

## Clearing and Settlement Rules

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**Article 1 (Purpose)**

1. These Rules shall, pursuant to Article 3.10 of the Market Rules, prescribe necessary matters for clearing and settlement pertaining to transactions executed in commodity markets of the Company.

**Article 2 (Compensation for Damage Caused by Default)**

1. When a Clearing Participant (limited to someone who is also a Member; same shall apply hereinafter in this Article and Article 4.1.1) has caused damage to the Japan Securities Clearing Corporation (“JSCC”) as a result of default on liabilities arising from transactions on a market of the Company, JSCC shall, with regard to the funds deposited as Guarantee Funds for participating the TOCOM market, pertaining to said transactions of the Clearing Participant who has caused the damage, have the right to receive repayment in preference over other creditors.
2. Notwithstanding the provisions of the preceding paragraph, the right of a customer to receive preferential repayment, under the provisions of Article 135 of the Market Rules, shall take precedence over the right of JSCC with regard to the Guarantee Funds set forth in the same paragraph.

**Article 3 (Measures Related to Losses or Damages of JSCC)**

1. Where JSCC incurs losses or damages as a result of a Clearing Participant’s default on liabilities, arising from transactions on a market of the Company the Company shall compensate for the losses under the guarantee consigned by such Clearing Participant within the scope of the agreement previously entered into with JSCC.

**Article 4 (Order to make up for the Losses or Damages)**

1. When compensating losses or damages, in accordance with the agreement specified in the provisions of Article 3, due to a Clearing Participant’s default on liabilities arising from transactions on a market of the Company, the Company shall make the relevant payment in the order set forth as follows.
  - (1) Deposits, etc. deposited by such Clearing Participant with the Company (excluding Guarantee Funds).
  - (2) Default Reserve Fund.
2. Upon disbursement pursuant to Item 2 of the preceding Paragraph, the Company shall have indemnity rights against said Clearing Participant regarding the paid amount. Proceeds gained through exercise of the indemnity rights, in accordance with said Item of the same Paragraph, shall be transferred to the Default Reserve Fund.

**Article 5 (Revision or Abolition of the Rules)**

1. Revision or Abolition to these Rules shall be determined by resolution adopted by the Board of directors Meeting; provided, however, that the same shall not apply to the minor revision.

**Supplementary Provisions**

These Rules shall take effect on and after December 1, 2008.

**Supplementary Provisions**

Revisions to Article 2.2 shall be in effect on May 7, 2009.

**Supplementary Provisions**

Revisions to Article 1 shall be in effect on October 8, 2009.

**Supplementary Provisions**

Revisions to Article 5 shall be in effect on July 1, 2009.

**Supplementary Provisions**

Newly established Article 3-2 shall be in effect on June 4, 2012.

**Supplementary Provisions**

Revisions to Article 3-2 shall be in effect on September 13, 2012.

**Supplementary Provisions**

Revisions to Article 2, Article 3-2 and Article 4 shall be in effect on March 24, 2014.

**Supplementary Provisions**

Revisions shall be in effect on December 1, 2019.

**Supplementary Provisions**

Revisions shall be in effect on July 27, 2020.

**Supplementary Provisions**

Revisions shall be in effect on January 31, 2022.

**Supplementary Provisions**

Revisions shall be in effect on January 1, 2023.