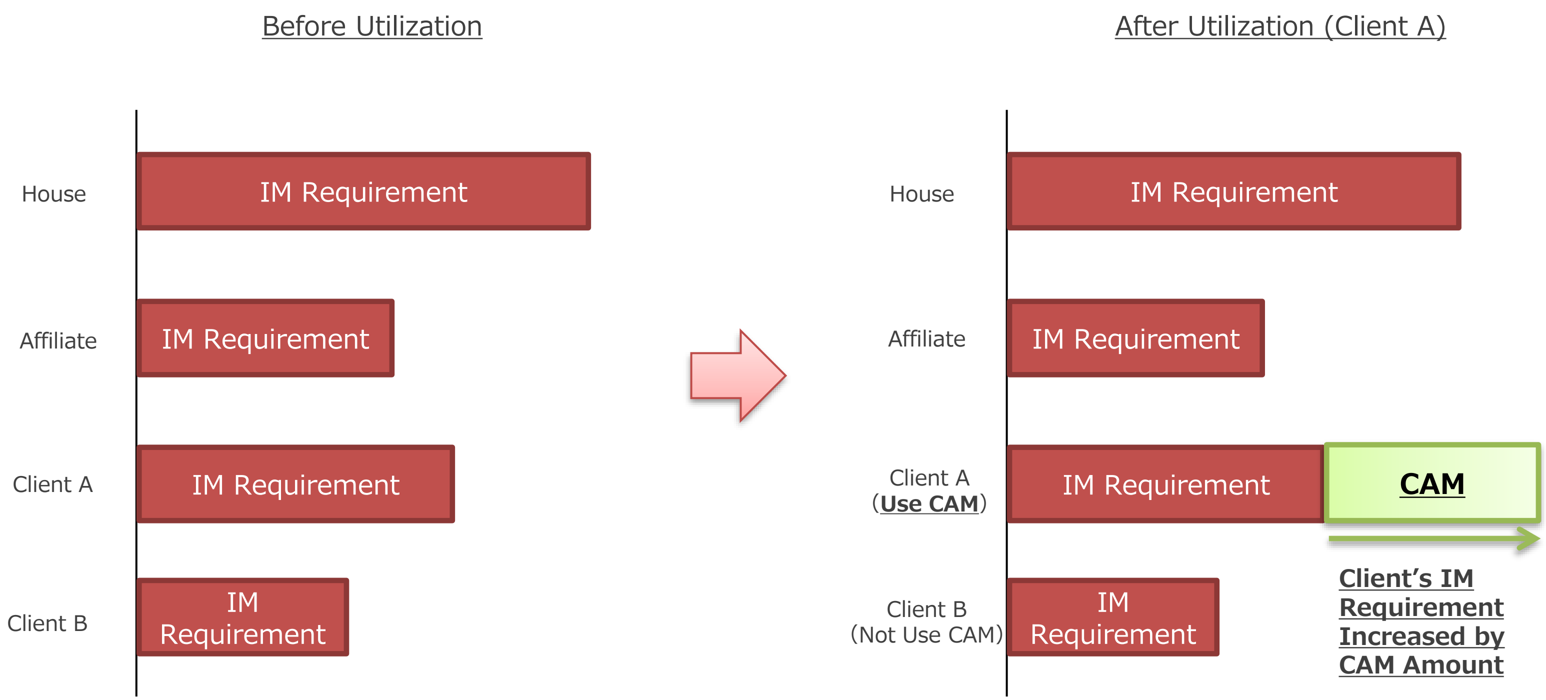
Outlines of Client Additional Margin Framework

- When an unaffiliated Customer ("Client") agrees, Initial Margin ("IM") requirement of the relevant Client will be calculated with a certain level of increase by a multiplier* (Client Additional Margin (CAM)).

- Applied CAM multiplier will be the value agreed between Client and Clearing Broker for each Client.

- Clients (and Clearing Brokers) using the framework are obliged to deposit increased IM requirement by CAM* with JSCC.

* : CAM multiplier will also be applied to calculation of Intraday Margin requiremet, Margin Required to Clear.



Outlines of Handling of Client Additional Margin for Clearing Fund

- As Client's IM requirement increases through CAM, Risk Amount Exceeding Collateral[*1] of the relevant Client decreases, and, as a result, Risk Amount Exceeding Collateral of the Clearing Broker, including the relevant Client's portion, also decreases.
- When the relevant Clearing Broker is one of the top two firms in Risk Amount Exceeding Collateral in calculating Clearing Fund ("CF"), total CF amount will also decrease.
- <u>If total CF decreases</u>, the difference between total CF when CAM applies and total CF without CAM (=<u>total CF decrease due to CAM</u>) will be <u>deducted from Expected Stressed Loss Share</u> ("CF Requirement") <u>of the relevant Clearing Broker</u> (without CAM).

*1 : Risk Amount Exceeding Collateral = Stress Risk Equivalent – IM Requirement