

# Handling of Business Rules



## Japan Securities Clearing Corporation

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**Handling of Business Rules**  
(In effect as of June 22, 2026)

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(Article 1 Purpose)

These Rules set forth the matters which are to be prescribed by JSCC pursuant to the Business Rules.

(Article 2 Designated Market Operators)

The Designated Market Operators designated by JSCC pursuant to Item (1) of Paragraph 2 of Article 3 of the Business Rules shall be those set forth in the following Items:

- (1) Tokyo Stock Exchange, Inc.;
- (2) Osaka Exchange Co., Ltd.;
- (3) Nagoya Stock Exchange, Inc.;
- (4) Fukuoka Stock Exchange Securities Membership Corporation;
- (5) Sapporo Securities Exchange Securities Membership Corporation;
- (6) Japannext Co., Ltd.;
- (7) Osaka Digital Exchange Co., Ltd. ; and
- (8) Japan Alternative Market Co., Ltd.

(Article 3 Contracts Subject to Clearing)

1 The Contracts Subject to Clearing relating to the contracts set forth in Item (1) of Paragraph 2 of Article 3 of the Business Rules shall be the buying and selling of securities prescribed in the following Items in the Designated Financial Instruments Market operated and managed by the Designated Market Operators listed in the following Items —the terms in the following Items shall have the meanings prescribed by each of the Designated Market Operators listed in such Items.

(1) Tokyo Stock Exchange, Inc.

Transactions<sup>\*1</sup> prescribed in (a) through (n) below in accordance with the classification of securities described in (a) through (n) below.

(\*1 including the buying/selling relating to Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Cash Transaction and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)

(a) Stocks<sup>\*1</sup> issued by domestic corporations;

(\*1 including preferred equity capital contribution securities issued by a domestic corporation)

Cash Transactions, Regular Transactions, When-Issued Transactions and ToSTNeT Transactions

(b) Stock acquisition right securities and capital contribution securities issued by

- domestic corporations;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (c) Stocks\*<sup>1</sup> issued by foreign corporations;  
(\*<sup>1</sup> including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (d) Investment trust beneficiary securities\*<sup>1</sup>  
(\*<sup>1</sup> excluding those listed in (g));  
Cash Transactions, Regular Transactions, When-Issued Transactions and ToSTNeT Transactions
  - (e) Investment securities;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (f) Investment securities acquisition right securities;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (g) Securities investment trust beneficiary certificates;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (h) Foreign investment trust beneficiary securities;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (i) Foreign investment securities;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (j) Beneficiary securities of a beneficiary securities issuing trust;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (k) Beneficiary securities of a foreign beneficiary securities issuing trust;  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
  - (l) Bonds\*<sup>1</sup>  
(\*<sup>1</sup> excluding those listed in (m) or (n) and limited to those handled by JASDEC for its book-entry transfer business);  
Cash Transactions and Regular Transactions
  - (m) Japanese Government Bonds; and  
Regular Transactions
  - (n) Convertible Bonds\*<sup>1</sup>.  
(\*<sup>1</sup> excluding those issued by foreign corporations)  
Cash Transactions, Regular Transactions and ToSTNeT Transactions
- (2) Nagoya Stock Exchange, Inc.  
Transactions\*<sup>1</sup> prescribed in (a) through (i) below in accordance with the classification of securities described in (a) through (i) below.  
(\*<sup>1</sup> Including the Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Same-Day Transactions and

other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)

- (a) Stocks issued by domestic corporations;  
Same-Day Transactions, Regular Transactions, When-Issued Transactions, and N-NET Transactions
  - (b) Stock acquisition right securities issued by domestic corporations;  
Same-Day Transactions, Regular Transactions and N-NET Transactions
  - (c) Stocks\*<sup>1</sup> issued by foreign corporations;  
(\*<sup>1</sup> including stock acquisition right securities issued by a foreign corporation)  
Same-Day Transactions, Regular Transactions and N-NET Transactions
  - (d) Investment trust beneficiary securities  
Same-Day Transactions, Regular Transactions and N-NET Transactions
  - (e) Foreign investment trust beneficiary securities;  
Same-Day Transactions, Regular Transactions and N-NET Transactions
  - (f) Foreign investment securities;  
Same-Day Transactions, Regular Transactions and N-NET Transactions
  - (g) Bonds\*<sup>1</sup>;  
(\*<sup>1</sup> excluding those listed in (h) or (i))  
Same-Day Transactions and Regular Transactions
  - (h) Japanese Government Bonds; and  
Regular Transactions
  - (i) Convertible Bonds.  
Same-Day Transactions, Regular Transactions and N-NET Transactions
- (3) Fukuoka Stock Exchange Securities Membership Corporation  
Transactions\*<sup>1</sup> prescribed in (a) through (i) below in accordance with the classification of securities described in (a) through (i) below.  
(\*<sup>1</sup> Including the buying/selling relating to Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Cash Transactions and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)
- (a) Stocks\*<sup>1</sup> issued by domestic corporations  
(\*<sup>1</sup> including preferred equity capital contribution securities issued by a domestic corporation);  
Cash Transactions, Regular Transactions, When-Issued Transactions and Off-auction Transactions
  - (b) Stock acquisition right securities issued by domestic corporations;  
Cash Transactions, Regular Transactions and Off-auction Transactions
  - (c) Stocks\*<sup>1</sup> issued by foreign corporations;

- (\*1 including stock acquisition right securities, depositary receipts for foreign stocks and foreign securities trust beneficiary securities issued by a foreign corporation)  
Cash Transactions, Regular Transactions and Off-auction Transactions
- (d) Investment trust beneficiary securities\*1;  
(\*1 excluding those listed in (g))  
Cash Transactions, Regular Transactions, When-Issued Transactions and Off-auction Transactions
- (e) Investment securities;  
Cash Transactions, Regular Transactions and Off-auction Transactions
- (f) Investment securities acquisition right securities;  
Cash Transactions, Regular Transactions and Off-auction Transactions
- (g) Stock index linked investment trust beneficiary securities;  
Cash Transactions and Regular Transactions
- (h) Bonds\*1; and  
(\*1 excluding those listed in (i))  
Cash Transactions and Regular Transactions
- (i) Convertible Bonds.  
Cash Transactions, Regular Transactions and Off-auction Transactions
- (4) Sapporo Securities Exchange Securities Membership Corporation  
Transactions\*1 prescribed in (a) through (e) below in accordance with the classification of securities described in (a) through (e) below.  
(\*1 including the buying/selling relating to Off-auction Distributions, the buying/selling for correction of errors, etc. and the buying/selling for reinstatement; as for the Cash Transactions and other transactions the settlement of which is carried out on the day of the conclusion of the buying/selling contracts, limited to pre-matched transactions)
- (a) Stocks issued by domestic corporations;  
Cash Transactions, Regular Transactions, When-Issued Transactions and Off-auction Transactions
- (b) Stock acquisition right securities issued by domestic corporations;  
Cash Transactions, Regular Transactions and Off-auction Transactions
- (c) Nikkei 300 Index Fund;  
Cash Transactions and Regular Transactions
- (d) Bonds\*1; and  
(\*1 excluding those listed in (e))  
Cash Transactions and Regular Transactions
- (e) Convertible Bonds.  
Cash Transactions and Regular Transactions
- (5) Japannext Co., Ltd.

Transactions\*<sup>1</sup> prescribed in (a) through (j) below in accordance with the classification of securities described in (a) through (j) below.

(\*<sup>1</sup> including the buying/selling for correction of errors, etc.)

- (a) Stocks\*<sup>1</sup> issued by domestic corporations;  
(\*<sup>1</sup> including preferred equity capital contribution securities issued by a domestic corporation)  
Regular Transactions
  - (b) Stock acquisition right securities issued by domestic corporations;  
Regular Transactions
  - (c) Stocks\*<sup>1</sup> issued by foreign corporations;  
(\*<sup>1</sup> including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)  
Regular Transactions
  - (d) Investment trust beneficiary securities;  
Regular Transactions
  - (e) Foreign investment trust beneficiary securities;  
Regular Transactions
  - (f) Investment securities;  
Regular Transactions
  - (g) Investment securities acquisition right securities;  
Regular Transactions
  - (h) Foreign investment securities;  
Regular Transactions
  - (i) Beneficiary securities of a beneficiary securities issuing trust; and  
Regular Transactions
  - (j) Beneficiary securities of a foreign beneficiary securities issuing trust.  
Regular Transactions
- (6) Osaka Digital Exchange Co., Ltd.

Transactions\*<sup>1</sup> prescribed in (a) through (j) below in accordance with the classification of securities described in (a) through (j) below.

(\*<sup>1</sup> including the buying/selling for correction of errors, etc.)

- (a) Stocks\*<sup>1</sup> issued by domestic corporations;  
(\*<sup>1</sup> including preferred equity capital contribution securities issued by a domestic corporation)  
Regular Transactions
- (b) Stock acquisition right securities issued by domestic corporations;  
Regular Transactions
- (c) Stocks\*<sup>1</sup> issued by foreign corporations;

(\*1 including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)

Regular Transactions

(d) Investment trust beneficiary securities;

Regular Transactions

(e) Foreign investment trust beneficiary securities;

Regular Transactions

(f) Investment securities;

Regular Transactions

(g) Investment securities acquisition right securities;

Regular Transactions

(h) Foreign investment securities;

Regular Transactions

(i) Beneficiary securities of a beneficiary securities issuing trust; and

Regular Transactions

(j) Beneficiary securities of a foreign beneficiary securities issuing trust.

Regular Transactions

(7) Japan Alternative Market Co., Ltd.

Transactions\*1 prescribed in (a) through (j) below in accordance with the classification of securities described in (a) through (j) below.

(\*1 including the buying/selling for correction of errors, etc.)

(a) Stocks\*1 issued by domestic corporations;

(\*1 including preferred equity capital contribution securities issued by a domestic corporation)

Regular Transactions

(b) Stock acquisition right securities issued by domestic corporations;

Regular Transactions

(c) Stocks\*1 issued by foreign corporations;

(\*1 including stock acquisition right securities and depositary receipts for foreign stocks issued by a foreign corporation)

Regular Transactions

(d) Investment trust beneficiary securities;

Regular Transactions

(e) Foreign investment trust beneficiary securities;

Regular Transactions

(f) Investment securities;

Regular Transactions

(g) Investment securities acquisition right securities;

Regular Transactions

(h) Foreign investment securities;

Regular Transactions

(i) Beneficiary securities of a beneficiary securities issuing trust; and

Regular Transactions

(j) Beneficiary securities of a foreign beneficiary securities issuing trust.

Regular Transactions

2 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (2) of Paragraph 2 of Article 3 of the Business Rules shall be the Security Option Contracts <sup>\*1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

3 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (3) of Paragraph 2 of Article 3 of the Business Rules shall be the JGB Futures Contracts<sup>\*1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article —the terms in this Paragraph shall have the meanings prescribed by such Designated Market Operator.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) Transactions resulting from the position transfer

(3) J-NET Transactions

4 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (4) of Paragraph 2 of Article 3 of the Business Rules shall be the Option Contracts on JGB Futures<sup>\*1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by such Designated Market Operator.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

5 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (4)-2 of Paragraph 2 of Article 3 of the Business Rules shall be the Interest Rate Futures Contracts<sup>\*1</sup> prescribed in the following Items in the Financial Instruments Market operated

by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by such Designated Market Operator.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

6 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (5) of Paragraph 2 of Article 3 of the Business Rules shall be the Index Futures Contracts\*<sup>1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) Transactions resulting from the position transfer

(3) J-NET Transactions

7 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (6) of Paragraph 2 of Article 3 of the Business Rules shall be the Index Option Contracts\*<sup>1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

8 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (6)-2 of Paragraph 2 of Article 3 of the Business Rules shall be the Commodity Futures Contracts\*<sup>1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator listed in such Items.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

9 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (6)-3 of Paragraph 2 of Article 3 of the Business Rules shall be the Option Contracts on Commodity Futures\*<sup>1</sup> prescribed in the following Items in the Financial Instruments Market operated by the Designated Market Operator listed in Item (2) of the preceding Article—the terms in this Paragraph shall have the meanings prescribed by the Designated Market Operator

listed in such Items.

(\*1 including transactions for correction of errors)

(1) Auction Transactions

(2) J-NET Transactions

10 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (7) of Paragraph 2 of Article 3 of the Business Rules shall be the lending and borrowing of cash, stocks and the like\*1 that are necessary for the settlement of the buying/selling set forth in Paragraph 1, and the buying/selling of the underlying securities resulting from an exercise of options under the Security Option Contracts set forth in Paragraph 2.

(\*1 limited to the lending implemented by the Designated Securities Finance Company to a Clearing Participant in accordance with the Rules for Money/Securities Loan Transaction through the settlement system of a Designated Market Operator)

11 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (8) of Paragraph 2 of Article 3 of the Business Rules shall be the lending and borrowing of stocks and the like\*1 that are necessary for the transactions set forth in the preceding Paragraph.

(\*1 limited to the lending implemented by a Clearing Participant to the Designated Securities Finance Company in accordance with the Rules for Money/Securities Loan Transaction through the settlement system of a Designated Market Operator)

12 The Contracts Subject to Clearing pertaining to the contract stipulated in Item (9) of Paragraph 2 of Article 3 of the Business Rules shall be the delivery/receipt of the Collateral, etc. pertaining to the transactions set forth in the preceding two Paragraphs.

13 The Contracts Subject to Clearing pertinent to the contract stipulated in Item (10) of Paragraph 2 of Article 3 of the Business Rules shall be the buying and selling resulting from Buy-In.

(Article 4 Application for Obtaining the Clearing Qualification, etc.)

1 The application for obtaining the Clearing Qualification prescribed in Paragraph 1 through Paragraph 4 and Paragraph 6 of Article 6 of the Business Rules shall be made by way of a Clearing Qualification applicant's submission to JSCC of a written application for the Clearing Qualification in a prescribed form containing the information set forth in the following Items:

(1) Category of Clearing Qualification to be obtained, and whether it is the Principal Clearing Qualification or the Agency Clearing Qualification\*1;

(\*1 when submitting an application for the Securities Clearing Qualification set forth in Paragraph 3 of Article 6 of the Business Rules, a statement to the effect that it is for the Principal Clearing Qualification which is subject to the condition that the scope of the Contracts Subject to Clearing be limited to the contracts listed in Item (7) through Item (10) of Paragraph 2 of Article 3 of the Business Rules, when submitting an application for the Precious Metal Futures Clearing Qualification,

Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification set forth in Paragraph 4 of the said Article, a statement to the effect that it is for the Principal Clearing Qualification shall be required and when submitting an application for ETF Special Clearing Qualification set forth in Paragraph 6 of Article 6 of the Business Rules, a statement on whether it is for the Principal Clearing Qualification or for the Agency Clearing Qualification shall not be required.)

(2) Trade name or corporate name\*<sup>1</sup>;

(\*<sup>1</sup> including the trade name or corporate name in English)

(3) Address of the headquarter or principal office;

(4) Name of the representative; and

(5) Reasons for application.

2 The provisions of the immediately preceding Paragraph shall apply *mutatis mutandis* to the application for obtaining the Clearing Qualification set forth in Paragraph 8 of Article 6 of the Business Rules. In this case, “when submitting an application for the Securities Clearing Qualification set forth in Paragraph 3 of Article 6 of the Business Rules” in the preceding Paragraph shall be replaced with “when a Specified Successor Financial Institution which succeeds to obligations, etc.<sup>\*1</sup> of a securities finance company through an acceptance of transfer of specified business, etc.<sup>\*2</sup> is submitting an application for the Clearing Qualification set forth in Paragraph 8 of Article 6 of the Business Rules”

(\*<sup>1</sup> Referring to obligations, etc. prescribed in Paragraph 1 of Article 126-34 of the Deposit Insurance Act)

(\*<sup>2</sup> Referring to acceptance of transfer of specified business, etc. prescribed in Paragraph 1 of Article 126-34 of the said Act)

3 Documents deemed necessary by JSCC shall be attached to the written application for the Clearing Qualification set forth in Paragraph 1.

4 Application for registration of a Registered ETF Trust Bank set forth in Paragraph 11 of Article 6 of the Business Rules shall be made by an applicant related to the relevant registration by submission of the ETF Trust Bank registration application form which states its application for registration of the Registered ETF Trust Bank and items listed in Item (2) through Item (5) of Paragraph 1. In this case, an applicant shall attach the document which JSCC deems necessary to ETF Trust Bank registration application form.

(Article 4-2. Document concerning Parental Guarantee)

The form to be prescribed by JSCC as set forth in Paragraph 5 of Article 6 and Article 10-3 of the Business Rules shall be the form attached hereto as Exhibit Form 1.

(Article 4-3 Handling of Examination for Obtaining Clearing Qualification related to

Commercials)

An examination to confirm a satisfaction of the criteria set forth in Item (2) C) (c) of Paragraph 3 of Article 7 of the Business Rules shall be conducted through a consideration of a liquidity ratio, a debt ratio and a status of credit ratings of an applicant for the Clearing Qualification, and other viewpoints.

(Article 5 Procedures for Obtaining the Clearing Qualification)

- 1 The procedures for obtaining the Clearing Qualification prescribed in Paragraph 1 of Article 8 of the Business Rules shall be the payment of the fee for obtaining the Clearing Qualification and other procedures deemed necessary by JSCC.
- 2 The fee for obtaining the Clearing Qualification set forth in the preceding Paragraph shall be 1 million yen for each category of Clearing Qualification to be obtained, which shall be paid together with the corresponding consumption tax and local consumption tax; provided, however, that in the event that more than one category of Clearing Qualification set forth in the Business Rules and the Business Rules on Business of Assuming Commodity Transaction Debts are to be obtained simultaneously, the fee shall be 1 million yen regardless of the number of categories of Clearing Qualification, which shall be paid together with the corresponding consumption tax and local consumption tax.
- 3 The provisions of Paragraph 1 shall apply *mutatis mutandis* to the procedures for obtaining the Clearing Qualification prescribed by JSCC under Paragraph 3 of Article 8 of the Business Rules. In this case, the phrase "the payment of the fee for obtaining the Clearing Qualification and other procedures deemed necessary by JSCC" in Paragraph 1 shall be replaced with "the procedures deemed necessary by JSCC."

(Article 6 Matters to be Included in Notifications)

Notifications prescribed in Paragraph 1 of Article 12\*<sup>1</sup>, Article 13\*<sup>1</sup>, Article 19, Article 40 and Article 41 of the Business Rules to JSCC shall be submitted by the date and time prescribed by JSCC by way of submitting prescribed notification forms, to which documents deemed necessary by JSCC shall be attached.

(\*<sup>1</sup>including the case applied to *mutatis mutandis* in Paragraph 2 of Article 17-2 of the Business Rules)

(Article 6-2 Procedures for Hearings)

The procedures relating to the hearing stipulated in Paragraph 2 of Article 14 of the Business Rules\*<sup>1</sup> shall be as prescribed by the following Items:

(\*<sup>1</sup>including the case applied *mutatis mutandis* in Paragraph 2 of Article 17-2 of the Business Rules. In this case, the reference to "Clearing Participant" shall be deemed to be "Registered ETF Trust Bank")

- (1) JSCC shall notify the Clearing Participant, concerning which the hearing will be conducted, of the topics and the date of the hearing in advance.
- (2) The relevant Clearing Participant shall have the right to give a statement at the hearing, and JSCC shall prepare records of the topics of the hearing, contents of the statements made thereat and other matters.

(Article 6-3 Handling of Cash Deposited as Initial Margin, etc.)

- 1 When a Clearing Participant makes deposit of the initial margin prescribed in Article 15-2 of the Business Rules with JSCC in cash, it shall do so by way of remittance into the account maintained in the name of JSCC with a bank selected by such Clearing Participant from among the banks designated by JSCC.
- 2 When the cash deposited with JSCC as clearing deposit is returned to the Clearing Participant, it shall be returned by JSCC from the account maintained in its name to the account designated by the Clearing Participant.
- 3 The provisions of the preceding two Paragraphs shall apply *mutatis mutandis* in the case where the clearing fund prescribed in Paragraph 1 of Article 16 of the Business Rules, the Security Money for Facilitating DVP Settlement prescribed in Article 52 of the Business Rules or the Margin for When-Issued Transaction prescribed in Article 70 of the Business Rules is deposited with JSCC in cash. In such case, the phrase "initial margin prescribed in Article 15-2 of the Business Rules" shall be deemed to be "clearing fund prescribed in Paragraph 1 of Article 16 of the Business Rules" in Paragraph 1, "Security Money for Facilitating DVP Settlement prescribed in Article 52 of the Business Rules" or "Margin for When-Issued Transaction prescribed in Article 70 of the Business Rules".

(Article 6-4 Currencies Designated by JSCC)

- 1 The currencies designated by JSCC as set forth in Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules shall be Japanese yen and the currency of the United States of America.
- 2 A certain rate designated by JSCC as set forth in Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules shall be 94 percent in case of the currency of the United States of America.

(Article 7 Securities to be Deposited in lieu of Cash)

Matters regarding the securities to be deposited in lieu of cash prescribed in Paragraph 4 through Paragraph 6 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 3 through Paragraph 5 of Article 52, and Paragraph 3 through Paragraph 5 of Article 70 of the Business Rules shall be set forth in *Appendix 1*.

(Article 7-2 Procedures for Intraday Deposit of Initial Margin)

- 1 The event prescribed by JSCC set forth in the provisions of Paragraph 1 of Article 15-3 of the Business Rules shall be the event where the difference between the contract price of the contract month contract, which is designated by JSCC as an Index Futures Contract linked to the market price of a transaction relating to the Securities Clearing Qualification, immediately prior to 11 A.M. of the Day Session of any Trading Day and the Settlement Price on the immediately preceding Trading Day exceeds the value prescribed by JSCC in advance.

(Article 8 Matters to be Reported)

- 1 The circumstances prescribed by JSCC set forth in the provisions of Article 20 of the Business Rules shall be those listed in the following Items<sup>\*1</sup> and the reports shall be submitted in prescribed forms, to which documents deemed necessary by JSCC shall be attached:

(\*1for the case of ETF Special Clearing Participant and Registered ETF Trust Bank, those listed in Item (2), Item (3), Item (4), Item (4-3), Item (7-2) through Item (9), Item (9-3) and Item (11), Item (12) and Item (13))

- (1) When the Clearing Participant prescribed or amended the method of managing the risk of loss, the method of division of duties or the details or methods of other operations;
- (1-2) If the Clearing Participant became aware that a Designated Parent Company<sup>\*1</sup> has filed the notification referred to in Article 57-14 of the Act in connection with the matter listed in Item (6) of Paragraph 1 of Article 57-13 of the Act;  
(\*1referring to a Designated Parent Company defined in Paragraph 3 of Article 57-12 of the Act; the same applies hereinafter)

- (2) The circumstance set forth in A) through D) below according to the category of the Clearing Participant set forth therein has arisen:

A) Securities Clearing Participant, JGB Futures Clearing Participant or Index Futures Clearing Participant:

If the Clearing Participant has done any one of the acts set forth in (a) through (c) below which is applicable to the Clearing Participant according to its category set forth therein:

- (a) Financial Instruments Business Operator:

When it suspended or resumed its operation of the business listed in Item (1) of Paragraph 1 of Article 28 of the Act

- (b) Registered Financial Institution:

When it suspended or resumed its operation of the Registered Financial Institution Business<sup>\*1</sup>

(\*1referring to the Registered Financial Institution Business prescribed in Item (3)

of Paragraph 1 of Article 33-5 of the Act; the same applies hereinafter)

(c) Securities Financial Company:

When it suspended or resumed its operation of the business prescribed in Paragraph 1 of Article 156-24 of the Act;

B) Commodity Futures Clearing Participant;

If the Clearing Participant has done any one of the acts set forth in (a) through (c) below which is applicable to the Clearing Participant according to its category set forth therein:

(a) Financial Instruments Business Operator:

When it suspended or resumed its operation of the business listed in Item (1)-2 of Paragraph 1 of Article 28 of the Act

(b) Registered Financial Institution:

When it suspended or resumed its operation of the Registered Financial Institution Business or the business relating to the Commodity Futures Contracts and the Option Contracts on Commodity Futures

(c) Commercials:

When it suspended or resumed the business relating to the Commodity Futures Contracts and the Option Contracts on Commodity Futures;

C) ETF Special Clearing Participant

When it suspended or resumed its operation set forth in Item 2 of Paragraph 4 of Article 28 of the Act

D) Registered ETF Trust Bank

When it suspended or resumed its operation set forth in Paragraph 1 of Article 2 of the Trust Business Act (Act No. 154 of June 4, 2004)

- (3) If the Clearing Participant has filed a petition for the commencement of bankruptcy procedures, the commencement of rehabilitation procedures, the commencement of corporate reorganization procedures, the commencement of a liquidation or the commencement of a special liquidation, or it became aware that such petition has been filed against it;
- (3-2) If the Clearing Participant became aware that a petition for the commencement of bankruptcy procedures, the commencement of rehabilitation procedures, the commencement of corporate reorganization procedures, the commencement of a liquidation or the commencement of a special liquidation has been filed with respect to a Designated Parent Company;
- (4) If the Clearing Participant became actually or potentially insolvent;
- (4-2) If the Clearing Participant became aware that a Designated Parent Company became actually or potentially insolvent;

- (4-3) If the ETF Special Clearing Participant becomes or is likely to become unable to perform creation of securities investment trust, partial redemption of securities investment trust principal or exchange of exchange traded fund beneficiary certificate for exchange traded fund component stock.
- (5) If the amount of net worth<sup>\*1</sup> of the Clearing Participant became less than 300 million yen<sup>\*2</sup>;
- (<sup>\*1</sup> in the case of a Registered Financial Institution, a Securities Finance Company or Commercials, the amount of its net assets; the same applies hereinafter in this Item)
- (<sup>\*2</sup> in the case of a Commodity Futures Clearing Participant that is a Principal Clearing Participant, if the amount of its net worth become less than 1 billion yen, and in the case of an Agency Clearing Participant, if the amount of its net worth became less than 20 billion yen)
- (6) If the amount of stated capital or total amount of capital contributions<sup>\*1</sup> of the Clearing Participant became less than 300 million yen<sup>\*2</sup>;
- (<sup>\*1</sup> in the case of a mutual company, the total amount of the foundation fund<sup>\*1-1</sup>)
- (<sup>\*1-1</sup> including the amount of reserve for redemption of the foundation fund)
- (<sup>\*2</sup> in the case of a Securities Finance Company which has obtained the Clearing Qualification pursuant to the application submitted pursuant to Paragraph 2 of Article 6 of the Business Rules, 100 million yen)
- (7) If any one of the events set forth in A) through D) below has occurred to the Clearing Participant according to its category set forth therein:
- A) Financial Instruments Business Operator:
- If its Capital-to-Risk Ratio or consolidated Capital-to-Risk Ratio<sup>\*1</sup> became less than 140 percent<sup>\*2</sup>
- (<sup>\*1</sup> for those who do not engage in the act listed in Item (1) of Paragraph 1 of Article 28 of the Act as business, referring to the ratio calculated by applying *mutatis mutandis* the provisions of Paragraph 1 of Article 46-6 of the Act; the same applies hereinafter in this Item)
- (<sup>\*2</sup> in the case of a Clearing Participant which is an Agency Clearing Participant, if its Capital-to-Risk Ratio or consolidated Capital-to-Risk Ratio<sup>\*1</sup> became less than 200 percent)
- B) Registered Financial Institution subject to Uniform International Standards:
- If any one of the events set forth in (a) through (c) below has occurred<sup>\*1</sup>:
- (<sup>\*1</sup> in the case of a foreign bank, if any event equivalent thereto has occurred)
- (a) If its non-consolidated or consolidated Common Equity Tier 1 ratio<sup>\*1</sup> became less than 2.25 percent<sup>\*2</sup>;
- (<sup>\*1</sup> for an institution which operates with investment from its members, its non-consolidated or consolidated common capital contribution Tier 1 ratio; the

same applies hereinafter)

(\*<sup>2</sup> in the case of an Agency Clearing Participant, if its non-consolidated or consolidated Common Equity Tier 1 ratio became less than 4.5 percent)

(b) If its non-consolidated or consolidated Tier 1 ratio became less than 3 percent\*<sup>1</sup>; or

(\*<sup>1</sup> in the case of an Agency Clearing Participant, if its non-consolidated or consolidated Tier 1 ratio became less than 6 percent)

(c) If its non-consolidated or consolidated Total Capital ratio became less than 4 percent\*<sup>1</sup>

(\*<sup>1</sup> in the case of an Agency Clearing Participant, if its non-consolidated or consolidated Total Capital ratio became less than 8 percent)

C) Registered Financial Institution other than Registered Financial Institutions subject to Uniform International Standards, foreign banks and insurance companies:

If its non-consolidated or consolidated capital adequacy ratio under the domestic standards became less than 2 percent where it has no offshore base for sales or business operation\*<sup>1</sup>

(\*<sup>1</sup> in the case of an Agency Clearing Participant, if its non-consolidated or consolidated capital adequacy ratio under the uniform international standards became less than 8 percent where it has an offshore base for sales or business operation or if its non-consolidated or consolidated capital adequacy ratio under the domestic standards became less than 4 percent where it has no offshore base for sales or business operation)

D) Insurance company

If its non-consolidated or consolidated solvency margin ratio became less than 100 percent\*<sup>1</sup>(\*<sup>1</sup> in the case of a Clearing Participant which is an Agency Clearing Participant, if its non-consolidated or consolidated solvency margin ratio became less than 400 percent)

(7-2) If the Clearing Participant became aware that a majority of the voting rights\*<sup>1</sup> of all shareholders or a majority of the voting rights relating to capital contributions has come to be held by a single individual, a single legal entity or another organization;

(\*<sup>1</sup> including the voting rights pertaining to the shares which are deemed to have voting rights pursuant to Paragraph 3 of Article 879 of the Companies Act (Act No. 86 of 2005), but excluding the voting rights pertaining to the shares whose voting rights cannot be exercised on any of the matters that may be resolved on at general meetings of shareholders)

(8) When there has been any change in the composition of the top 10 major shareholders\*<sup>1</sup> of the Clearing Participant;

(\*<sup>1</sup> referring to the 10 shareholders ranked in the order of the number of shares owned

- in their own names or in other persons' names)
- (8-2) When any of directors or officers of the Clearing Participant became, or ceased to be, a director or officer of another corporation or other legal entity;
- (9) If a punitive or other measure has been taken pursuant to the provisions of the Laws and Regulations against, or an opportunity to participate in a hearing or to present a defense in connection with such measure has been granted pursuant to the provisions of the Laws and Regulations to, the Clearing Participant;
- (9-2) If the Clearing Participant became aware that a punitive or other measure has been taken pursuant to the provisions of the Laws and Regulations against, or an opportunity to participate in a hearing or to present a defense in connection with such measure has been granted pursuant to the provisions of the Laws and Regulations to, a Designated Parent Company or Specified Major Shareholder\*<sup>1</sup>;
- (\*<sup>1</sup> referring to the Specified Major Shareholder defined in Paragraph 4 of Article 32 of the Act; the same applies hereinafter)
- (9-3) In association with a punitive measure set forth in preceding two Items, when the Clearing Participant reported improvement plan, etc. to an administrative agency.
- (10) When the Clearing Participant has joined or withdrawn from a Designated Market Operator\*<sup>1</sup>;
- (\*<sup>1</sup> including when it has obtained or lost the trading qualification)
- (11) In the case of a Financial Instruments Business Operator, if it became aware that any of its directors or officers has come to be the person described in any of (a) through (i) of Item (2) of Paragraph 1 of Article 29-4 of the Act; or in the case of a Registered Financial Institution, a Securities Financial Company Commercial or a trust company, if it became aware that a decision concerning the commencement of bankruptcy procedures involving any of its directors or officers has been made, or that any of its directors or officers has been sentenced to imprisonment or a more severe criminal penalty, or fined pursuant to the provisions of the Act;
- (11-2) If the Clearing Participant became aware that any director or officer of a Designated Parent Company has come to be the person described in any of (a) through (i) of Item (2) of Paragraph 1 of Article 29-4 of the Act;
- (12) If the Clearing Participant became aware that either (d) or (e) of Item (5) of Paragraph 1 of Article 29-4 of the Act has become applicable to any Major Shareholder\*<sup>1</sup> of a Financial Instruments Business Operator\*<sup>2</sup>;
- (\*<sup>1</sup> referring to a Major Shareholder prescribed in Paragraph 2 of Article 29-4 of the Act; the same applies hereinafter)
- (\*<sup>2</sup> in the case of a foreign corporation, if it became aware that (f) of the above-referenced Item has become applicable to a person which is equivalent to a Major Shareholder)

- (12-2) If the Clearing Participant became aware that either (d) or (e) of Item (5) of Paragraph 1 of Article 29-4 of the Act has become applicable to any Major Shareholder of a Designated Parent Company;
- (13) If a lawsuit<sup>\*1</sup> involving a civil case has been filed, if a decision, etc., has been entered by a court in such lawsuit<sup>\*2</sup>, if a petition for mediation<sup>\*3</sup> under the Act for Conciliation of Civil Affairs has been filed, or if such mediation has been concluded;
- (<sup>\*1</sup> excluding cases where the value of the object of the lawsuit is less than 300 million yen; the same applies hereinafter)
- (<sup>\*2</sup> including appeal)
- (<sup>\*3</sup> excluding cases where the value of the subject matter of the mediation is less than 300 million yen; the same applies hereinafter)
- (13-2) If the Clearing Participant became aware that a lawsuit involving a civil case has been filed, or a decision, etc., has been entered by a court in such lawsuit<sup>\*1</sup>, or that a petition for mediation under the Act for Conciliation of Civil Affairs has been filed, or if such mediation has been concluded, with respect to a Designated Parent Company;
- (<sup>\*1</sup> including appeal)
- (14) In the case of a Financial Instruments Business Operator, when it prepared a report regarding its affiliated companies pursuant to the provisions of Paragraph 2 of Article 46-3 of the Act; in the case of a Registered Financial Institution, when it prepared a report regarding its affiliated companies pursuant to the provisions of Paragraph 2 of Article 48-2 of the Act; or, in the case of a foreign Financial Instruments Business Operator, when it prepared a report regarding its affiliated companies pursuant to the provisions of Paragraph 2 of Article 49-3 of the Act; or, in the case of Commercials, when it prepared a report regarding its affiliated companies prescribed by JSCC;
- (15) When the Clearing Participant prepared monitoring survey sheets pursuant to the provisions of Article 56-2 of the Act<sup>\*1</sup>;
- (<sup>\*1</sup> in the case of a Registered Financial Institution which is an Agency Clearing Participant, when it prepared the main account status sheets prescribed by JSCC)
- (15-2) When the Clearing Participant prepared documents stating its state of soundness of management to be made available for public inspection in accordance with the provisions of Paragraph 3 of Article 57-5 of the Act;
- (15-3) When the Ultimate Designated Parent Company<sup>\*1</sup> of the Clearing Participant prepared documents stating its state of soundness of management to be made available for public inspection in accordance with the provisions of Paragraph 3 of Article 57-17 of the Act;
- (<sup>\*1</sup> referring to the Ultimate Designated Parent Company prescribed in Paragraph 3 of Article 57-12 of the Act; the same applies hereinafter)
- (16) In the case of a Financial Instruments Business Operator, when it prepared a business

- report; in the case of a Registered Financial Institution, when it prepared a non-consolidated or consolidated business report or interim business report; or, in the case of a Securities Finance Company, when it prepared a business report or status sheet of interim financial results;
- (16-2) When the Clearing Participant prepared a business report pursuant to Paragraph 1 of Article 57-3 of the Act;
- (16-3) When the Ultimate Designated Parent Company of the Clearing Participant prepared a business report;
- (16-4) In the case of Commercials, when it prepared a Securities Report or other document related to each fiscal year;
- (17) When the Clearing Participant prepared fact sheets prescribed by JSCC regarding financial results or interim financial results;
- (18) In the case of a foreign Financial Instruments Business Operator<sup>\*1</sup>, when it prepared the balance sheet, profit and loss statement or other statements concerning finance and accounting which are set forth in Paragraph 1 of Article 49-3 of the Act;  
(\*1 limited to those who have registered as operator of the business relating to the act listed in Item (1) of Paragraph 1 of Article 28 of the Act)
- (19) If the Clearing Participant prescribed or changed the conditions upon the satisfaction of which the Contracts for Commissioning Clearance can be cancelled through an agreement with a Non-Clearing Participant, in order to ensure the likelihood of the performance of obligations relating to the contracts based on the commissions of the Brokerage for Clearing of Securities, etc.;
- (20) If a Non-Clearing Participant which has designated the relevant Clearing Participant as its Designated Clearing Participant failed to perform the settlement or there is a real possibility that such Non-Clearing Participant will fail to perform the settlement;
- (21) If the Clearing Participant became aware that a Designated Parent Company has changed its head office or any other principal administrative office;
- (22) If the Clearing Participant has made the notification pursuant to Paragraph 1 or Paragraph 6<sup>\*1</sup> of Article 57-2 of the Act;  
(\*1 limited to the case where it has fallen under Item (2) of the same Paragraph)
- (23) If the Clearing Participant became aware that a Designated Parent Company has been designated or such designation has been terminated or such designation has ceased to be effective;
- (24) If the Clearing Participant became aware that a Designated Parent Company has merged with another legal entity<sup>\*1</sup>;  
(\*1excluding the case where the said Designated Parent Company ceases to exist due to the merger)
- (25) If the Clearing Participant became aware that there has been a change in directors or

officers of a Designated Parent Company\*<sup>1</sup>;

(\*<sup>1</sup>excluding cases listed in Item (8-2))

(26) If the Clearing Participant became aware that there is a person who became an additional Specified Major Shareholder or who ceased to be a Specified Major Shareholder; or

(27) If the Clearing Participant changed its fiscal year end date.

2 As to the Clearing Participant obtained a Parental Guarantee, the circumstances to be prescribed by JSCC as set forth in the provisions of Article 20 of the Business Rules shall be those listed in Paragraph 1\*<sup>1</sup>, and when the Parent falls under Item (3), Item (4), Item (5), Item (6), Item (13), Item (14) through Item (15-2), Item (16) and Item (16-2)\*<sup>2</sup>, and it shall be reported using the prescribed form attaching the documents deemed necessary by JSCC. In this case, the phrase, "If the amount of net worth of the Clearing Participant became less than 300 million yen," in Item (5) shall be deemed to be "If the amount of net worth of the Parent (limited to those provided Parental Guarantee for the relevant Clearing Participant; the same applies hereinafter) became less than 20 billion yen."

(\*<sup>1</sup> excluding Item (5) and Item (6) of the said Paragraph)

(\*<sup>2</sup> excluding, for Item (3) of Paragraph 1, the case where the report relating to the Parent has already been submitted pursuant to Item (3-2) of the said Paragraph, for Item (4) of the said Paragraph, the case where the report relating to the Parent has already been submitted pursuant to Item (4-2), for Item (13) of the said Paragraph, the case where the report relating to the Parent has already been submitted pursuant to Item (13-2) of the said Paragraph, and for Item (15-2) of the said Paragraph, the case where the report relating to the Parent has already been submitted pursuant to Item (15-3) of the said Paragraph)

3 With respect to the reports referenced in Item (16) of Paragraph 1, in addition to those referenced in the main text of such Item\*<sup>1</sup>, audit reports concerning financial statements\*<sup>2</sup> prepared by accounting auditors and attached to the business reports or non-consolidated business reports shall be attached.

(\*<sup>1</sup> including the case when the report is submitted in respect of the Parent pursuant to the provisions of Paragraph 2)

(\*<sup>2</sup> including those deemed appropriate by JSCC as similar document thereto)

(Article 9 Application for Renunciation of the Clearing Qualification)

1 The application for renunciation of the Clearing Qualification prescribed in Article 22 of the Business Rules shall be made by way of submission by the Clearing Qualification renunciation applicant to JSCC of a written application for renunciation of the Clearing Qualification in a prescribed form, containing the information set forth in the following Items:

(1) Category of Clearing Qualification to be renounced, and whether it is the Principal Clearing Qualification or the Agency Clearing Qualification<sup>\*1</sup>; (<sup>\*1</sup> as for the application for renunciation of the ETF Special Clearing Qualification, statement as to whether it is Principal Clearing Qualification or Agency Clearing Qualification shall not be required.)

(2) Trade name or corporate name<sup>\*1</sup>;

(\*1including the trade name or corporate name in English)

(3) Address of the headquarter or principal office;

(4) Name of the representative; and

(5) Reasons for applying for renunciation.

2 Documents set forth in the following Items shall be attached to the written application for renunciation of the Clearing Qualification set forth in the preceding Paragraph:

(1) Schedule for the renunciation of the Clearing Qualification; and

(2) Other documents deemed necessary by JSCC.

(Article 9-2 Reporting Method in response to Inquiry to Clearing Participant Holding Excessive Position)

The report set forth in Paragraph 1 and Paragraph 3 of Article 21-2 of the Business Rules shall be submitted using the prescribed form and attaching the documents JSCC considers necessary.

(Article 9-2-2 Application for Renunciation of Registration)

Application for revocation of Registered ETF Trust Bank set forth in Article 26-2 of the Business Rules shall be made by application of revocation of registration as a Registered ETF Trust Bank and by submission of the prescribed Registered ETF Trust Bank revocation form which states items listed in Item (2) through Item (5) of Paragraph 1 of Article 9 to JSCC. In this case, the timetable related to revocation of registration and the documents which JSCC deems necessary, shall be attached to the ETF Trust Bank revocation form.

(Article 9-3 Measures against Commercials)

The measures against Commercials set forth in Item (8) of Paragraph 3 of Article 29 of the Business Rules shall be taken taking into account the liquidity ratio, debt ratio and status of credit ratings of the Commercials and other viewpoints.

(Article 9-4 Margins with Respect to which Measures are Taken)

1 The Margin prescribed by JSCC pursuant to the provisions of Paragraph 1 of Article 29-4 of the Business Rules shall be the Margins listed in Paragraph 1 of Article 9-2<sup>\*1</sup> and Item (2) of Paragraph 1 of Article 20 of the Rules on Margins, etc. for Futures and Option Contracts.

(\*1 excluding Margins under Paragraph 3 of Article 9-2 that relates to the accounts set forth in Item (2) of Article 46-3 and Item (2) of Article 46-4 of the Business Rules)

2 The Margin prescribed by JSCC pursuant to the provisions of Paragraph 2 of Article 29-4 of the Business Rules shall be the Margins listed in Paragraph 1 of Article 9-2\*<sup>1</sup> and Item (2), Item (5), item (7) and Item (10) of Paragraph 1 of Article 20 of the Rules on Margins, etc. for Futures and Option Contracts.

(\*1 excluding Margins under Paragraph 3 of Article 9-2 that relates to the accounts set forth in Item (2) of Article 46-3 and Item (2) of Article 46-4 of the Business Rules)

(Article 9-5 Hours subject to Emergency Suspension)

The period of time prescribed by JSCC as set forth in Article 29-5 of the Business Rules shall be the period from 1:00 P.M. through 9:00 A.M. on the immediately following day \*<sup>1</sup>.

(\*<sup>1</sup> if such day falls on a holiday, it shall be the immediately following business day; the same applies hereinafter)

(Article 9-6 Indicator Value Calculation Method on Consecutive Holiday Trading Days)

1 The indicator value to be prescribed by JSCC as set forth in Paragraph 1 of Article 29-6 of the Business Rules shall be the value obtained by dividing the Total Risk Equivalent under Normal Market Conditions set forth in Paragraph 2 of Article 23-2 of the Rules on Margins, etc. for Futures and Option Contracts by the sum of the deposited amount of Margin for the Clearing Participant's house account and the deposited amount of clearing fund.

2 The judgment timing to be prescribed by JSCC as set forth in Item (1) of Paragraph 1 of Article 29-6 of the Business Rules shall be 4:00 P.M., and the timing JSCC designates as deadline as set forth in Item (2) of Paragraph 1 of Article 29-6 shall be 11:00 A.M..

3 The value to be separately prescribed by JSCC as set forth in Paragraph 2 of Article 29-6 of the Business Rules shall be 1.

4 The amount to be prescribed by JSCC as set forth in Paragraph 3 of Article 29-6 of the Business Rules shall be the money to be received as a third party guarantee against loss set forth in Paragraph 4 of Article 78 of the Business Rules the purpose of which is a recovery of loss from any settlement failure on a Holiday Trading Day.

(Article 10 Contract for Commissioning Clearance)

The Contract for Commissioning Clearance stipulated in Paragraph 1, Article 39 of the Business Rules shall be concluded, based on the category of Clearing Qualification of the Agency Clearing Participant set forth in each of the following Items, in the form of the applicable Exhibit Form referenced the applicable Item:

(1) Securities Clearing Qualification

- Exhibit Form 2
- (2) JGB Futures Clearing Qualification
  - Exhibit Form 3
- (3) Index Futures Clearing Qualification
  - Exhibit Form 4
- (4) Precious Metal Futures Clearing Qualification
  - Exhibit Form 5
- (5) Rubber Futures Clearing Qualification
  - Exhibit Form 6
- (6) Agricultural Futures Clearing Qualification
  - Exhibit Form 7
- (7) Petroleum Futures Clearing Qualification
  - Exhibit Form 8

(Article 10-2 Application, etc. for Assumption of Obligations listed in Item (12) or Item (13) of Paragraph 2 of Article 3 of the Business Rules)

- 1 The application and acceptance of the contracts and application for the assumption of obligations to JSCC as set forth in Paragraph 1 of Article 45-3 of the Business Rules and the reporting as set forth in Item (2) of Paragraph 2 of the said Article shall be in the manner which uses the platform specified by JSCC operates for a Beneficiary Certificate, etc. Applicant, ETF Special Clearing Participant and Registered ETF Trust Bank to exchange information and make an application or approve such application<sup>\*1</sup>; provided, however, when JSCC deems that a use of the Platform is inadequate, due to problems affecting the operation of the systems set up by JSCC or other institutions or due to any other unavoidable cause, it shall be in the manner each time prescribed by JSCC .

(\*1 hereinafter referred to as "Platform")

- 2 Statement set forth in Paragraph 2 of Article 45-3 of the Business Rules shall be prepared in the form specified by.

(Article 10-3 Assumption of the obligations based on the contracts prescribed in Item (12) or Item (13) of Paragraph 2 of Article 3 of the Business Rules)

- 1 Confirmation of the details of obligations to be assumed by JSCC set forth in Item (4) sub-Item a to sub-item c and Item (5) of Paragraph 1 of Article 46 of the Business Rules and reporting of the settlement date set forth in Item (2) of Paragraph 2 of the said Article shall be confirmed by using the Platform; provided, however, when JSCC deems that a use of the Platform is inadequate, due to problems affecting the operation of the systems set up by JSCC or other institutions or due to any other unavoidable cause, in the

manner each time prescribed by JSCC .

(Article 10-4 Allocation Report and the Like)

- 1 When allocating the Unsettled Contracts related to Futures and Option Contracts managed under one of the accounts<sup>\*1</sup> set forth in Article 46-3 and Article 46-4 of the Business Rules to another account with the same account classification, the Clearing Participant shall submit the report of such allocation<sup>\*2</sup> first, and then perform such allocation or transfer of Position related to the Futures and Option Contracts.  
(\*1 excluding the account set forth in Item (1) of Article 46-3 of the Business Rules)  
(\*2 hereinafter referred to as the "Allocation Report")
- 2 In the case of the preceding Paragraph, the Allocation Report shall be submitted by 6:00 P.M. on the day on which the Trading Day<sup>\*1</sup> of the conclusion of the Futures and Option Contract related to the Unsettled Contract<sup>\*2</sup> ends.  
(\*1 referring to the trading day prescribed by the Designated Market Operator in respect of Security Option Contracts<sup>\*1-1</sup>, JGB Futures Contracts, Option Contracts on JGB Futures, Interest Rate Futures Contracts, Index Futures Contracts, Index Option Contracts, Commodity Futures Contracts and Option Contracts on Commodity Futures)  
(\*1-1 limited to Flexible Contract Months prescribed by the Designated Market Operator)  
(\*2 or, in respect of Security Option Contract<sup>\*2-1</sup>, by 6:00 P.M. on the day on which the contract is concluded)  
(\*2-1 excluding Flexible Contract Months)
- 3 When JSCC deems that a submission of the Allocation Report is impossible or difficult, due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for the submission of the Allocation Report or due to any other unavoidable cause, the cutoff time prescribed by the preceding Paragraph shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 11 Uniform DVP Settlement Price)

- 1 The Uniform DVP Settlement Price set forth in Article 49 of the Business Rules shall be the closing price<sup>\*1</sup> of an issue on the preceding day<sup>\*2</sup> in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets<sup>\*3</sup> where a contract price<sup>\*4</sup> relating to such issue exists on the preceding day.  
(\*1 including the final quote that is posted in accordance with the rules prescribed by the Designated Market Operator; the same applies hereinafter in this Article, Article 18 and

Article 19)

(\*2 if such day falls on a Non-business Day, it shall be the immediately preceding business day; the same applies hereinafter)

(\*3 limited to Financial Instruments Exchange Markets; the same applies hereinafter in this Article, Article 18 and Article 19)

(\*4 including quotes prescribed by each of the Designated Market Operators; the same applies hereinafter in this Article, Article 18 and Article 19)

2 When the preceding Paragraph applies, if no contract price exists in any of the Designated Financial Instruments Markets on such preceding day, the Uniform DVP Settlement Price shall be the standard price on such preceding day in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets.

3 With respect to the specific order of priority set forth in the preceding two Paragraphs, the Designated Financial Instruments Market with the highest trading volume\*1 of the relevant issue among the Designated Financial Instruments Markets: during July through December of the preceding year in the case where such preceding day occurs during February through July; or during January through June in the case where such preceding day occurs during August through January of the following year, shall be in the first priority position, and the subordinating priority shall be in accordance with the order of the code\*2 of the Exchanges, Industry Groups, etc.

(\*1 limited to the trading volume pertaining to the Regular Transactions\*1-1 formed in an auction market)

(\*1-1 referring to the Regular Transactions prescribed by each market operator)

(\*2 referring to the code prescribed by the Securities Identification Code Committee)

4 Notwithstanding the provisions of the preceding three Paragraphs, when deemed necessary by JSCC, the Uniform DVP Settlement Price may be the price prescribed by JSCC on each applicable occasion.

(Article 12 Payment/Receipt of Money)

1 Payments and receipts of money prescribed in Paragraph 3 of Article 51, Paragraph 1 of Article 56, Paragraph 1 of Article 67, Paragraph 1 of Article 68 and Paragraph 2 of Article 73-40 of the Business Rules shall be made in accordance with each of the following Items:

(1) A Clearing Participant\*1 making a payment of money shall open an account at the bank\*2 which is selected by the Clearing Participant from the banks designated by JSCC or the Bank of Japan, and shall make a remittance from such account to the account held in the name of JSCC at such Fund Settling Bank.

(\*1excluding ETF Special Clearing Participants)

(\*2hereinafter referred to as the "Fund Settling Bank")

(2) A Clearing Participant\*<sup>1</sup> receiving a payment of money shall open an account at the Fund Settling Bank and receive it at such account.

(\*<sup>1</sup>excluding ETF Special Clearing Participant)

2 Payment/receipt of money set forth in Item (1) and Item (2) of Paragraph 3 of Article 56 of the Business Rules shall be executed in the manner prescribed in each of the following Items.

(1) A Registered ETF Trust Bank which pays money shall hold an account with a bank selected by the Registered ETF Trust Bank among the banks designated by JSCC or the Bank of Japan and transfer the money from the relevant account to the account in the name of JSCC held in the relevant bank.

(2) A Registered ETF Trust Bank which pays/receives money shall receive money in the account prescribed in the preceding Item.

3 The case prescribed by JSCC as set forth in Paragraph 3 of Article 73-40 shall be the case where a Clearing Participant submits a request to JSCC for each account set forth in Article 46-3 and Article 46-4 of the Business Rules, and JSCC approves such request.

4 The payment and receipt of money prescribed by JSCC as set forth in Paragraph 3 of Article 73-40 of the Business Rules shall be performed according to the manner set forth below:

(1) The Clearing Participant paying money shall make payment to JSCC with the money\*<sup>1</sup> deposited to the account approved by JSCC pursuant to the provisions of the preceding Paragraph;

(\*<sup>1</sup> only in Japanese yen)

(2) The Clearing Participant receiving money shall receive money\*<sup>1</sup> at the account approved by JSCC pursuant to the provisions of the preceding Paragraph. In this case, money the Clearing Participant received shall be deemed to have been deposited to the relevant account.

(\*<sup>1</sup> only in Japanese yen)

(Article 13 Order of Priority Relating to Delivery of Securities from JSCC to Receiving Securities Clearing Participants in DVP Settlement, etc.)

The delivery of securities from JSCC to a receiving Securities Clearing Participant in the DVP Settlement prescribed in Article 53 of the Business Rules shall be made by way of a delivery of securities that JSCC received from a delivering Securities Clearing Participant in accordance with the delivery order, time and quantity prescribed by JSCC.

(Article 14 Notification for Subordinating Priority in Securities Receipt)

1 A receiving Securities Clearing Participant may give a notification, by issue and in a manner prescribed by JSCC, of the quantity of the securities to be delivered by JSCC to

the receiving Securities Clearing Participant as set forth in the immediately preceding Article\*<sup>1</sup> for which the delivery order of such receiving Securities Clearing Participant may be set at the lowest priority.

(\*<sup>1</sup> Excluding the quantity for which Buy-in request set forth in Article 10 of the Rules on Handling of the Case of Delivery Failure and Buy-In has been submitted.)

- 2 When the notification set forth in the immediately preceding Paragraph is given, notwithstanding the provisions of the immediately preceding Article, JSCC may set the delivery order related to the issue and the quantity so notified at the lowest priority; provided that if multiple receiving Securities Clearing Participants submitted such notification in respect of the same settlement day and the same issue, the delivery order among such receiving Securities Clearing Participants in respect of the issue and the quantity subject to the notification shall be determined in a manner prescribed by JSCC.
- 3 If a Securities Clearing Participant desires to submit the notification set forth in Paragraph 1, it shall submit the request in the form prescribed by JSCC together with the document considered necessary by JSCC and obtain approval of JSCC in advance.

(Article 15 Securities to be Delivered)

The securities to be delivered for the settlement set forth in Article 58 of the Business Rules shall be the type of securities comprising a trading unit and in bearer form in the case of securities which are Convertible Bonds Not Handled by JASDEC.

(Articles 16 and 17) Deleted

(Article 18 Settlement Price for When-Issued Transaction)

- 1 The Settlement Price for the When-Issued Transaction prescribed in Article 66 of the Business Rules shall be the closing price of the relevant issue on the preceding day in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets where a contract price relating to such issue exists.
- 2 The Settlement Price stipulated in the preceding Paragraph shall be the Settlement Price on the preceding day in the event that no contract price exists in any of the Designated Financial Instruments Markets on the relevant day.
- 3 The provisions of Paragraph 3 of Article 11 shall apply *mutatis mutandis* to the specific order of priority referenced in Paragraph 1 of this Article; and the provisions of Paragraph 4 of Article 11 shall apply *mutatis mutandis* to the Settlement Price referenced in Paragraph 1 of this Article.
- 4 Notwithstanding the provisions of the preceding three Paragraphs, if deemed necessary by JSCC, the Settlement Price for the When-Issued Transaction can be the price

prescribed by JSCC on each applicable occasion.

(Article 19 Amount of Margin)

1 The amount of the Margin prescribed in Paragraph 1 of Article 70 of the Business Rules shall be an amount not less than the amount<sup>\*1</sup> of the Standard Price for the Margin in respect of When-Issued Transaction<sup>\*2</sup>, multiplied by 10/100:

(\*1 any fractional amount less than 1 yen shall be rounded up to 1 yen)

(\*2 referring to the price listed in one of the following Items)

(1) The closing price of the relevant issue in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets where a contract price exists on the commencement day of the When-Issued Transaction;

(2) In the event that no contract price of the relevant issue exists on such commencement day in any of the Designated Financial Instruments Markets, the closing price of the old stock<sup>\*1</sup> of the relevant issue as of such commencement day in the Designated Financial Instruments Market that is selected according to a specific order of priority from the Designated Financial Instruments Markets; or

(\*1 including preferred equity capital contribution securities, capital contribution securities and investment trust beneficiary securities)

(3) In the event that no contract price set forth in the preceding two Items exists, the price prescribed by JSCC on each applicable occasion.

2 The provisions of Paragraph 3 of Article 11 shall apply *mutatis mutandis* to the specific order of priority referenced in the preceding Paragraph. In such event, the phrase, “such preceding day,” in Paragraph 3 of such Article shall be deemed to be “such commencement day”.

(Article 20 Methods for Transferring Japanese Government Bonds and Money)

1 The delivery/receipt of Japanese Government Bonds pertaining to the settlement stipulated in Paragraph 1 of Article 72 of the Business Rules and the Settlement by Physical Delivery and Payment stipulated in Paragraph 1 of Article 73-12 of the Business Rules shall be made by way of a book-entry transfer between accounts that are opened at the Bank of Japan pursuant to the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) shall be made in accordance with each of the following Items:

(1) Settlement between a delivering Clearing Participant and JSCC shall be made as stipulated in (a) through (c) below, in accordance with the classification set forth in (a) through (c):

- (a) In the case of a transfer between the delivering Clearing Participant's account and JSCC's account:

The delivering Clearing Participant shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan;

- (b) In the case of a transfer between an account of a participant<sup>\*1</sup> designated by the Bank of Japan pursuant to the provisions of Paragraph 1 of Article 11 of the BOJ Business Regulations concerning the JGB Book-Entry System prescribed by the Bank of Japan and JSCC's account:

(\*1 limited to the participant with respect to which notice is submitted to JSCC in advance)

Such participant designated by the Bank of Japan shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan. In this case, the delivering Clearing Participant shall give necessary instruction to such participant designated by the Bank of Japan.

- (c) In the case of a transfer between an account of an agent and JSCC's account<sup>\*1</sup>:

(\*1 limited to the case where JSCC's approval is obtained in advance through procedures prescribed by JSCC)

Such agent shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan. In this case, the delivering Clearing Participant obtained approval of JSCC shall give necessary instruction to such agent.

- (2) With respect to the settlement between JSCC and a receiving Clearing Participant, JSCC shall submit a request for the DVP settlement on Japanese Government Bonds and a Settlement Instruction (Japanese Government Bonds) to the Bank of Japan.

2 The payment/receipt of money pertaining to the settlement stipulated in Paragraph 1 of Article 72 of the Business Rules and the Settlement by Physical Delivery and Payment stipulated in Paragraph 1 of Article 73-12 of the Business Rules shall be made in accordance with each of the following Items:

- (1) A Clearing Participant making a payment of money shall make a remittance from one of the relevant Clearing Participant's accounts<sup>\*1</sup> opened at the Bank of Japan for the purpose of receiving or paying money pertaining to the DVP settlement on Japanese Government Bonds with the use of the Bank of Japan Financial Network System<sup>\*2</sup>, which is designated by the relevant Clearing Participant, to JSCC's account opened at the Bank of Japan; the Settlement Instruction (Funds) in such event shall be made in accordance with (a) or (b) below:

(\*1 hereinafter referred to as the "Designated Account")

(\*2 in the case where no such account exists, one of the accounts of the holders of the Bank of Japan's current accounts opened at the Bank of Japan, which is designated by such Clearing Participant for the purpose of paying/receiving money pertaining to the DVP settlement on Japanese Government Bonds with the use of the Bank of Japan Financial Network System)

(a) In the case where the remittance is made from the account of the Clearing Participant making the payment:

The Clearing Participant making the payment shall submit a Settlement Instruction (Funds) to the Bank of Japan.

(b) In the case where the remittance is made from the account of the holder of the Bank of Japan's current account other than the Clearing Participant making the payment:

Such holder of the Bank of Japan's current account shall submit a Settlement Instruction (Funds) to the Bank of Japan. In this case, the Clearing Participant making the payment shall give necessary instruction to such holder of the Bank of Japan's current account.

(2) A Clearing Participant receiving a payment shall receive the payment at the Designated Account; the Settlement Instruction (Funds) in such event shall be made by JSCC.

3 The requests for the transfer prescribed in the preceding two Paragraphs shall be made based on the volume or monetary amount specified by JSCC. In such event, JSCC shall specify the aggregate face amount of Japanese Government Bonds relating to each request for the transfer, which shall not exceed 5 billion yen.

(Article 20-2 Cutoff Time for Close-out Quantity Report and the Like In Respect of Futures and Option Contracts)

1 Notification set forth in Paragraph 1 and Paragraph 2 of Article 73-2, Paragraph 1 and Paragraph 2 of Article 73-6, Paragraph 1 and Paragraph 2 of Article 73-16, Paragraph 1 and Paragraph 2 of Article 73-20, Paragraph 1 and Paragraph 2 of Article 73-26, Paragraph 1 and Paragraph 2 of Article 73-31-2 and Paragraph 1 and Paragraph 2 of Article 73-31-63 of the Business Rules\*<sup>1</sup> shall be made by 7:00 P.M. on the day on which the Trading Day<sup>2</sup> of the performance of the settlement ends.

(\*<sup>1</sup> hereinafter referred to as "Close-out Quantity Report")

2 When JSCC deems that a submission of a Close-out Quantity Report is impossible or difficult, due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for the submission of the Close-out Quantity Report or due to any other unavoidable cause, the cutoff time prescribed by the preceding Paragraph shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 20-3 Cutoff Time for Notification Concerning Exercise of Options Relating to Option Contracts)

1 Notification concerning the exercise of options set forth in Paragraph 1 and Paragraph 2 of Article 73-4, Paragraph 1 and Paragraph 2 of Article 73-18, Paragraph 1 and Paragraph 2 of Article 73-28 and Paragraph 1 and Paragraph 2 of Article 73-31-65 of the Business Rules shall be made by 5:00 P.M. on the Exercise Day.

2 When JSCC deems it impossible or difficult to issue notification concerning the exercise of the option, due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for the issuance of such notification or due to any other unavoidable cause, the cutoff time prescribed by the preceding Paragraph shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 20-4 Assignment Method Relating to Exercised Option)

The assignment of the exercised option prescribed in Paragraph 1 of Article 73-5, Paragraph 1 of Article 73-19, Paragraph 1 of Article 73-29, and Paragraph 1 of Article 73-31-66 of the Business Rules shall be made by dividing the amount pertaining to the short position of the issue with respect to which the option was exercised for the proprietary account and for customers' account of each Clearing Participant or Non-Clearing Participant into the smallest unit.

(Article 20-5 Settlement Price for JGB Futures Contract)

1 The Settlement Price prescribed by JSCC set forth in Article 73-7 of the Business Rules, which relates to JGB Futures Contracts, shall be as prescribed in the following Items; provided, however, that JSCC shall set the Settlement Price on a case-by-case basis, in the event that JSCC deems it inappropriate to cause the Settlement Price to conform with each of such Items.

(1) With respect to the contract month contracts prescribed in A) through C) below, the Settlement Price shall be the contract price of the JGB Futures Contracts at 3:02 P.M. on the Trading Day; provided, however, that in the event that no contract price of the JGB Futures Contracts exists at such time, the price shall be the last price\*<sup>1</sup> in the auction trading on the same Trading Day\*<sup>2</sup>, and provided further, that in the event that no contract price exists in the auction trading on such Trading Day\*<sup>3</sup>, the price shall be the theoretical price calculated by JSCC based on the average price of the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association.

(\*<sup>1</sup> excluding the contract price under Strategy Contract\*<sup>1-1</sup>)

- (\*<sup>1-1</sup> referring to the Strategy Contract prescribed by the Designated Market Operator; the same applies hereinafter)
- (\*<sup>2</sup> referring to the auction trading prescribed by the Designated Market Operator but excluding trading in an Night Session \*<sup>2-1</sup>; the same applies hereinafter)
- (\*<sup>2-1</sup> referring to the Night Session prescribed by the Designated Market Operator; the same applies hereinafter)
- (\*<sup>3</sup> excluding the contract price under Strategy Contract)
- A) Leading Contract Month Contract\*<sup>1</sup> with respect to each issue
- (\*<sup>1</sup> referring to the “Leading Contract Month Contract” prescribed in the following Paragraph; the same applies hereinafter in this Paragraph)
- B) Contract month contract whose Last Trading Day\*<sup>1</sup> occurs earlier than that of the Leading Contract Month Contract
- (\*<sup>1</sup> referring to the Last Trading Day prescribed by the Designated Market Operator in connection with the JGB Futures Contracts; the same applies hereinafter through Article 20-7)
- C) Except when the contract month contract\*<sup>1</sup>, whose Last Trading Day occurs immediately after the Last Trading Day of the contract month contract with the earliest Last Trading Day\*<sup>2</sup>, is a contract month contract described in A) or B) above, the second nearest contract month contract on the Last Trading Day of the nearest contract month contract
- (\*<sup>1</sup> hereinafter referred to as the “second nearest contract month contract”)
- (\*<sup>2</sup> hereinafter referred to as the “nearest contract month contract”)
- (2) With respect to the contract month contracts other than the contract month contracts set forth in A) through C) of the preceding Item, the price shall be equal to the Settlement Price of the Leading Contract Month Contract, reduced by the latest Contract Spread Price\*<sup>1</sup> between the Leading Contract Month Contract and the relevant contract month contract in the auction trading on the relevant Trading Day; provided, however, that in the event that no such Contract Spread Price exists, the price shall be equal to the Settlement Price for the Leading Contract Month Contract, reduced by the theoretical spread price calculated by JSCC based on the average price of the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association.
- (\*<sup>1</sup> referring to the contract price under Calendar Spread\*<sup>1-1</sup>; the same applies hereinafter)
- (\*<sup>1-1</sup> referring to the Calendar Spread prescribed by the Designated Market Operator)
- (3) Notwithstanding the provisions of the preceding two Items, when JSCC deems it inappropriate to set the Settlement Price pursuant to the provisions of such two Items taking the contract prices in the auction trading on the relevant Trading Day and theoretical price, etc. into account, JSCC shall determine the Settlement Price taking the condition of quotes in the auction trading on such Trading Day, etc. into account.

2 The Leading Contract Month Contract set forth in A) of Item (1) of the preceding Paragraph shall be the contract month contract which is designated by JSCC as the contract month contract with the highest liquidity on the Trading Day immediately preceding the relevant Trading Day; provided, however, that the foregoing shall not apply when deemed inappropriate by JSCC taking the trading conditions, etc. into account.

3 Notwithstanding the provisions of the preceding two Paragraphs, the Settlement Price for a contract month contract of the Cash-settled JGB Futures Contract<sup>\*1</sup> shall be equal to the Settlement Price for the contract month contract of the Physically-delivered JGB Futures Contract<sup>\*2</sup> which is used by the relevant Designated Market Operator when setting the Final Settlement Price<sup>\*3</sup> for such contract month contract; provided, however, that when the foregoing is deemed inappropriate by JSCC, the price shall be prescribed by JSCC on each applicable occasion.

(\*1 referring to the Cash-settled futures contract relating to the JGB Futures Contract prescribed by the Designated Market Operator)

(\*2 referring to the Physically-delivered futures contract relating to the JGB Futures Contract prescribed by the Designated Market Operator)

(\*3 referring to the final settlement price prescribed by the Designated Market Operator)

(Article 20-5-2 Settlement Price for Interest Rate Futures Contract)

1 The Settlement Price prescribed by JSCC set forth in Article 73-7 of the Business Rules, which relates to Interest Rate Futures Contracts, shall be as prescribed in the following Items; provided, however, that JSCC shall set the Settlement Price on a case-by-case basis, in the event that JSCC deems it inappropriate to cause the Settlement Price to conform with each of such Items.

(1) The Settlement Price shall be the last contract price<sup>\*1</sup> at the Afternoon Session of the Interest Rate Futures Contracts on the relevant Trading Day prescribed by the Designated Market Operator; and

(2) In the event that no contract price of the Interest Rate Futures Contracts described in the Item (1) above exists or in the event that using the contract price at auction trading on the relevant Trading Day as the Settlement Price is considered inappropriate, the Settlement Price shall be the theoretical price calculated by JSCC.

(Article 20-6 Conclusion of JGB Futures Pair-off Netting)

1 JSCC shall have the JGB Futures Pair-off Netting concluded for Japanese government bonds with the quantity which JSCC deems adequate, for the amount equivalent of same face value pursuant to the provisions of Article 73-12-2, Paragraph 2 of the Business Rules, for Settlement by Physical Delivery and Payment<sup>\*1</sup> and Individual Issue Settlement<sup>\*2</sup>

(\*1 referring to Settlement by Physical Delivery and Payment set forth in Article 73-11 of the

Business Rules; the same applies hereinafter in this Article)

(\*2referring to the Individual Issue Settlement set forth in Article 73-12-2, Paragraph 2 of the Business Rules; the same applies hereinafter in this Article)

- 2 Japanese government bonds which shall conclude the combination of JGB Futures Pair-off Netting as stipulated in the preceding Paragraph shall be limited to those for which scheduled settlement of the same issue that has the Day of Settlement by Physical Delivery and Payment as the settlement day for both Settlement by Physical Delivery and Payment and an Individual Issue Settlement exist and related to the Clearing Participant with the different settlement direction of delivery to JSCC or receipt from JSCC.
- 3 JGB Futures Pair-off Netting stipulated in Paragraph 1 shall be concluded for the combination where total delivery quantity to JSCC and total receipt quantity from JSCC become same when the relevant quantity aggregated by the Settlement by Physical Delivery and Payment and the Individual Issue Settlement, respectively, with respect to subject Japanese government bond for each Pair-off Netting Applying Participant.

(Article 20-7 Cutoff time for Notification Concerning Securities Subject to Settlement by Physical Delivery and Payment Relating to JGB Futures Contracts)

The cutoff time prescribed by JSCC set forth in Article 73-14 of the Business Rules shall be 5:00 P.M. on the second day following the day on which the Last Trading Day ends<sup>\*1</sup>; provided, however, that when deemed necessary by JSCC, such cutoff time shall be the time prescribed by JSCC on each applicable occasion.

(\*1 excluding Non-Business Days; the same applies hereinafter when counting number of days)

(Article 20-7-2 Cross Margining Request by JGB Futures Clearing Participant)

The Cross Margining Request set forth in Paragraph 1 of Article 73-15-2 of the Business Rules shall be made by 6:20 p.m. on the day the party intends to make the request through the IRS Clearing Operation System<sup>\*1</sup>.

(\*1 referring to the system used for exchange of information between JSCC and the Clearing Participants in connection with JSCC's Interest Rate Swap Clearing Business)

(Article 20-7-3 Criteria for Cross Margining Request)

Criteria for the Cross Margining Request set forth in Paragraph 2 of Article 73-15-2 of the Business Rules shall be the following:

- (1) For each Cross Margining User, the amount equal to the Required Initial Margin Amount<sup>\*1</sup> calculated by JSCC on an assumption of covering the Position in JGB Futures Contracts or Interest Rate Futures Contracts under the Cross Margining as if the Cross Margining Request related to the relevant Cross Margining User had been made is less

than the Required Initial Margin Amount obtained without the said Position;

(\*<sup>1</sup> referring to the Required Initial Margin Amount set forth in Article 64 of the IRS Business Rules; the same applies hereinafter)

- (2) The Cross Margining Requestor can confirm that the Position in JGB Futures Contracts or Interest Rate Futures Contracts subject to the Cross Margining Request does not exceed the Position in JGB Futures Contracts or Interest Rate Futures Contracts on the account of the Cross Margining User made the Cross Margining Request.

(Article 20-8 Settlement Price for Index Futures Contracts)

1 The Settlement Price prescribed by JSCC set forth in Article 73-21 of the Business Rules shall be as prescribed in the following Items, based on the classification of Index Futures Contracts referenced in each Item; provided, however, that JSCC shall determine the Settlement Price on a case-by-case basis, in the event that JSCC deems it inappropriate to cause the Settlement Price to conform with each of such Items:

- (1) For Index Futures Contracts\*<sup>1</sup>:

(\*<sup>1</sup> excluding those prescribed in the following Item)

- A) For Index Futures Contracts other than those listed in B) and C) below:

The Settlement Price shall be the last contract price of Index Futures Contracts in the auction trading\*<sup>1</sup> during the period from 3:30 P.M. to the end of the Day Session prescribed by the Designated Market Operator; provided, however, that in the event that no contract price of Index Futures Contracts exists during such period or JSCC deems it inappropriate to set the contract price in the auction trading as the Settlement Price, JSCC shall determine the Settlement Price taking the theoretical price relating to the relevant contract month contract, etc., calculated based on the last value of the underlying index on the day on which the Trading Day ends, pursuant to the method set forth in *Appendix 2* and the condition of quotes in the auction trading at the close of the Day Session on that day, etc. into account.

(\*<sup>1</sup> excluding the contract price under Strategy Contract; the same applies hereinafter in this Item)

- B) The Settlement Price of the contract month contracts of Mini-sized Contract\*<sup>1</sup> whose Last Trading Day is the same as that of the contract month contract of Large-sized Contract\*<sup>2</sup> shall be equal to the Settlement Price of the relevant contract month contract of Large-sized Contract.

(\*<sup>1</sup> referring to the Mini-sized contract prescribed by the Designated Market Operator; the same applies in this Item)

(\*<sup>2</sup> referring to the Large-sized contract prescribed by the Designated Market Operator; the same applies in this sub-Item B))

C) The Settlement Price of the contract month contracts of Micro-sized Contract<sup>\*1</sup> shall be the same as that of the contract month contract of Mini-sized Contract.

(\*1 referring to the Micro-sized contract prescribed by the Designated Market Operator)

(2) Index Futures Contracts whose underlying index is Nikkei Stock Average Dividend Point Index<sup>\*1</sup>:

(\*1 referring to the Nikkei Stock Average Dividend Point Index calculated by Nikkei Inc.)

A) With respect to the contract month contracts with respect to which one or more contract price exist in the session of the relevant Trading Day as at and following the time before the close of the session designated by JSCC, the Settlement Price shall be the closing contract price formed as at and following such time, and with respect to the contract month contracts with respect to which contract price does not exist as at and following such time, the Settlement Price shall be the mean of the lowest of all offer quotes and the highest of all bid quotes as at such time.

B) With respect to the contract month contracts with respect to which the contract price prescribed in A) above does not exist or with respect to which the average prescribed in A) above cannot be obtained, the Settlement Price shall be (x) where one or more contract price exist prior to the time designated by JSCC before the close of the session prescribed in A) above in the session of the relevant Trading Day, the last-formed contract price, and (y) where no contract price exists in the session of the relevant Trading Day, the Settlement Price shall be the Settlement Price of the relevant contract month contract on the immediately preceding Trading Day.

C) Notwithstanding the provisions of A) and B) above, when JSCC deems it inappropriate to set the Settlement Price pursuant to the provisions of A) and B) above taking the contract prices in the auction trading on the relevant Trading Day, etc. into account, JSCC shall determine the Settlement Price taking the condition of quotes in the auction trading on such Trading Day, etc. into account.

(Article 21. Settlement Price for Commodity Futures Contracts)

The Settlement Price prescribed by JSCC set forth in Article 73-31-3 of the Business Rules shall be as prescribed in the following Items, based on the classification of Commodity Futures Contracts referenced in each Item; provided, however, that JSCC shall determine the Settlement Price at each applicable occasion, in the event that JSCC deems it inappropriate to determine the Settlement Price pursuant to each of such Items:

(1) Physical Settlement Futures Contracts<sup>\*1</sup>:

The last contract price<sup>\*2</sup> of the Physical Settlement Futures Contracts on respective trading day that is in the auction trading during the period from the commencement of the night session to the end of the day session prescribed by the Designated Market Operator; provided, however, that in the event that no such contract price exists, it shall be the

Settlement Price for the immediately preceding Trading Day<sup>\*3</sup>.

(\*1 excluding those prescribed in the following Item)

(\*2 excluding the contract price under Strategy Contracts; the same applies hereinafter in this Item)

(\*3 for the contract month contract<sup>\*3-1</sup> on the first Trading Day, the Settlement Price for the contract month contract whose last Trading Day arrives immediately before that day

(\*3-1 referring to the contract month contracts prescribed by the Designated Market Operator; the same applies hereinafter in this Article)

(2) Physical Settlement Futures Contracts<sup>\*1</sup>:

The weighted average price<sup>\*2</sup> of the Physical Settlement Futures Contracts during the day session on the last trading day; provided, however, that in the event that no such contract price exists, the Settlement Price shall be the last contract price in the same trading day, and in the event that no contract price exists during the relevant trading day, it shall be the Settlement Price for the immediately preceding trading day.

(\*1 limited to the contract month contracts of which the last trading day has arrived)

(\*2 referring to the price obtained through the weighted average in a manner of multiplying the contract price by the contract quantity<sup>\*2-1</sup>, and then dividing the resultant value by the aggregate contract quantity)

(\*2-1 excluding the contract price under Strategy Contracts; the same applies hereinafter in this Item)

(3) Cash-settled Monthly Futures Contracts

a. Cash-settled Monthly Futures Contracts<sup>1</sup>

The Settlement Price related to the contract month contracts of the Physical Settlement Futures Contracts of which the last Trading Day belongs in the same month<sup>\*2</sup>; provided, that, in the event that there is no such contract month contract, the Settlement Price shall be the contract price of the relevant Cash-Settled Monthly Futures Contract on the relevant Trading Day<sup>\*3</sup>, which is the last contract price in the auction trading during the period from the start of the Night Session to the end of the Day Session prescribed by the Designated Market Operator, and if there is no such contract price, it shall be the Settlement Price on the immediately preceding Trading Day<sup>\*4</sup>;

(\*1 excluding those prescribed in b. below)

(\*2 limited those with the same underlying financial instrument)

(\*3 excluding the contract price under Strategy Contract; the same applies hereinafter in this Item)

(\*4 for the contract month contract on the first Trading Day, the Settlement Price for the contract month contract whose last Trading Day arrives immediately before that day)

b. Cash-Settled Monthly Futures Contracts whose underlying index is the price<sup>\*1</sup> of Shanghai Natural Rubber Futures Contracts

Out of the contract price of the Cash-Settled Monthly Futures Contracts on the relevant Trading Day, the Settlement Price shall be the last contract price in the auction trading during the period from 3:30 P.M. to the end of the Day Session prescribed by the Designated Market Operator; provided, however, that in the event that no such final contract price exists, or JSCC deems it inappropriate to set the contract price in the auction trading on respective Trading Day as the Settlement Price, it shall be the price determined by JSCC, considering the status of quotes in the auction trading on respective Trading Day and other conditions.

(\*1 referring to the price of Shanghai Natural Rubber Futures Contracts specified by the Designated Market Operator)

(4) Cash-Settled Rolling Spot Futures Contract

The theoretical price prescribed by Designated Market Operator.

(Article 22. Method of Payment/Receipt of Money in Settlement by Delivery of Commodity Futures Contracts)

The payment and receipt of money associated with the Settlement by Delivery prescribed in Article 73-31-8, Paragraph 1 of Article 73-31-10, Paragraph 1 of Article 73-31-11, Paragraph 1 of Article 73-31-12, Article 73-31-16, Paragraph 1 of Article 73-31-18, Paragraph 1 of Article 73-31-19, Paragraph 1 of Article 73-31 20, Article 73-31-26, Article 73-31-35, Paragraph 1 of Article 73-31-37, Paragraph 1 of Article 73-31-38, Paragraph 1 of Article 73-31-39, Article 73-31-44, Paragraph 1 of Article 73-31-46, Article 73-31-51, Article 73-31-52, Paragraph 2 of Article 73-31-60 and Paragraph 1 of Article 73-31-61 shall be performed in a manner prescribed below:

(1) A Clearing Participant making a payment of money shall open an account at the bank<sup>\*1</sup> which is selected by the Clearing Participant from the banks designated by JSCC, and shall make a remittance from such account to the account held in the name of JSCC at such Delivery Settlement Bank.

(\*1 hereinafter referred to as the "Delivery Settlement Bank")

(2) A Clearing Participant receiving a payment of money shall open an account at the Delivery Settlement Bank and receive it at such account.

(Article 23. Determination of Delivery Goods related to Precious Metals)

Pursuant to the provisions of Paragraph 1 of Article 73-31-7 of the Business Rules, in the Settlement by Delivery related to Precious Metals, the delivery goods to be allocated to a Receiving Precious Metal Futures Clearing Participant shall be determined as set forth below:

(1) The delivery goods related to the Final Short Position<sup>\*1</sup> in the same quantity as the Final Long Position<sup>\*2</sup> held by the Precious Metal Futures Clearing Participant shall be allocated to the final long position of the relevant Precious Metal Futures Clearing Participant.

(\*1 excluding the final short position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-12 and Article 73-31-13 of the Business Rules)

(\*2 excluding the final long position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-12 and Article 73-31-13 of the Business Rules; the same applies in this Article)

- (2) If there are two (2) or more Precious Metal Futures Clearing Participants holding the Final Long Position to which the allocation of the delivery goods is not performed in the preceding Item, each delivery goods to be received by the Receiving Precious Metal Futures Clearing Participants as to the relevant final long position shall be allocated by a lottery or through other method as prescribed by JSCC.

(Article 24. Determination of Delivery Goods related to RSS)

Pursuant to the provisions of Paragraph 1 of Article 73-31-15 of the Business Rules, in the Settlement by Delivery related to RSS, the delivery goods to be allocated to a Receiving Rubber Futures Clearing Participant shall be determined as set forth below:

- (1) The delivery goods related to the Final Short Position<sup>\*1</sup> in the same quantity as the Final Long Position<sup>\*2</sup> held by the Rubber Futures Clearing Participant shall be allocated to the final long position of the relevant Rubber Futures Clearing Participant.

(\*1 excluding the Final Short Position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-20 and Article 73-31-21 of the Business Rules)

(\*2 excluding the Final Long Position for which the Settlement by Delivery is performed pursuant to the provisions of Article 73-31-20 and Article 73-31-21 of the Business Rules; the same applies in this Article)

- (2) If there are two (2) or more Rubber Futures Clearing Participants holding the Final Long Position to which the allocation of the delivery goods is not performed in the preceding Item, each delivery goods to be received by the Receiving Rubber Futures Clearing Participants as to the relevant final long position shall be allocated by a lottery or through other method as prescribed by JSCC.

(Article 25. Inspection Request related to RSS)

When desires an inspection or a weight inspection with respect RSS of which the delivery to the warehouse designated by the Designated Market Operator has completed before the determination of the delivery goods as prescribed in Paragraph 1 of Article 73-31-15 of the Business Rules, a Rubber Futures Clearing Participant shall request such inspection in a manner prescribed by JSCC.

(Article 26. Inspection by Receiving Rubber Futures Clearing Participant related to RSS)

- 1 The Receiving Rubber Futures Clearing Participant, the delivery goods to receive has been determined pursuant to the provisions of Paragraph 1 of Article 24, shall conduct an inspection or a weight inspection of the delivery goods by 5:00 P.M. on the next day following the date of

such determination except for a case prescribed by JSCC.

2 If any deficiency is recognized as a result of the inspection or the weight inspection of the preceding Paragraph, the Receiving Rubber Futures Clearing Participant may file a claim of deficiency with JSCC by 5:00 P.M. on the next day following the day prescribed in the said Paragraph in a manner prescribed by JSCC.

3 When the parties to the delivery agree to withdraw such claim after filing the claim of the preceding Paragraph, the Receiving Rubber Futures Clearing Participant may withdraw such claim by giving notice to JSCC by the day immediately preceding the date on which JSCC's inspection prescribed in the following Article is to be conducted.

(Article 27. Inspection based on Inspection Request related to RSS)

1 Upon receipt of a request set forth in Article 25 or a claim of deficiency set forth in Paragraph 2 of the preceding Article, JSCC shall conduct the inspection or the weight inspection in a manner prescribed by JSCC. In this case, JSCC may cause third parties to conduct such inspection or weight inspection when JSCC deems necessary.

2 As a result of the inspection or the weight inspection of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, JSCC shall have the Settlement by Delivery completed in accordance with the provisions of the following Items according to the classification of the cases. In this case, the parties to the delivery must follow the determination.

(1) When the deficiency relates to an exterior and is immaterial, and JSCC determines that it would not cause any problem if the delivery were completed based on a price discount:

Discount the amount determined by multiplying the relevant delivery quantity by the price determined by JSCC from the Price for Settlement by Delivery;

(2) When the deficiency relates to a quality or exterior, and JSCC considers that the deficiency is material and the delivery goods are not considered to be suitable for delivery:

a. JSC shall cause the Delivering Rubber Futures Clearing Participant to supply substitute delivery goods by the 5th day from the date JSCC made such determination. In this case, when such substitute goods are delivered after the last Business Day of the relevant month, the Delivering Rubber Futures Clearing Participant shall pay JSCC money in the amount obtained by multiplying the delivery quantity by 0.3% of the Price for Settlement by Delivery, and JSCC shall pay such amount of money to the Receiving Rubber Futures Clearing Participant.

b. When the substitute goods prescribed in a. above are not supplied or when JSCC considers that the deficiency in such substitute goods is material and they are not suitable for delivery, the provisions of Article 73-31-57 shall apply.

(3) When there is a shortfall in the weight of the delivery goods against the stated weight exceeding the range prescribed by the Designated Market Operator:

Discount the amount obtained by multiplying such shortfall in weight by the Price for Settlement by Delivery from the Price for Settlement by Delivery.

3 The costs of the inspection or the weight inspection of the delivery goods for handling of the deficiency as prescribed in the preceding Paragraph shall be shared as follows:

- (1) Costs of the inspection shall be borne by the Delivering Rubber Futures Clearing Participant; and
- (2) In respect of a weight inspection, when no deficiency is recognized, the costs thereof shall be borne by the Receiving Rubber Futures Clearing Participant, and when a deficiency is recognized and it has been handled as prescribed in Item (3) of the preceding Paragraph, the costs thereof shall be borne by the Delivering Rubber Futures Clearing Participant.

(Article 28. Matters to be Notified in Delivery/Receipt of TSR)

1 In the delivery/receipt of TSR prescribed in Article 73-31-26 of the Business Rules, the Receiving Rubber Futures Clearing Participant shall notify the matters listed below to the Delivering Rubber Futures Clearing Participant and the Delivering Rubber Futures Clearing Participant shall observe such notification. In this case, the Delivering Rubber Futures Clearing Participant and the Receiving Rubber Futures Clearing Participant shall co-sign and submit the shipping advice designated by JSCC to JSCC by noon on the day that is eight (8) days from and preceding the shipping date<sup>\*1</sup>.

(\*1 excluding Non-Business Days)

(1) Shipping date of delivery goods: The shipping date shall be the date designated by the Receiving Rubber Futures Clearing Participant within the period from the 10th day of the next month following the month in which the Last Trading Date of each contract month contract belongs to the 15th day of that month<sup>\*1</sup>.

(\*1 including Non-Business Day)

(2) When it desires to split the delivery/receipt of TSR by delivery unit: that effect.

2 For the delivery/receipt of the preceding Paragraph, in principle, the Receiving Rubber Futures Clearing Participant shall arrange the vessel<sup>\*1</sup> and container, and the Delivering Rubber Futures Clearing Participant shall cooperate in loading to the relevant vessel and container and other procedures.

(\*1 limited to those satisfying the criteria for the port entry permission of the delivery point)

3 The delivery documents prescribed in Item (1) C) of Paragraph 1 of Article 73-31-26 of the Business Rules shall be those listed in the following Items:

- (1) Bill of Lading;
- (2) Invoice;
- (3) Quality Inspection Certificate;
- (4) Quality/Weight Certificate;
- (5) Certificate of Origin;

- (6) Packing List; and
- (7) Other documents generally used as delivery documents in international rubber transactions.

(Article 29. Shipping Date and Other Conditions on Declared Delivery or Customized Delivery related to TSR)

1 Notwithstanding the provisions of Paragraph 1 of the preceding Article, when the Settlement by Delivery related to TSR is to be performed through a Declared Delivery or a Customized Delivery, the shipping date of the delivery goods shall be the date designated by the Receiving Rubber Futures Clearing Participant pursuant to the provisions of below Items and agreed by the Delivering Rubber Futures Clearing Participant:

(1) For Declared Delivery, within the period from the day that is 3rd day from the date on which the Declared Delivery is agreed to the last day<sup>\*1</sup> of the next month following the month in which the Last Trading Day of each contract month contract belongs; and

(\*1 including Non-Business Day)

(2) For Customized Delivery, within the period from the 10th day of the next month following the month in which the Last Trading Day of each contract month contract belongs to the last day of that next month<sup>\*1</sup>.

(\*1 including Non-Business Day)

2 When the Settlement by Delivery related to TSR is performed through a Declared Delivery or a Customized Delivery with any goods other than such Good Delivery Material or any location other than such delivery points as designated by the Designated Market Operator, notwithstanding the provisions of Paragraph 2 of the preceding Article, an arrangement of the vessel and containers and other procedures shall be determined between the parties to the delivery.

(Article 30. Claim of Deficiency by Receiving Rubber Futures Clearing Participant related to TSR)

1 In cases where the Receiving Rubber Futures Clearing Participant received the delivery goods pursuant to the provisions of Article 73-31-26 of the Business Rules<sup>\*1</sup> acknowledges that there is a deficiency in delivery goods condition such as a deficiency in quality, weight, packaging or an adhesion of foreign substance, it may file a claim of deficiency with JSCC within forty-five (45) days<sup>\*2</sup> from and after the landing of the relevant delivery goods at the destination.

(\*1 excluding the case of Declared Delivery, and the case of Customized Delivery when the delivery is performed with the delivery goods other than such Good Delivery Material or at the location other than such delivery points designated by the Designated Market Operator or the case where the responsibilities of the Delivering Rubber Futures Clearing Participant against the delivery goods are different from those prescribed in Paragraph 1 of Article 73-31-30 of the Business Rules)

(\*2 including Non-Business Day)

2 When the parties to the delivery agree to withdraw such claim after filing the claim of the preceding Paragraph, the Receiving Rubber Futures Clearing Participant may withdraw such claim by giving notice to JSCC.

(Article 31. Inspection based on Claim of Deficiency) related to TSR)

1 Upon receipt of a claim of deficiency set forth in Paragraph 1 of the preceding Article, JSCC shall conduct the inspection or the weight inspection of the delivery goods in a manner prescribed by JSCC. In this case, JSCC may cause third parties to conduct such inspection or weight inspection when JSCC deems necessary.

2 As a result of the inspection or the weight inspection of the first sentence of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, JSCC shall have the Settlement by Delivery completed in accordance with the provisions of the following Items according to the classification of the cases.

(1) When the deficiency is immaterial and JSCC determines that it would not cause any problem if the delivery were completed based on a price discount:

Discount the amount determined by multiplying the relevant delivery quantity by the price determined by JSCC from the Price for Settlement by Delivery;

(2) When JSCC considers that the deficiency is material and the delivery goods are not considered to be suitable for delivery:

a. When there is an agreement between the parties to the delivery:

JSCC shall cause the Delivering Rubber Futures Clearing Participant to supply substitute delivery goods. In this case, the Delivering Rubber Futures Clearing Participant shall pay the costs required for the supply of the substitute goods to the place designated by the Receiving Rubber Futures Clearing Participant and a sum of the amount that is 1% of the Price for Settlement by Delivery to JSCC, and JSCC shall pay such amount of money to the Receiving Rubber Futures Clearing Participant.

b. When the substitute goods prescribed in a. above are not supplied or when JSCC considers that the deficiency in such substitute goods is material and they are not suitable for delivery:

The provisions of Article 73-31-57 of the Business Rules shall apply.

(3) When there is an excess or shortfall in the weight of the delivery goods exceeding the range prescribed by the Designated Market Operator:

Settled by an amount of money obtained by multiplying the Price for Settlement by Delivery by the difference from 0.5% if the relevant excess or shortfall does not exceed 1% of the delivery weight, or by the entire weight of excess or shortfall if the relevant excess or shortfall exceeds 1%.

3 As a result of the inspection or the weight inspection by an arbitration center provided in the TSR International Contract\*<sup>1</sup> pursuant to the provisions of the second sentence of Paragraph 1, if no deficiency has been recognized, the claim of deficiency set forth in the said Paragraph

shall be rejected, and if any deficiency in the delivery goods has been recognized, the parties to the delivery shall perform the Settlement by Delivery by following the procedure set by the arbitration center.

(\*1 Referring to the International Contract for Technically Specified Rubber prescribed by the International Rubber Association as a condition for standard transaction of TSR)

4 The parties to the delivery shall perform the Settlement by Delivery in accordance with the determination of the provisions of the preceding two Paragraphs and may not lodge any objection to such determination.

5 The costs of the inspection or the weight inspection of the delivery goods prescribed in Paragraph 1 shall be shared as follows:

- (1) If no deficiency is recognized, the inspection fees and other actual costs incurred for the research shall be borne by the Receiving Rubber Futures Clearing Participant; and
- (2) If any deficiency is recognized, the inspection fees and other actual costs incurred for the research shall be borne by the Delivering Rubber Futures Clearing Participant; provided, however, that in the case of the settlement by the arbitration center prescribed in Paragraph 3, the parties to the delivery shall pay their respective costs according to the decision of the arbitration center.

(Article 32. Delivery Costs related to TSR)

1 Delivery costs in the Settlement by Delivery related to TSR shall be shared as follows:

- (1) Fees for use of container terminals that accrue for shipment and expenses related to shipment work, etc. that accrue up to completion of shipment of the full quantity of the delivery goods shall be borne by the Delivering Rubber Futures Clearing Participant;
- (2) Expenses for arrangement for vessels and containers and expenses that accrue after completion of shipment of the full quantity of the delivery goods shall be borne by the Receiving Rubber Futures Clearing Participant; and
- (3) Sharing of other expenses not prescribed in the Business Rules or other rules shall be decided through mutual consultation between the parties to the delivery in accordance with commercial custom.

2 When the Settlement by Delivery related to TSR is performed through a Declared Delivery or a Customized Delivery with any goods other than such Good Delivery Material or any location other than such delivery points as designated by the Designated Market Operator, notwithstanding the provisions of the preceding Paragraph, costs shall be shared in a manner decided upon mutual consultation between the parties to the delivery.

(Article 33. Inspection Request by Receiving Agricultural Futures Clearing Participant related to Soybeans)

1 For delivery goods received pursuant to the provisions of Article 73-31-35 and Article 73-31-

37 of the Business Rules to ship within thirty days from and after the delivery day<sup>\*1</sup>, the Receiving Agricultural Futures Clearing Participant may request that JSCC inspect<sup>\*2</sup> the delivery goods no later than 2:00 P.M. on the day immediately preceding the date of such shipment.

(\*1 including Non-Business Days)

(\*2 limited to those related to quality, and approved by JSCC)

2 In case of a request set forth in the preceding Paragraph, the Receiving Agricultural Futures Clearing Participant shall not release the warehouse receipt of the delivery goods subject to such request until their shipment.

(Article 34. Inspection based on Inspection Request related to Soybeans)

1 Upon receipt of a request set forth in the preceding Article, JSCC shall conduct the inspection in a manner prescribed by JSCC. In this case, JSCC may cause third parties to conduct such inspection when JSCC deems necessary.

2 As a result of the inspection of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, the Delivering Agricultural Futures Clearing Participant shall pay the amount of discount determined by JSCC to JSCC by noon on the 3rd day from the date of JSCC's notification of such result, and JSCC shall pay such amount of money to the Receiving Agricultural Futures Clearing Participant. In this case, the parties to the delivery must follow the determination.

3 The costs related to the request set forth in Paragraph 1 of the preceding Article shall be shared, according to the classifications of the cases specified below, as specified in each of the relevant Items:

(1) When JSCC acknowledges no deficiency, the warehouse storage fees for the period from the next term following the term in which the delivery day belongs to the term in which the shipment day belongs and the cost of analysis related to the inspection shall be borne by the Receiving Agricultural Futures Clearing Participant; and

(2) When JSCC acknowledges any deficiency, the warehouse storage fees for the period from the next term following the term in which the delivery day belongs to the term in which the shipment day belongs shall be borne by the Receiving Agricultural Futures Clearing Participant, and the cost of analysis related to the inspection and other actual costs shall be borne by the Delivering Agricultural Futures Clearing Participant.

(Article 35. Requested Advance Inspection related to Azuki)

1 When desires an inspection or a weight inspection with respect Azuki of which the delivery to the warehouse designated by the Designated Market Operator has completed before the determination of the delivery goods as prescribed in Paragraph 1 of Article 73-31-43 of the Business Rules, an Agricultural Futures Clearing Participant shall request such inspection in

a manner prescribed by JSCC.

2 Upon receipt of a request of the preceding Paragraph, JSCC shall conduct the inspection or the weight inspection in a manner prescribed by JSCC.

(Article 36. Claim of Deficiency by Receiving Agricultural Futures Clearing Participant related to Azuki)

1 If, for delivery goods received pursuant to the provisions of Article 73-31-44 and Article 73-31-46 of the Business Rules, it is recognized that quality does not meet requirements, the weight is short, there are problems with packaging, or there are other problems, the Receiving Agricultural Futures Clearing Participant may file a claim of deficiency with JSCC not later than 2:00 P.M. on the 3rd day from the date of delivery, unless the inspection under the provisions of the preceding Article has been conducted.

2 When the Receiving Agricultural Futures Clearing Participant filed a claim of the preceding Paragraph, it shall neither dispatch the delivery goods subject to such request nor release the warehouse receipt thereof until JSCC makes decision on the handling of the deficiency.

(Article 37. Inspection based on Claim of Deficiency related to Azuki)

1 Upon receipt of a claim of deficiency set forth in the preceding Article, JSCC shall conduct the inspection or the weight inspection in a manner prescribed by JSCC.

2 As a result of the inspection or the weight inspection of the preceding Paragraph, if no deficiency is recognized, JSCC will reject the claim, and if any deficiency is recognized, JSCC shall have the Settlement by Delivery completed in accordance with the provisions of the following Items according to the classification of the cases. In this case, the parties to the delivery must follow the determination.

(1) When the deficiency is immaterial and JSCC determines that it would not cause any problem if the delivery were completed based on a price discount:

Discount the amount determined by JSCC from the Price for Settlement by Delivery;

(2) When JSCC considers that the deficiency is material and the delivery goods are not considered to be suitable for delivery:

a. JSCC shall cause the Delivering Agricultural Futures Clearing Participant to supply substitute delivery goods only once by 4th day from the date of JSCC's notification of such result, and, as a result of JSCC's inspection of the substitute goods after their supply, if no deficiency is recognized, the delivery shall complete with such substitute goods, and if such substitute goods fall under the provisions of the preceding Item, the delivery shall complete pursuant to the provisions of the said Item.. In this case, the Delivering Agricultural Futures Clearing Participant shall pay JSCC a penalty for late delivery in the amount equivalent to 1% of the Price for Settlement by Delivery for the substitute portion, and, upon receipt of such penalty for late delivery, JSCC shall pay it to the Receiving Agricultural Futures

Clearing Participant.

b. When the substitute goods prescribed in a. above are not supplied or when JSCC considers that the deficiency in such substitute goods is material and they are not suitable for delivery, the provisions of Article 73-31-57 shall apply.

(3) When there is a shortfall, entirely or partially, in the weight of the delivery goods against the weight tolerance prescribed by the Designated Market Operator:

Discount the amount determined by JSCC from the Price for Settlement by Delivery;

3 The Delivering Agricultural Futures Clearing Participant or the Receiving Agricultural Futures Clearing Participant shall pay the amount related to the discount, difference or the like pursuant to the provisions of the preceding Paragraph by noon on the 3rd day from the date of JSCC's notification of the result of the inspection prescribed in Paragraph 1<sup>\*1</sup>, and upon its receipt, JSCC shall pay it to the other party.

(\*1 in the case of Item (2) a. of the preceding Paragraph, the date of JSCC's notification of the result of the inspection of the substitute goods)

4 The costs related to the claim of deficiency as prescribed in the preceding Article shall be shared as follows:

(1) As to a portion of the delivery goods of which JSCC acknowledged no deficiency, the warehouse storage fees for the period from the next term following the term in which the delivery day belongs to the term in which the date of completion of the inspection or the weight inspection belongs and inspection fees shall be borne by the Receiving Agricultural Futures Clearing Participant;

(2) As to a portion of the delivery goods of which JSCC acknowledged any deficiency<sup>\*1</sup>, the warehouse storage fees up to the term in which the date of completion of the delivery/receipt belongs shall be borne by the Receiving Agricultural Futures Clearing Participant and the inspection fees shall be borne by the Delivering Agricultural Futures Clearing Participant;

(\*1 limited to the case where the delivery/receipt is completed by a price discount)

(3) As to a portion of the delivery goods of which JSCC acknowledged any deficiency<sup>\*1</sup>, the inspection fees for Azuki for which substitute goods are supplied, and, as to the relevant substitute goods, the warehouse storage fees up to the term in which the date of completion of the delivery/receipt belongs and the inspection fees set forth in Item (2) a. of Paragraph 2 shall be borne by the Delivering Agricultural Futures Clearing Participant;

(\*1 limited to the case where the delivery/receipt is completed by supply of substitute goods)

(4) In the case prescribed in Item (2) b. of Paragraph 2, the inspection fees shall be borne by the Delivering Agricultural Futures Clearing Participant.

(Article 38. Adherence to Previous Decisions related to Azuki)

1 While the goods are provided, with respect to the delivery goods subject to the inspection or

the weight inspection prescribed in Paragraph 1 of the preceding Article, the result of such inspection or weight inspection shall be adhered to as the precedence. When the warehouse receipt for the delivery goods is provided for delivery, JSCC shall notify the Receiving Agricultural Futures Clearing Participant receiving such warehouse receipt of the precedent.

2 If the Receiving Agricultural Futures Clearing Participant objects to the previous decision prescribed in the preceding Paragraph<sup>\*1</sup>, it may submit a claim of deficiency. In this case, the provisions of the preceding two Articles shall apply mutatis mutandis to such claim.

(\*1 excluding, for each contract month contract, the precedence through requested advance inspection conducted in the month in which the Last Trading Day belongs)

(Article 39. Determination of Stevedoring Method related to Corn)

Upon delivery/receipt of the delivery goods set forth in the main body of Article 73-31-51 and the main body of Article 73-31-52 of the Business Rules, matters necessary to rationally load or unload the vessel, such as stevedoring method, shall be discussed, and such discussion shall be completed by the day that is six (6) days<sup>\*1</sup> from and preceding the date of entry of the carrying vessel to the port of delivery related to the Settlement by Delivery of Corn.

(\*1 Including Non-Business Days)

(Article 40. Delivery Documents related to Corn)

1 The delivery documents for the delivery goods prescribed in Item (1) B) of Article 73-31-51 of the Business Rules shall be those listed below:

- (1) Bill of lading, delivery order, or private delivery order;
- (2) Invoice;
- (3) Debit note; and
- (4) Copy of the charter contract, copy of the certificate or proof of insurance policy, and other documents demanded by customs that JSCC deems necessary

2 Documents prescribed in the preceding Paragraph must satisfy following conditions:

- (1) An item that includes matters stipulated by international contracts, established business practices, Japanese laws and the like;
- (2) The bill of lading and policy must include all necessary terms for transfer;
- (3) The delivery order must be the one that has been initially endorsed by the company specified by the Designated Market Operator; and
- (4) The private delivery order must be the one issued by the company specified by the Designated Market Operator, and include, based on other documents such as the invoice and bill of lading, region of origin, product name, product grade, delivery quantity, carrying vessel, date of port departure, port of delivery (berth), expected delivery date, importing trading company and flag-bearing trading company, issuer, date of issue, marine insurance company, and other necessary information; and

- (5) Documents necessary to pass through customs that include information that are necessary for customs procedures.

(Article 41. Treatment of Notice of Completion of Unloading related to Corn)

The notice concerning the completion of unloading of the delivery goods prescribed in Item (1) C) of Article 73-31-51 and Item (1) B) of Article 73-31-52 that is submitted to JSCC after 3:30 P.M. shall be treated as submitted on the next day of the date of submission.

(Article 42. Adjustment Due to Differences in Weight of Delivery Goods related to Corn)

1 The adjustment of Price for Settlement by Delivery and the Like related to Corn prescribed in Paragraph 2 of Article 73-31-53 of the Business Rules shall be made in a manner set forth in the following Items according to the classification listed in such Items:

- (1) In the case of the excess in the amount of 5% or less of the quantity of the delivery goods, the Price for Settlement by Delivery for the excess amount calculated by JSCC using the Price for Settlement by Delivery on the date of notification of the net landing quantity to JSCC<sup>\*1</sup> shall be paid by the Receiving Agricultural Futures Clearing Participant to JSCC by noon on the 5th day following the relevant day and JSCC shall pay this to the Delivering Agricultural Futures Clearing Participant without delay after its receipt;

(\*1 any fraction less than whole kilogram shall be rounded off)

- (2) In the case of the shortfall in the amount of 5% or less of the quantity of the delivery goods, the Price for Settlement by Delivery for the shortfall calculated by JSCC using the Price for Settlement by Delivery on the date of notification of the net landing quantity to JSCC<sup>\*1</sup> shall be paid by the Delivering Agricultural Futures Clearing Participant to JSCC by noon on the 5th day following the relevant day and JSCC shall pay this to the Receiving Agricultural Futures Clearing Participant without delay after its receipt;

(\*1 any fraction less than whole kilogram shall be rounded off)

- (3) In the case of the excess in the amount of more than 5% of the quantity of the delivery goods, the Receiving Agricultural Future Clearing Participant may request that the Delivering Agricultural Futures Clearing Participant conclude a transaction for an amount equivalent to the excess amount; provided, however, that when agreed between the parties to the delivery and obtained JSCC's approval, the adjustment may be made through other method;

- (4) In the case of a shortfall of more than 5% of the quantity of the delivery goods, the Delivering Agricultural Futures Clearing Participant shall promptly deliver an additional delivery goods equivalent to the quantity in short to the Receiving Agricultural Future Clearing Participant; provided, however, that when agreed between the parties to the delivery and obtained JSCC's approval, the adjustment may be made through other method;

2 Upon completion of the adjustment of Item (3) and Item (4) of the preceding Paragraph, the

parties to the delivery shall notify JSCC of such effect.

(Article 43. Delivery Costs)

The costs arising from the Settlement by Delivery related to Corn prescribed in Article 73-31-54 of the Business Rules shall be shared, according to the classifications specified below, as specified in each of the relevant items:

- (1) Unloading costs, inspection costs and weight inspection costs shall be borne by the Receiving Agricultural Futures Clearing Participant;
- (2) Port surcharges shall be borne by the Delivering Agricultural Futures Clearing Participant;
- (3) Refunds of the early dispatch fees shall be paid to the Delivering Agricultural Futures Clearing Participant; and
- (4) Demurrage and other special cargo handling fees for nights and holidays shall be borne by the Delivering Agricultural Futures Clearing Participant; provided, however, that if the expenses are attributable to the Receiving Agricultural Futures Clearing Participant, they shall be borne by Receiving Agricultural Futures Clearing Participant

(Article 44. Accident Involving Carrying Vessel and Other Events)

1 Events to be designated by JSCC as set forth in Paragraph 1 of Article 73-31-56 of the Business Rules shall be as follows:

- (1) When a shipping and carriage cannot be carried out due to a natural disaster, war, riot or the like;
- (2) In the event of an accident to the vessel;
- (3) When the delivery goods are damaged or lost on account of a maritime accident such as the sinking of the vessel;
- (4) When there is a strike related to onboard loading or unloading of cargo at the port of departure, port of call, or port of arrival, strike related to the shore loading or unloading of cargo, vessels are stopped from entering or leaving port by public organizations, or other measures are taken;
- (5) When the ship's captain judges that loading needs to be suspended or halted in order to prevent an accident;
- (6) When performance of the delivery/receipt by the parties to the delivery becomes impossible due to laws, regulations, administrative sanctions or the like; or
- (7) Other events approved by JSCC as being inevitable.

2 Those prescribed by JSCC as set forth in Paragraph 1 of Article 73-31-56 of the Business Rules shall be the delivery/receipt as set forth below:

- (1) TSR: The delivery/receipt for which the delivery tender notice prescribed in Paragraph 1 of Article 28 had been submitted before the occurrence of the event of the preceding Paragraph;

(2) Corn: The delivery/receipt:

- a. for which the delivery goods details advice prescribed in Item (1) A) of Article 73-31-51 of the Business Rules had been submitted to JSCC before the occurrence of the event of the preceding Paragraph; or
- b. which had been agreed to be performed through Early Delivery pursuant to the provisions of Article 73-31-52 of the Business Rules before the occurrence of the event of the preceding Paragraph.

(Article 45. Money to be Collected in case of Completing Physical Settlement Futures Contracts through Cash Settlement)

The amount to be determined by JSCC as set forth in Article 73-31-57 of the Business Rules shall be as prescribed in the following Items, based on the classification referenced in each Item;

(1) Failure of delivery of delivery goods:

The amount prescribed by JSCC taking into consideration, in respect of the Commodity Futures Clearing Participant receiving the delivery goods, costs required for such receipt, costs required for procurement of such delivery goods, a lost profit, amount equivalent to late charge and the like;

(2) Failure of receipt of delivery goods:

The amount prescribed by JSCC taking into consideration, in respect of the Commodity Futures Clearing Participant delivering the delivery goods, costs required for such delivery, costs required for sale of such delivery goods, a lost profit, amount equivalent to late charge and the like;

Article 46 to Article 50: Deleted

(Article 51 Cutoff Time for Application Concerning Position Transfer, etc.)

- 1 The cutoff time prescribed by JSCC pursuant to the provisions of Paragraph 2 and Paragraph 5 of Article 73-44 of the Business Rules shall be 2:30 P.M. on the day on which the Position Transfer is to be implemented
- 2 When JSCC deems it impossible or difficult to submit the applications to JSCC which are prescribed in Paragraph 2 and Paragraph 5 of Article 73-44 of the Business Rules due to problems affecting the operation of the systems set up by JSCC or another institution which are necessary for submitting such applications, or due to any other unavoidable cause, the cutoff time prescribed by the preceding two Paragraphs shall be the time prescribed by JSCC on each applicable occasion. In such event, prior notice of such cutoff time shall be provided to the Clearing Participant.

(Article 52 Termination of Settlement Use)

The amount prescribed by JSCC as set forth in Paragraph 3 of Article 75-4 of the Business Rules shall be the amount equivalent to the cost required, in the ordinary course of business, for JSCC to procure the money in the amount of clearing fund related to the settlement use, prorated according to the amount required for clearing fund on the day before the Settlement Use Commencement Date for each of the Clearing Participants on Settlement Use Commencement Date.

(Article 53. Liquidation for Completion of Settlement and Default Settlement Auction related to Default Delivery Position)

1 When holding a Default Settlement Auction in respect of the Default Delivery Position in accordance with the provisions of Paragraph 9 of Article 76 of the Business Rules, JSCC shall decide the Clearing Participants to perform the Settlement by Delivery related to the Physical Settlement Futures Contract with the Default Delivery Position<sup>\*1</sup> and the delivery position of such Clearing Participant<sup>\*2</sup> in a manner set forth below:

(\*1 hereinafter referred to as "Counterparty to Default Delivery Position")

(\*2 hereinafter referred to as "Offsetting Position to Default Delivery Position")

(1) When the Clearing Participant to be a counterparty to the Settlement by Delivery related to the Physical Settlement Futures Contracts related to the Default Delivery Position has not been decided as of the Determination of Insolvency of the Default Clearing Participant:

A portion of the Default Delivery Position to be allocated to each Clearing Participant holding the offsetting position to the Default Delivery Position shall be determined by prorating Default Delivery Position<sup>\*1</sup> according to the offsetting position held by each Clearing Participant<sup>\*2</sup>. The Counterparty to Default Delivery Position shall be the Clearing Participant received such allocation, and Offsetting Position to Default Delivery Position shall be the offsetting delivery position of the Counterparty to Default Delivery Position equivalent to the quantity so allocated; provided, however, that if there is any fraction less than the delivery unit in the quantity so allocated, it shall be the quantity obtained by rounding such fraction to the nearest delivery unit with 0.5 delivery unit being rounded upwards<sup>\*3</sup>.

(\*1 excluding a cross-position<sup>\*1-1</sup>)

(\*1-1 referring to the quantity for which the quantity of the delivery position related to short position and the quantity of the delivery position related to long position matches)

(\*2 including a cross-position)

(\*3 if there arises any excess or deficit in the aggregate number of the Offsetting Position to Default Delivery Position due to such rounding, the quantity determined by an adjustment of the Offsetting Position to Default Settlement through JSCC's lottery performed to make the quantity of the Offsetting Position to Default Delivery Position the same as the quantity of the Default Delivery Position)

- (2) When the Clearing Participant to be a counterparty to the Settlement by Delivery related to the Physical Settlement Futures Contracts related to the Default Delivery Position has been decided as of the Determination of Insolvency of the Default Clearing Participant:  
The Clearing Participant that has decided to be the counterparty shall be the Counterparty to Default Delivery Position and the offsetting position of the relevant Counterparty to Default Delivery Position for which the delivery has been decided shall be the Offsetting Position to Default Delivery Position.
- 2 The Default Settlement Auction for the Default Delivery Position set forth in the preceding Paragraph shall be held in a manner set forth below:
- (1) The quantity of Default Delivery Position subject to the Default Settlement Auction shall be the quantity of the Default Delivery Position minus the quantity of the cross-position;
- (2) The unit of the quantity for bid shall be the unit equivalent to the trading unit of the issue related to the Default Delivery Position prescribed by the Designated Market Operator;
- (3) The unit of selling offer price for the quantity for bid shall be the unit equivalent to the delivery unit of the issue related to the Default Delivery Position;
- (4) The price for which Clearing Participants may bid on the Default Settlement Auction shall be floored at the price obtained by subtracting bid acceptable price range<sup>\*1</sup> from the delivery price related to the Default Delivery Position and capped at the price obtained by adding the bid acceptable price range to the delivery price; provided, however, that when JSCC deems it necessary, JSCC may extraordinarily change the price range for which bid can be submitted; and
- (\*1 it shall be the value obtained by multiplying the delivery price by 10/100; the same applies hereinafter)
- (5) In addition to each of the preceding Items, the matters necessary for the Default Settlement Auction related to Default Delivery Position shall be set by JSCC at each applicable occasion.
- 3 As to the quantity of the cross-position of the Default Delivery Position excluded from the subject of the Default Settlement Auction pursuant to the provisions of the preceding Paragraph, JSCC deems that its Offsetting-Sale or Offsetting-Purchase at the delivery price related to the relevant Default Delivery Position has been executed and its settlement has been completed on the date designated by JSCC.
- 4 When a Clearing Participant wins the bid for the Default Delivery Position at the Default Settlement Auction for the Default Delivery Position and the relevant Default Settlement Auction has been successfully concluded, JSCC shall have the Settlement by Delivery related to the Physical Settlement Futures Contracts performed between the Default Delivery Position of the Clearing Participant who won the bid and the Offsetting Position to Default Delivery Position of the Counterparty to Default Delivery Position set forth in Paragraph 1 in a manner prescribed by JSCC.
- 5 No bid on the Default Delivery Position is successful at a Default Settlement Auction for a

Default Delivery Position and the Default Settlement Auction is unsuccessful, JSCC deems that an Offsetting-Sale or Offsetting-Purchase has been performed between the relevant Default Delivery Position and the Offsetting Position to Default Delivery Position of the Counterparty to Default Delivery Position set forth in Paragraph 1 at the delivery price and its settlement has been completed on the date designated by JSCC.

6 When a settlement is deemed to have been completed pursuant to the provisions of the preceding Paragraph, the Counterparty to Default Delivery Position may claim against JSCC an amount of money required for recovery of the benefit which could have been enjoyed by it had such completion of settlement not occurred and the Settlement by Delivery related to the Physical Settlement Future Contracts of the Offsetting Position to Default Delivery Position been performed<sup>\*1</sup>.

(\*1 hereinafter referred to as "Reestablishment Cost")

7 When the Counterparty to Default Delivery Position claims the Reestablishment Cost against JSCC pursuant to the provisions of the preceding Paragraph, the relevant Counterparty to Default Delivery Position shall submit the document evidencing the Reestablishment Cost to JSCC.

8 Only when JSCC considers the document submitted by the Counterparty to Default Delivery Position pursuant to the provisions of the preceding Paragraph as justifiable, JSCC will pay the Reestablishment Cost to the relevant Counterparty to Default Delivery Position.

9 The Reestablishment Cost to be paid by JSCC pursuant to the provisions of the preceding Paragraph shall be capped at the amount equal to 10 percent of the delivery price related to the Offsetting Position to Default Delivery Position; provided, however, that JSCC may raise such cap only when it deems it specifically necessary.

10 In addition to the matters prescribed in Paragraph 6 through the preceding Paragraph, matters necessary for the claim and payment of the Reestablishment Cost shall be prescribed by JSCC at each applicable occasion.

#### (Article 54. Details of Measures in case of Settlement Default)

1 Upon consultation under the provisions of Paragraph 1 of Article 76-3 of the Business Rules, the Clearing Participants shall have its Representative of Clearing Participant or any person representing or acting on behalf of the Clearing Participant instead of such person participate in the consultation under Paragraph 1 of the said Article and give consent under Paragraph 2 of the said Article.

2 The consultation set forth in Paragraph 1 of Article 76-3 of the Business Rules shall be held within 24 hours after the bid results of the Default Settlement Auction is identified; provided, however, that if JSCC deems it necessary to do so, JSCC may extend such time period.

3 The early termination set forth in Paragraph 1 of Article 76-4 of the Business Rules shall be implemented, as a result of the Default Settlement Auction, in respect of the position related

to the Defaulted Contracts which JSCC deems necessary<sup>\*1</sup>, and such position related to Contracts for Clearing<sup>\*2</sup> of the Clearing Participants other than the Default Clearing Participant during the Default Settlement Period that are for the method of settlement of loss submitted to the consultation as set forth in Paragraph 1 of Article 76-3 of the Business Rules<sup>\*3</sup> as designated by JSCC, by each account of the Clearing Participant for Default Settlement Period, according to the priority set forth in below Items:

(\*1 hereinafter referred to as “Early Termination Position”)

(\*2 hereinafter referred to as “Early Termination Allocated Position”)

(\*3 hereinafter referred to as “Clearing Participant for Default Settlement Period”)

- (1) By an account of each Clearing Participant for Default Settlement Period, obtain the quantity of net position by issue which is an offsetting position against the Early Termination Position<sup>\*1</sup>; (\*1 hereinafter referred to as “Net Quantity per Issue”)
- (2) The quantity obtained by prorating the quantity of the Early Termination Position according to the total Net Quantity by Issue as to all accounts held by each Clearing Participant for Default Settlement Period shall be the quantity allocated to each of the Clearing Participants for Default Settlement Period.
- (3) The position in the quantity allocated by prorating the quantity allocated to each of the Clearing Participants for Default Settlement Period under the preceding Item according to the Net Quantity by Issue for each account of the relevant Clearing Participant for Default Settlement Period shall be the Early Termination Allocated Position.

(Article 55 Method of Using the Margin, Initial Margin or Clearing Fund to Compensate Losses)

1 When using the Margin relating to the Futures and Option Contracts prescribed in Item (3) of Paragraph 1 of Article 78 of the Business Rules to compensate losses incurred by JSCC, for each category of Clearing Qualification, pursuant to the provisions of Paragraph 1 of Article 78 of the Business Rules, such Margin relating to the Futures and Option Contracts shall be so used after it is prorated according to the required amount of the Margin relating to the Futures and Option Contracts of each category of Clearing Qualification<sup>\*1</sup>.

(\*1 referring to the required amount of the Margin which is calculated in accordance with the provisions of the Rules on Margins, etc. for Futures and Option Contracts based on the Position for the proprietary account with respect to each category of Clearing Qualification for the relevant Default Clearing Participant<sup>\*1-1</sup>'s Futures and Option Contracts on the day immediately preceding the day of the occurrence of the relevant default<sup>\*1-2</sup>)

(\*1-1 referring to “Default Clearing Participant” defined in Paragraph 1 of Article 76 of the Business Rules; the same applies hereinafter)

(\*1-2 hereinafter referred to as the “Default Day”)

2 The provisions of the preceding Paragraph shall apply *mutatis mutandis* when using the

Margin relating to the Futures and Option Contracts prescribed in Item (4) of Paragraph 1 of Article 78 of the Business Rules to compensate losses. In such event, the phrase, “the Position for the proprietary account” shall be deemed to be “the Position\*1”.

(\*1 excluding any Position for the proprietary account)

- 3 The losses incurred by JSCC shall be compensated for by the initial margin prescribed in Item (5) of Paragraph 1 of Article 78 of the Business Rules, for each category of Clearing Qualification, pursuant to the provisions of Paragraph 1 of Article 78 of the Business Rules.
- 4 The losses incurred by JSCC shall be compensated for by clearing fund prescribed in Item (6) of Paragraph 1 of Article 78 of the Business Rules, for each category of Clearing Qualification, pursuant to the provisions of Paragraph 1 of Article 78 of the Business Rules.
- 5 If any amount of the Margin and the like for proprietary account remains after it is used to compensate losses pursuant to the provisions of the preceding Paragraphs, if the Default Clearing Participant participates in a merger, or if JSCC otherwise deems it necessary, the Margin and the like for proprietary account shall be used to compensate losses incurred by JSCC, after it is prorated based on the rules prescribed by JSCC on all such occasion.

(Article 56 Liquidation Method of Securities in lieu of Cash for Compensation for Loss Caused by Default)

The liquidation of Securities in lieu of Cash set forth in Paragraph 1 of Article 78 of the Business Rules shall be performed, when the Default Clearing Participant becomes, or is threatened to become, insolvent, by such method, at such time, at such price and the like as JSCC considers appropriate.

(Article 57 Accumulation and Use of Securities and Similar Contracts Settlement Guarantee Reserve, etc.)

- 1 JSCC will set aside 20 billion Japanese Yen as Securities and Similar Contracts Settlement Guarantee Reserve.
- 2 In the case where all or part of the Securities and Similar Contracts Settlement Guarantee Reserve is used in accordance with the Business Rules, etc., JSCC will set aside the same amount as the portion so used as the Securities and Similar Contracts Settlement Guarantee Reserve at each occasion. The sum total of the reserve under the provisions of this Paragraph shall not be more than 20 billion Japanese Yen.
- 3 Notwithstanding the provisions of the preceding Paragraph, when the Default Settlement Period set forth in Paragraph 1 of Article 76-2 of the Business Rules has been set and the Securities and Similar Contracts Settlement Guarantee Reserve is used in whole or in part for the default occurred during the said Default Settlement Period, JSCC will set aside the Securities and Similar Contracts Settlement Guarantee Reserve set forth in the preceding Paragraph at each time when the relevant Default Settlement Period ends.

(Article 58. Accumulation and Use of Commodity Futures Settlement Guarantee Reserve)

- 1 As the Commodity Futures Settlement Guarantee Reserve, JSCC shall set aside the amount of 3,870,000,000 yen.
- 2 When the Commodity Futures Settlement Guarantee Reserve is used in whole or in part in accordance with the provisions of the Business Rules and the Business Rules on Business of Assuming Commodity Transaction Debts, JSCC shall set aside the Commodity Futures Settlement Guarantee Reserve in the same amount as the amount so used. The accumulated amount of the reserve under this Paragraph shall not exceed 3,870,000,000 yen.
- 3 Notwithstanding the provisions of the preceding Paragraph, when the Default Settlement Period set forth in Paragraph 1 of Article 76-2 of the Business Rules or Paragraph 1 of Article 78 of the Business Rules on Business of Assuming Commodity Transaction Debts has been set and the Commodity Futures Settlement Guarantee Reserve is used in whole or in part for the default occurred during the said Default Settlement Period, JSCC will set aside the Commodity Futures Settlement Guarantee Reserve set forth in the preceding Paragraph at each time when the relevant Default Settlement Period ends.

(Article 59 Method of Compensation of Losses from Clearing Funds)

The compensation prescribed in Paragraph 1 and Paragraph 2 of Article 78-2 of the Business Rules shall be made in accordance with the manners set forth in the following Items according to the classification of the loss listed in such Items.

- (1) To compensate for uncompensated loss relating to Securities Clearing Qualification\*<sup>1</sup>:

(\*<sup>1</sup> referring to the uncompensated loss prescribed in Item (1) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Securities Clearing Qualification; the same applies hereinafter)

- A) In the case where the amount of such uncompensated loss is greater than the aggregate required amount of clearing fund relating to Securities Clearing Qualification\*<sup>1</sup>:

(\*<sup>1</sup> referring to the total sum of the required amounts of clearing fund relating to Securities Clearing Qualification with respect to the Clearing Participants on Default Day as of the day immediately preceding the Default Day; the same applies hereinafter)

The entire amount of such aggregate required amount of clearing fund relating to Securities Clearing Qualification shall be applied to the compensation therefor; and

- B) In all other cases:

The amount of such uncompensated loss shall be allocated to the Clearing

Participants on Default Day on a pro-rata basis in proportion to their respective required amounts of clearing fund relating to Securities Clearing Qualification as of the day immediately preceding the Default Day<sup>\*1\*2</sup>, and the amount of clearing fund so allocated shall be used to compensate for such uncompensated loss; provided, however, that, when JSCC holds the auction for default settlement<sup>\*3</sup> related to Securities Clearing Qualification, the compensation for the uncompensated loss shall be performed in the order of clearing fund related to the Securities Clearing Qualification under Item (a) and (b) below, in a manner set forth in the relevant Item:

(\*1 hereinafter referred to as "Clearing Participant Contribution Cap")

(\*2 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(a) Clearing fund related to the Securities Clearing Qualification deposited with JSCC by the Clearing Participants on Default Day other than the successful bidder participants<sup>\*1</sup>:

The amount of uncompensated losses related to Securities Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each Clearing Participant on Default Day other than the successful bidder participants<sup>\*2</sup> shall be used to compensate for uncompensated losses related to the Securities Clearing Qualification;

(b) Clearing fund related to the Securities Clearing Qualification deposited with JSCC by the successful bidder participants:

The amount remaining after deducting the total amount set forth in (a) above from the uncompensated losses related to the Securities Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each of the successful bidder participants<sup>\*3</sup> shall be used to compensate for uncompensated losses related to the Securities Clearing Qualification.

(\*1 referring to the successful bidder participants set forth in Paragraph 2 of Article 78-2 of the Business Rules; the same applies hereinafter)

(\*2 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(\*3 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(2) To compensate for Uncompensated Loss relating to JGB Futures Clearing Qualification<sup>\*1</sup>:

(\*1 referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the JGB Futures Clearing Qualification; the same applies hereinafter)

The provisions of the preceding Item shall apply *mutatis mutandis*. In this case, in

the preceding Item, the phrase “Securities Clearing Qualification” shall be deemed to be “JGB Futures Clearing Qualification”; and the phrase “Securities Clearing Participant” shall be deemed to be “JGB Futures Clearing Participant.”

- a. In the case where the amount of the Uncompensated Loss relating to JGB Futures Clearing Qualification is greater than the aggregate required amount of clearing fund relating to the JGB Futures Clearing Qualification<sup>\*1</sup>:

(\*1 referring to the total sum of the required amounts of clearing fund relating to JGB Futures Clearing Qualification with respect to the Clearing Participants for Default Settlement Period as of the day immediately preceding the first day of the Default Settlement Period; the same applies hereinafter)

The entire amount of such aggregate required amount of clearing fund relating to JGB Futures Clearing Qualification shall be applied to the compensation for the Uncompensated Loss relating to JGB Futures Clearing Qualification;

- b. Other than a. above

The amount obtained by prorating the Uncompensated Loss relating to JGB Futures Clearing Qualification according to the required amount of clearing fund relating to the JGB Futures Clearing Qualification for each of the Clearing Participant for Default Settlement Period as of the day immediately preceding the first day of the Default Settlement Period<sup>\*1\*2</sup> shall be applied to the compensation for such Uncompensated Loss relating to JGB Futures Clearing Qualification; provided, however, that, when JSCC holds the Default Settlement Auction<sup>\*3</sup> related to the JGB Futures Clearing Qualification, the compensation for the Uncompensated Loss relating to JGB Futures Clearing Qualification shall be performed in the order of clearing fund related to the JGB Futures Clearing Qualification under Item (a) and (b) below, in a manner set forth in the relevant Item:

(\*1 hereinafter referred to as “Clearing Participant Contribution Cap”)

(\*2 or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(\*3 referring to the default settlement auction set forth in Paragraph 8 of Article 76 of the Business Rules; the same applies hereinafter)

- (a) Clearing fund related to the JGB Futures Clearing Qualification deposited with JSCC by the Clearing Participants for Default Settlement Period other than the Successful Bidder Participants<sup>\*1</sup>:

The amount of Uncompensated Loss relating to JGB Futures Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each Clearing Participant for Default Settlement Period other than the Successful Bidder Participants<sup>\*2</sup> shall be used to compensate for Uncompensated Loss relating to JGB Futures Clearing Qualification;

(b) Clearing fund related to the JGB Futures Clearing Qualification deposited with JSCC by the Successful Bidder Participants:

The amount remaining after deducting the total amount set forth in (a) above from the Uncompensated Loss relating to JGB Futures Clearing Qualification prorated according to the Clearing Participant Contribution Cap for each of the Successful Bidder Participants<sup>\*3</sup> shall be used to compensate for the Uncompensated loss relating to JGB Futures Clearing Qualification.

(\*<sup>1</sup> referring to the successful bidder participants set forth in Paragraph 2 of Article 78 of the Business Rules; the same applies hereinafter)

(\*<sup>2</sup> or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(\*<sup>3</sup> or the amount equal to the Clearing Participant Contribution Cap, if such amount is greater than the Clearing Participant Contribution Cap)

(3) To compensate for Uncompensated Loss relating to Index Futures Clearing Qualification<sup>\*1</sup>:

(\*<sup>1</sup> referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Index Futures Clearing Qualification)

The provisions of the preceding Item shall apply *mutatis mutandis*. In this case, in the said Item, the phrase "JGB Futures Clearing Qualification" shall be deemed to be "Index Futures Clearing Qualification"; and the phrase "JGB Futures Clearing Participant" shall be deemed to be "Index Futures Clearing Participant."

(4) To compensate for Uncompensated Loss relating to Precious Metal Futures Clearing Qualification<sup>\*1</sup>:

(\*<sup>1</sup> referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Precious Metal Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase "JGB Futures Clearing Qualification" shall be deemed to be "Precious Metal Futures Clearing Qualification"; and the phrase "JGB Futures Clearing Participant" shall be deemed to be "Precious Metal Futures Clearing Participant."

(5) To compensate for Uncompensated Loss relating to Rubber Futures Clearing Qualification<sup>\*1</sup>:

(\*<sup>1</sup> referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Rubber Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase "JGB Futures Clearing Qualification" shall be deemed to be "Rubber Futures Clearing Qualification"; and the phrase "JGB Futures Clearing Participant"

shall be deemed to be "Rubber Futures Clearing Participant.

- (6) To compensate for Uncompensated Loss relating to Agricultural Futures Clearing Qualification\*<sup>1</sup>:

(\*<sup>1</sup> referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Agricultural Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase "JGB Futures Clearing Qualification" shall be deemed to be "Agricultural Futures Clearing Qualification"; and the phrase "JGB Futures Clearing Participant" shall be deemed to be "Agricultural Futures Clearing Participant.

- (7) To compensate for Uncompensated Loss relating to Petroleum Futures Clearing Qualification\*<sup>1</sup>:

(\*<sup>1</sup> referring to the uncompensated loss prescribed in Item (2) of Paragraph 1 of Article 78-2 of the Business Rules which relates to the Petroleum Futures Clearing Qualification)

The provisions of Item (2) shall apply *mutatis mutandis*. In this case, in the said Item, the phrase "JGB Futures Clearing Qualification" shall be deemed to be "Petroleum Futures Clearing Qualification"; and the phrase "JGB Futures Clearing Participant" shall be deemed to be "Petroleum Futures Clearing Participant.

(Article 60 Compensation of Losses by Collection of Special Clearing Charge)

- 1 In the event where the excess amount prescribed in Paragraph 2 of Article 79 of the Business Rules is prorated among the Clearing Participants on Default Day for Securities Clearing Qualification in accordance with the provisions of the said Paragraph, such excess amount shall be prorated according to the required amount of the clearing fund of each Clearing Participant on the Default Day relating to the relevant Clearing Qualification on the day immediately preceding the Default Day.
- 2 If the Clearing Participant participates in a merger or if JSCC otherwise deems it necessary, the amount of money prescribed by JSCC on all such occasion shall be the required amount of the clearing fund in respect of the relevant Clearing Qualification set forth in the preceding Paragraph.
- 3 In the event where the excess amount prescribed in Paragraph 2 of Article 79-2 of the Business Rules is prorated among the Clearing Participants for Default Settlement Period for JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification in accordance with the provisions of the said Paragraph, such excess amount shall be first prorated according to the amount of uncompensated loss for each category of Clearing

Qualification, and then such prorated amount shall be further prorated according to the required amount of the clearing fund of each Clearing Participant for Default Settlement Period relating to the relevant Clearing Qualification on the day immediately preceding the first day of the Default Settlement Period.

4 In the event where the excess amount prescribed in Paragraph 4 of Article 79-2 of the Business Rules is prorated among the Clearing Participants for Default Settlement Period for JGB Futures Clearing Qualification, Index Futures Clearing Qualification, Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification, Agricultural Futures Clearing Qualification or Petroleum Futures Clearing Qualification in accordance with the provisions of the said Paragraph, such excess amount shall be first prorated according to the amount of uncompensated loss for each category of Clearing Qualification, and then such prorated amount shall be further prorated, in respect of respective default occurred during the Default Settlement Period, according to the amount of the VM related to Futures Contracts, and Option Premiums related to Option Contracts, and the net option value<sup>\*1</sup> in all accounts of the Clearing Participants for Default Settlement Period during the period from the date of Determination of Insolvency set forth in Paragraph 5 of Article 76 of the Business Rules through the day on which the settlement related to such Determination of Insolvency completes<sup>\*2</sup>, minus the amount obtained by subtracting the aggregate payables in VM/OP Premium Equivalent from the aggregate receivables in of VM/OP Premium Equivalent JSCC prescribes at each applicable occasion<sup>\*3</sup>.

(\*1 referring to the value JSCC prescribes at each applicable occasion with respect to positions held by the Clearing Participants for Default Settlement Period during the Liquidation Period by multiplying the Settlement Price of the option during the relevant Liquidation Period by the position quantity)

(\*2 hereinafter referred to as "Liquidation Period")

(\*3 only when the relevant value is positive)

#### (Article 61 Adjustment of Position under Security Option Contract)

1 Adjustments to the Position prescribed in Paragraph 1 of Article 79-4 of the Business Rules shall be made in accordance with each of the following Items:

- (1) In the case of a stock split where one share of the stock, which is the underlying security, is to be split into a number which is equal to one share multiplied by a whole number, the quantity of the Position on the day immediately preceding the ex-right day of the relevant stock split shall be adjusted, as of such ex-right day, to the quantity that is equal to the original quantity, divided by the split ratio pertaining to such stock split;
- (2) In the case of an allotment of stock without compensation, which is the underlying security, where the number of shares of stock of the same class as that of the underlying

stock, which is equal to the number of shares of such underlying stock multiplied by a whole number, is issued for each share of such underlying stock, the quantity of the Position on the day immediately preceding the ex-right day of the relevant allotment of stock without compensation shall be adjusted, as of the ex-right day relating to such allotment of stock without compensation, to the quantity that is equal to the original quantity, multiplied by the quantity that is one added to the number of shares allotted through such allotment of stock without compensation;

(3) In the case of a change in the trading unit of the stock, which is the underlying security, the quantity of the Position on the day immediately preceding the day on which such change is implemented shall be adjusted, as of the day on which such change is implemented, to the quantity that is equal to the original quantity, multiplied by the number which is equal to the trading unit prior to such change divided by the trading unit after such change;

(4) In the case not stipulated in the preceding three Items, the quantity of the Position shall be adjusted pursuant to the method prescribed by JSCC on all such occasion.

2 The provisions of the preceding Paragraph\*<sup>1</sup> shall be applied *mutatis mutandis* to the adjustment of the Position stipulated in Paragraph 1 of Article 79-4 of the Business Rules which are applied *mutatis mutandis* under Paragraph 2 of Article 79-3 of the Business Rules.

(\*<sup>1</sup> excluding Item (2))

(Article 62 Operations Entrusted by JSCC)

1 In accordance with the provisions of Paragraph 1 of Article 85 of the Business Rules, JSCC shall entrust the administrative work such as receiving Close-out Quantity Report relating to the Futures and Option Contracts in the Financial Instruments Market operated by the Designated Market Operators listed in Item (2) of Article 2 to such Designated Market Operators.

## Supplementary Provisions

- 1 These Rules shall come into effect on January 14, 2003; provided, however, that the provisions of Article 4 and Article 5 shall come into effect on January 10, 2003.
- 2 The provisions\*<sup>1</sup> of Article 5 shall not apply to any entity who is to obtain the Clearing Qualification on January 14, 2003, or any entity who provides notification to JSCC on or before such date in accordance with the rules prescribed by JSCC and which is to obtain the Clearing Qualification on or before the last day of December of 2003.  
(\*<sup>1</sup> limited to the part relating to the payment of the fee for obtaining the Clearing Qualification)
- 3 With respect to the application of the provisions of Paragraph 3 of Article 11, in the case where the “preceding day” stipulated in Paragraph 1 of Article 11 occurs during the period commencing on the day on which these Rules come into effect\*<sup>1</sup> and ending on the last day of July, 2003, the phrase, “during July through December of the preceding year in the case where such preceding day occurs during February through July; or during January through June in the case where such preceding day occurs during August through January of the following year” shall be deemed to be “during June through November of 2002”.  
(\*<sup>1</sup> hereinafter referred to as the “Effective Date”)
- 4 In the case where any entity who was a trading participant, member or an association member of any of the Designated Market Operators becomes a Non-Clearing Participant on the Effective Date and designates JSCC’s Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Non-Clearing Participant’s unsettled Contracts Subject to Clearing which were formed before the Effective Date.  
(\*<sup>1</sup> limited to those relating to the Contracts for Clearing)
- 5 The convertible bonds or the corporate bonds with stock acquisition rights for which the provisions then in force still remain applicable pursuant to the provisions of Paragraph 1 of Article 7 of the Supplementary Provisions of the Law Partially Amending the Commercial Code, Etc. (Law No. 128 of 2001)\*<sup>1</sup> shall be treated as Convertible Bonds or corporate bond with stock acquisition rights that are not Convertible Bonds, respectively, and these Rules shall be applied to them accordingly.  
(\*<sup>1</sup> referred to as the “Law Amending Commercial Code, Etc.” hereinafter in this Supplementary Provisions)
- 6 The certificate of subscription rights, which is issued in conjunction with the corporate bond with stock acquisition rights set forth in the immediately preceding Paragraph pursuant to Paragraph 1 of Article 341-13 of the Commercial Code as it existed prior to the amendment made under the Law Amending Commercial Code, Etc., shall be regarded as a certificate of stock acquisition rights, and these Rules shall be applied to it accordingly.

### Supplementary Provisions

These revised Rules shall come into effect on January 27, 2003.

### Supplementary Provisions

1 These revised Rules shall come into effect on February 2, 2004.

2 The provisions<sup>\*1</sup> of Article 5 shall not apply in the case where any entity, who actually is a Stock Option Clearing Participant, JGB Futures Clearing Participant or Stock Index Futures Clearing Participant of Tokyo Stock Exchange, Inc.<sup>\*2</sup> on the day preceding the day on which these revised Rules come into effect<sup>\*3</sup>, obtains JSCC's Stock Option Clearing Qualification, JGB Futures Clearing Qualification or Stock Index Futures Clearing Qualification, respectively, on the Effective Date.

(\*1 limited to the part relating to the payment of the fee for obtaining the Clearing Qualification)

(\*2 hereinafter referred to as "TSE")

(\*3 hereinafter referred to as the "Effective Date")

3 In the case where a Stock Option Clearing Participant of TSE becomes a Stock Option Non-Clearing Participant on the Effective Date and designates JSCC's Stock Option Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Stock Option Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

4 In the case where a JGB Futures Clearing Participant of TSE becomes a JGB Futures Non-Clearing Participant on the Effective Date and designates JSCC's JGB Futures Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant JGB Futures Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

5 In the case where a Stock Index Futures Clearing Participant of TSE becomes a Stock Index Futures Non-Clearing Participant on the Effective Date and designates JSCC's Stock Index Futures Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Stock Index Futures Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

6 With respect to the application of Paragraph 1 of Article 21 on the Effective Date, the phrase, "the day immediately preceding the Default Day." shall be deemed to be "the Default Day."

Supplementary Provisions

These revised Rules shall come into effect on December 18, 2003.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2004.

Supplementary Provisions

These revised Rules shall come into effect on August 9, 2004.

Supplementary Provisions

These revised Rules shall come into effect on August 27, 2004.

Supplementary Provisions

1 These revised Rules shall come into effect on the day prescribed by JSCC\*.

2 The Uniform DVP Settlement Price stipulated in Paragraph 1 of Article 11 on the day on which these revised Rules come into effect\*<sup>1</sup> for the issue which is registered by the Japan Securities Dealers Association on the day immediately preceding the Effective Date and which is to be listed on the securities market operated by the Designated Market Operator on the Effective Date, shall be the last selling/buying price at 3:00 P.M. in the OTC market on the day immediately preceding the Effective Date; provided, however, that in the case where there is no selling/buying price on the day immediately preceding the Effective Date, such DVP Clearing Price shall be the standard price in the OTC market on the day immediately preceding the Effective Date.

(\*<sup>1</sup> hereinafter referred to as the "Effective Date")

3 With respect to the application of the provisions of Paragraph 3 of Article 11 in connection with the issue\*<sup>1</sup> which was registered by the Japan Securities Dealers Association on the day immediately preceding the Effective Date, the trading volume of the relevant issue in the OTC market operated by the Japan Securities Dealers Association shall be deemed to be the trading volume of such issue in Jasdac Securities Exchange, Inc.

(\*<sup>1</sup> limited to the issue which is listed in Jasdac Securities Exchange, Inc. on the Effective Date)

4 The market price, in the event the market price before the Effective Date is to be used for the calculation of the substituting price of the securities which were registered by the Japan

Securities Dealers Association on the day immediately preceding the Effective Date, shall be, notwithstanding the revised provisions of Paragraph 1 of *Appendix 1*, the last selling/buying price at 3:00 P.M. published by the Japan Securities Dealers Association.

(\*Note) The “day prescribed by JSCC” referenced in Paragraph 1 is December 13, 2004.

#### Supplementary Provisions

1 These revised Rules shall come into effect on January 1, 2005.

2 The bankruptcy adjudicated on or after January 1, 2005, as a result of the petition for bankruptcy filed on or before December 31, 2004 shall be regarded as a decision to commence bankruptcy procedure.

#### Supplementary Provisions

These revised Rules shall come into effect on June 10, 2005.

#### Supplementary Provisions

1 These revised Rules shall come into effect on January 10, 2006.

2 With respect to the bonds\*<sup>1</sup> which are actually listed on the Designated Securities Market as at the time these revised Rules come into effect, the revised provisions of Article 14 and Article 15 shall apply from the settlement the settlement day of which is the day, designated by JSCC, for JASDEC to commence its handling of such bonds in its book-entry transfer business.

(\*<sup>1</sup> excluding Japanese Government Bonds, corporate bond with stock acquisition rights, etc., and Exchangeable Corporate Bond)

3 In the case where bond certificates\*<sup>1</sup> have actually been deposited with JSCC by a Clearing Participant by the time when these revised Rules come into effect, such bond certificates shall be returned to such Clearing Participant by March 31, 2006.

(\*<sup>1</sup> excluding Japanese Government Bonds, corporate bond with stock acquisition rights, etc., and Exchangeable Corporate Bond)

#### Supplementary Provisions

These revised Rules shall come into effect on January 30, 2006.

#### Supplementary Provisions

These revised Rules shall come into effect on February 1, 2006.

Supplementary Provisions

These revised Rules shall come into effect on February 27, 2006.

Supplementary Provisions

These revised Rules shall come into effect on April 3, 2006.

Supplementary Provisions

These revised Rules shall come into effect on May 1, 2006.

Supplementary Provisions

These revised Rules shall come into effect on October 1, 2006.

Supplementary Provisions

These revised Rules shall come into effect on January 4, 2007.

Supplementary Provisions

These revised Rules shall come into effect on March 12, 2007.

Supplementary Provisions

These revised Rules shall come into effect on April 2, 2007.

Supplementary Provisions

These revised Rules shall come into effect on September 30, 2007.

Supplementary Provisions

These revised Rules shall come into effect on November 1, 2007.

Supplementary Provisions

These revised Rules shall come into effect on January 15, 2008.

Supplementary Provisions

These revised Rules shall come into effect on March 24, 2008.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2008.

Supplementary Provisions

These revised Rules shall come into effect on April 14, 2008.

Supplementary Provisions

These revised Rules shall come into effect on May 7, 2008.

Supplementary Provisions

These revised Rules shall come into effect on June 16, 2008.

Supplementary Provisions

These revised Rules shall come into effect on July 1, 2008.

Supplementary Provisions

These revised Rules shall come into effect on July 7, 2008.

Supplementary Provisions

These revised Rules shall come into effect on August 5, 2008.

Supplementary Provisions

These revised Rules shall come into effect on August 25, 2008.

Supplementary Provisions

These revised Rules shall come into effect on November 10, 2008.

Supplementary Provisions

These revised Rules shall come into effect on December 26, 2008.

Supplementary Provisions

These revised Rules shall come into effect on January 5, 2009.

Supplementary Provisions

These revised Rules shall come into effect on March 23, 2009.

Supplementary Provisions

These revised Rules shall come into effect on June 1, 2009.

Supplementary Provisions

These revised Rules shall come into effect on September 24, 2009.

Supplementary Provisions

These revised Rules shall come into effect on September 28, 2009.

Supplementary Provisions

These revised Rules shall come into effect on the date set by JSCC\*.

(\*Note) The date set by JSCC is October 5, 2009.

Supplementary Provisions

These revised Rules shall come into effect on December 30, 2009; provided, however, that

the revised provisions of Item (1) (m) of Paragraph 1 of Article 3, Paragraph 2 and Paragraph 3 of Article 20-9 shall come into effect on January 4, 2010.

Supplementary Provisions

- 1 These revised Rules shall come into effect on April 1, 2010.
- 2 With respect to the application of the provisions of Paragraph 3 of Article 11 in connection with the issue\*<sup>1</sup> which was registered by the JASDAQ Securities Exchange, Inc. on the day immediately preceding the day on which these revised Rules come into effect\*<sup>2</sup>, the trading volume of the relevant issue in the Financial Instruments market operated by the JASDAQ Securities Exchange, Inc. shall be deemed to be the trading volume of such issue in Osaka Securities Exchange Co., Ltd. Inc.

(\*<sup>1</sup> limited to the issue which is listed in Osaka Securities Exchange Co., Ltd. on the Effective Date)

(\*<sup>2</sup> hereinafter referred to as the "Effective Date")

Supplementary Provisions

These revised Rules shall come into effect on May 24, 2010.

Supplementary Provisions

These revised Rules shall come into effect on July 15, 2010.

Supplementary Provisions

These revised Rules shall come into effect on July 16, 2010, and apply to the buying/selling of securities whose settlement day is on July 23, 2010.

Supplementary Provisions

These revised Rules shall come into effect on July 26, 2010.

Supplementary Provisions

These revised Rules shall come into effect on October 12, 2010.

Supplementary Provisions

These revised Rules shall come into effect on October 18, 2010.

Supplementary Provisions

These revised Rules shall come into effect on February 28, 2011; provided, however, that the revised provisions of (\*4) of Paragraph 1 of the *Appendix 1* shall come into effect on January 1, 2011.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2011.

Supplementary Provisions

These revised Rules shall come into effect on May 17, 2011.

Supplementary Provisions

1 These revised Rules shall come into effect on July 19, 2011.

2 On the day on which these revised Rules come into effect<sup>\*1</sup>, JSCC shall set aside the amount obtained as the shareholders' equity<sup>\*2</sup> as of the last day of the fiscal year<sup>\*3</sup> immediately preceding the fiscal year of JSCC in which the Effective Date falls<sup>\*4</sup> deducted by the capital, the capital reserve, and the earned surplus as of the last day of the Preceding Fiscal Year<sup>\*5</sup> and the total amount of monies, etc. that will be delivered in exchange for the acquisition of its own shares<sup>\*6</sup> pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year<sup>\*7</sup> as the Securities and Similar Contracts Settlement Guarantee Reserve.

(\*1 hereinafter referred to as the "Effective Date")

(\*2 referring to the balance after the disposition of the surplus fund pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year)

(\*3 hereinafter referred to as the "Preceding Fiscal Year")

(\*4 hereinafter referred to as the "Current Fiscal Year")

(\*5 referring to the balance after the disposition of the surplus fund pursuant to the resolution of the regular general meeting of shareholders pertaining to the Preceding Fiscal Year)

(\*6 referring to the amount prescribed in Item 2 of Paragraph 1 of Article 156 of the Companies Act)

(\*7 and deducted further by the amount of uncompensated loss relating to nonperformance under Securities and Similar Contract Clearing Business that has arisen after the last day

of the Preceding Fiscal Year and before the Effective Date, if any)

Supplementary Provisions

These revised Rules shall come into effect on September 26, 2011.

Supplementary Provisions

These revised Rules shall come into effect on November 1, 2011.

Supplementary Provisions

These revised Rules shall come into effect on November 21, 2011.

Supplementary Provisions

These revised Rules shall come into effect on January 30, 2012.

Supplementary Provisions

These revised Rules shall come into effect on March 31, 2012.

Supplementary Provisions

These revised Rules shall come into effect on June 1, 2012.

Supplementary Provisions

These revised Rules shall come into effect on July 1, 2012.

Supplementary Provisions

These revised Rules shall come into effect on December 1, 2012.

Supplementary Provisions

These revised Rules shall come into effect on January 4, 2013.

### Supplementary Provisions

These revised Rules shall come into effect on February 12, 2013.

### Supplementary Provisions

- 1 These revised Rules shall come into effect on March 31, 2013.
- 2 During the period from March 31, 2013 to March 30, 2014, in applying B) of Item (7) of Paragraph 1 of Article 8, as amended, the words “2.25 percent” in (a) thereof shall be interpreted to mean “1.75 percent,” the words “4.5 percent” in (a) thereof shall be interpreted to mean “3.5 percent”, the words “3 percent” in (b) thereof shall be interpreted to mean “2.25 percent” and the words “6 percent” in (b) thereof shall be interpreted to mean “4.5 percent”.
- 3 During the period from March 31, 2014 to March 30, 2015, in applying B) of Item (7) of Paragraph 1 of Article 8, as amended, the words “2.25 percent” in (a) thereof shall be interpreted to mean “2 percent,” the words “4.5 percent” in (a) thereof shall be interpreted to mean “4 percent”, the words “3 percent” in (b) thereof shall be interpreted to mean “2.75 percent” and the words “6 percent” in (b) thereof shall be interpreted to mean “5.5 percent”.

### Supplementary Provisions

- 1 These revised Business Rules shall come into effect on July 16, 2013.
- 2 The provisions<sup>\*1</sup> of Article 5 shall not apply in the case where any entity, who actually is a Futures and Options clearing participant or FX clearing participant of Osaka Securities Exchange Co., Ltd.<sup>\*2</sup> on the day immediately preceding the day on which these revised Business Rules come into effect<sup>\*3</sup>, obtains JSCC’s Index Futures Clearing Qualification or FX Clearing Qualification, respectively, on the Effective Date.  
(\*<sup>1</sup> limited to the part relating to the payment of the fee for obtaining the Clearing Qualification)  
(\*<sup>2</sup> hereinafter referred to as “OSE”)  
(\*<sup>3</sup> hereinafter referred to as the “Effective Date”)
- 3 In the case where a Futures and Options Clearing Participant of OSE becomes a Non-Clearing Participant with respect to futures and option on the Effective Date and designates JSCC’s Index Futures Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant Non-Clearing Participant’s unsettled Contracts for Clearing which were formed before the Effective Date.
- 4 In the case where an FX clearing participant of OSE becomes an FX Non-Clearing

Participant on the Effective Date and designates JSCC's FX Clearing Participant as the Designated Clearing Participant, such Designated Clearing Participant shall take over the relevant FX Non-Clearing Participant's unsettled Contracts for Clearing which were formed before the Effective Date.

5 With respect to the application of Article 20-12 on the Effective Date, the phrase, "the day immediately preceding the Default Day" shall be deemed to be "the Default Day"

6 With respect to the application of Paragraph 1 of Article 21 on the Effective Date, the phrase, "the day immediately preceding the Default Day" shall be deemed to be "the Default Day"

#### Supplementary Provisions

These revised Rules shall come into effect on September 24, 2013.

#### Supplementary Provisions

These revised Rules shall come into effect on January 10, 2014.

#### Supplementary Provisions

These revised Rules shall come into effect on the date set by JSCC.

Note: The date set by JSCC is March 7, 2014.

#### Supplementary Provisions

1 These revised Business Rules shall come into effect on March 24, 2014.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than March 24, 2014.

#### Supplementary Provisions

These revised Rules shall come into effect on March 31, 2014.

#### Supplementary Provisions

These revised Rules shall come into effect on June 2, 2014.

Supplementary Provisions

These revised Rules shall come into effect on July 22, 2014.

Supplementary Provisions

These revised Rules shall come into effect on September 22, 2014.

Supplementary Provisions

These revised Rules shall come into effect on October 23, 2014;.provided, however, that the revised provisions of Article 22 shall come into effect on the date set by JSCC\*.

\*The date set by JSCC is November 29, 2014.

Supplementary Provisions

1 These revised Business Rules shall come into effect on November 25, 2014;.provided, however, that the revised provisions of Article 22 shall come into effect on the date set by JSCC\*.

2 Notwithstanding the provisions of the main text of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than November 25, 2014.

\*The date set by JSCC on Paragraph 1 is November 30, 2014.

Supplementary Provisions

These revised Rules shall come into effect on the date set by JSCC\*.

(\*Note) The date set by JSCC is November 29, 2014.

Supplementary Provisions

These revised Rules shall come into effect on December 1, 2014.

Supplementary Provisions

These revised Rules shall come into effect on January 19, 2015.

Supplementary Provisions

These revised Rules shall come into effect on May 29, 2015.

Supplementary Provisions

These revised Rules shall come into effect on July 6, 2015.

Supplementary Provisions

These revised Rules shall come into effect on September 24, 2015.

Supplementary Provisions

- 1 These revised Business Rules shall come into effect on October 13, 2015.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than October 13, 2015.

Supplementary Provisions

- 1 These revised Rules shall come into effect on January 8, 2016; provided that the revision to Article 7-2 and Article 20-12 shall come into effect from the next day following the date on which other revisions to these Rules become effective (or next business day, if such day falls on a non-business day).
- 2 Notwithstanding the provisions of the main body of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on

the day set by JSCC which is not earlier than January 8, 2016.

Supplementary Provisions

These revised Rules shall come into effect on January 18, 2016.

Supplementary Provisions

These revised Rules shall come into effect on July 4, 2016.

Supplementary Provisions

These revised Rules shall come into effect on January 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on January 30, 2017.

Supplementary Provisions

These revised Rules shall come into effect on April 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on July 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on October 10, 2017.

Supplementary Provisions

These revised Rules shall come into effect on January 9, 2018.

Supplementary Provisions

1 These revised Rules shall come into effect on February 13, 2018; provided that the revision of Paragraph 1 of Article 6 and Article 7 and the implementation of Paragraph 1 of *Appendix*

1 shall become effective on February 9, 2018 by regarding the phrases, “Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules” and “Japanese yen and the currency of the United States of America” in Paragraph 1 of Article 6-4 as “Paragraph 4 of Article 16,” and “Japanese yen,” respectively; the phrase “Paragraph 4 through Paragraph 6 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 3 through Paragraph 5 of Article 52, and Paragraph 3 through Paragraph 5 of Article 70 of the Business Rules” in Article 7 as “Paragraph 3 through Paragraph 5 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 2 through Paragraph 4 of Article 52, and Paragraph 2 through Paragraph 4 of Article 70 of the Business Rules”; and the phrase “Paragraph 4 and Paragraph 5 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 3 and Paragraph 4 of Article 52, and Paragraph 3 and Paragraph 4 of Article 70 of the Business Rules” in Paragraph 1 of *Appendix 1* as “Paragraph 3 and Paragraph 4 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 2 and Paragraph 3 of Article 52, and Paragraph 2 and Paragraph 3 of Article 70 of the Business Rules.”

2 Notwithstanding the provisions of the preceding Paragraph, other than the revised provisions of Paragraph 1 of Article 6-4, Article 7, Article 9-3, Article 20-9-2, Article 20-10-2, Article 20-12 and Paragraph 1 of *Appendix 1*, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than February 14, 2018.

3 However, when JSCC deems it inappropriate to implement the revised provisions set forth in the preceding Paragraph, during the period from February 14, 2018 through the date prescribed by JSCC, the revised provisions of Paragraph 1 of Article 6-4 shall apply by regarding the phrase “Paragraph 3 of Article 15-2, Paragraph 4 of Article 16, Paragraph 2 of Article 52 and Paragraph 2 of Article 70 of the Business Rules” and “Japanese yen and the currency of the United States of America” in Paragraph 1 of Article 6-4 as “Paragraph 4 of Article 16,” and “Japanese yen,” respectively; the revised provisions of Article 7 shall apply by regarding the phrase “Paragraph 4 through Paragraph 6 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 3 through Paragraph 5 of Article 52, and Paragraph 3 through Paragraph 5 of Article 70 of the Business Rules” as “Paragraph 3 through Paragraph 5 of Article 15-2, Paragraph 5 through Paragraph 7 of Article 16, Paragraph 2 through Paragraph 4 of Article 52, and Paragraph 2 through Paragraph 4 of Article 70 of the Business Rules”; and Paragraph 1\*<sup>1</sup> of *Appendix 1* shall apply by regarding “Paragraph 4 and Paragraph 5 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 3 and Paragraph 4 of Article 52, and Paragraph 3 and Paragraph 4 of Article 70

of the Business Rules” in Paragraph 1 of *Appendix 1* as “Paragraph 3 and Paragraph 4 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 2 and Paragraph 3 of Article 52, and Paragraph 2 and Paragraph 3 of Article 70 of the Business Rules.”

(\*1 except for the table in Paragraph 1)

Supplementary Provisions

These revised Rules shall come into effect on April 9, 2018.

Supplementary Provisions

These revised Rules shall come into effect on May 1, 2018.

Supplementary Provisions

These revised Rules shall come into effect on June 18, 2018.

Supplementary Provisions

1 These revised Rules shall come into effect on June 25, 2018.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than June 25, 2018.

Supplementary Provisions

These revised Rules shall come into effect on July 9, 2018.

Supplementary Provisions

These revised Rules shall come into effect on October 9, 2018.

Supplementary Provisions

These revised Rules shall come into effect on January 15, 2019.

Supplementary Provisions

These revised Rules shall come into effect on April 8, 2019.

Supplementary Provisions

These revised Rules shall come into effect on July 8, 2019.

Supplementary Provisions

- 1 These revised Rules shall come into effect on July 16, 2019.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than July 16, 2019.

Supplementary Provisions

These revised Rules shall come into effect on August 23, 2019.

Supplementary Provisions

These revised Rules shall come into effect on October 7, 2019.

Supplementary Provisions

These revised Rules shall come into effect on January 14, 2020.

Supplementary Provisions

These revised Rules shall come into effect on April 1, 2020.

Supplementary Provisions

These revised Rules shall come into effect on July 13, 2020.

### Supplementary Provisions

- 1 These revised Rules shall come into effect on July 27, 2020.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day set by JSCC which is not earlier than July 27, 2020.
- 3 The provisions of Article 5<sup>\*1</sup> shall not apply to an entity acquiring the Precious Metal Futures Clearing Qualification, Rubber Futures Clearing Qualification or Agricultural Futures Clearing Qualification on the day on which these revised Rules come into effect<sup>\*2</sup>.  
(\*1 limited to the portion related to a payment of the fee for obtaining the Clearing Qualification)  
(\*2 hereinafter referred to as the "Effective Date")
- 4 As to the Capital-to-Risk Ratio or consolidated Capital-to-Risk Ratio under Item (7) A) of Paragraph 1 of Article 8, in respect of a Financial Instrument Business Operator to which Article 4 of the Supplementary Provisions of the Cabinet Office Ordinance on Financial Instruments Business, etc., (Cabinet Office Ordinance No. 11 of 2014), it shall be if it became less than 160 percent.

### Supplementary Provisions

These revised Rules shall come into effect on October 5, 2020.

### Supplementary Provisions

These revised Rules shall come into effect on January 12, 2021.

### Supplementary Provisions

- 1 These revised Rules shall come into effect on January 18, 2021.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Business Rules shall come into effect on the day

set by JSCC which is not earlier than January 18, 2021.

Supplementary Provisions

These revised Rules shall come into effect on April 5, 2021.

Supplementary Provisions

These revised Rules shall come into effect on July 5, 2021.

Supplementary Provisions

- 1 These revised Rules shall come into effect on September 21, 2021.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 21, 2021.
- 3 For the time being after the date on which these revised Rules come into effect, the provisions of Article 5<sup>\*1</sup> shall not apply in the case where a Clearing Participant holding other Futures Clearing Qualification obtains Petroleum Futures Clearing Qualification.  
(\*1 only those related to the payment of the fee for obtaining the Clearing Qualification)

Supplementary Provisions

These revised Rules shall come into effect on October 11, 2021.

Supplementary Provisions

These revised Rules shall come into effect on January 11, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on January 11, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, if JSCC considers it inappropriate to apply amended rules due to an unavoidable reason, such as failure of the system installed by JSCC which is necessary for settlements between JSCC and Clearing

Participants in relation to Cleared Contracts, these amendments shall come into force as of the date designated by JSCC which is on or after January 11, 2022.

Supplementary Provisions

These revised Rules shall come into effect on February 1, 2022.

Supplementary Provisions

These revised Rules shall come into effect on April 4, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on April 4, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than April 4, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on June 27, 2022.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than June 27, 2022.

Supplementary Provisions

These revised Rules shall come into effect on July 4, 2022.

Supplementary Provisions

- 1 These revised Rules shall come into effect on September 21, 2022.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 21, 2022.

Supplementary Provisions

These revised Rules shall come into effect on October 11, 2022.

Supplementary Provisions

These revised Rules shall come into effect on December 12, 2022.

Supplementary Provisions

These revised Rules shall come into effect on March 6, 2023.

Supplementary Provisions

1 These revised Rules shall come into effect on May 29, 2023.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than May 29, 2023.

Supplementary Provisions

These revised Rules shall come into effect on June 12, 2023.

Supplementary Provisions

These revised Rules shall come into effect on June 30, 2023.

Supplementary Provisions

These revised Rules shall come into effect on September 11, 2023.

Supplementary Provisions

These revised Rules shall come into effect on December 11, 2023.

Supplementary Provisions

- 1 These revised Rules shall come into effect on March 4, 2024.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than March 4, 2024.

Supplementary Provisions

- 1 These revised Rules shall come into effect on November 5, 2024.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Business Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than November 5, 2024.

Supplementary Provisions

These revised Rules shall come into effect on December 25, 2024.

Supplementary Provisions

- 1 These revised Rules shall come into effect on December 27, 2024.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some

other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than December 27, 2024.

Supplementary Provisions

- 1 These revised Rules shall come into effect on May 26, 2025.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than May 26, 2025.

Supplementary Provisions

These revised Rules shall come into effect on September 16, 2025.

Supplementary Provisions

- 1 These revised Rules shall come into effect on September 29, 2025.
- 2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than September 29, 2025.

Supplementary Provisions

These revised Rules shall come into effect on February 26, 2026.

Supplementary Provisions

These revised Rules shall come into effect on March 23, 2026.

Supplementary Provisions

- 1 These revised Rules shall come into effect on April 13, 2026.

2 Notwithstanding the provisions of the preceding Paragraph, in the case where JSCC deems it inappropriate for the revised Rules to apply, due to an occurrence of a system failure to the systems set up by JSCC or other institutions, which are necessary to conduct the settlement of Contracts for Clearing between JSCC and a Clearing Participant, or some other unavoidable reasons, the revised Rules shall come into effect on the day set by JSCC which is not earlier than April 13, 2026.

3 The provisions of Article 5<sup>\*1</sup> shall not apply in the case where any Clearing Participant holding Futures Clearing Qualification other than Index Futures Clearing Qualification obtains Index Futures Clearing Qualification on the day on which these revised Rules come into effect.

(\*1 limited to the portion related to a payment of the fee for obtaining the Clearing Qualification)

#### Supplementary Provisions

These revised Rules shall come into effect on June 22, 2026.

<Appendix 1> Table Concerning Types of Securities Deposited in lieu of Cash and their Substituting Prices, etc.

1 The types of securities deemed appropriate by JSCC, their market prices and rates prescribed by JSCC pursuant to the provisions of Paragraph 4 and Paragraph 5 of Article 15-2, Paragraph 5 and Paragraph 6 of Article 16, Paragraph 3 and Paragraph 4 of Article 52, and Paragraph 3 and Paragraph 4 of Article 70 of the Business Rules shall be as follows:

Type of Securities		Market Price	The rate by which the market price is to be multiplied
Japanese Government Bonds (For Inflation-Indexed Bonds, only those eligible for Clearing under OTC JGB Clearing Service)	Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association	Average of the relevant Reference Statistical Prices for OTC Bond Transactions (For Inflation-Indexed Bonds, the value obtained by multiplying such average by the indexation coefficient published by the Ministry of Finance)	(1) Interest-bearing Japanese government bond and discount government bond (excluding government bond with floating rate, Inflation-Indexed Bonds and STRIPs) <ul style="list-style-type: none"> <li>a Years to maturity of less than 1 year 99%</li> <li>b Years to maturity over 1 year and less than 5 years 99%</li> <li>c Years to maturity over 5 year and less than 10 years 98%</li> <li>d Years to maturity over 10year and less than 20 years 95%</li> <li>e Years to maturity over 20 year and less than 30 years 93%</li> <li>f Years to maturity over 30 years 92%</li> </ul>
	Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published	The closing price (*1) in the Financial Instruments Exchange (*2)	(2) Government bond with floating rate <ul style="list-style-type: none"> <li>a Years to maturity of less than 1 year 99%</li> <li>b Years to maturity over 1 year and less than 5 years 99%</li> <li>c Years to maturity over 5 year and less than 10 years 99%</li> <li>d Years to maturity over 10 year and less than 20 years 99%</li> </ul> (3) Inflation-Indexed Bonds <ul style="list-style-type: none"> <li>a Years to maturity of less than 1 year 99%</li> <li>b Years to maturity over 1 year and less than 5 years 98%</li> <li>c Years to maturity over 5 year and less than 10 years 97%</li> <li>d Years to maturity over 10year and less than 20 years 97%</li> <li>e Years to maturity over 20 year and less than 30 years 97%</li> <li>f Years to maturity over 30 years 97%</li> </ul> (4) STRIPs <ul style="list-style-type: none"> <li>a Years to maturity of less than 1 year 99%</li> <li>b Years to maturity over 1 year and less than 5 years 99%</li> <li>c Years to maturity over 5 year and less than 10 years 98%</li> <li>d Years to maturity over 10year and less than 20 years 94%</li> </ul>

			e Years to maturity over 20 year and less than 30 years 90% f Years to maturity over 30 years 87%
Bonds guaranteed by the Japanese Government  Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act (*3)	Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association	Average of the relevant Reference Statistical Prices for OTC Bond Transactions	(1) Years to maturity of less than 1 year 99% (2) Years to maturity over 1 year and less than 5 years 99% (3) Years to maturity over 5 year and less than 10 years 98% (4) Years to maturity over 10year and less than 20 years 95% (5) Years to maturity over 20 year and less than 30 years 93% (6) Years to maturity over 30 years 92%
	Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published	The closing price (*1) in the Financial Instruments Exchange (*2)	
Foreign Government Bonds	U.S. Treasury Bonds/Notes/Bills	The last quote in the New York market on the immediately preceding day	(1) Years to maturity of less than 1 year 94% (2) Years to maturity over 1 year and less than 5 years 92% (3) Years to maturity over 5 year and less than 10 years 91% (4) Years to maturity over 10 year and less than 20 years 89% (5) Years to maturity over 20 year and less than 30 years 88% (6) Years to maturity over 30 years 88%

	GBP denominated bonds issued by the United Kingdom of Great Britain and Northern Ireland	The last quote in the London market on the immediately preceding day	<ul style="list-style-type: none"> <li>(1) Years to maturity of less than 1 year 90%</li> <li>(2) Years to maturity over 1 year and less than 5 years 88%</li> <li>(3) Years to maturity over 5 year and less than 10 years 86%</li> <li>(4) Years to maturity over 10 year and less than 20 years 82%</li> <li>(5) Years to maturity over 20 year and less than 30 years 79%</li> <li>(6) Years to maturity over 30 years 77%</li> </ul>
	EUR denominated bonds issued by Federal Republic of Germany	The last quote in the Frankfurt market on the immediately preceding day	<ul style="list-style-type: none"> <li>(1) Years to maturity of less than 1 year 92%</li> <li>(2) Years to maturity over 1 year and less than 5 years 90%</li> <li>(3) Years to maturity over 5 year and less than 10 years 89%</li> <li>(4) Years to maturity over 10 year and less than 20 years 86%</li> <li>(5) Years to maturity over 20 year and less than 30 years 83%</li> <li>(6) Years to maturity over 30 years 85%</li> </ul>
	EUR denominated bonds issued by French Republic	The last quote in the Paris market on the immediately preceding day	<ul style="list-style-type: none"> <li>(1) Years to maturity of less than 1 year 92%</li> <li>(2) Years to maturity over 1 year and less than 5 years 90%</li> <li>(3) Years to maturity over 5 year and less than 10 years 88%</li> <li>(4) Years to maturity over 10 year and less than 20 years 85%</li> <li>(5) Years to maturity over 20 year and less than 30 years 83%</li> <li>(6) Years to maturity over 30 years 83%</li> </ul>
Municipal bonds (*3)	Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association	Average of the relevant Reference Statistical Prices for OTC Bond Transactions	<ul style="list-style-type: none"> <li>(1) Years to maturity of less than 1 year 99%</li> <li>(2) Years to maturity over 1 year and less than 5 years 99%</li> <li>(3) Years to maturity over 5 year and less than 10 years 98%</li> <li>(4) Years to maturity over 10year and less than 20 years 95%</li> <li>(5) Years to maturity over 20 year and less than 30 years 94%</li> <li>(6) Years to maturity over 30 years 94%</li> </ul>
	Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published	The closing price (*1) in the Financial Instruments Exchange (*2)	

<p>Special bonds (excluding bonds guaranteed by the Japanese Government) (*4)</p> <p>Corporate Bonds (excluding bonds with stock acquisition rights) (*3) (*4)</p>	<p>Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association</p> <p>Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published</p>	<p>Average of the relevant Reference Statistical Prices for OTC Bond Transactions</p> <p>The closing price (*1) in the Financial Instruments Exchange (*2)</p>	<p>(1) Years to maturity of less than 1 year 99%</p> <p>(2) Years to maturity over 1 year and less than 5 years 99%</p> <p>(3) Years to maturity over 5 year and less than 10 years 98%</p> <p>(4) Years to maturity over 10year and less than 20 years 95%</p> <p>(5) Years to maturity over 20 year and less than 30 years 94%</p> <p>(6) Years to maturity over 30 years 92%</p>
<p>Yen-denominated bonds issued by foreign juridical persons (<i>SAMURAI Bonds</i>) (excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act (*3) (*4)</p>	<p>Whose Reference Statistical Prices for OTC Bond Transactions are published by the Japan Securities Dealers Association</p> <p>Which are listed on a domestic Financial Instruments Exchange, but whose Reference Statistical Prices for OTC Bond Transactions are not published</p>	<p>Average of the relevant Reference Statistical Prices for OTC Bond Transactions</p> <p>The closing price (*1) at the Financial Instruments Exchange (*2)</p>	<p>(1) Years to maturity of less than 1 year 99%</p> <p>(2) Years to maturity over 1 year and less than 5 years 99%</p> <p>(3) Years to maturity over 5 year and less than 10 years 98%</p> <p>(4) Years to maturity over 10year and less than 20 years 95%</p> <p>(5) Years to maturity over 20 year and less than 30 years 92%</p> <p>(6) Years to maturity over 30 years 92%</p>
<p>Stocks</p> <p>Preferred equity capital contribution securities</p> <p>Depository receipts for foreign stocks</p> <p>Depository receipts for foreign stocks</p> <p>Beneficiary securities of</p>	<p>Which are listed on a domestic Financial Instruments Exchange</p>	<p>The closing price (*1) in the Financial Instruments Exchange (*2)</p>	<p>70/100</p>

foreign investment trusts			
Foreign investment securities			
Beneficiary securities of beneficiary securities issuing trust			
Beneficiary securities of foreign beneficiary securities issuing trust			
Beneficiary securities of investment trusts	Which are listed on a domestic Financial Instruments Exchange	The closing price (*1) in the Financial Instruments Exchange (*2)	
Investment securities			

(\*1) With respect to an issue that is listed on multiple Financial Instruments Exchanges, referring to the Financial Instruments Exchange selected in accordance with the order of priority prescribed by JSCC.

(\*2) In the case where a final quote is posted in the applicable Financial Instruments Exchange, the closing price refers to such final quote.

(\*3) Limited to those with respect to which an underwriting contract is executed by a Financial Instruments Business Operator in connection with their issuance.

(\*4) With respect to Special bonds\*<sup>1</sup>, Corporate Bonds\*<sup>2</sup> and Yen-denominated bonds issued by foreign juridical persons (*SAMURAI Bonds*) \*<sup>3</sup>, limited to those deemed appropriate by JSCC taking the issuing company's creditworthiness and other circumstances into account(e.g. all ratings obtained from Eligible Rating Agencies\*<sup>4</sup> are A or above, etc.).

(\*<sup>1</sup> excluding bonds guaranteed by the Japanese Government)

(\*<sup>2</sup> excluding bonds with stock acquisition rights)

(\*<sup>3</sup> excluding Yen denominated bonds which are the bonds stipulated in Article 2-11 of the Enforcement Ordinance of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965))

(\*<sup>4</sup> referring to the Credit Rating Agencies stipulated in Paragraph 36 of Article 2 of the Financial Instruments and Exchange Act and the Specified Related Corporations stipulated in Paragraph 2 of Article 116-3 of the Ordinance of Cabinet Office Concerning Financial Instruments Business, etc. (Ordinance of Cabinet Office No. 52 of 2007).)

2 The provisions of Paragraph 3 of Article 11 shall apply *mutatis mutandis* to the selection of a Financial Instruments Exchange in accordance with the order of priority prescribed by JSCC pursuant to the provisions of the preceding Paragraph. In such event, the phrase, "such preceding day," in Paragraph 3 of such Article shall be deemed to be "the day which is two days before the day of deposit or the settlement day".

3 Deposits of Japanese Government Bonds shall be made by way of book-entry transfers to the accounts held in the name of JSCC at the Bank of Japan.

4 Deposits of the securities set forth in the following Items shall be made by way of book-entry transfers to the accounts held in the name of JSCC at JASDEC:

(1) Stocks, preferred equity capital contribution securities, depositary receipts for foreign stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, foreign investment securities, beneficiary securities of beneficiary securities issuing trusts, beneficiary securities of foreign beneficiary securities issuing trusts, bonds\*<sup>1</sup>; and

(\*<sup>1</sup>excluding Japanese Government Bonds and bonds with stock acquisition rights)

(2) Investment securities that are listed on any of the domestic Financial Instruments Exchanges.

6 JSCC shall entrust the task of submitting to JASDEC reports concerning the deposited securities prescribed in the following Item to the Clearing Participant which has deposited such securities, and the Clearing Participant so entrusted with the task shall submit the relevant reports to JASDEC. In such event, the Clearing Participant so entrusted with the task may cause third parties to submit the relevant reports.

(1) Reports concerning the entrustment status of management for Special Shareholders in connection with stocks issued by domestic corporations;

(2) Reports concerning the entrustment status of management for Special Holders of Preferred Equity Capital Contribution Securities in connection with equity capital contribution securities;

(3) Reports concerning the entrustment status of management for Special Holders of Beneficiary Securities in connection with investment trust beneficiary securities;

(4) Reports concerning the entrustment status of management for Special Holders of Investment Securities in connection with investment securities; and

(5) Reports concerning the entrustment status of management for Special Holders of Beneficiary Securities in connection with beneficiary securities of beneficiary securities issuing trust.

7 Notwithstanding the provisions of Paragraph 1, in the event that any stock\*<sup>1</sup> that is listed on one or more domestic Financial Instruments Exchange(s) comes to meet, in all of such domestic Financial Instruments Exchanges where it is listed, any of the delisting criteria prescribed by such Financial Instruments Exchange(s)\*<sup>2</sup>, JSCC shall exclude such stock and the Corporate Bonds issued by the issuer of such stock\*<sup>3</sup> from the securities which may be deposited in lieu of cash, commencing on the day immediately following the day on which such delisting criteria are met:

(\*<sup>1</sup> including preferred equity capital contribution securities, depositary receipts for foreign stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, investment securities, foreign investment securities, beneficiary securities of beneficiary securities issuing trust and beneficiary securities of foreign beneficiary securities issuing trust; the same applies hereinafter in this Paragraph)

(\*<sup>2</sup> except in the events prescribed by the following Items)

(\*<sup>3</sup> excluding the relevant depositary receipts for foreign stocks, beneficiary securities of investment trusts, beneficiary securities of foreign investment trusts, beneficiary securities of beneficiary securities issuing trust and beneficiary securities of foreign beneficiary securities issuing trust)

(1) In the event where the issuer of the relevant stock becomes a wholly-owned subsidiary of another corporation whose stock is listed in a Designated Financial Instruments Market\*<sup>1</sup> through a share exchange or equity transfer;

(\*<sup>1</sup> hereinafter referred to as the "Listed Company")

(2) In the event where the issuer of the relevant stock merges with a Listed Company through an absorption-type merger; or

(3) In the event not described above, where the relevant stock is to be delisted and where the stock which is to be granted in exchange for such stock is expected to be listed immediately on a domestic Financial Instruments Exchange.

8 The provisions of the preceding Paragraph shall apply *mutatis mutandis* to bonds where the obligations relating to the bonds of the issuer of such bonds become immediately due and payable.

*<Appendix 2> Table Concerning Calculation of Theoretical Prices, etc. relating to Settlement  
Price for Index Futures Contracts*

Theoretical price  $\underline{=} S e^{(r-\delta)\tau}$

Note 1. Symbols used in the formula above shall have the meanings set forth below:

$S$ : value JSCC designates from among the values related to the underlying index  
on the day on which the Trading Day ends

$e$ : base of natural logarithm

$r$  : interest rate designated by JSCC

$\delta$ : expected dividend yield

$\tau$ : number of days in the period commencing on the day immediately following the  
relevant Trading Day and ending on the day immediately following the day on  
which the Last Trading Day of the relevant contract month contract ends\*<sup>1</sup> / 365  
(\*<sup>1</sup> if such day falls on a Non-business Day, it shall be the immediately following  
business day)

Note 2. The expected dividend yield shall be designated by JSCC among expected dividend  
yields relating to the underlying index.

=End=

Contract for Commissioning Clearance Relating to Cash Securities  
<Exhibit Form 1>: Form of Document concerning Guarantee

Guarantee

Date:

To [ ], President & CEO of Japan Securities Clearing Corporation

Address:

Trade Name or Company Name:

Name of Representative: (Seal)

[ ] (hereinafter referred to as the "Company") confirms and accepts the details of the Business Rules and other rules in advance and submits this Guarantee (hereinafter referred to as this "Guarantee") to JSCC through [ ] (hereinafter referred to as the "Clearing Participant") in accordance with the provisions of Article [ ] of the Business Rules.

The terms used in this Guarantee shall have the meanings prescribed in the Business Rules unless otherwise provided in this Guarantee.

1. The Company is a Parent of the Clearing Participant.
2. The Company shall guarantee jointly and severally with the Clearing Participant to JSCC all current and future obligations borne by the Clearing Participant against JSCC in connection with the JSCC's Clearing Business relating to [ ] Clearing Qualification (including but not limited to the obligations relating to the Contracts for Clearing to which the Clearing Participant is a party and the indemnity obligation in the case of an acknowledgment of a default and the like of the Clearing Participant by JSCC).
3. The Company shall cooperate with the report or submission of documents by the Clearing Participant or the audit by JSCC when JSCC requests the Clearing Participant to report or submit documents to JSCC or conducts an audit in respect of the matters concerning the Company pursuant to the provisions of Article 21 of the Business Rules (in the case the said Article is amended in accordance with the Business Rules, the provisions as amended).
4. This Guarantee shall be governed by and construed in accordance with the laws of Japan.
5. The Company agrees to the exclusive jurisdiction of the Tokyo District Court of Japan for the first instance if any lawsuit arises between JSCC and the Company in relation to this

Reference Translation

Contract for Commissioning Clearance Relating to Cash Securities

Guarantee.

End of Document

<Exhibit: Form 2>

**Contract for Commissioning Clearance Relating to Cash Securities**

\_\_\_\_\_ (hereinafter referred to as "Party A") and \_\_\_\_\_ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the buying/selling securities, Money/Securities Loan Transaction, Securities Lending Transaction or transfer of the Collateral, etc. for the Money/Securities Loan Transaction or the Securities Lending Transaction). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the buying/selling securities at the Designated Financial Instruments Market Money/Securities Loan Transaction, Securities Lending Transaction and/or transfer of the Collateral, etc. for the Money/Securities Loan Transaction or the Securities Lending Transaction, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The buying/selling the underlying securities which are formed through the exercise of options relating to the Security Option Contracts (limited to the contracts at the Financial Instruments Exchange Market operated by the Designated Market Operator, with respect to which Party B has its trading qualification or membership) shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

## Reference Translation

### Contract for Commissioning Clearance Relating to Cash Securities

2 In the case where Party B has lost its Securities Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.

2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Securities Clearing Qualification, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.

2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator or the Designated Securities Finance Company, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The price of the buying/selling, the securities sold/bought, the Margin and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7: Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

## Reference Translation

### Contract for Commissioning Clearance Relating to Cash Securities

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations (excluding obligations to deliver securities sold) owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, buy or sell the securities (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A may,

## Reference Translation

- Contract for Commissioning Clearance Relating to Cash Securities in its discretion, buy or sell the securities (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the buying or selling securities, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the buying or selling securities by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, buy or sell the securities (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the buying/selling the securities (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the buying/selling the securities in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

## (Article 9: Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs,

## Reference Translation

Contract for Commissioning Clearance Relating to Cash Securities interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

## Reference Translation

Contract for Commissioning Clearance Relating to Cash Securities  
(Article 14: Prohibition against Assignment of Receivables, etc.)

**Party B** shall not assign or pledge any of the receivables which **Party B** has against **Party A** in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

1 **Party A** and **Party B** may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of **Party A** and **Party B** shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.

3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to **Party B**, **Party A** may terminate this Contract.

4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, **Party A** shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after **Party A**'s issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.

5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the buying/selling the securities (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; when the buying/selling the securities (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8; and including buying/selling the underlying securities resulting from an exercise of options relating to the Security Option Contracts which are formed prior to the termination of this Contract).

6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if **Party A** fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

1 Notwithstanding the provisions of the preceding Article, in the event that **Party A** and **Party B** have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the

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Contract for Commissioning Clearance Relating to Cash Securities contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.

3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the contracts described in the following Items), which are formed prior to the Special Termination; provided, however, that with respect to the contracts described in Item 2, this Contract shall apply by the date \_\_\_ month(s) after the date of the Special Termination or the date on which Party B changes designations of its Designated Clearing Participant to Clearing Participant other than Party A, whichever comes first.

(1) Pre-matched buying/selling in respect of When-Issued Transaction

(2) Contracts necessary for settling the unsettled account with respect to Margin/Loan Trading and pertaining return of the lent object under the Money/Securities Loan Transaction, and delivery/receipt of the Collateral, etc. resulting from the relevant return of the lent object under the Money/Securities Loan Transaction

(3) Buying/selling the underlying securities resulting from an exercise of options relating to the Security Option Contracts which are formed prior to the termination of the Special Termination

4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.

5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or

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Contract for Commissioning Clearance Relating to Cash Securities  
other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

### (Article 17: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

### (Article 18: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

### (Article 19: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

### (Article 20: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

### (Article 21: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes

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Contract for Commissioning Clearance Relating to Cash Securities to seal impressions or signatures) to be submitted pursuant to the provisions of Article 18, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 22: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 23: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or \_\_\_\_\_ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Securities Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (Securities Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B, and the same number of month(s) shall be inserted in the blank space in “\_\_\_ month(s)” appearing in Paragraph 3 of Article 15-2.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

Reference Translation

Contract for Commissioning Clearance Relating to Cash Securities

=End=

## &lt;Exhibit: Form 3&gt;

**Contract for Commissioning Clearance Relating to JGB Futures, Etc.**

\_\_\_\_\_ (hereinafter referred to as "Party A") and \_\_\_\_\_ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the JGB Futures Contracts, Option Contracts on JGB Futures, and/or Interest Rate Futures Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the JGB Futures Contracts, the Option Contracts on JGB Futures, and the Interest Rate Futures Contracts, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The JGB Futures Contracts which are formed through the exercise of options relating to the Option Contracts on JGB Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The JGB Futures Contracts, the Option Contracts on JGB Futures, and the Interest Rate Futures Contract which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its

Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

- 2 In the case where Party B has lost its JGB Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains JSCC's JGB Futures Clearing Qualification, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The value of Japanese Government Bonds bought/sold, the Japanese Government Bonds bought/sold, the Margin, the Margin of the Non-Clearing Participant, money to be paid/received for the marking to the market relating to a JGB Futures Contract or an Interest Rate Futures Contract (referring to the money in an amount equal to the difference between the contract price

and the clearing price, and the difference between the clearing price on the Trading Day and the clearing price on the immediately preceding Trading Day), the contract price for the sale or purchase relating to an Option Contract on JGB Futures, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 6-2: Cross Margining Request)

- 1 When Party B is a Cross Margining User set forth in Interest Rate Swap Clearing Business Rules, Party B may make application to Party A related to Cross Margining Request in connection with the Position in the JGB Futures Contracts or the interest Rate Futures Contracts on its account.
- 2 When its customer is a Cross Margining User and Party B has received an application related to Cross Margining Request from such customer, Party B shall confirm that the Position quantity subject to such application is not more than the Position quantity in JGB Futures Contracts or Interest Rate Futures Contracts on the account of such customer, and then may make such application related to Cross Margining Request to Party A on behalf of the customer.
- 3 When Party B makes application related to Cross Margining Request for itself or on behalf of its customer in accordance with the provisions of Paragraph 1, Party A shall make Cross Margining Request to JSCC.
- 4 Notwithstanding the provisions of Paragraphs 1 and 2, if Party A cannot make Cross Margining Request as prescribed by JSCC, Party B may make application related to Cross Margining Request to Party A neither for itself nor on behalf of its customer.

(Article 7: Acceleration of Performance of Obligations)

- 1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:
  - (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
  - (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an

Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;

- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.;
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations;
- (6) If Party B is a Cross Margining User and Default of Party B is determined by JSCC pursuant to the provisions of the Interest Rate Swap Clearing Business Rules of JSCC; or
- (7) If Party B is a Cross Margining User and the Clearing Brokerage Contracts under the Interest Rate Swap Clearing Brokerage Agreement executed pursuant to the provisions of the Interest Rate Swap Clearing Business Rules prescribed by JSCC terminate on an Early Termination Date pursuant to the provisions of the said Interest Rate Swap Clearing Brokerage Agreement.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations (excluding obligations to deliver Japanese Government Bonds sold) owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts

pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 7-2: Rights and Obligations related to Cross Margined JGB Futures Cleared Contracts and Cross Margined Interest Rate Futures Cleared Contracts Cease to Exist)

- 1 When Party B is a Cross Margining User, at the time when the claims and obligations related to the Cross Margined JGB Futures Cleared Contracts or the Cross Margined Interest Rate Futures Cleared Contracts between Party A and JSCC cease to exist pursuant to the provisions of Paragraph 1 of Article 73-15-4 of the Business Rules of JSCC, the rights and obligations between Party A and Party B related to the commission of the Brokerage for Clearing of Securities, etc. related to Party B's Cross Margined JGB Futures Cleared Contracts or Cross Margined Interest Rate Futures Cleared Contracts and arising under the said claims and obligations shall cease to exist and have no future effect.
- 2 Notwithstanding the provisions of the immediately preceding Paragraph, the rights and obligations between Party A and Party B arising under the claims and obligations related to the Cross Margined JGB Futures Cleared Contracts or the Cross Margined Interest Rate Futures Cleared Contracts between Party A and JSCC which have already become due as set forth in Paragraph 4 of Article 73-15-4 of the Business Rules of JSCC shall remain in existence.

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

- 1 In the event that any of the Items under Paragraph 1 of Article 7 applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contracts on JGB Futures (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts (other than those related to Cross Margined JGB Futures Cleared Contracts or Cross Margined Interest Rate Futures Cleared Contracts) pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of Article 7 applies to Party B, Party A may, in its discretion, buy or sell Japanese Government Bonds, execute an Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contracts on JGB Futures (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of Article 7 applies to Party B, Party B

shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the buying/selling Japanese Government Bonds, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contract on JGB Futures, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the buying/selling Japanese Government Bonds, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contract on JGB Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, buy or sell the Japanese Government Bonds, execute the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contract on JGB Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the buying/selling the Japanese Government Bonds, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the buying/selling the Japanese Government Bonds,

the execution of the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

- 7 Notwithstanding the provisions of Paragraph 1 or 5, when Party B is a Cross Margining User and the rights and obligations related to the commission of the Brokerage for Clearing of Securities, etc. of Party B's JGB Futures Contracts related to Cross Margined JGB Futures Cleared Contracts or the rights and obligations related to the commission of the Brokerage for Clearing of Securities, etc. of Party B's Interest Rate Futures Contracts related to Cross Margined Interest Rate Futures Cleared Contracts cease to exist pursuant to the provisions of the immediately preceding Article, Party A and Party B shall settle JGB Futures Contracts or Interest Rate Futures Contracts related to such Cleared Contracts pursuant to the provisions of the Business Rules of JSCC.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A

may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.

- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that Party A or JSCC is deemed to have committed intentional misconduct or gross negligence, the foregoing shall not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.
- 2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9: Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of

such receivables.

- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

## (Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

## (Article 14: Prohibition against Assignment of Receivables, etc.)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

## (Article 15: Termination of Contract)

- 1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the buying/selling the Japanese Government Bonds, the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, and/or the Offsetting-Sale,

Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the buying/selling the Japanese Government Bonds, the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts or the Interest Rate Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contract on JGB Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).

6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.

3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.

4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.

5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or usage of the Cross Margining.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 [Party A] shall not be liable for any damage caused by a delay in the return of collateral pursuant to [Party B]'s request therefor, due to force majeure such as a natural disaster.
- 2 [Party A] shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 [Party A] shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if [Party A] verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to [Party B]'s address or office location previously provided to [Party A], is delayed or fails to be delivered due to any cause attributable to [Party B], such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When [Party A]'s approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, [Party B] may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, [Party B] shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where [Party A]'s headquarter office or \_\_\_\_\_ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (JGB Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (JGB Futures Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

## &lt;Exhibit: Form 4&gt;

**Contract for Commissioning Clearance Relating to Index Futures, Etc.**

\_\_\_\_\_ (hereinafter referred to as “Party A”) and \_\_\_\_\_ ( hereinafter referred to as “Party B”) agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Security Option Contracts, Index Futures Contracts and/or the Index Option Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as “JSCC”).

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the “Subject Contracts”) shall be the Security Option Contracts (excluding the buying/selling of the underlying securities resulting from an exercise of options under the Security Option Contracts; the same shall apply hereinafter in this Article), the Index Futures Contracts (excluding those related to index related to Commodity (referring to commodities stipulated in Item (3)-3 of Paragraph 24 of Article 2 of the Act); the same applies hereinafter) and the Index Option Contracts, out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of options relating to the Index Option Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Security Option Contracts, the Index Futures Contracts and/or the Index Option Contracts which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the “Designated Clearing Participant”).

## (Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its Index Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

## (Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Index Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

## (Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

## (Article 6: Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or

purchase relating to an Security Option Contract, money to be paid/received for the marking to the market relating to an Index Futures Contract (referring to the money in an amount equal to the difference between the contract price index and the clearing price index, and the difference between the clearing price index on the Trading Day and the clearing price index on the immediately preceding Trading Day), money to be paid/received for the final settlement relating to an Index Futures Contract, the contract price for the sale or purchase relating to an Index Option Contract, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7: Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

- 1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Security Option Contracts, execute an Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Index Option Contracts (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Security Option Contracts, execute an Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Index Option Contracts (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or

Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Security Option Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Index Option Contracts, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Security Option Contracts, fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Index Option Contracts, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options relating to the Security Option Contracts, execute the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Index Option Contracts (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts,

or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, [Party B] shall immediately pay to [Party A] an amount equal to such loss.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to [Party A])

In the event that [Party A] takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to [Party B] in connection with [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., [Party B] shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to [Party A] of Instructions for Improvement on Position Holding)

- 1 In the event that [Party A] receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to [Party B]'s failure to comply with the measure set forth in the preceding Article without a justifiable reason, [Party A] may request [Party B] to settle the unsettled Contracts for Clearing pertaining to [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If [Party A] is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if [Party B] fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of [Party A]'s issuance of such request in advance providing a reasonable grace period, [Party A] may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on [Party B]'s account, relating to [Party B]'s Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by [Party B] to [Party A] of the Brokerage for Clearing of Securities, etc.
- 3 Even if [Party B] incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that [Party A] or JSCC is deemed to have committed intentional misconduct or gross negligence,

the foregoing shall not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.
- 2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9: Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14: Prohibition against Assignment of Receivables, etc.)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in

connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof) is executed pursuant to the provisions of Paragraphs 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Security Option Contracts, the Offsetting-Sale or Offsetting-Purchase relating to the Index Futures Contracts, or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Index Option Contracts (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this

Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.
- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend

or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to [Party B]'s address or office location previously provided to [Party A], is delayed or fails to be delivered due to any cause attributable to [Party B], such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When [Party A]'s approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, [Party B] may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, [Party B] shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where [Party A]'s headquarter office or \_\_\_\_\_ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, [Party A] and [Party B] have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Index Futures Clearing Participant)

Address:  
Trade Name or Name:  
Representative: (Seal)

Party B (Index Futures Non-Clearing Participant)

Address:  
Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

## &lt;Exhibit Form 5&gt;

**Contract for Commissioning Clearance Relating to Precious Metal Futures, Etc.**

\_\_\_\_\_ (hereinafter referred to as "Party A") and \_\_\_\_\_ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Commodity Futures Contracts and/or Option Contracts on Commodity Futures). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1. Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Commodity Futures Contracts and the Option Contracts on Commodity Futures (limited to those related to gold, silver, platinum and palladium; the same applies hereinafter), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of the Option Contracts on Commodity Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Commodity Futures Contracts and the Option Contracts on Commodity Futures which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2. Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3. Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its

Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

2 In the case where Party B has lost its Precious Metal Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4. Transfer of Unsettled Contracts upon Change of Designation, etc.)

1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.

2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Precious Metal Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5. Execution of Buying/Selling Contracts, etc.)

1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.

2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6. Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or purchase relating to an Option Contracts on Commodity Futures, money to be paid/received for the marking to the market relating to a Commodity Futures Contract (referring to the money in an amount equal to the difference between the contract price and the settlement price, and the

difference between the settlement price on the Trading Day and the settlement price on the immediately preceding Trading Day), money to be paid/received for the settlement relating to warehouse receipt (including the documents other than warehouse receipt to be delivered for the Settlement by Deliver; the same applies hereinafter in this Article), articles and money, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities, warehouse receipts, articles and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7. Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Paragraph 2 of Article 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under laws and regulations of a foreign country.

2 Upon the occurrence of any of the events described in the following Items with respect to

[Party B], upon [Party A]'s request therefor, the obligations which [Party B] owes to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and [Party B] shall perform such obligations immediately:

- (1) If [Party B] delays the performance of any of the obligations owed by [Party B] to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from [Party B]'s failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for [Party B]'s obligations owed to [Party A] (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8. Handling in Cases Involving Suspension of Payment)

- 1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to [Party B], [Party A] may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on [Party B]'s account, which are necessary for settlement of all of the contracts pertaining to [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of Article applies to [Party B], [Party A] may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on [Party B]'s account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of Article applies to [Party B], [Party B] shall, upon [Party A]'s request therefor and by the date and time designated by [Party A], commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contracts on Commodity Futures,

- which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contracts on Commodity Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contracts on Commodity Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2. Handling in Cases Where Measures to Increase the Collateral are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall

comply with the relevant measures.

(Article 8-3. Offsetting-Sale, Offsetting-Purchase and the Like in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.
- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.

2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

- 1 If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, and if Party B is required to perform its obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, Party A may set off such obligations against any and all receivables including receivables held by Party B against Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, Party A may also receive a refund of any and all types of deposits on behalf of Party B and appropriate them to the performance of the obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest on the receivables and obligations, delay penalty and the like shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivables and obligations and the delay penalty rate applicable to the obligations owed to Party A shall be the rates prescribed by Party A.

(Article 10. Liquidation of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities or warehouse receipts provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom

related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11. Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities and the like in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12. Order of Appropriation in Debt Repayment)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13. Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14. Prohibition against Assignment of Receivables)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15. Termination of Contract)

1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.

- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the JGB Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2. Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of

termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party the written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-Business Day, the immediately preceding Business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 15-3. Special Provision for Settlement of Positions in Current Contract Month)

- 1 Party A and Party B shall provide for special provisions about the matters listed in the following Items from viewpoint of certainty of performance of obligations pertaining to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.:
  - (1) To report to Party A, without delay by the date and time designated by Party A, the necessary matters, such as whether or not there is a settlement by delivery relating to the position in the latest contract month contracts held by Party B, status of procurement of the delivery goods;
  - (2) Warehouse receipts (including the documents other than warehouse receipts to be delivered for the Settlement by Delivery) to the sale to be settled by delivery or the date and time of payment of the aggregate trading value relating to purchase; and
  - (3) Cap on the quantity related to the commission of the Brokerage for Clearing of Securities, etc.
- 2 Notwithstanding the provision of the preceding Paragraph, Party A and Party B may provide for special provisions about non-delivery with respect to the position in the latest contract month contracts held by Party B or settlement of positions held by Party B through Offsetting-Sale or Offsetting-Purchase by a certain date specified in advance.
- 3 When Party B breaches any of the special provisions under the preceding two Paragraphs,

Party A may, in order to settle any unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. dispose of positions pertaining to the said unsettled Contracts for Clearing at Party A's discretion and on the account of Party B through Offsetting-Sale or Offsetting-Purchase.

4 The provisions of Paragraph 6 of Article 8 shall apply mutatis mutandis to the case set forth in the preceding Paragraph.

(Article 16. Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17. Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18. Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19. Notice of Changes Concerning Notified Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20. Disclaimer)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving notifications or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21. Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22. Reports and the Like Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23. Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24. Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or \_\_\_\_\_ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to

the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, [Party A] and [Party B] have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Address:

Party A (Precious Metal Futures Clearing Participant) Trade Name or Name:

Representative: (Seal)

Address:

Party B (Precious Metal Futures Non-Clearing Participant) Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between [Party A] and [Party B].

(Note 2) Article 15-2 may be deleted from this Contract, if [Party A] and [Party B] do not prescribe in advance the conditions referenced in Paragraph 1 of Article 19, upon the satisfaction of which this Contract may be terminated, from viewpoint of certainty of the performance of obligations.

(Note 3) Upon the agreement by and between [Party A] and [Party B], revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

## &lt;Exhibit Form 6&gt;

**Contract for Commissioning Clearance Relating to Rubber Futures, Etc.**

\_\_\_\_\_ (hereinafter referred to as "Party A") and \_\_\_\_\_ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Commodity Futures Contracts and/or Option Contracts on Commodity Futures). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1. Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Commodity Futures Contracts and the Option Contracts on Commodity Futures (limited to those related to Ribbed Smoked Sheet and Technically Specified Rubber; the same applies hereinafter), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of the Option Contracts on Commodity Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Commodity Futures Contracts and the Option Contracts on Commodity Futures which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2. Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3. Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its Rubber Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4. Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Rubber Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5. Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6. Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the marking to the market relating to a Commodity Futures Contract (referring to the money in

an amount equal to the difference between the contract price and the settlement price, and the difference between the settlement price on the Trading Day and the settlement price on the immediately preceding Trading Day), money to be paid/received for the settlement relating to warehouse receipt (including the documents other than warehouse receipt to be delivered for the Settlement by Deliver; the same applies hereinafter in this Article), articles and money, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities, warehouse receipts, articles and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7. Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Paragraph 2 of Article 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under laws and regulations of a foreign country.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8. Handling in Cases Involving Suspension of Payment)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc. 3 In the event that any of the Items under Paragraph 2 of Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contracts

on Commodity Futures, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contracts on Commodity Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contracts on Commodity Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.
- 6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2. Handling in Cases Where Measures to Increase the Collateral are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts

pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3. Offsetting-Sale, Offsetting-Purchase and the Like in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.
- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for

Clearing of Securities, etc. by [Party B] to [Party A].

2 Even if [Party B] incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of [Party A] or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

- 1 If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, and if [Party B] is required to perform its obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, [Party A] may set off such obligations against any and all receivables including receivables held by [Party B] against [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, [Party A] may also receive a refund of any and all types of deposits on behalf of [Party B] and appropriate them to the performance of the obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest on the receivables and obligations, delay penalty and the like shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivables and obligations and the delay penalty rate applicable to the obligations owed to [Party A] shall be the rates prescribed by [Party A].

(Article 10. Liquidation of Securities Deposited in lieu of Cash)

If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, [Party A] may, on [Party B]'s account, dispose of the securities or warehouse receipts provided or deposited by [Party B] as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by [Party A] in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom

related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

(Article 11. Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities and the like in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12. Order of Appropriation in Debt Repayment)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13. Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14. Prohibition against Assignment of Receivables)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15. Termination of Contract)

1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.

- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2. Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding

- such day which is not a Non-business Day) immediately preceding the intended date of termination.
- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party the written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-Business Day, the immediately preceding Business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 15-3. Special Provision for Settlement of Positions in Current Contract Month)

- 1 Party A and Party B shall provide for special provisions about the matters listed in the following Items from viewpoint of certainty of performance of obligations pertaining to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.:
- (1) To report to Party A, without delay by the date and time designated by Party A, the necessary matters, such as whether or not there is a settlement by delivery relating to the position in the latest contract month contracts held by Party B, status of procurement of the delivery goods;
  - (2) Warehouse receipts (including the documents other than warehouse receipts to be delivered for the Settlement by Delivery) to the sale to be settled by delivery or the date and time of payment of the aggregate trading value relating to purchase; and
  - (3) Cap on the quantity related to the commission of the Brokerage for Clearing of Securities, etc.
- 2 Notwithstanding the provision of the preceding Paragraph, Party A and Party B may provide for special provisions about non-delivery with respect to the position in the latest contract month contracts held by Party B or settlement of positions held by Party B through Offsetting-Sale or Offsetting-Purchase by a certain date specified in advance.

- 3 When Party B breaches any of the special provisions under the preceding two Paragraphs, Party A may, in order to settle any unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. dispose of positions pertaining to the said unsettled Contracts for Clearing at Party A's discretion and on the account of Party B through Offsetting-Sale or Offsetting-Purchase.
- 4 The provisions of Paragraph 6 of Article 8 shall apply mutatis mutandis to the case set forth in the preceding Paragraph.

(Article 16. Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17. Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18. Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19. Notice of Changes Concerning Notified Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20. Disclaimer)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving notifications or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21. Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22. Reports and the Like Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In this case, Party B shall be deemed to have provided such information by a written report or notification.

(Article 23. Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24. Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or \_\_\_\_\_

branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Rubber Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (Rubber Futures Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 19, upon the satisfaction of which this Contract may be terminated, from viewpoint of certainty of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

## &lt;Exhibit Form 7&gt;

**Contract for Commissioning Clearance Relating to Agricultural Futures, etc.**

\_\_\_\_\_ (hereinafter referred to as "Party A") and \_\_\_\_\_ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Commodity Futures Contracts and/or Option Contracts on Commodity Futures). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1. Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Commodity Futures Contracts and the Option Contracts on Commodity Futures (limited to those related to Soybeans, Azuki and Corn; the same applies hereinafter), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The contracts which are formed through the exercise of the Option Contracts on Commodity Futures pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.
- 3 The Commodity Futures Contracts and the Option Contracts on Commodity Futures which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2. Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3. Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall

take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.

2 In the case where Party B has lost its Agricultural Futures Clearing Qualification, if Party B designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4. Transfer of Unsettled Contracts upon Change of Designation, etc.)

1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.

2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Agricultural Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5. Execution of Buying/Selling Contracts, etc.)

1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.

2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6. Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the marking to the market relating to a Commodity Futures Contract (referring to the money in an amount equal to the difference between the contract price and the settlement price, and the difference between the settlement price on the Trading Day and the settlement price on the

immediately preceding Trading Day), money to be paid/received for the settlement relating to warehouse receipt (including the documents other than warehouse receipt to be delivered for the Settlement by Deliver; the same applies hereinafter in this Article), articles and money, the contract price for the sale or purchase relating to an Option Contract on Commodity Futures, money to be paid/received for the settlement resulting from the exercise of an option relating to an Index Option Contract, and any and all other securities, warehouse receipts, articles and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

(Article 7. Acceleration of Performance of Obligations)

1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:

- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
- (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Paragraph 2 of Article 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
- (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
- (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
- (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under laws and regulations of a foreign country.

2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in

connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:

- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
- (2) If procedures for attachment or auction are commenced (including when any event which is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8. Handling in Cases Involving Suspension of Payment)

1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 In the event that Item (1) of Paragraph 2 of Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute an Offsetting-Sale, Offsetting-Purchase or exercise of an option relating to the Option Contract on Commodity Futures (including the commission thereof) on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.

3 In the event that any of the Items under Paragraph 2 of Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase, or issue notice concerning the exercise of options, relating to the Option Contracts on Commodity Futures, which are necessary for settlement of all of the contracts pertaining to Party B's Subject

Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase or issue notice of the exercise of options relating to the Option Contracts on Commodity Futures, by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or execute the Offsetting-Sale or Offsetting-Purchase or exercise options relating to the Option Contracts on Commodity Futures (including the commission thereof), on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.

6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof), pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, or the execution of the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2. Handling in Cases Where Measures to Increase the Collateral are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3. Offsetting-Sale, Offsetting-Purchase and the Like in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

- 1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.
- 2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase or exercise of options (including the commission thereof) on Party B's account, relating to Party B's Subject Contracts in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.
- 3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of Party A or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

- 1 In the case where the Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale, Offsetting-Purchase or an exercise of options (including the consignment thereof) relating to the Subject Contracts on Party B's account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by Party B to Party A.
- 2 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or

Offsetting-Purchase, or exercise of options (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of [Party A] or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

- 1 If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, and if [Party B] is required to perform its obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, [Party A] may set off such obligations against any and all receivables including receivables held by [Party B] against [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.
- 2 When the setoff set forth in the preceding Paragraph is available, [Party A] may also receive a refund of any and all types of deposits on behalf of [Party B] and appropriate them to the performance of the obligations without prior notice and without following prescribed procedures.
- 3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest on the receivables and obligations, delay penalty and the like shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivables and obligations and the delay penalty rate applicable to the obligations owed to [Party A] shall be the rates prescribed by [Party A].

(Article 10. Liquidation of Securities Deposited in lieu of Cash)

If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, [Party A] may, on [Party B]'s account, dispose of the securities or warehouse receipts provided or deposited by [Party B] as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by [Party A] in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of [Party B] regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation

of the proceeds, Party B shall immediately perform such obligation.

(Article 11. Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities and the like in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

(Article 12. Order of Appropriation in Debt Repayment)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

(Article 13. Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

(Article 14. Prohibition against Assignment of Receivables)

Party B shall not assign or pledge any of the receivables which Party B has against Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15. Termination of Contract)

1 Party A and Party B may, upon mutual consultation, terminate this Contract by mutual agreement.

2 In addition to the provisions of the preceding Paragraph, each of Party A and Party B shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.

3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to Party B, Party A

may terminate this Contract.

4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, Party A shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after Party A's issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.

5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) is executed pursuant to the provisions of Paragraph 1 through Paragraph 4 of Article 8; and including when the Offsetting-Sale or Offsetting-Purchase relating to the Commodity Futures Contracts, and/or the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to the Option Contracts on Commodity Futures (including the commission thereof) in compliance with the provisions prescribed by JSCC and/or the Designated Market Operator is executed pursuant to the provisions of Paragraph 5 of Article 8).

6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if Party A fails to provide the notice set forth in Paragraph 4.

(Article 15-2. Special Termination)

1 Notwithstanding the provisions of the preceding Article, in the event that Party A and Party B have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party the written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-Business Day, the immediately preceding Business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale, Offsetting-Purchase or exercise of options relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 15-3. Special Provision for Settlement of Positions in Current Contract Month)

- 1 Party A and Party B shall provide for special provisions about the matters listed in the following Items from viewpoint of certainty of performance of obligations pertaining to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.:
  - (1) To report to Party A, without delay by the date and time designated by Party A, the necessary matters, such as whether or not there is a settlement by delivery relating to the position in the latest contract month contracts held by Party B, status of procurement of the delivery goods;
  - (2) Warehouse receipts (including the documents other than warehouse receipts to be delivered for the Settlement by Delivery) to the sale to be settled by delivery or the date and time of payment of the aggregate trading value relating to purchase; and
  - (3) Cap on the quantity related to the commission of the Brokerage for Clearing of Securities, etc.
- 2 Notwithstanding the provision of the preceding Paragraph, Party A and Party B may provide for special provisions about non-delivery with respect to the position in the latest contract month contracts held by Party B or settlement of positions held by Party B through Offsetting-Sale or Offsetting-Purchase by a certain date specified in advance.
- 3 When Party B breaches any of the special provisions under the preceding two Paragraphs, Party A may, in order to settle any unsettled Contracts for Clearing pertaining to Party B's

Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. dispose of positions pertaining to the said unsettled Contracts for Clearing at Party A's discretion and on the account of Party B through Offsetting-Sale or Offsetting-Purchase.

4 The provisions of Paragraph 6 of Article 8 shall apply mutatis mutandis to the case set forth in the preceding Paragraph.

(Article 16. Reports)

1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17. Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and
- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18. Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19. Notice of Changes Concerning Notified Matters)

Whenever any change is made to Party B's trade name or name, representative, seal

impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20. Disclaimer)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving notifications or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21. Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22. Reports and the Like Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In this case, Party B shall be deemed to have provided such information by a written report or notification.

(Article 23. Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24. Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or \_\_\_\_\_ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities,

etc. under this Contract.

In witness whereof, [Party A] and [Party B] have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Address:

Party A (Agricultural Futures Clearing Participant)

Trade Name or Name:

Representative: (Seal)

Address:

Party B (Agricultural Futures Non-Clearing Participant)

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between [Party A] and [Party B].

(Note 2) Article 15-2 may be deleted from this Contract, if [Party A] and [Party B] do not prescribe in advance the conditions referenced in Paragraph 1 of Article 19, upon the satisfaction of which this Contract may be terminated, from viewpoint of certainty of the performance of obligations.

(Note 3) Upon the agreement by and between [Party A] and [Party B], revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

## &lt;Exhibit: Form 8&gt;

**Contract for Commissioning Clearance Relating to Petroleum Futures, Etc.**

\_\_\_\_\_ (hereinafter referred to as "Party A") and \_\_\_\_\_ (hereinafter referred to as "Party B") agree as follows with regard to the Brokerage for Clearing of Securities, etc. conducted by Party A pursuant to the commission from Party B (limited to those relating to the Index Futures Contracts). The terms used in this Contract shall have the meanings prescribed in the Business Rules and other rules of Japan Securities Clearing Corporation (hereinafter referred to as "JSCC").

(Article 1: Contracts Subject to Brokerage for Clearing of Securities, etc.)

- 1 The contracts which are the subject of this Contract (hereinafter referred to as the "Subject Contracts") shall be the Index Futures Contracts (limited to those related to index related to Commodity (referring to commodities stipulated in Item (3)-3 of Paragraph 24 of Article 2 of the Act); the same applies hereinafter) (limited to those related to Gasoline, Gas Oil and Crude Oil), out of the contracts which are stipulated as contracts subject to the Brokerage for Clearing of Securities, etc. in the Business Rules of JSCC.
- 2 The Subject Contracts which are newly formed between Party A and JSCC when the Give-up is completed in accordance with the rules prescribed by the Designated Market Operator, where Party B is the Trading Participant Executing Clearance, shall be deemed as contracts which are formed pursuant to the commission of the Brokerage for Clearing of Securities, etc., and this Contract (excluding Article 5) shall apply to them accordingly.

(Article 2: Designation of Designated Clearing Participant)

With respect to the Subject Contracts, Party B may in its discretion designate Party A as the Clearing Participant which is always commissioned to conduct the Brokerage for Clearing of Securities, etc. (hereinafter referred to as the "Designated Clearing Participant").

(Article 3: Transfer of Unsettled Contracts upon Designation)

- 1 In the case where Party B has designated a Clearing Participant other than Party A as its Designated Clearing Participant, if Party B changes such designation to Party A, Party A shall take over the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. from the former Designated Clearing Participant.
- 2 In the case where Party B has lost its Petroleum Futures Clearing Qualification, if Party B

designates Party A as its Designated Clearing Participant, Party A shall take over Party B's unsettled Contracts for Clearing.

(Article 4: Transfer of Unsettled Contracts upon Change of Designation, etc.)

- 1 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B changes such designation to another Clearing Participant, Party A shall transfer the unsettled contracts pertaining to Party B's Subject Contracts (limited to those pertaining to Contracts for Clearing) pursuant to the commission of the Brokerage for Clearing of Securities, etc. to such Clearing Participant which is newly designated by Party B as its Designated Clearing Participant.
- 2 In the case where Party B has designated Party A as its Designated Clearing Participant, if Party B obtains the Petroleum Futures Clearing Qualification of JSCC, Party A shall transfer to Party B the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 5: Execution of Buying/Selling Contracts, etc.)

- 1 The Subject Contracts, where Party A is designated by Party B as its Designated Clearing Participant, shall be executed by Party B on behalf of Party A.
- 2 When the preceding Paragraph applies, with respect to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, when a quote or application pertaining to the Subject Contracts is made in accordance with the rules prescribed by the Designated Market Operator, Party B shall be deemed to have submitted to Party A an application for the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts, and Party A shall be deemed to have accepted the commission of the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts.

(Article 6: Clearance Brokerage Accounts)

The Margin, the Margin of the Non-Clearing Participant, the money to be paid/received for the marking to the market relating to a Subject Contract (referring to the money in an amount equal to the difference between the contract price index and the clearing price index, and the difference between the clearing price index on the Trading Day and the clearing price index on the immediately preceding Trading Day), money to be paid/received for the final settlement relating to a Subject Contract, and any and all other securities and money to be paid/received, in connection with the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall be processed at the clearance brokerage account which is set up by Party B at Party A.

## (Article 7: Acceleration of Performance of Obligations)

- 1 Upon the occurrence of any of the events described in the following Items with respect to Party B, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall automatically become immediately due and payable without any notification, demand, etc., from Party A, and Party B shall perform such obligations immediately:
- (1) If Party B suspends payment, or a petition for bankruptcy procedures, rehabilitation procedures, corporate reorganization procedures or a special liquidation involving Party B is filed;
  - (2) If the note clearinghouse takes any measure to suspend Party B's contracts or an Electronic Monetary Claim Recording Institution defined in Article 2, Paragraph 2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007) suspends Party B's transactions;
  - (3) If an order or notice of provisional attachment, preservative attachment or attachment with respect to any receivable relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. or any other receivable, which is held by Party B against Party A, is issued;
  - (4) If procedures for attachment or auction are commenced with respect to the collateral provided or deposited for Party B's obligations owed to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.; or
  - (5) If any event which is the same as or similar to any of the events described in the preceding Items occurs under foreign laws and regulations.
- 2 Upon the occurrence of any of the events described in the following Items with respect to Party B, upon Party A's request therefor, the obligations which Party B owes to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. shall become immediately due and payable, and Party B shall perform such obligations immediately:
- (1) If Party B delays the performance of any of the obligations owed by Party B to Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (except when the delay results from Party B's failure to comply with the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC); or
  - (2) If procedures for attachment or auction are commenced (including when any event which

is the same as or similar to any of the foregoing occurs under foreign laws and regulations) with respect to the collateral provided for Party B's obligations owed to Party A (excluding the obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.).

(Article 8: Handling in Cases Involving Suspension of Payment, etc.)

- 1 In the event that any of the Items under Paragraph 1 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts on Party B's account, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 In the event that Item (1) of Paragraph 2 of the preceding Article applies to Party B, Party A may, in its discretion, execute an Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts in relation to the relevant delay pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 3 In the event that any of the Items under Paragraph 2 of the preceding Article applies to Party B, Party B shall, upon Party A's request therefor and by the date and time designated by Party A, commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts, which are necessary for settlement of all of the contracts pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 4 If Party B fails to commission the Brokerage for Clearing of Securities, etc. for the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts by the date and time referenced in the preceding Paragraph, Party A may, in its discretion, execute the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts on Party B's account, which are necessary for settlement of the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 5 Notwithstanding the provisions of the preceding Paragraphs, if the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights, or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party A and Party B shall comply with the provisions prescribed by JSCC and/or the Designated Market Operator which takes such measures, disciplinary measures or other actions.

6 In the event that Party A incurs any loss as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts pursuant to the provisions of Paragraph 1 through Paragraph 4, or as a result of the execution of the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts in accordance with the provisions prescribed by JSCC and/or the Designated Market Operator pursuant to the provisions of the preceding Paragraph, Party B shall immediately pay to Party A an amount equal to such loss.

(Article 8-2: Handling in Cases Where Measures to Increase the Collateral, etc., are Taken with respect to Party A)

In the event that Party A takes the measures set forth in Paragraph 2 of Article 29-2 of the Business Rules of JSCC with respect to Party B in connection with Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., Party B shall comply with the relevant measures.

(Article 8-3: Offsetting-Sale, Offsetting-Purchase, etc. in the event of Issuance to Party A of Instructions for Improvement on Position Holding)

1 In the event that Party A receives the Instructions for Improvement on Position Holding pursuant to the Business Rules of JSCC (hereinafter referred to as the "Instructions for Improvement" in this Article) due to Party B's failure to comply with the measure set forth in the preceding Article without a justifiable reason, Party A may request Party B to settle the unsettled Contracts for Clearing pertaining to Party B's Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., or to transfer them to other Clearing Participants.

2 If Party A is unable to comply with the Instructions for Improvement even after making reasonable efforts to comply with the Instructions for Improvement, if Party B fails to comply with the request set forth in the preceding Paragraph without a justifiable reason, in spite of Party A's issuance of such request in advance providing a reasonable grace period, Party A may, to the extent deemed reasonably necessary, execute the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts (including the commission thereof) on Party B's account, in order to settle the contracts pertaining to the Subject Contracts pursuant to the commission by Party B to Party A of the Brokerage for Clearing of Securities, etc.

3 Even if Party B incurs damages as a result of Party A's execution of the Offsetting-Sale or Offsetting-Purchase (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, Party B shall not demand any compensation for such damages from Party A or JSCC; provided, however, that in the event that Party A or JSCC is deemed to have committed intentional misconduct or gross negligence, the foregoing shall

not apply to any demand made against the person who committed such intentional misconduct or gross negligence.

(Article 8-4. Measures in case of Clearing Participant's Settlement Default)

1 In the case where the [Party B]'s Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are designated to be the Early Termination Allocated Position set forth in Paragraph 1 of Article 76-4 of the Business Rules of JSCC, Party A may execute an Offsetting-Sale or Offsetting-Purchase (including the commission thereof) relating to the Subject Contracts on [Party B]'s account to settle the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. by [Party B] to [Party A].

2 Even if Party B incurs damages as a result of [Party A]'s execution of the Offsetting-Sale or Offsetting-Purchase (including the commission thereof) referenced in, and pursuant to, the provisions of the preceding Paragraph, [Party B] shall not demand any compensation for such damages from [Party A] or JSCC; provided, however, that in the event that a willful misconduct or gross negligence on the part of [Party A] or JSCC is recognized, the foregoing shall not apply to any claim made against the person who committed such willful misconduct or gross negligence.

(Article 9. Offsetting Calculation)

1 If [Party B]'s obligations become immediately due and payable pursuant to the provisions of Article 7, and if [Party B] is required to perform its obligations owed to [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. as a result thereof, [Party A] may set off such obligations against any and all receivables including receivables held by [Party B] against [Party A] relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., at any time and regardless of the due dates of such receivables.

2 When the setoff set forth in the preceding Paragraph is available, [Party A] may also receive a refund of any and all types of deposits on behalf of [Party B] and appropriate them to the performance of obligations without prior notice and without following prescribed procedures.

3 For the calculation of the setoff in accordance with the provisions of the preceding two Paragraphs, interest of the receivable and obligations, delay penalty, etc. shall accrue during the period ending on the date of such calculation, and the interest rates applicable to such receivable and obligations and the delay penalty rate applicable to the obligations owed to [Party A] shall be the rates prescribed by [Party A].

## (Article 10: Disposition of Securities Deposited in lieu of Cash)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may, on Party B's account, dispose of the securities provided or deposited by Party B as the Margin or Margin of the Non-Clearing Participant for the purpose of ensuring the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. in such manner, at such time and place, for such price and on such other terms as may be determined by Party A in its discretion, without any notice or demand and without following legally prescribed procedures, and appropriate the proceeds thereof, after deducting therefrom related expenses, to the performance of such obligations of Party B regardless of the legally prescribed priority; in the event that any obligation remains unsatisfied after such appropriation of the proceeds, Party B shall immediately perform such obligation.

## (Article 11: Disposition of Property in Possession)

If Party B's obligations become immediately due and payable pursuant to the provisions of Article 7, Party A may dispose of Party B's movable properties in Party A's possession, as well as Party B's securities, etc. in Party A's possession or recorded in Party A's account in accordance with the Act on Transfer of Bonds, Stocks, etc. (Law No. 75 of 2001); in such event, Party A shall dispose them in accordance with the provisions of the preceding Article.

## (Article 12: Order of Appropriation in Debt Repayment, etc.)

If all of Party B's obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. are not discharged after performance of obligation or calculation of the setoff in accordance of Article 9, Party A may appropriate such performance or such calculation of the setoff to Party B's obligations in such order and manner as Party A deems proper.

## (Article 13: Payment of Delay Penalty)

In the event that Party B fails to perform any of its obligations owed to Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., upon Party A's request, Party B shall pay to Party A a delay penalty accruing at the rate prescribed by Party A during the period commencing on the day following the performance due date and ending on the date of actual performance.

## (Article 14: Prohibition against Assignment of Receivables, etc.)

[Party B] shall not assign or pledge any of the receivables which [Party B] has against [Party A] in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.

(Article 15: Termination of Contract)

- 1 [Party A] and [Party B] may, upon mutual consultation, terminate this Contract by mutual agreement.
- 2 In addition to the provisions of the preceding Paragraph, each of [Party A] and [Party B] shall have the right to terminate this Contract by issuing to the other party written notice of its intention of termination not less than \_\_\_ month(s) prior to the intended date of termination.
- 3 In addition to the provisions of the preceding two Paragraphs, whenever any of the Items under Paragraph 1 or under Paragraph 2 of Article 7 becomes applicable to [Party B], [Party A] may terminate this Contract.
- 4 When intending to terminate this Contract pursuant to the provisions of the preceding three Paragraphs, [Party A] shall provide JSCC with prior notice. In such event, such notice shall be submitted on or before the day which is not later than three days before the intended date of termination (excluding Non-business Days) in the case of termination pursuant to Paragraph 1, without delay after [Party A]'s issuance or receipt of the written notice of its intention of termination to or from the other party in the case of termination pursuant to Paragraph 2, or on the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) preceding the intended date of termination in the case of termination pursuant to the preceding Paragraph.
- 5 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., which are formed prior to the termination of this Contract (including the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts when the Offsetting-Sale or Offsetting-Purchase relating to the Subject Contracts is executed).
- 6 Notwithstanding the provisions of Paragraph 1 through Paragraph 3, the termination of this Contract shall not become effective if [Party A] fails to provide the notice set forth in Paragraph 4.

(Article 15-2: Special Termination)

- 1 Notwithstanding the provisions of the preceding Article, in the event that [Party A] and [Party B] have previously agreed upon the conditions, upon the satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage

for Clearing of Securities, etc., if any of such conditions becomes applicable to Party B, Party A may terminate this Contract by issuing written notice of its intention of termination to Party B on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended date of termination.

- 2 When intending to terminate this Contract pursuant to the provisions of the preceding Paragraph (such termination is hereinafter referred to as the "Special Termination"), Party A shall notify JSCC immediately after issuing to the other party written notice of its intention of the Special Termination, and on or before the day (if such day is a Non-business Day, the day immediately preceding such day which is not a Non-business Day) immediately preceding the intended effective date of such Special Termination.
- 3 The provisions of this Contract shall continue to apply to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. (including the Offsetting-Sale or Offsetting-Purchase relating to such contracts), which are formed prior to the Special Termination.
- 4 In addition to the provisions of the preceding Paragraph, the provisions of this Contract shall continue to apply to the contracts which are deemed by JSCC to be particularly necessary in order to secure the performance of settlement.
- 5 Notwithstanding the provisions of Paragraph 1, the Special Termination shall not become effective if Party A fails to issue the notice set forth in Paragraph 2.

(Article 16: Reports)

- 1 Party B shall, without delay upon Party A's request therefor, submit to Party A reports concerning the matters necessary in relation to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc.
- 2 When any of the events set forth in the Items under Paragraph 1 or under Paragraph 2 of Article 7 occurs, or when the Designated Market Operator takes measures, disciplinary measures or other actions to revoke Party B's trading qualification, expel Party B, suspend or restrict Party B's membership rights or suspend Party B from commissioning the Brokerage for Clearing of Securities, etc. (limited to those related to the Brokerage for Clearing of Securities, etc. pertaining to the Subject Contracts under this Contract), Party B shall immediately submit a written report thereof to Party A.

(Article 17: Obligations of Party B)

Party B shall provide Party A with notice concerning the matters set forth in the following Items:

- (1) In the case where Party B or its customers have entered into a replacement deposit

agreement concerning the Margin provided to or deposited with Party A in connection with the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., notice to that effect; and

- (2) In the case where the replacement deposit has been made by Party B or its customers, notice to that effect.

(Article 18: Confidentiality Obligations)

Party A and Party B shall maintain the confidentiality of the other party's business information obtained in the course of business operations in connection with this Contract, and shall not use such information for any other purpose. In addition, neither Party A nor Party B shall divulge such information to any third party, except when responding to investigations conducted by the Designated Market Operator or JSCC, or when any other justifiable cause exists.

(Article 19: Notice of Changes Concerning Reported Matters)

Whenever any change is made to Party B's trade name or name, representative, seal impression and/or signature registered with Party A, address or office location, or any other matter, Party B shall immediately provide Party A with written notice thereof.

(Article 20: Release of Liability)

- 1 Party A shall not be liable for any damage caused by a delay in the return of collateral pursuant to Party B's request therefor, due to force majeure such as a natural disaster.
- 2 Party A shall not be liable for any damage resulting from a loss or deterioration of, or damage to, the collateral due to the cause described in the preceding Paragraph.
- 3 Party A shall not be liable for any damage caused by forgery, falsification or other incident involving reports or other documents, if Party A verifies the seal impression or signature used on such documents against the registered seal impression or signature with due care, and takes actions based on its belief that such seal impression or signature is genuine.

(Article 21: Effectiveness of Notice)

In the event that any type of notice given by Party A relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc., addressed to Party B's address or office location previously provided to Party A, is delayed or fails to be delivered due to any cause attributable to Party B, such notice shall be deemed to have been delivered at the time when it should ordinarily have been delivered.

(Article 22: Reports, etc. Submitted by Electromagnetic Means)

When Party A's approval is obtained, in lieu of written reports to be submitted pursuant to the provisions of Paragraph 2 of Article 16 or written notification (other than those relating to changes to seal impressions or signatures) to be submitted pursuant to the provisions of Article 19, Party B may provide the information which is to be set forth in such reports or notification by the method involving the use of electronic information processing systems or other information communication technology. In such event, Party B shall be deemed to have provided such reports or notification in writing.

(Article 23: Applicable Law)

This Contract shall be governed by, and construed in accordance with, the laws of Japan.

(Article 24: Agreed Jurisdiction)

The court having jurisdiction over the area where Party A's headquarter office or \_\_\_\_\_ branch is located shall have jurisdiction over any lawsuit relating to the contracts pertaining to the Subject Contracts pursuant to the commission of the Brokerage for Clearing of Securities, etc. under this Contract.

In witness whereof, Party A and Party B have prepared two counterparts of this Contract and affixed their names and seal impressions thereon, and shall retain one counterpart each.

Date: year / month / date

Party A (Petroleum Futures Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

Party B (Petroleum Futures Non-Clearing Participant)

Address:

Trade Name or Name:

Representative: (Seal)

(Note 1) In the blank space in “\_\_\_ month(s)” appearing in Paragraph 2 of Article 15, the number of month(s) which shall not be less than one month shall be inserted upon the agreement between Party A and Party B.

(Note 2) Article 15-2 may be deleted from this Contract, if Party A and Party B do not prescribe in advance the conditions referenced in Paragraph 1 of Article 15-2, upon the

satisfaction of which this Contract may be terminated, in order to ensure the likelihood of the performance of obligations.

(Note 3) Upon the agreement by and between Party A and Party B, revisions which are deemed appropriate may be made to the provisions concerning the agreed jurisdiction in Article 24.

=End=

=End=