



Benchmark Administration – Definitions

1 Introduction

The London Metal Exchange (“**LME**”) is a world centre for the trading of industrial metals and provides pricing, risk and terminal market services to the global physical metals industry. LME publishes various prices that fall within the definition of “benchmark” pursuant to the UK Benchmarks Regulation (“**BMR**”)¹.

This document sets out the key definitions and terms used in connection with benchmarks that are administered by the LME, in its capacity as Administrator. As defined below these terms are common across all of the benchmarks administered by the LME. They are not exhaustive, and should be read in conjunction with the benchmark-specific terms that are defined within each LME benchmark statement and each benchmark methodology, as applicable.

2 Definitions

Term	Definition
Administrator	The London Metal Exchange (or any successor or assignee), acting as the “administrator” of a Benchmark, as such term is defined in article 3(1)(6) of the BMR. References to “administered” and “administration” shall be construed accordingly.
Aluminium Premiums	Collective term for Aluminium US Premium, Aluminium West-Europe Premium, Aluminium East-Asia Premium and Aluminium South-East Asia Premium.
Benchmark	An index that is categorised as a “benchmark” under article 3(1)(3) of the BMR, and which is administered by the Administrator.
Benchmark Changes and Cessation Procedure	The procedure pursuant to which the LME shall consult on proposed changes to, and cessations of, a Benchmark.
Benchmark Family	A “family of benchmarks” as defined under article 3(1)(4) of the BMR, meaning a group of benchmarks provided by the same administrator and determined from input data of the same nature which provides specific measures of the same or similar market or economic reality.
Benchmark Methodology	The benchmark methodology required by the BMR and which describes the process that will be used to determine each Benchmark. A separate Benchmark Methodology is provided for each Benchmark Family and shall be published on the LME’s BMR Website.

¹ As defined more fully in section 2.



Benchmark Statement	The benchmark statement required by article 27(1) of the BMR, which sets out key information for each Benchmark. A separate Benchmark Statement is provided for each Benchmark Family and shall be published on the LME's BMR Website.
BMR	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, together with Commission Delegated Regulations supplementing that Regulation (including, without limitation, Commission Delegated Regulations (EU) Nos 2018/65, 2018/1643 and 2020/1816), in each case to the extent that such have been incorporated in UK law pursuant to the European Union (Withdrawal) Act 2018 and as modified by UK Statutory Instruments, following the UK's exit from the European Union.
BMR Website	The section of the LME Website that provides BMR-related content and materials (including, amongst other things, Benchmark Statements and Benchmark Methodologies) as updated from time to time and which currently has the website address https://www.lme.com/en/Company/Market-Regulation/Benchmark-regulation .
Business Day	Any day (except Saturday, Sunday and any public holiday in the UK, and any day that the LME declares not to be a Business Day).
Cash	Shall have the meaning set out in the LME Rulebook.
Category 1 Member	Shall have the meaning set out in the LME Rulebook.
Category 2 Member	Shall have the meaning set out in the LME Rulebook.
Category 3 Member	Shall have the meaning set out in the LME Rulebook.
Category 4 Member	Shall have the meaning set out in the LME Rulebook.
Closing Prices	The end of day value determined for certain Prompt Dates for each of the physically deliverable metal futures that are tradeable on the LME's venues, as detailed further in the Closing Prices Benchmark Methodology.
commodity benchmark	A "commodity benchmark" as defined under article 3(1)(23) of the BMR.



Contract Specifications	The economic characteristics of each Contract, as set out in the LME Rulebook.
Contract	Shall have the meaning set out in the LME Rulebook.
contribution of input data	The provision of input data by a third party, where such input data is not readily available to the Administrator, or to another person for the purposes of passing to the Administrator, that is required in connection with the determination of a Benchmark, and is provided for that purpose, as defined in article 3(1)(8) of the BMR.
daily price limits	The daily upper and lower price limits in either direction for outright Contracts in all physically deliverable metals on all Execution Venues, as set out and updated by Notice from time to time.
Dealer	Shall have the meaning set out in the LME Rulebook.
Disruption Event	Any event that causes the LME to notify the market that an Official Price or Closing Price for a base metal has been disrupted on a particular Business Day as defined by Notice from time to time and the term “Disrupted [<i>relevant price</i>]” shall be interpreted accordingly.
Electronic Pricing Commencement Determination	A determination made by the LME at any time following the occurrence of a Ring Price Liquidity Event and subject to Regulation 5.5 and 5.5A of Part 3 of the LME Rulebook, that one or more Official Prices shall move permanently to electronic determination, basis the business continuity methodology for Official Prices that is in force when the Electronic Pricing Commencement Determination is made.
Execution Venue(s)	Each or all of: the LME Ring, inter-office market or electronic trading platform LMEselect, as applicable in the context.
Executive Risk Committee or ERIC	The LME committee whose role is to advise the LME and LME Clear Executive Committees on key risk management elements and to assist the Chief Risk Officer in ensuring all risks across the business are captured and appropriately managed.
Expert Judgement	The exercise of discretion and any determination made by the Administrator with respect to the use of data in determining a Benchmark by using a standard of judgement, which shall consist of (1) acting in good faith and in a commercially reasonable manner; (2) to the extent practicable, reflecting the commercial objective of the Benchmark and market practice; and (3) to the extent



	practicable, promoting consistency in the exercise of discretion and the making of determinations in respect of the Benchmark. For the avoidance of doubt, the term “using a standard of judgement” shall exclude any actions taken by LME personnel in the determination of a Benchmark where such actions are taken pursuant to a documented process.
index	An “index” within the meaning of article 3(1)(1) of the BMR.
input data	Data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by the Administrator to determine a benchmark, as defined in article 3(1)(14) of the BMR.
ISIN	International Securities Identification Number.
Kerb	Trading that occurs on the Ring after the end of the morning and afternoon Ring sessions.
LME	The London Metal Exchange.
LME Clear	LME Clear Limited, the clearing house appointed by the LME to clear Contracts.
LME Future	A Metal Future or Premium Contract, as such terms are defined in the LME Rulebook.
LMeselect	A system provided by the LME to enable the anonymous electronic trading of contracts by LME participants.
LME Rulebook	The Rules and Regulations of the London Metal Exchange as updated from time to time and which can be found on the LME Website.
LME Warehouse	A warehouse used to store LME approved brands of metal, which themselves are used as the underlying assets for physically-settled contracts traded on the LME.
LME Website	The website of the LME as updated from time to time and which currently has the website address https://www.lme.com/ .
Lot	Shall have the meaning set out in the LME Rulebook.
material change	A significant or fundamental change to a Benchmark Methodology, which the Administrator, in its sole discretion, has determined would cause the relevant Benchmark to no longer be consistent with its primary objective and/or cause

	the underlying commodity referenced by the relevant Benchmark to no longer be represented by the Benchmark in the manner originally intended.
Member	Shall have the meaning set out in the LME Rulebook.
Monthly Average Future (MAF)	Monthly average futures contracts that are tradeable on the LME's execution venues.
Month End Disruption Event	Is where a Disruption Event occurs on the last business day of the month as defined by Notice from time to time.
MVR	Minimum volume requirement.
NASAAC	North American Special Aluminium Alloy Contract.
Objection Window	<p>The period during which certain users may object to provisional prices for the following Benchmark Families:</p> <ul style="list-style-type: none"> • Official Prices • Closing Prices • Cash-Settled Futures Daily Settlement Prices <p>Please see the relevant Benchmark Methodology for further details.</p>
Official Prices	Reference prices determined for certain Prompt Dates for each of the physically deliverable metal futures tradeable on the LME's venues, as detailed further in the Official Prices Benchmark Methodology.
Official Settlement Prices	The Official Price offer for the Cash Prompt Date, as detailed further in the Official Prices Benchmark Methodology.
Pricing and Valuations Committee	A sub-committee of the Executive Risk Committee of the LME which is responsible for advising on key pricing risks and issues.
Prompt Date	Shall have the meaning set out in the LME Rulebook, unless otherwise defined within a Benchmark Statement or Benchmark Methodology.
Quotations Committee	A sub-set of Trading Operations personnel who are responsible for determining Closing Prices and Official Prices.
regulated data	"regulated-data" within the meaning of article 3(1)(24) of the BMR.



Ring	An LME open-outcry trading venue, with “Ring session” referring to the period on the Ring during which specified metals may be traded. The time and duration of Ring sessions are set out on the LME Website from time to time.
Ring Price Liquidity Event	Those criteria, set out by the Exchange by Notice from time to time, that if triggered would permit the LME to exercise its powers to issue an Electronic Pricing Commencement Determination. As at the date of this version of the Definitions, the Ring Price Liquidity Events are set out in LME Notice 21/153.
SFTP	Secure File Transfer Protocol.
Traded Average Price Option or TAPO	Exchange traded and cleared contracts which settle financially based on the average of the daily LME Official Settlement Prices for the relevant month.
Trading Operations	The LME team responsible for day to day pricing activities at the LME.
trading period	A window during which trading of a certain Contract takes place.
Underlying Metal	The relevant physical metal identified in the applicable Contract Specification in Part 6 of the LME Rulebook.
VWAP	Volume weighted average price.

3 Document Change History

Version	Date
1.0	02/12/2019
1.1	15/01/2021
1.2	06/09/2021
2.0	20/05/2022



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