

## **Agreement for Setting up Futures/Options Trading Account**

I/We fully understand the explanation your company has given me/us regarding the features, mechanism of the system and other relevant matters of exchange derivatives transactions (excluding those related to currencies) for which Japan Securities Clearing Corporation (hereinafter referred to as "JSCC") provides Financial Instruments Obligation Assumption Services as a Financial Instruments Clearing Organization (hereinafter collectively referred to as "Futures/Options Trading"), and I/we will entrust Futures/Options Trading with your company on my/our own judgment and responsibility. In setting up a Futures/Options Trading Account (hereinafter referred to as the "Account") with your company, I/we hereby agree to abide by provisions related to conditions for Futures/Options Trading, out of the Financial Instruments and Exchange Act (Act No. 25 of 1948, hereinafter referred to as the "Act" and other laws and regulations; the Articles of Incorporation (*Teikan*), the Business Regulations (*Gyoumu Kitei*), the Brokerage Agreement Standards (*Jutaku Keiyaku Junsoku*), the Trading Participant Regulations (*Torihiki Sankasha Kitei*), the Clearing and Settlement Regulations (*Seisan Kessai Kitei*), Rules on Margin and Transfer of Unsettled Contracts Pertaining to Futures/Options Trading (*Sakimono Option Torihiki Ni Kakaru Shokokin Oyobi Mikessaiyakujo No Hikitsugi Tou Ni Kansuru Kisoku*), (hereinafter referred to as the "Margin Rules") and other rules and the decisions of the Financial Instruments Exchange which establishes the financial instruments market where Futures/Options Trading is conducted (hereinafter referred to as "Financial Instruments Exchange," except in Article 10, Paragraph 4 and Paragraph 5, Items 1 and 2); the Business Rules (*Gyoumu Hohosho*), the Interest Rate Swap Clearing Business Rules (*Kinri Swap Torihiki Gyoumu Hohosho*), the Rules on Margins, etc. for Futures and Option Contracts (*Sakimono Option Torihiki Ni Kakaru Torihiki Shokokin Tou Ni Kansuru Kisoku*) and the decisions of JSCC; and practices, and hereby further acknowledge and agree to the terms and conditions provided in the following articles, and in witness whereof, submit this Agreement to your company. The terms used herein shall have the same meaning as the terms defined in the Articles of Incorporation, the Business Regulations, the Brokerage Agreement Standards, the special regulations for such rules concerning Futures/Options Trading, Trading Participant Regulations, the Clearing and Settlement Regulations and the Margin Rules of the Financial Instruments Exchange, and the Business Rules and the Rules on Margins, etc. for Futures and Option Contracts.

### **Article 1. (Management through the Account)**

With respect to the Futures/Options Trading which I/we will hereafter conduct through your company, the following items shall be managed through the Account:

- (1) Purchase funds, sales proceeds, securities purchased or sold, commodities pertaining to purchases (meaning commodities set forth in Article 2, Paragraph 24, Item 3-3 of the Act; the same shall apply hereinafter), commodities pertaining to sales, warehouse receipts, margin (including clearing margin and customer margin; the same shall apply in this Article), unrealized loss or profit, loss or profit at settlement, or other money payable or receivable concerning trades set forth in Article 2, Paragraph 21, Item 1 of the Act;
- (2) Margin, unrealized loss or profit, loss or profit at settlement, or other money payable or receivable concerning trades set forth in Article 2, Paragraph 21, Item 2 of the Act; and
- (3) Premiums for sales or purchases, margin, money payable or receivable or securities deliverable or receivable upon exercise of an option (except when a sale or purchase in Margin Transaction is carried out) and other money payable or receivable concerning

trades set forth in Article 2, Paragraph 21, Item 3 of the Act.

**Article 2. (Purpose of Margin)**

The purpose of margin shall be to ensure my/our fulfillment of obligations to your company relating to Futures/Options Trading.

2. The purpose of clearing margin, which is included in the margin, is to ensure your company's fulfillment of obligations for payment or delivery by your company to JSCC relating to Futures/Options Trading based on my/our order and to ensure my/our fulfillment of obligations to your company relating to Futures/Options Trading.

3. Notwithstanding the provisions of the preceding paragraph, in the case where your company is a Non-Clearing Participant, the purpose of clearing margin, which is included in the margin, is to ensure your company's Designated Clearing Participant's fulfillment of obligations for payment or delivery by your company's Designated Clearing Participant to JSCC relating to Futures/Options Trading based on my/our order, to ensure your company's fulfillment of obligations for payment or delivery by your company to your company's Designated Clearing Participant relating to Futures/Options Trading based on my/our order, and to ensure my/our fulfillment of obligations to your company relating to Futures/Options Trading.

**Article 3. (Clearing Margin and Customer Margin)**

Margin (excluding the amount equivalent to the amount I/we are scheduled to pay; the same shall apply hereinafter) submitted to your company by me/us through the Account shall not be kept by your company (In the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant), but shall be directly deposited by your company acting as my/our agent with JSCC as clearing margin concerning the unsettled contracts based on entrustment from me/us and shall be kept by JSCC. Notwithstanding the foregoing, I/we shall not object to your company keeping the margin as clearing margin for four (4) days (excluding holidays prescribed by the Financial Instruments Exchange) counted from the day of my/our submission of the margin to your company and then depositing the equivalent amount of money or securities or warehouse receipts deposited in lieu of money (hereinafter referred to as the "Replacement Securities, etc.") owned by your company with JSCC in lieu of my/our margin.

2. Notwithstanding the provision of the preceding paragraph, I/we shall not object, in the case where I/we agree separately in writing, to all or part of the margin submitted or deposited by me/us being replaced by the equivalent amount of money or Replacement Securities, etc. by the methods mentioned in any of the following items.

(1) A method where, your company keeping all or part of the margin deposited by me/us as customer margin and depositing the equivalent amount of money or Replacement Securities, etc. owned by your company with JSCC in lieu of my/our margin.

(2) A method where, in the case where your company is a Non-Clearing Participant, your company keeping all or part of the margin deposited by me/us as customer margin and depositing the equivalent amount of money or Replacement Securities, etc. owned by your company with your company's Designated Clearing Participant as Non-Clearing Participant's margin, and your company's Designated Clearing Participant depositing the amount of money or Replacement Securities, etc. owned by your company's Designated Clearing Participant equivalent to said Non-Clearing Participant's margin with JSCC as clearing margin in lieu of your company's margin to be deposited with the Designated Clearing Participant.

#### **Article 4. (Agent)**

I/we shall deposit my/our clearing margin with JSCC and receive the return of the same through your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) acting as my/our agent.

2. The agency as set forth in the preceding paragraph shall be subject to the following conditions:

- (1) I/we shall not dismiss the agent as set forth in the preceding paragraph.
  - (2) In the event of the suspension of trading due to insolvency, etc. as set forth in Article 17, Paragraph 1 for the reason as stated in Article 17, Paragraph 1, Item 1 or Item 3, the agency of your company as set forth in the preceding paragraph shall lapse.
  - (3) In the case where your company is a Non-Clearing Participant, in the event of the suspension of trading due to insolvency, etc. as set forth in Article 17, Paragraph 1, for the reason as stated in Item 2 or Item 4 of the same paragraph, the agency of your company's Designated Clearing Participant as set forth in the preceding paragraph shall lapse.
3. I/we shall not appoint a party other than your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) as my/our agent for the deposit and return of my/our clearing margin.

#### **Article 5. (Claims for Return of Clearing Margin and Customer Margin)**

I/we shall be able to claim the return of the following clearing margin and customer margin, after deducting the amount equivalent to my/our obligations to your company relating to Futures/Options Trading that have not been fulfilled (hereinafter referred to as the "Unfulfilled Obligations").

- (1) If the clearing margin submitted by me/us is directly deposited:  
Of the clearing margin for Direct Deposit of your company (hereinafter referred to as clearing margin for clearing participant deposit (Direct Deposit) or clearing margin for Non-Clearing Participant deposit (Direct Deposit), same shall apply hereafter), the money equivalent to the amount deposited by me/us with JSCC through your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) acting as my/our agent or the Replacement Securities, etc. with JSCC through your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) acting as my/our agent.
- (2) If I/we deposit a customer margin and a clearing margin is deposited as a replacement deposit (including the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made):  
The customer margin deposited by me/us (including the clearing margin submitted to your company in the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made; the same shall apply in this item) and:
  - a. In the case where your company has deposited money as the clearing margin (hereinafter referred to as clearing margin for clearing participant deposit [replacement deposit] or clearing margin for Non-Clearing Participant deposit [replacement deposit], same shall apply hereafter) for the replacement deposit, the money equivalent to the amount of the customer margin deposited by me/us; or
  - b. In the case where your company has deposited the Replacement Securities, etc. as the clearing margin for the replacement deposit, the securities and warehouse receipts (hereinafter referred to as the "Securities, etc.") equivalent to the amount of customer margin deposited by me/us of such Replacement Securities, etc.

2. The claim which I/we have against JSCC for the return of clearing margin in accordance with the preceding paragraph may not be exercised directly by me/us, and may only be exercised through your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) acting as my/our agent.

3. In the case where your company is a Clearing Participant, your company shall be able to claim the return of the clearing margin whose amount is equivalent to my/our Unfulfilled Obligations as set forth in Paragraph 1 (after deducting the amount equivalent to the unfulfilled part of your company's obligations relating to Futures/Options Trading based on my/our order that should be paid or delivered by your company to JSCC).

4. In the case where your company is a Non-Clearing Participant, your company shall be able to claim the return of the clearing margin whose amount is equivalent to my/our Unfulfilled Obligations as set forth in paragraph 1 after deducting the amount equivalent to unfulfilled part of your company's obligations relating to Futures/Options Trading based on my/our order that should be paid or delivered by your company to your company's Designated Clearing Participant and your company's Designated Clearing Participant shall be able to claim the return of the clearing margin whose amount is equivalent to the said unfulfilled part of your company's obligations.

#### **Article 6. (Claims for Return of Clearing Margin for Replacement Deposit)**

If I/we deposit a customer margin and the clearing margin is deposited as a replacement deposit (including the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made), I/we shall not object to the following items:

- (1) In the case where I/we exercise the claim for return of all or part of the clearing margin, the customer margin deposited by me/us (including the clearing margin submitted to your company in the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made; the same shall apply in the following item) shall be returned to me/us; and
- (2) In the case where the replacement deposit set forth in Article 3, Paragraph 2, has been made (including replacement deposit set forth in the proviso to Article 3, Paragraph 1), if I/we receive the return of all or part of the customer margin, the claim owned by me/us for return of the clearing margin shall be transferred to your company within the amount of such return.

#### **Article 6-2. (Scope of Foreign Currency Deposited as Margin)**

In the case where foreign currency is submitted or deposited as margin, I/we shall not object to your company receiving such foreign currency as long as acceptable to your company within the scope specified by the rules of the Financial Instruments Exchange and JSCC.

2. With respect to the ratio by which the market value (meaning the market value determined based on the rules of the Financial Instruments Exchange and JSCC) of the foreign currency in the preceding paragraph is multiplied pertaining to conversion into Japanese yen, I/we shall not object to the ratio set by your company as that which does not exceed the ratio specified by the rules of the Financial Instruments Exchange and JSCC.

#### **Article 7. (Scope of Replacement Securities, etc. Deposited as Margin)**

In the case where the Securities, etc. are submitted or deposited as margin in lieu of money, I/we shall not object to your company receiving such Securities, etc. as long as

acceptable to your company within the scope specified by the rules and disposition based on such rules of the Financial Instruments Exchange and JSCC.

2. With respect to the ratio by which the market value (meaning the market value determined based on the rules of the Financial Instruments Exchange and JSCC) of the Securities, etc. in the preceding paragraph is multiplied pertaining to calculation of substitute value, I/we shall not object to the ratio set by your company as that which does not exceed the ratio specified by the rules and disposition based on such rules of the Financial Instruments Exchange and JSCC.

#### **Article 7-2. (Cancellation of Transactions)**

In the event that Futures/Options Trading by an erroneous order is carried out, and the Financial Instruments Exchange cancels the trading pursuant to its rules, I/we shall comply with such actions.

2. In the event that trading records on the Financial Instruments Exchange's systems are lost due to an unavoidable reason such as a natural disaster, if the Financial Instruments Exchange cancels the Futures/Options Trading, I/we shall comply with such actions.

3. In the event that Futures/Options Trading I entrusted to your company is canceled, I/we shall not object to my/our rights and obligations to your company related to the cancelled trade being considered not to have existed from the beginning.

4. Even if I/we sustain any loss due to the cancellation of Futures/Options Trading by the Financial Instruments Exchange, I/we shall not make any claim for damages against a trading participant that has placed an erroneous order, unless such loss has been caused by the trading participant's willful intention or gross negligence.

5. Even if I/we sustain any loss due to the cancellation of Futures/Options Trading by the Financial Instruments Exchange, I/we shall not make any claim for damages against the Financial Instruments Exchange, unless such loss has been caused by the Financial Instruments Exchange's willful intention or gross negligence.

#### **Article 8. (Procedures in the Case of Assignment of Exercise of Options)**

When an exercise of options in the trades set forth in Article 2, Paragraph 21, Item 3 of the Act is assigned to the positions based on the order of your company's customers in the manner prescribed by JSCC, I/we shall not object to your company's assigning such exercise of options in the manner prescribed by your company.

2. In the event that, in connection with Options Trading (excluding Options Trading prescribed in the next paragraph), I/We fail to notify your company by the prescribed time on the exercise date to the effect that I/We will not exercise options concerning the Issues falling under any of the following items, except cases separately prescribed by the Financial Instruments Exchange on which such Issues are listed, I/We shall not object if it is deemed that I/We have given an instruction to exercise the options concerning such Issues:

(1) Put option (meaning an option to become a seller upon the exercise thereof; the same shall apply hereinafter); when the exercise price exceeds the option reference price, the numerical value of the option settlement index value, or the option settlement price; or

(2) Call option (meaning an option to become a buyer upon the exercise thereof; the same shall apply hereinafter); when the exercise price is less than the option reference price, the numerical value of the option settlement index value, or the option settlement price.

3. In the event that, in connection with Options Trading whose options exercise period starting from the first trading day to the last trading day, I/we fail to notify your company by the prescribed time on the expiration date of the exercise period to the effect that I/we

will not exercise the options concerning the Issues falling under any of the following items, except cases separately prescribed by the Financial Instruments Exchange on which such Issues are listed, I/we shall not object if it is deemed that I/we have given an instruction to exercise the options concerning such Issues:

(1) Put option; when the exercise price exceeds the clearing price of the contract month of Futures eligible for exercise as of the trading day which falls on the last day of the exercise period; and

(2) Call option; when the exercise price is less than the clearing price of the contract month of Futures eligible for exercise as of the trading day which falls on the last day of the of the exercise period.

4. In Options Trading as provided in the preceding paragraph, in cases (i) I/we have entrusted the exercise of the options or (ii) the exercise of the options has been assigned to me/us, and if I/we have not made instructions to your company by the prescribed time on the distinction and number of new sales, new purchases, resales or repurchases, respectively, of each relevant contract month related to such exercise or such assignment of the options, I/we shall not object to your company acting as if I/we had instructed your company to carry out new sales or new purchases for the relevant number of the relevant contracts.

#### **Article 8-2. (Procedures in the Case of Early Termination, etc. of Positions)**

In the case where JSCC designates positions to be allocated for early termination or determines non-defaulting delivery positions subject to cash settlement with respect to the positions based on entrustment from your company's customers, I/we shall not object to your company's allocation of the positions to be allocated for early termination or non-defaulting delivery positions subject to cash settlement to each customer in the manner prescribed by your company.

2. In the case where the positions to be allocated for early termination or non-defaulting delivery positions subject to cash settlement are allocated as set forth in the preceding paragraph with respect to the unsettled contracts based on entrustment from me/us, I/we shall not object to conducting settlement with your company with respect to such positions to be allocated for early termination or non-defaulting delivery positions subject to cash settlement pursuant to the conditions of settlement prescribed by JSCC.

#### **Article 9. (Changes in the Conditions of Settlement)**

In the event that the Financial Instruments Exchange or JSCC makes any changes in the conditions of settlement, such as deliverable assets, exercise period of the options, exercise date of the options, date of settlement by delivery or final settlement date, due to a natural disaster, a drastic change in overall economic conditions, a shortage in deliverable assets or other unavoidable reasons, I/we shall comply with such changes.

#### **Article 10. (Changes to Final Settlement Index Value, etc.)**

In the event that the Financial Instruments Exchange, prior to the final settlement date for Interest Rate Futures Trading, finds any error in the final settlement price and changes such index or value pursuant to its rules, I/we shall comply with such a change.

2. In the event that the Financial Instruments Exchange, prior to the final settlement date for Index Futures Trading, finds any error in the special settlement index value or the special quotation and changes such index or value pursuant to its rules, I/we shall comply with such a change.

3. In the event that any error is deemed to exist in the special settlement index value or the

special quotation prior to the settlement date pertaining to the exercise of an option in Index Options Trading and the Financial Instruments Exchange has changed the option settlement index value or the option settlement price pursuant to its rules, I/we shall comply with such a change.

4. Even if I/we sustain any loss in Interest Rate Futures Trading, Index Futures Trading or Index Options Trading due to an inability, delay, or error in computing or distributing TONA or index, or a change in the final settlement index value, the final settlement price, option settlement index value or option settlement price, I/we shall not make any claim for damages against your company, the Financial Instruments Exchange (including a financial instruments exchange(s) on which the securities that are components of the index are listed; the same shall apply in this paragraph), the Bank of Japan or the person who has calculated the index (including the person sub-contracted to calculate the index); provided, however, that in cases where willful intention or gross negligence is deemed to exist at your company or the Financial Instruments Exchange, this shall not apply to claim for damages against your company or such exchange.

5. With respect to treatment of options trading pertaining to securities, in cases enumerated in each of the following items, I/we shall not object to such treatment in accordance with manners prescribed by the Financial Instruments Exchange on which such trading was conducted:

- (1) Where securities which are objects of such options will be delisted from any of the domestic financial instruments exchanges;
- (2) Where trading in securities which are objects of such options was halted in any of the domestic financial instruments exchanges;
- (3) Where the issuer of securities which are objects of such options conducted a company split; or
- (4) Where the Exchange delist the options trading in consideration of the state of such trading, etc.

#### **Article 11. (Acceleration of Fulfillment of Obligations)**

Upon the occurrence of any of the following events with regards to me/us, the obligations which I/we owe your company in relation to Futures/Options Trading shall automatically become due and payable without any notification from, demand by or any other similar action on the part of your company, and I/we shall fulfill such obligations immediately:

- (1) When I/we suspend payment, or a petition for commencement of bankruptcy proceeding, rehabilitation proceeding, corporate reorganization proceeding or special liquidation is filed against me/us;
- (2) When the clearinghouse or the electronic monetary claim recording institution set forth in Article 2, Paragraph 2 of Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) takes any procedure to suspend my/our bank transactions;
- (3) When an order or a notice of provisional seizure, preservative seizure or seizure on any part of the claims relating to Futures/Options Trading or other claims of mine/ours against your company is sent;
- (4) When a procedure for seizure or auction of a collateral for the obligations which I/we owe your company relating to the Futures/Options Trading is begun;
- (5) When any event under foreign laws and regulations equivalent or similar to any of the preceding items occurs to me/us;
- (6) When my/our whereabouts become unknown to your company due to reasons attributable to me/us, such as neglecting to notify a change of my/our address;
- (7) In the case where I/we am/are a cross margining user, when JSCC declares that I/we

am/are in a default or the like in the manner prescribed in the Interest Rate Swap Clearing Business Rules; or

(8) In the case where I/we am/are a cross margining user, when the settlement entrustment trading based on the Interest Rate Swap Clearing Brokerage Agreement is terminated on the Early Termination Date in the manner prescribed in the Interest Rate Swap Clearing Brokerage Agreement entered into pursuant to the Interest Rate Swap Clearing Business Rules of JSCC.

2. Upon the occurrence of any of the following events to me/us and upon your company's request, all obligations which I/we owe your company in relation to Futures/Options Trading shall immediately become due and payable, and I/we shall fulfill such obligations immediately:

(1) When I/we delay the fulfillment of all or part of the obligations which I/we owe your company in relation to Futures/Options Trading or other obligations which I owe to your company;

(2) When procedures for seizure or auction of a collateral (including procedures under foreign laws and regulations which are equivalent or similar thereto) for the obligations which I/we owe your company (except for the obligations relating to the Futures/Options Trading) are begun;

(3) When I/we fail to comply with any of the provisions in this agreement or other agreements on any transactions with your company; or

(4) Other than the events set forth in the foregoing items, when there arises a reasonable and probable cause which necessitates the preservation of your company's claims.

#### **Article 11-2. (Extinguishment of Rights and Obligations Concerning Cross Margined JGB Futures Cleared Contracts)**

I/we shall not object, in the case where I/we am/are a cross margining user, to the extinguishment to be effective for the future, and within the scope of the case prescribed in the Business Rules of JSCC, of my/our rights and obligations concerning trading of JGB Futures through your company concerning Cross Margined JGB Futures Cleared Contracts.

#### **Article 12. (Resale, Repurchase, etc. in Futures/Options Trading in Case of Acceleration, etc.)**

In the case that any of the events set forth in the items described in Paragraph 1 of Article 11 occurs to me/us, I/we shall not object if your company, at its discretion and for and on my/our account, carries out any resale or repurchase, enters into a sales agreement or a purchase agreement, carries out final settlement or exercise of options, or enters into any agreement concerning the purchase or sale of securities which shall be carried out by the exercise of an option relating to individual securities (including the entrustment of these actions; hereinafter referred to as the "Resale, Repurchase, etc."), which may be necessary for the settlement of any Futures/Options Trading (except for Cross Margined JGB Futures Cleared Contracts and relevant matters) made by me/us through the Account with your company.

2. In the event that I/we delay the fulfillment of any of my/our obligations relating to Futures/Options Trading set forth in Paragraph 2, Item 1 of Article 11, I/we shall not object if your company, at its discretion and for and on my/our account, carries out any Resale, Repurchase, etc. which may be necessary for the settlement of any Futures/Options Trading relating to such delay in accordance with the rules of the Financial Instruments Exchange on which the Futures/Options Trading was conducted.

3. In the case that any of the events set forth in the items described in Paragraph 2 of Article



11 occurs to me/us, I/we shall, upon your company's request and by the date and time designated by your company, entrust your company with carrying out any Resale, Repurchase, etc. which may be necessary for the settlement of any Futures/Options Trading through my/our Account with your company (except for the case where your company carries out the Resale, Repurchase, etc. in accordance with the provision of the preceding paragraph) .

4. In the event that I/we fail to carry out any Resale, Repurchase, etc. through my/our Account by the date and time set forth in the preceding paragraph, I/we shall not object if your company, at its discretion and for and on my/our account, carries out any Resale, Repurchase, etc. which may be necessary for the settlement of the Futures/Options Trading.

5. In the event that any loss is incurred due to the Resale, Repurchase, etc. set forth in the preceding paragraphs in this Article, I/we shall immediately pay your company the amount equivalent to such a loss.

6. Notwithstanding the provision of Paragraph 1 hereof, in the case where I/we am/are a cross margining user, when my/our rights and obligations concerning trading of JGB Futures through your company concerning a Cross Margined JGB Futures Cleared Contract have been extinguished into the future in the manner prescribed in the Business Rules of JSCC, I/we shall abide by the provisions prescribed in the Business Rules of JSCC with regard to arrangements concerning the Cross Margined JGB Futures Cleared Contract.

#### **Article 12-2. (In the Event that Actions to Increase Collateral, etc. Is Implemented for Your Company)**

In the event that JSCC has taken actions to increase collateral, etc. (meaning actions set forth in JSCC Business Rules Article 29-2; the same shall apply hereinafter) against your company (in the event that your company is a Non-Clearing Participant, and your company's Designated Clearing Participant has taken actions as prescribed in JSCC Business Rules Article 29-2, Paragraph 2 against your company) and the unsettled contracts based on entrustment from me/us have a close relation to reason for such actions, I/we shall not object to your company taking measures set forth in the following items as far as those are necessary.

(1) Increase in the required margin amount

(2) In the case where the Securities, etc. are deposited as margin in lieu of money, limitation on Issues acceptable by your company

(3) In the case where the Securities, etc. are deposited as margin in lieu of money, reduction in collateral value ratios in calculation of substitute value as collateral.

#### **Article 12-3. (Position Transfer in the Event that Instruction to Improve Position Status Is Issued to Your Company)**

In the event that JSCC has issued the instruction to improve position status (hereinafter referred to as the "improvement instruction") to your company pursuant to the provision of Article 29-3 of the JSCC Business Rules (or in the event that your company is a Non-Clearing Participant and that your company's Designated Clearing Participant has made a request to your company pursuant to the provisions of Article 45-2, Paragraph 1 of the JSCC Business Rules) due to my/our failure to comply with the measures set forth in the preceding Article without reasonable excuse, I/we shall not object to a possibility that your company will request me/us to carry out Resale or Repurchase, etc., or to transfer the unsettled contracts based on entrustment from me/us to the other participant.

2. In the event that I/we receive your request set forth in the preceding paragraph, and if I/we choose to transfer such unsettled contracts to participants other than your company (hereinafter referred to as the "Position Transfer"), I/we shall not object to being required to

make an application for Position Transfer with and obtain approval from the said participants.

3. In the event that I/we obtain the approval from the participants other than your company set forth in the preceding paragraph, and when I/we notify your company of Position Transfer to that effect, your company asks for approval of JSCC (in the case where your company is a Non-Clearing Participant, your company's Designated Clearing Participant).

4. In the event that your company received the approval or disapproval from JSCC (in the case where your company is a Non-Clearing Participant in accordance with the preceding paragraph, your company's Designated Clearing Participant), your company notifies me/us to that effect.

#### **Article 12-4. (Resale, Repurchase, etc. in the Event that Improvement Instruction Is Issued to Your Company)**

In the event that your company made the request prescribed in Paragraph 1 of the preceding Article with a reasonable grace period set in advance, however I/we have not responded to such request without due reasons, and your company does not follow the improvement instructions despite your company's reasonable efforts other than what are prescribed in the preceding Article (or in the event that your company is a Non-Clearing Participant, and cannot appropriately meet the request made pursuant to Article 45-2, Paragraph 1 of the JSCC Business Rules despite your company's reasonable efforts to meet such request), I/we shall not object if your company will carry out any Resale, Repurchase, etc. on my/our account, as long as such Resale, Repurchase, etc. are deemed reasonably necessary for the settlement of any Futures/Options Trading through my/our Account opened with your company.

2. Even if I/we sustain damages as a result of the Resale, Repurchase, etc. set forth in the preceding paragraph, I/we shall not claim compensation for such damages against your company and JSCC (in the case where your company is a Non-Clearing Participant, your company, your Designated Clearing Participant, and JSCC). Provided, however, that the same shall not apply to cases where such damages have been sustained by your company's, your company's Designated Clearing Participant's, or JSCC's intention or gross negligence.

#### **Article 12-5. (Special Provisions in the Case of No Instructions on Means of Settlement)**

In the event that, in connection with commodity futures transactions (limited to *Genbutsu-Sakimono* (commodity futures transactions with an agreement of physical delivery) ; the same shall apply hereinafter in this Article) pertaining to the most recent contract month, I/we fail to give instructions regarding the means of settlement by 4:00 p.m. on the day prior to the last trading day (to be moved up in order if the day falls on a holiday) , I/we shall not object if your company, at its discretion and for and on my/our account, carries out any resale or repurchase which may be necessary for the settlement of such commodity futures transactions.

2. In the event that, in connection with commodity futures transactions pertaining to the most recent contract month, your company has decided to receive instructions from me/us on the instruction date (meaning the 1st of the month which includes the last trading day for general soybeans and corn (to be moved up in order if the day falls on a holiday) or the 15th of the month which includes the last trading day for other commodities (to be moved up in order if the day falls on a holiday); the same shall apply hereinafter) with respect to any of the means of settlement prescribed by your company, and if I/we fail to give instructions

regarding the means of settlement by 4:00 p.m. on the relevant instruction date or my/our instruction is different from any of the means of settlement prescribed by your company, I/we shall not object if your company, at its discretion and for and on my/our account, carries out any resale or repurchase which may be necessary for the settlement of such commodity futures transactions.

**Article 12-6. (Disposal of Positions Pertaining to Commodity Futures Transactions)**

In the event that, in connection with my/our commodity futures transactions, the volume of the positions has exceeded or would result in exceeding the limit of positions set forth in Article 8-2 of the Brokerage Agreement Standards stipulated by the Financial Instruments Exchange or the Financial Instruments Exchange determines that the volume of the positions has exceeded such limit, I/we shall not object if your company, for and on my/our account, carries out any resale or repurchase which may be necessary for the settlement of the portion of the positions that has exceeded or would result in exceeding the limit or determined by the Financial Instruments Exchange to have exceeded the limit with respect to the unsettled contracts based on entrustment from me/us.

**Article 12-7. (Special Purchases and Sales in Commodity Futures Transactions)**

I/we shall not object to the conclusion of a purchase and sale contract based on the provisions of Article 58-3, Paragraphs 2 to 4 of the Business Regulations of the Financial Instruments Exchange with respect to the unsettled contracts based on entrustment from me/us.

**Article 12-8. (Completion of Cash Settlement of *Genbutsu-Sakimono* Pertaining to Commodities Futures Transactions)**

In the event, in connection with the unsettled contracts pertaining to the settlement by delivery of *Genbutsu-Sakimono* based on entrustment from me/us, JSCC completes delivery pertaining to said unsettled contracts by deeming that the resale or repurchase of said unsettled contracts has been executed at the delivery price prescribed by the Financial Instruments Exchange, I/we shall comply with such actions.

**Article 13. (Disposal of Clearing Margin, etc.)**

In the event that I/we fail to fulfill by the prescribed date and time any of the obligations which I/we owe your company relating to any Futures/Options Trading, I/we shall not object to your company, at its discretion and for and on my/our account, disposing of the securities and other assets set forth in the following items, in such a manner, at such time and place, for such price and on such other terms as may be determined by your company, without any notification from or demand by your company, and without following the procedures under the laws, and applying the proceeds (after deducting expenses) of such disposal to the payment of any of my/our obligations, regardless of the legal priority of such obligations; and in the event that any obligation remains unsatisfied after the abovementioned application of the proceeds, I/we agree to immediately satisfy the same:

- (1) In the case where the foreign currency submitted by me/us is directly deposited with JSCC as clearing margin, the foreign currency deposited with JSCC;
- (2) The foreign currency deposited by me/us as customer margin;
- (3) In the case where the Replacement Securities, etc. submitted by me/us is directly deposited with JSCC as clearing margin, the Replacement Securities, etc. deposited with

JSCC;

- (4) The Replacement Securities, etc. deposited by me/us as customer margin; and
- (5) Other securities, warehouse receipts or other movable properties which are owned by me/us and are in the possession of your company or registered to your company's account based on the Act on the Book-Entry Transfer of Corporate Bonds, Shares, etc. (Act No. 75 of 2001) relating to any other financial instruments transaction.

#### **Article 14. (Method of Netting Off)**

When I/we have to fulfill obligations to your company due to the expiration of the term, acceleration, or other reasons, your company may set off such obligation against your company's obligations to me/us, including those relating to Futures/Options Trading, regardless of the remaining term of such obligations.

2. If the setoff set forth in the preceding paragraph is available, your company may, on behalf of me/us, receive the return of the deposits and apply it to the fulfillment of the obligations I/we owe your company, without giving me/us the prior notice and without following the prescribed procedures.

3. In the event that obligations are to be set off in accordance with the provisions of the preceding two paragraphs, in calculating the period for interest, overdue interest and other relevant figures on the obligations, (i) the period shall be the period ending on the date of calculation, (ii) interest on the obligation shall be calculated by using the rate prescribed by your company, (iii) overdue interest of the obligations I/we owe your company relating to Futures/Options Trading shall be calculated by using the rate prescribed by the Financial Instruments Exchange on which the Futures/Options Trading was conducted, and (iv) overdue interest concerning other obligations I/we owe your company shall be calculated by using the rate prescribed by your company.

#### **Article 15. (Order of Appropriation in Payment)**

If payments made by me/us or setoffs set forth in the preceding Article made by your company are insufficient to discharge all of my/our obligations, your company may appropriate such payments or such setoffs to satisfy my/our obligations in such order as your company deems proper.

#### **Article 16. (Payment of Overdue Interest)**

In the event that I/we fail to fulfill any of the obligations I/we owe your company relating to Futures/Options Trading, I/we shall not object, upon request by your company, to paying your company overdue interest at the rate prescribed by the Financial Instruments Exchange on which the Futures/Options Trading was conducted for the period from the day following the due date to the date of actual fulfillment.

#### **Article 17. (Measures in the Event of Suspension of Trading Due to Insolvency, etc.)**

In the event that your company is suspended from Futures/Options Trading (excluding those subject to Brokerage for Clearing of Securities, etc.) or the entrustment by Brokerage for Clearing of Securities, etc. (hereinafter referred to as "suspension of trading due to insolvency, etc.") in accordance with the Trading Participant Regulations of the Financial Instruments Exchange, due to any of the reasons set forth in the following items, and the Financial Instruments Exchange decides to have the unsettled contracts based on entrustment from the customers (except for unsettled contracts for which Resale,

Repurchase, etc. was not carried out by the last day of trading) transferred, resold or repurchased, or to have options in connection with such contracts exercised (including the entrustment of these actions; the same shall apply hereinafter); and when I/we wish to transfer such unsettled contracts from your company to one of the trading participants designated by the Financial Instruments Exchange (hereinafter referred to as the "Position Transfer in the case of suspension of trading due to insolvency, etc."), I/we shall not object to being required to make a request to and obtain approval from such a trading participant with respect to the Position Transfer in the case of suspension of trading due to insolvency, etc. in accordance with the rules of the Financial Instruments Exchange and by the date and time fixed by the Financial Instruments Exchange.

- (1) In the event that your company becomes or is deemed likely to become insolvent, and in other events that are recognized to be especially necessary.
- (2) In the case where your company is a Non-Clearing Participant, in the event that your company's Designated Clearing Participant becomes or is deemed likely to become insolvent, and in other events that are recognized to be especially necessary.
- (3) In the event that your company fails to comply with the improvement instruction.
- (4) In the event that your company's Designated Clearing Participant fails to comply with the improvement instruction.

2. In the event that the Position Transfer in the case of suspension of trading due to insolvency, etc. set forth in the preceding paragraph is carried out, I/we shall not object to being required to establish the Account with the trading participant to which my/our positions are transferred (hereinafter referred to as the "Transferee Trading Participant").

3. In the case of Paragraph 1 above, if I/we wish to resell or repurchase the unsettled contracts based on entrustment from me/us or exercise options relating to such contracts, I/we shall not object to being required to give instructions to that effect to your company in accordance with the provisions prescribed by the Financial Instruments Exchange as prescribed in paragraph 1 by the date and time fixed by the Financial Instruments Exchange.

4. In the case of Paragraph 1 above, if I/we do not obtain the approval set forth in Paragraph 1 and do not give the instructions as set forth in the preceding paragraph by the date and time fixed by the Financial Instruments Exchange as prescribed in Paragraph 1, I/we shall not object if, with respect to the unsettled contracts based on entrustment from me/us, resale or repurchase is carried out or options are exercised at your company's discretion for and on my/our account in accordance with the provisions prescribed by the Financial Instruments Exchange.

5. Notwithstanding the provisions of the preceding paragraphs in this Article, in the case that any of the following events listed in the following items (excluding Item 2 in the event that it does not fall under the reason of Article 1, Item 1) occurs to me/us, I/we shall not object if, with respect to the unsettled contracts based on entrustment from me/us, resale or repurchase is carried out or options are exercised at your company's discretion for and on my/our account in accordance with the provisions prescribed by the Financial Instruments Exchange as prescribed in Paragraph 1:

- (1) If the due date of the obligations is accelerated, in accordance with the provision of Article 11 hereof before the suspension of trading due to insolvency, etc.; or
- (2) If I/we am/are an entity that belongs to the same corporate group or one that may be deemed to substantially belong to the same corporate group of your company, and the Financial Instruments Exchange deems it inappropriate to carry out the Position Transfer in the case of suspension of trading due to insolvency, etc.

#### **Article 18. (Treatment of Deposited Margin in the Case of Replacement Deposit)**

If your company has received suspension of trading due to insolvency, etc. and, if I/we

have deposited a customer margin and the clearing margin has been deposited as a replacement deposit (including the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made), I/we shall not object to the application of the following items:

- (1) If the foreign currency or the Replacement Securities, etc. are deposited with JSCC, JSCC may use all or part of such foreign currency to acquire Japanese yen and return in Japanese yen, or liquidate all or part of such Replacement Securities, etc. and return the proceeds. In that event, it shall be understood that an entrustment agreement has been established between me/us and JSCC;
- (2) Notwithstanding the provision of Article 5, Paragraph 1, Item 2 hereof, I/we shall have a claim for return of the clearing margin for the portion equivalent to the amount less my/our Unfulfilled Obligations in the lesser amount of a. or b. which follows:
  - a. The amount of customer margin deposited by me/us (including the clearing margin submitted to your company in the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made; the same shall apply in this item); or
  - b. The amount obtained by apportioning the clearing margin deposited by your company with JSCC for the replacement deposit (in the event that JSCC uses the foreign currency to acquire Japanese yen or liquidates the Securities, etc. according to the provisions of the preceding item, the sum of the money deposited as clearing margin for the replacement deposit other than the foreign currency subject to the acquisition, the Securities, etc. other than those subject to the liquidation, the proceeds of the acquisition after deducting the expenses required for the acquisition, and the proceeds of the liquidation after deducting the expenses required for the liquidation) in proportion to the amount of customer margin deposited by the respective customers of your company (including me/us).
2. In the case of the preceding paragraph, I/we shall not exercise the claim for return until reasonable time passes for JSCC to liquidate the securities as set forth in Item 1 of the preceding paragraph and to calculate the amount of claim for return by each customer, and I/we shall agree to the amount of claim for return that JSCC decided with reasonable care.

#### **Article 19. (Handling of Deposited Margin Relating to Position Transfer)**

In the event that the Position Transfer in the case of suspension of trading due to insolvency, etc. set forth in Article 17, Paragraph 1 hereof is carried out, I/we shall not object to the application of the following items:

- (1) If the clearing margin submitted by me/us is directly deposited, the amount equivalent to such margin shall be deemed to have been deposited through the Transferee Trading Participant (in the case where the Transferee Trading Participant is a Non-Clearing Participant; the Transferee Trading Participant and its Designated Clearing Participant) acting as my/our agent;
- (2) If I/we deposit a customer margin and the clearing margin is deposited as a replacement deposit in such a case (including the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made), the amount of my/our claim for return set forth in the preceding Article, Paragraph 1, Item 2 hereof shall be deemed to have been deposited through the Transferee Trading Participant (in the case where the Transferee Trading Participant is a Non-Clearing Participant, the Transferee Trading Participant and its Designated Clearing Participant) acting as my/our agent;
- (3) Notwithstanding the provision of Article 5, Paragraph 2 hereof, the claim for return of clearing margin set forth in Article 5, Paragraph 1 hereof may only be exercised through the Transferee Trading Participant (in the case where the Transferee Trading Participant is a Non-Clearing Participant, the Transferee Trading Participant and its Designated

Clearing Participant) acting as my/our agent.

**Article 20. (Special Provisions in the Case of Replacement Deposit)**

In the event that the Position Transfer in the case of suspension of trading due to insolvency, etc. set forth in Article 17, Paragraph 1 hereof is carried out, and if I/we deposited a customer margin and the clearing margin is deposited as a replacement deposit in such a case (including the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made), I/we shall not object to the application of the following items:

- (1) I/we may not claim return of the customer margin deposited with your company by me/us (including the clearing margin submitted by me/us to your company in the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made; the same shall apply in this Article) against the Transferee Trading Participant (in the case where the Transferee Trading Participant is a Non-Clearing Participant, the Transferee Trading Participant and its Designated Clearing Participant);
- (2) Notwithstanding the provision of Article 6, Item 1 hereof, in the event that the claim for return of clearing margin is exercised in accordance with the preceding Article, Item 3, such return shall be conducted in the form of money equivalent to the amount of clearing margin which is deemed to have been deposited in accordance with the provisions of the preceding Article, Item 2 hereof. In such a case, a claim for return of my/our customer margin shall lapse to the extent of the amount of return; and
- (3) In the event that I/we receive all or part of the customer margin from your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) before I/we receive the return of the clearing margin in accordance with the provision of the preceding item, my/our claim for return of the clearing margin set forth in Article 5, Paragraph 1 hereof shall be transferred to your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) to the extent of the amount returned by your company.

**Article 21. (Handling of Deposited Margin in the Case that the Position Transfer in the Case of Suspension of Trading Due to Insolvency, etc. Is Not Carried Out)**

Notwithstanding the provisions of Article 5 hereof, if your company is subject to the suspension of trading due to insolvency, etc. and the Financial Instruments Exchange decides to have the unsettled contracts based on entrustment from the customers transferred, resold or repurchased or to have options in connection with such contracts exercised (except for the case where the unsettled contracts based on entrustment from me/us are subject to the Position Transfer in the case of suspension of trading due to insolvency, etc. set forth in Article 17, Paragraph 1 hereof), I/we shall not object to the application of the following items:

- (1) If the clearing margin submitted by me/us is directly deposited, I/we may claim directly against JSCC the return of the money or the Replacement Securities, etc. set forth in Article 5, Paragraph 1, Item 1 hereof, in accordance with the provisions prescribed by JSCC.
- (2) If I/we deposit a customer margin and the clearing margin is deposited as a replacement deposit in such case (including the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made), I/we may claim directly against JSCC the return of the money equivalent to the amount of my/our claim set forth in Article 18, Paragraph 1, Item 2 hereof, in accordance with the provisions prescribed by JSCC. In

such a case, a claim for return of the customer margin (including the clearing margin submitted by me/us to your company in the case where the replacement deposit set forth in the proviso to Article 3, Paragraph 1, has been made; the same shall apply in this paragraph) against your company shall lapse to the extent of the amount of the return; and

- (3) In the event that I/we receive all or part of the customer margin from your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) before I/we receive the return of the clearing margin in accordance with the provision of the preceding item, my/our claim for return of the clearing margin set forth in the preceding item shall be transferred to your company (in the case where your company is a Non-Clearing Participant, your company and your company's Designated Clearing Participant) to the extent of the amount returned by your company.

**Article 22. (Claim in the Case of the Suspension of Trading Due to Insolvency, etc.)**

Even if I/we sustain damages, in the case where your company is subject to the suspension of trading due to insolvency, etc. conducted by the Financial Instruments Exchange, due to the treatment set forth in this Agreement or other rules prescribed by the Financial Instruments Exchange or JSCC, I/we shall not claim compensation for such damages against the Transferee Trading Participant, the Financial Instruments Exchange and JSCC (in the case where your company is a Non-Clearing Participant, your company's Designated Clearing Participant, Transferee Trading Participant, or the Financial Instruments Exchange and JSCC); provided, however, that if willful intention or gross negligence is recognized at your company's Designated Clearing Participant, Transferee Trading Participant, the Financial Instruments Exchange or JSCC, this shall not apply for the corresponding party.

**Article 23. (Restrictions of Assignment of Claims etc.)**

I/we shall not assign or pledge in the claims which I/we have against JSCC and your company (in the case where your company is a Non-Clearing Participant; JSCC, your company and your company's Designated Clearing Participant).

**Article 24. (Interest or Other Consideration on Margin)**

No interest or other consideration shall accrue on the money or the Replacement Securities, etc. submitted to or deposited with your company by me/us as margin with respect to any Futures/Options Trading.

**Article 25. (Business Hours)**

I/we shall conduct Futures/Options Trading through your company during the operating hours as specified by your company.

**Article 26. (Report)**

In the case that any of the events set forth in the items of Article 11, Paragraphs 1 and 2 hereof occurs, I/we shall immediately report to that effect to your company in writing.



**Article 27. (Notice of Changes in Reported Matters)**

I/we shall immediately give notice to your company in writing whenever any change in my/our name or trade name, seal or specimen signature (*shomei kan*), address or location of offices or any other matter occurs.

**Article 28. (Preparation and Submission of Reports, etc.)**

I/we shall not object to your company reporting the matters in connection with the Futures/Options Trading carried out by me/us to the governmental authorities of Japan, the Financial Instruments Exchange or JSCC (in the case where your company is a Non-Clearing Participant; governmental authorities of Japan, the Financial Instruments Exchange or your company's Designated Clearing Participant), etc., if it is required under the laws of Japan or the rules of the Financial Instruments Exchange or JSCC, etc. In such a case, I/we shall cooperate with your company in the preparation of such reports and other documents (including records in an electronic or magnetic format; the same shall apply to the following paragraph.) under the direction of your company.

2. Your company shall not be liable for any damages caused in relation to the preparation or offering of the reports and other documents conducted in accordance with the provision of the preceding paragraph.

**Article 29. (Immunity from Liability)**

Your company and JSCC (in the case where your company is a Non-Clearing Participant; your company, your company's Designated Clearing Participant, and JSCC) shall not be liable for any damages caused by a delay in the return of clearing margin or customer margin, etc. claimed by me/us, due to force majeure, such as a natural disaster and other justifiable reasons.

2. Your company and JSCC (in the case where your company is a Non-Clearing Participant; your company, your company's Designated Clearing Participant, and JSCC) shall not be liable for any damages on clearing margin or customer margin, etc., such as loss, destruction or mutilation, due to the reasons set forth in the preceding paragraph.

3. If your company collates the seal or signature used in various reports or other documents with the registered seal impression or signature with due diligence, and deems such seal or signature to be genuine, your company shall not be liable for any damages caused by forgery, alteration or other accidents concerning such documents.

4. Your company shall not be liable for any damages caused by my/our not being able to conduct Futures/Options Trading through your company outside of your company's operating hours even though the trade request may have been made during the Futures/Options Trading Hours at the Financial Instruments Exchange.

5. Your company, the Financial Instruments Exchange, JSCC, a party who is a calculator/provider of numerical values used for calculating the required amount of margin, and the margin calculation algorithm developer/provider shall not be liable for any damages caused by any inability, delay, mistake or amendment when calculating margin requirements.

**Article 30. (Effect of Notice)**

In the event that a notice of any kind with respect to the Futures/Options Trading by your company, the Financial Instruments Exchange or JSCC addressed to my/our reported address or office location is delayed or does not arrive due to my/our change of address or

location, absence or any other reason attributable to me/us, it shall be deemed to have arrived at the time when it should have normally arrived.

**Article 31. (Applicable Law)**

This Agreement shall be governed by the laws of Japan and construed in accordance therewith.

**Article 32. (Agreed Jurisdiction)**

With respect to any legal action arising in connection with the Futures/Options Trading between your company and me/us, your company shall have the right to designate a court having jurisdiction over such legal action from the courts having jurisdiction over the place where the head office or \_\_\_\_\_ branch of your company is located.

**Article 33. (Electronic or Magnetic Transfer of Document)**

Your company may obtain approval or receive reports or notifications by an electronic or magnetic means (or a electronic data processing system and other means of using other information dissemination technology, both of which are prescribed in Article 57-3 of Cabinet Order relating to financial instruments business etc., or the means of the same kind; the same shall apply hereinafter) instead of receiving the document prescribed in Article 3, Paragraph 2, Article 26 and Article 27 (excluding the document for the change of a seal or signature), if your company offers the type and the content of the electronic or magnetic means your company is to use, and your company has obtained my/our approval in writing or by the electronic or magnetic means. In such a case, your company shall be deemed to have obtained such approval in writing or received reports or notifications.

2. Your company does not obtain approval or receive reports or notifications by the electronic or magnetic means, if I/we make an offer, in writing or by the electronic or magnetic means, of not making approval or giving reports or notifications by the electronic or magnetic means after the approval under the preceding paragraph (except the case your company obtains my/our approval again under the preceding paragraph).

**Article. 33-2 (Securities)**

In this Agreement, "securities" refers to securities as defined in Article 2, Paragraph 1 of the Act, and the rights deemed as securities as defined in Article 2, Paragraph 2 of the Act.

**Article 34. (Rules for Agency Firm)**

If I/we am/are an agency firm, I/we shall ensure that any applicant abide by the rules of the Financial Instruments Exchange and that, if requested by the Financial Instruments Exchange, I/we shall submit reference materials on my/our agent services either through your company or directly to the Financial Instruments Exchange.

2. If I/we am/are an agency firm, I/we shall notify the following matters to your company:

- (1) That I/we am/are acting as an agency firm for another customer in conducting Futures/Options Trading through your company, if this is the case;
- (2) In the case of the preceding item, whether the margin that I/we submit to or deposit with your company is clearing margin or customer margin that the applicant submitted to me/us or whether it is clearing margin or customer margin deposited by me/us as

- replacement deposit after receiving a deposit of brokerage margin from the applicant; and
- (3) In the case of Item 1, information for long positions and short positions of each applicant for the report set forth in Article 25 of Rules on Margins, etc. for Futures and Option Contracts of JSCC for every trading day (in the case of securities options contracts, every day).
3. If I/we am/are an agency firm, I/we shall make a contract equivalent to the provisions in this Agreement and the Margin Rules with the applicant on matters pertaining to the rights and return of margins and the like.
4. With regard to brokerage of entrustment of Brokerage for Clearing of Securities, etc. relating to Futures/Options Trading, a trading participant who entrusted such clearing will be deemed as an agency firm for Futures/Options Trading; therefore, Paragraph 1 to 3 of this Article will be applied.

### **Article 35. (Handlings of Cases of Give-up)**

I/We shall not object to the handling enumerated in each of the following items when I/we entrust Futures/Options Trading related to Give-up.

- (1) In cases where your company is an Order Execution Trading Participant, I/we shall open an Account with a Designated Clearing Execution Trading Participant; provided, however, that this shall not apply to cases where I/we are a trading agent (\*1) or where I/we are a customer who has applied for the entrustment of settlement of Futures/Options Trading pertaining to the Give-up with a clearing agent (\*2)

\*1 Means a customer in cases where such customer entrusted Futures/Options Trading with an Order Execution Trading Participant and is a Financial Instruments Business Operator or Foreign Securities Services Provider, and such entrustment is based on the brokerage of entrustment of Futures/Options Trading with the Order Execution Trading Participant; the same shall apply in this paragraph.

\*2 Means a customer in cases where such customer entrusted settlement of Futures/Options Trading with a Designated Clearing Execution Trading Participant and such participant is a financial instruments business operator or Foreign Securities Services Provider, and such entrustment is based on brokerage of entrustment of settlement of Futures/Options Trading with the Designated Clearing Execution Trading Participant; the same shall apply in this paragraph.

- (2) In cases where your company is a Designated Clearing Execution Trading Participant, I/we shall open an Account with Order Execution Trading Participant; provided, however, this shall not apply to cases where I/we are a settlement agent or a customer who applied for the brokerage of entrustment of Futures/Options Trading related to the Give-up with the trading agent.

2. In cases where I/we entrust Futures/Options Trading pertaining to a Give-up, if your company is an Order Execution Trading Participant, I/we shall not object to the handlings enumerated in each of the following items

(1) When a Give-up is established due to a take-up notification made by a Designated Clearing Execution Trading Participant, the Futures/Options Trading pertaining to such Give-up shall be extinguished for your company for the future, the entrustment with your company related to such extinguished Futures/Options Trading shall be terminated, Futures/Options Trading whose content is the same as such extinguished Futures/Options Trading shall be newly created with a Designated Clearing Execution Trading Participant, and the entrustment of settlement of such newly created Futures/Options Trading shall be established with the Designated Clearing Execution Trading Participant who made application for such take-up.

- (2) Where a Designated Clearing Execution Trading Participant has not made take-up

notification, if I/we do not give instruction with regard to handling methods by the time agreed between your company and me/us, your company shall conduct, at your company's discretion, resale, repurchase or exercise of options that is required for the settlement of the Futures/Options Trading for my/our account

- (3) Where, as a result of the resale, repurchase, or exercise in the preceding item, losses have occurred, I/we shall immediately pay money equivalent to the amount of such losses to your company.
3. Where I/we entrust Futures/Options Trading pertaining to a Give-up, and your company is a Designated Clearing Execution Trading Participant, I/we shall not object to the handlings enumerated in each of the following items.
- (1) Where a Give-up is established due to your company making take-up notification, the Futures/Options Trading pertaining to the Give-up shall be extinguished for the Order Execution Trading Participant for the futures, the entrustment of such extinguished Futures/Options Trading with such Order Execution Trading Participant shall be terminated, the Future/Options trading whose content is the same content as such extinguished Futures/Options Trading shall be newly created with your company, and the entrustment of settlement of such newly created Futures/Options trading shall be established with your company.
  - (2) Your company may not accept the entrustment of settlement of the Futures/Options Trading pertaining to the Give-up due to the conditions agreed upon in advance with the Order Execution Trading Participant not being satisfied.

**Article 36. (Handling of Position Transfer)**

Where I/we wish for Position Transfer to another trading participant with which I/we have already opened an Account, I/we must apply for transfer of positions with your company and such other trading participant and receive acceptance from them by a predetermined deadline.

(Note) Articles and paragraphs provided by each of the following items may be deleted from this Agreement

- (1) Where the customer is not an agent (in cases where the trading participant is a Non-Clearing Participant, means a party that has undertaken brokerage of entrustment of brokerage of entrustment of Brokerage for Clearing of Securities, etc.  
Article 34
- (2) Where the customer does not conduct a Give-up  
Article 35
- (3) Where the customer does not transfer positions  
Article 36

**Dated:**    /    /

**[In the case of signature:]**

**ENTRUSTING PARTY (We, Our, Us):**

**(Address)**

**By:**

\_\_\_\_\_  
**(Name)**

**(Title)**

*[In the case of company seal:]*

**ENTRUSTING PARTY (We, Our, Us) :**

**(Name/Trade Name)**

**(Address)**

<b>Affix Seal</b>