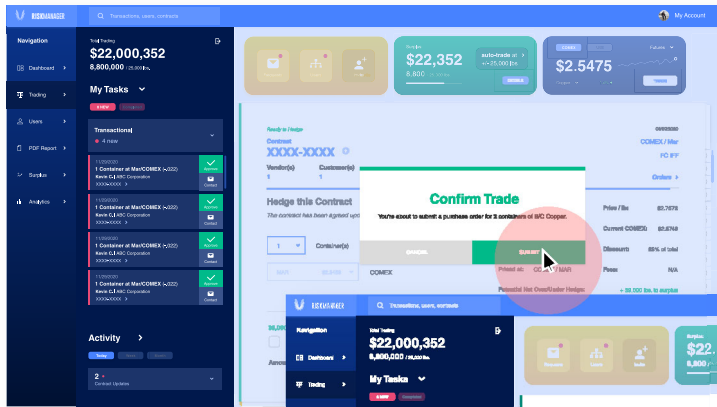
- Executes trades of commodities through international exchanges based on contracts provided by external buyers and sellers.
- Manages risk on behalf of buyers and sellers by absorbing discrepancies in price between **predicted** future prices at the time of contract creation, and **actual** fluctuations in the market at time of contract execution.
- Keeps either a **surplus** or a **deficit**, resulting from said risk.

Role in user-management:

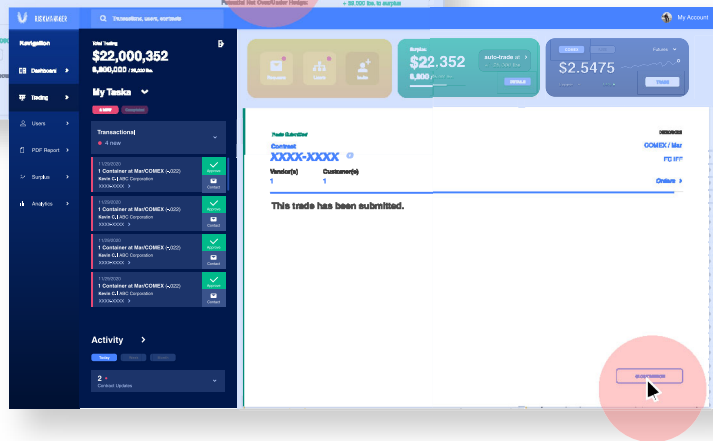
- Highest in the chain of command in the whole system.
- Invites and approves all external Company Administrators to join the platform.
- Has full visibility over all contracts, transactions, changes, and user activity in the entire system.
- Has the ability to override or remove any action taken by lower-level users.

System Operator Dashboard

Approving Hedge Requests 2/2



4. Yes, everything checks out, so I confirm the trade.



5. The trade has been submitted.

Hedge



System Operator Dashboard

Applying Surplus to a Trade

While creating a transaction

Contract: 0393-0029 06/20/2020

Details ▾

Buying Birchcliff (BC) Discount

Future Order ▾

\$2.5475 / lb.

of total

/ lb.

Container(s)

lbs.

mt.

\$112,090 Price

38,000 lbs available in Surplus.

Zero out Surplus

Amount from Surplus: Final Price: **\$112,090**

1. During the process of making a transaction/contract, I see an option to add material from my surplus.

Available Surplus:

53,000 lbs.

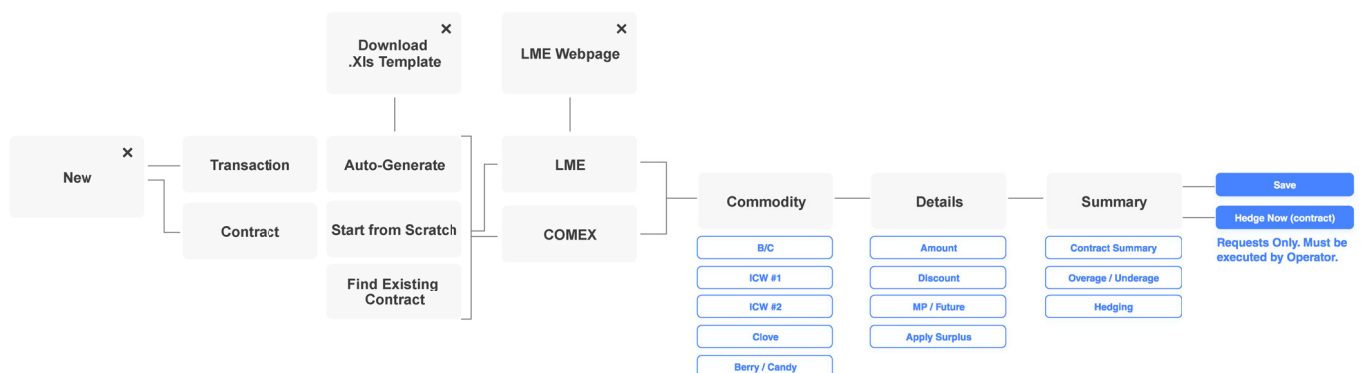
Zero out Surplus

Container(s)
Increments of 1/2 Containers only (25,000 lbs)

Remaining in Surplus

3,000 lbs

2. A popup window comes up to prompt me about the amount of material I want to apply to this transaction.



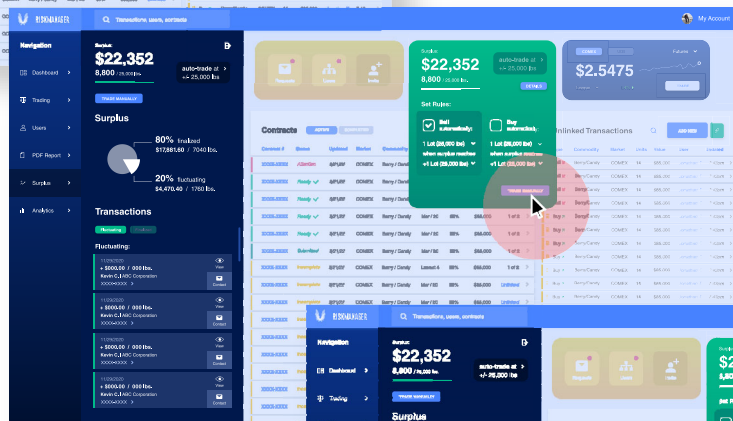
System Operator Dashboard

Applying Surplus to a Trade

From the Surplus shortcut, 1/2

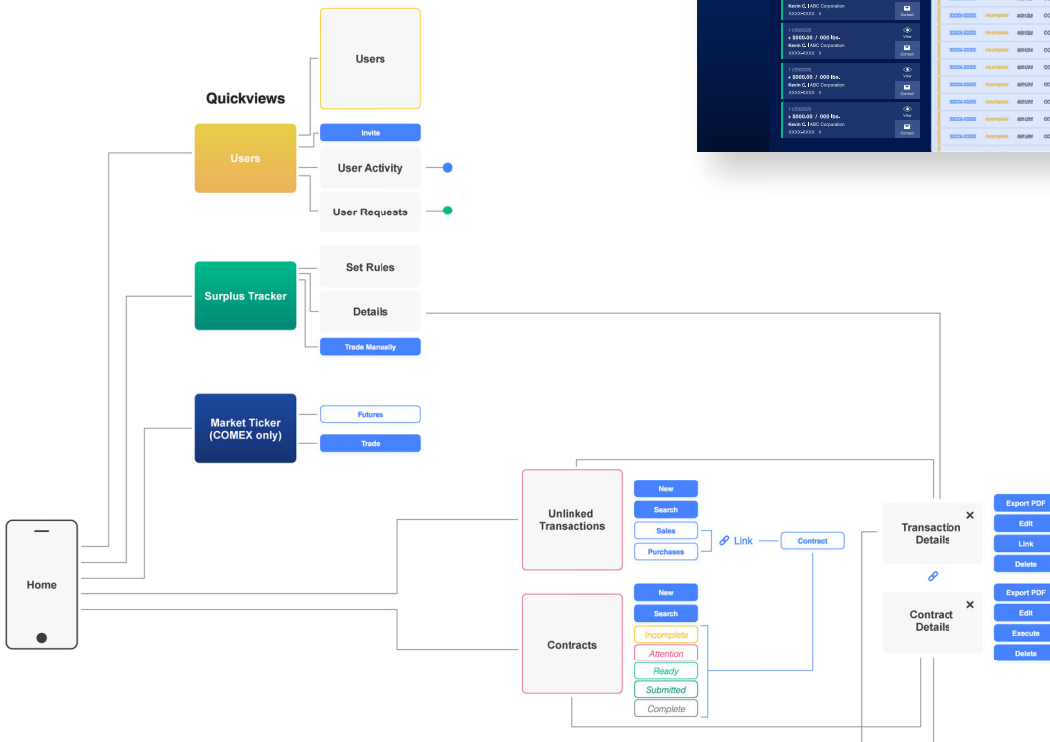
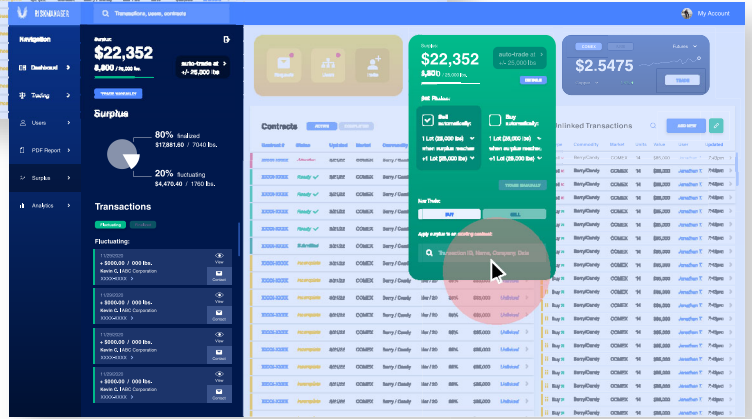


1. I click Details on the green Surplus shortcut tab.



2. I click Trade Manually

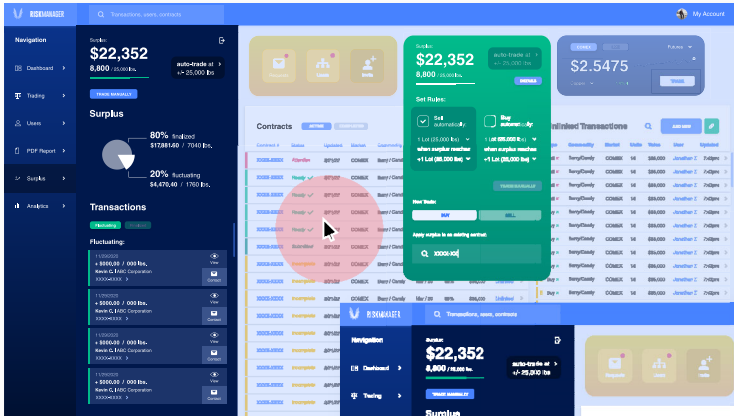
3. I navigate to the Search bar



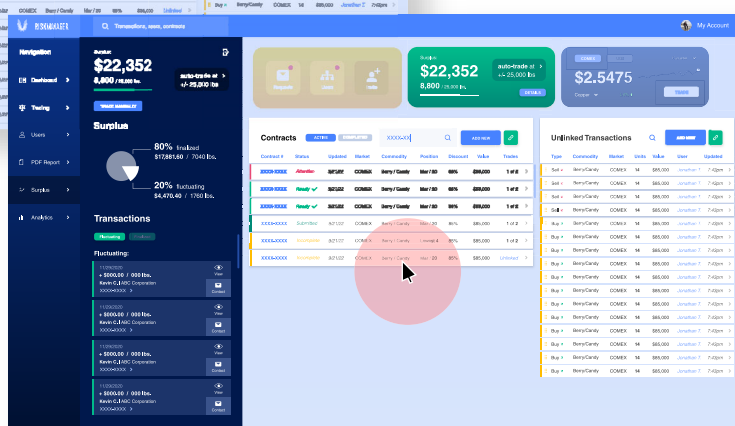
System Operator Dashboard

Applying Surplus to a Trade

From the Surplus shortcut, 2/2

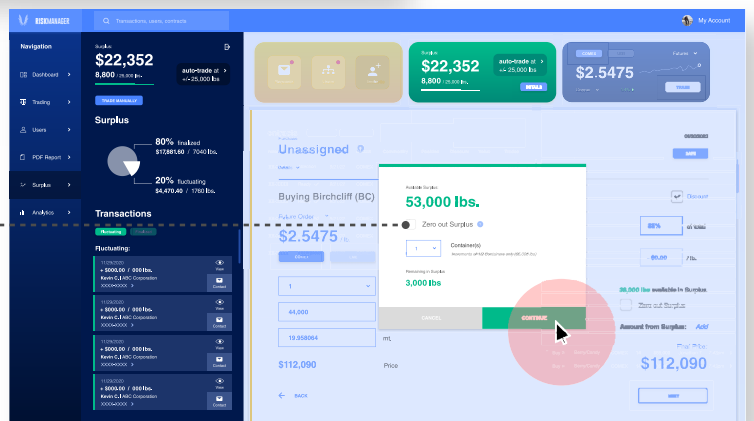


4. I start typing an 8-digit contract number.



5. 1 second after I stop typing (or when I press enter) my Contracts and Transactions tables sort to show matches to my search.

6. I click the desired Contract tile.



Definition:
"Zero Out Surplus"
 An option to apply the entire available surplus to the transaction, as opposed to just a specified number of containers.

7. It opens a window from the contract creation process with a popup for applying surplus.

