

**Arbitration Rules**  
(As of March 24, 2014)

Osaka Exchange, Inc.

**Rule 1. Purpose**

These Rules shall provide necessary matters concerning arbitration pursuant to the provisions of Rule 55 of the Trading Participant Regulations.

**Rule 2. Request for Arbitration**

1. When making a request for arbitration pursuant to the provisions of Rule 53, Paragraph 1 of the Trading Participant Regulations, trading participants who apply for arbitration must submit two copies of the signed and sealed arbitration request form containing matters referred to in each of the following items to the Exchange.
  - (1) Date of request;
  - (2) Trade name or name and the address of the requesting party;
  - (3) Trade name or name and the address of the other party;
  - (4) Purpose of the request;
  - (5) Facts and circumstances concerning the dispute; and
  - (6) In cases where there are reference materials, indication of the same.
2. In cases where the arbitration request form fails to meet the requirements prescribed in each of the items of the preceding paragraph, and is not corrected without delay, the Exchange shall not accept such request form.
3. In cases where the Exchange accepts the request, one copy of the arbitration request form shall be delivered to the other party.

**Rule 3. Dismissal of Arbitration**

When any of the following items is applicable to a request for arbitration, the Exchange may dismiss the arbitration:

- (1) A request for arbitration is made concerning a dispute that is undergoing litigation;
- (2) In a case where an Licensed Financial Instruments Firms Association or an Certified Financial Instruments Business Association offers to mediate a dispute that is currently being mediated; or
- (3) In other cases that is deemed to fall under the proviso of Paragraph 1 of Rule 53 of the Trading Participant Regulations.

**Rule 4. Obligation to Submit an Answer**

1. The other party must, subsequent to delivery and receipt of the arbitration request form pursuant to the provisions of Rule 2, Paragraph 3, prepare and submit two copies of signed and sealed answers containing matters referred to in each of the following items to the Exchange without delay.
  - (1) Date of preparation of written response;
  - (2) Trade name or name and the address of the filing parties;
  - (3) Statement of the dispute;
  - (4) Facts and circumstances concerning the dispute;
  - (5) Answers to and defense against the arbitration request form; and
  - (6) In cases where there are reference materials, indication of the same.
2. When the answer prescribed in the preceding paragraph is submitted, the Exchange shall deliver one copy to the requesting party.

**Rule 5. Participation of an Arbitrator**

When deemed necessary by the Exchange, the Exchange may appoint a trading participant representative of another trading participant or a person that the Exchange deems appropriate as an arbitrator, and have such person participate in the arbitration.

**Rule 6. Hearing**

1. The Exchange may request either or both of the parties to appear for a hearing by designating a date.
2. In cases a party is to request change of the date prescribed in the preceding paragraph, such request must be made two or more days prior to such date.
3. A party requested to appear must appear in person; provided, however, that, if the Exchange approves, a representative may appear.

**Rule 7. Obligation to Submit Materials, etc.**

The Exchange may, when it arbitrates a dispute, request the submission of reports and materials with respect to matters necessary for arbitration from the parties, in addition to conducting an investigation as prescribed in Rule 54 of the Trading Participant Regulations.

**Rule 8. Withdrawal of Request for Arbitration**

1. When the requesting party is to withdraw the request for arbitration, it shall do so by a written statement indicating the reason.
2. When the requesting party is to file a lawsuit or request mediation by an Authorized Financial Instruments Firms Association or Certified Financial Instruments Business Association concerning a dispute under arbitration, the requesting party must withdraw the request for arbitration prior to such filing or request.

**Rule 9. Presentation of an Arbitration Proposal**

The Exchange may, where it deems necessary, prepare a written arbitration proposal, present the same to the parties, and recommend its acceptance.

**Rule 10. Preparation of a Settlement Agreement**

1. Under arbitration by the Exchange, when both parties reach an agreement or accept the arbitration proposal, two copies of the settlement agreement in a prescribed form shall be prepared, and each party shall retain one copy.
2. The requesting party must submit a photocopy of the settlement agreement to the Exchange.

**Rule 11. Reporting of Non-Performance**

1. In a case where one of the parties fails to perform the arbitration proposal under Rule 9 despite having accepted it, the other party shall report this to the Exchange.
2. The act of non-performance set forth in the preceding paragraph shall constitute an act in breach of just and equitable principles of trade prescribed in Rule 51 of the Trading Participant Regulations.

**Rule 12. Disclosure of Arbitration Proposal**

In cases where one or both parties refuse to accept an arbitration proposal under Rule 9, the Exchange may, when it deems necessary and appropriate in light of the objectives of the Exchange and the operation of the market, disclose to other trading participants the progress of the arbitration, the arbitration proposal and the reasons thereof, excluding confidential information of the parties.