

JSCC Determination Committee Rules

Chapter 1 General Provisions

(Article 1 Purpose)

These JSCC Determination Committee Rules (hereinafter referred as these “Rules”) set forth the authority, organisation, term of office of a committee member, and procedures for proceedings in respect of the JSCC Determination Committee (hereinafter referred to as the “Committee”) and other matters necessary for administration of the Committee in accordance with the CDS Business Rules (hereinafter referred to as the “Business Rules”) established by Japan Securities Clearing Corporation (hereinafter referred to as “JSCC”).

(Article 2 Definitions)

The terms used in these Rules shall have the meanings as prescribed in the Business Rules unless otherwise specified in these Rules, and the terms listed in each Item below shall have the meanings defined in each such Item:

- (1) “Administrative Meeting” shall be a meeting where Designated Dispute Resolver and Advocates hold Oral Arguments or determine the procedures for the consideration of the Items of Argument referred to the Designated Dispute Resolver by the Committee;
- (2) “Mandatory Voting Committee Members” shall be, among the committee members appointed in accordance with the provisions of Article 6 hereof, those who were appointed by recommendation of Mandatory Voting Participants;
- (3) “Mandatory Voting Participants” shall be those designated by JSCC from among Committee Participants in accordance with the provisions of Paragraph 2 of Article 14 hereof to determine the Mandatory Voting Committee Members until the number of the Voting Committee Members constitutes the Standard Quorum in connection with the Binding Vote in Paragraph 1 of the said Article;
- (4) “Authorised Matters” shall be those listed in each Item of Paragraph 1 of Article 4;
- (5) “Committee Participant” shall be a person designated by JSCC as a Clearing Participant who is involved in the deliberation and determination of Items of Argument by the Committee in accordance with these Rules;
- (6) “Binding Vote” shall be the votes binding JSCC and Clearing Participants among those cast at the Committee meetings;
- (7) “Oral Argument” shall be the procedure conducted by a Designated Dispute Resolver to consider the Items of Argument referred to him or her by the Committee where the Designated Dispute Resolver, Advocates and witnesses approved by such Designated Dispute Resolver attend and discuss verbally such Items of Argument;
- (8) “Advocate” shall be a person who supports the activities of, and expresses his or her own opinion to, the Designated Dispute Resolver and participates in Oral Argument in respect of the Items of Argument referred to the Dispute Resolver;
- (9) “Designated Dispute Resolver” shall be a person designated by JSCC as the one who should give a response in respect of a certain Item of Argument from among Dispute Resolvers in accordance with the provisions of Paragraph 1 of Article 21 hereof;

- (10) “Case of Argument” shall be an issue determined by the Committee chairperson as a common event in one or more Items of Argument at the start of the deliberation on the Items of Argument;
- (11) “Item of Argument” shall be an item presented to the Committee from among the Authorised Matters by JSCC, the chairperson, or not less than two (2) committee members (or one (1) committee member if supported by other committee member(s)) as the item to be deliberated and determined at the Committee meeting;
- (12) “Acceleration Supermajority” shall mean the vote in which the Voting Committee Members account for at least two-thirds of the aggregate committee members and all such Voting Committee Members vote for accelerating the date of a Binding Vote set forth in Paragraph 1 of Article 18 hereof from the Standard Voting Date as prescribed in Paragraph 2 of the said Article to the day on which a meeting is held for the Item of Argument in respect of which such Binding Vote is made;
- (13) “Quorum Stage 2 Supermajority” shall mean the vote in which the number of the Voting Committee Members constitutes the Standard Quorum and at least two-thirds of the larger of the number of the Voting Committee Members who participated in such vote and the number of the Voting Committee Members who voted in the latest Binding Vote on the same Items of Argument cast votes in a certain response;
- (14) “Voting Committee Member” shall mean a committee member who participates in a Committee meeting and casts votes at such meeting including those who votes for withholding of response but excluding those who abstain from such voting;
- (15) “Non-Binding Vote” shall be the votes not binding JSCC and Clearing Participants among those cast at the Committee meetings;
- (16) “Quorum Majority” shall mean the vote in which the number of Voting Committee Members constitutes the Standard Quorum and a majority of the Voting Committee Members vote in a certain response;
- (17) “Quorum Supermajority” shall mean the vote in which the number of Voting Committee Members constitutes the Standard Quorum and at least two-thirds of the Voting Committee Members vote in a certain response;
- (18) “Standard Quorum” means a number larger than half of the total number of committee members (rounded down to the nearest whole number, if such number has a fractional portion less than one (1));
- (19) “Dispute Resolver” shall be a person appointed by JSCC as a candidate for Designated Dispute Resolver in accordance with Article 8 hereof;
- (20) “Dispute Resolver List” shall mean the list on which the names of Dispute Resolvers and other matters are described in the order as prescribed in Article 10 hereof;
- (21) “Effectiveness Convention” shall be the convention which sets forth the point of time when the determinations by the Binding Vote of the Committee for a certain purpose or circumstance or for more than one purposes or circumstances come into effect, which may be adopted, amended or eliminated by the Committee by the determination of Effectiveness Supermajority; and
- (22) “Effectiveness Supermajority” shall mean the vote in which the number of Voting Committee Members is at least two-thirds of the total number of Committee Members and that at least three-quarters of the Voting Committee Members vote in a particular

Effectiveness Convention.

Chapter 2 Organisation and Composition of the Committee

(Article 3 Establishment of Committee, etc.)

- 1 The Committee shall be a permanent advisory committee established by JSCC in accordance with the provisions of Paragraph 1 of Article 86 of the Business Rules.
- 2 The Committee shall consist of the members appointed in accordance with the provisions of Article 6 hereof.
- 3 The Committee shall have a chairperson who shall be deemed appropriate by JSCC as the person with deep insight concerning the administration of the Committee and appointed from among the committee members.
- 4 In case where the chairperson is unable to carry out his or her duties due to unavoidable reasons, the chairperson or JSCC may appoint another committee member as an acting chairperson.
- 5 The term of office of chairperson shall be one (1) year.
- 6 In case the position of a chairperson becomes vacant due to any of the following events or any other reasons, JSCC shall appoint a new chairperson. In this case, the term of office of the newly appointed chairperson shall expire at the expiration of the term of office of the retired chairperson:
 - (1) Resignation of the chairperson; or
 - (2) Dismissal of the chairperson by JSCC due to cancellation of the designation of the Committee Participant who recommended the chairperson or any other reasons.
- 7 The Committee shall endeavour to cooperate with the ISDA Determination Committee in the course of the administration of the Committee.

(Article 4 Authority of Committee)

- 1 Authorised Matters of the Committee shall be as follows:
 - (1) Matters relating to the determination of occurrence of Credit Events:
 - a. In respect of a Clearing Contract, to determine whether or not a Credit Event with Publicly Available Information occurred on and after the Credit Event Backstop Date (to be determined based on Tokyo time) and on or before the Extension Date (to be determined based on Tokyo time) (and also to determine the time of occurrence of such Credit Event in accordance with the provisions of the said Clearing Contract). In the case it determines that the Credit Event with Publicly Available Information occurred, to determine the

relevant Event Determination Date (which shall be the first day on which the Committee receives the request for resolution thereof and comes to possess the Publicly Available Information related to the relevant Credit Event during the Notice Delivery Period or the Post Dismissal Additional Period (or, in respect of the 2003 Version Clearing Contracts, before the Notice Delivery Period ends (which may be prior to the relevant Trade Date))). Provided, however, that an Event Determination Date relating to Restructuring related to a 2003 Version Clearing Contract shall be deemed to have occurred only if a notifying party delivered a Credit Event Notice to the other party on or before the relevant Exercise Cut-off Date; and

- b. In the case the Item of Argument set forth in a. above is presented to the Committee and when the person who presented such item gives a detailed explanation to a reasonable extent concerning the facts and information required to be included in a Credit Event Notice or a Notice of Publicly Available Information, a Credit Event Notice and Notice of Publicly Available Information in respect of all Clearing Contracts shall be deemed to have been delivered by a notifying party to the other party only for the purpose of determining the Credit Event Backstop Date in accordance with the provisions of Section 1.39 of the ISDA Credit Derivatives Definitions (or Section 1.23 of the ISDA Credit Derivatives Definitions (2003 Version) for 2003 Version Clearing Contracts).

(2) Matters relating to the determination of Successor and Succession Date (or Succession Events for 2003 Version Clearing Contracts):

- a. In respect of a Clearing Contract, to determine whether or not a Successor and Succession Date (or Succession Event for 2003 Version Clearing Contract) occurred for the Reference Entity. For a 2003 Version Clearing Contract, if it determines that the Succession Event occurred, to determine the date on which the Succession Event becomes legally effective and the identification of the Successor. Provided, however, that such determination shall be made only where sufficient information to make such determination is available to the Committee; and
- b. In the case where the Item of Argument set forth in a. above is presented to the Committee, and when the person who presented such item gives a detailed explanation to a reasonable extent concerning the facts required to be included in a Successor Notice (or a Succession Event Notice for 2003 Version Clearing Contracts), a Successor Notice (or a Succession Event Notice for a 2003 Version Clearing Contracts) in respect of all Clearing Contracts shall be deemed to have been delivered by one party to the other party only for the purpose of determining the Successor Backstop Date (or the Succession Event Backstop Date for 2003 Version Clearing Contracts) in accordance with the provisions of Section 2.2 (k) of the ISDA Credit Derivatives Definitions (or Section 2.2 (i) of the ISDA Credit Derivatives Definitions (2003 Version)).

(3) Matters relating to identification of the Substitute Reference Obligations

In respect of a Clearing Contract, to determine whether a Reference Obligation ceases to meet the requirements prescribed under the Clearing Contract. If it is determined that such Reference Obligation ceases to meet the requirements, to make determination concerning identification of Substitute Reference Obligation; provided, however, that such determination shall be made only where sufficient information to make such determination is available to the Committee.

(4) Matters relating to Physical Settlement

In the case the Settlement by way of Physical Settlement, to judge and determine the following matters presented by one or more committee member(s):

- a. whether a particular obligation is a Deliverable Obligation or not;
- b. the Accreted Amount of any Accreting Obligation;
- c. An assignment agreement, novation agreement or any other acts concerning Deliverable Obligation or document relating to such acts, which is deemed necessary or customary, or desirable to make Physical Settlement; and
- d. In respect of Deliverable Obligation which is a loan, document then customarily used in the relevant markets (including the recommendations in the markets) for delivery of such loan and amendments to such document only to the extent necessary to maintain the economic equivalence as practically as possible in respect of the delivery and payment obligation of the parties under the ISDA Credit Derivatives Definitions.

(5) Others

- a. To make judgement on the matters (excluding those listed in each Item above) relating to other matters (including those related to calculation made by JSCC as a Calculation Agent) requested by JSCC or a committee member.
- b. To make judgement on the matters consulted with by JSCC pursuant to the provisions of Paragraph 3 hereof.

2 The Committee shall conduct deliberation on the matters listed in Items 1 through 4 of the preceding Paragraph only when (i) the convocation of the ISDA Determination Committee is requested to ISDA and, in connection with such request, ISDA publicly announces that the ISDA Determination Committee has resolved not to judge or not to deliberate such matter and JSCC judges that it may not be able to rely on such resolution in light of the situation of the deliberation at the ISDA Determination Committee or (ii) JSCC judges that the ISDA Determination Committee or DC Secretary is not able to make such judgement or public announcement..

3 When JSCC intends to make judgement pursuant to the provisions of the preceding Paragraph, it shall consult with the Committee.

4 If ISDA Determination Committee makes a resolution after the determination of the

Committee, the resolution of ISDA Determination Committee shall be deemed as the determination of the Committee notwithstanding the Committee's determination (excluding the cases as prescribed in Article 53 or Article 57 of the Handling Procedures of CDS Business Rules).

(Article 5 Designation of Committee Participant, etc.)

- 1 JSCC shall designate all Clearing Participants as Committee Participants.
- 2 When JSCC is aware that a Committee Participant does not comply with the Business Rules, etc., or deems it necessary to secure appropriate administration of the Committee, JSCC may revoke the designation of such Committee Participant.

(Article 6 Manner of Appointment of Committee Members, etc.)

- 1 A Committee Participant (or, in respect of not less than two (2) Committee Participants included in the same Corporate Group, either one of such Committee Participants designated by the Committee Participants) shall recommend to JSCC, immediately after the designation thereof, a person who has expertise in trading practice of CDS Transactions and acting as a representative or an agent of the Committee Participant from among officers and employees of such Committee Participant or any other entity included in the Corporate Group including the Committee Participant as a candidate for committee member.
- 2 JSCC shall appoint the person recommended pursuant to the preceding Paragraph as a committee member.
- 3 When the designation of a Committee Participant was revoked, the appointment of a committee member recommended by such Committee Participant shall be also cancelled.
- 4 When JSCC receives an offer of resignation from a committee member or otherwise deems it necessary, it may remove the relevant committee member. In this case, JSCC may request the Committee Participant who recommended such committee member to recommend replacement committee member.
- 5 The term of office of committee member shall be one year from the date of appointment; provided, however, where JSCC deems it necessary in light of the time of designation and other circumstances, the term of office shall be the period prescribed by JSCC, which shall not be longer than one year.
- 6 Each Committee Participant shall bear the cost arising in relation to the participation in the Committee (including the cost arising in relation to the participation in the Committee by the committee member recommended by such Committee Participant).

(Article 7 Obligations of Committee Members, etc.)

- 1 A Committee Participant or a committee member recommended by such Committee Member (including a person who once was a Committee Participant or a committee member) shall

keep confidentiality of information (meaning the fact which is not known to the public and entails objectively reasonable interests for not being known to others; the same shall apply hereinbelow) obtained in the performance of its duties and may not use for any other purposes or divulge to a third party any such confidential information except the cases prescribed in the following Items or without any other justifiable grounds:

- (1) when JSCC's written consent is obtained in advance;
 - (2) when it is required to disclose or provide such confidential information pursuant to orders or requests from courts, supervisory authorities or other public institutions, financial instruments exchanges or other self-regulatory organisations, or provisions of laws and regulations; or
 - (3) when such information is disclosed or provided to professional advisors such as lawyers, certified public accountants or licensed tax accountants or other entity included the Corporate Group including the committee member only to the extent that it is necessary for the performance of its obligations under these Rules or preservation of its rights.
- 2 When JSCC designates a Committee Participant pursuant to Article 5 hereof, JSCC shall make the Committee Participant submit a written pledge prescribed by JSCC to the effect that it shall comply with the obligations prescribed in the preceding Paragraph.
- 3 When JSCC appoints a committee member pursuant to the preceding Article, JSCC shall make the committee member submit a written pledge prescribed by JSCC to the effect that it shall comply with the obligations prescribed in Paragraph 1 of this Article.

(Article 8 Manner of Appointment of Dispute Resolver, etc.)

- 1 JSCC shall appoint not less than three (3) but not more than five (5) Dispute Resolvers.
- 2 JSCC shall appoint Dispute Resolvers in accordance with the following procedures:
- (1) JSCC shall appoint a person who has expertise in trading practice of CDS Transactions from those who belong neither to Committee Participant or any other entity, etc. included in a Corporate Group including a Committee Participant as a candidate for a Dispute Resolver, and notify all committee members of the name of such candidate and any other matters JSCC deems necessary; and
 - (2) Unless not less than three (3) committee members notifies their objection to the appointment of such candidate within 30 days from the date on which JSCC notified all committee members of the candidate for Dispute Resolver in accordance with the provisions of the preceding Item, JSCC shall appoint such candidate as Dispute Resolver by executing the agreement prescribed by JSCC between such candidate and JSCC on the 30th day following such notification.
- 3 The term of office of Dispute Resolver shall be set forth in the agreement prescribed in Item 2 of the preceding Paragraph. When JSCC deems it necessary at the expiration of the term of

office, it may extend the term of office of the Dispute Resolver in accordance with such agreement or enter into the agreement to renew the term of office between the relevant Dispute Resolver and JSCC unless otherwise instructed by the Committee.

4 JSCC may remove a Dispute Resolver when any of the following events occurs; provided, however, that a Dispute Resolver designated as a Designated Dispute Resolver may not be removed unless fraud, willful misconduct or assertive and obvious violation of the obligations under the agreement prescribed in Item 2 of Paragraph 2 of this Article:

- (1) when a Dispute Resolver offers its resignation;
- (2) when a resignation event prescribed in the agreement set forth in Item 2 of Paragraph 2 of this Article occurs; or
- (3) when the Committee gives an instruction to remove the Dispute Resolver.

5 The Committee shall consider at least annually whether to give instructions set forth in Paragraph 3 or Item 3 of the preceding Paragraph of this Article to JSCC, and shall give such instructions by a Quorum Majority in the case of Paragraph 3 and by a Quorum Supermajority in the case of Item 3 of the preceding Paragraph.

(Article 9 Obligations of Dispute Resolver)

1 In respect of the deliberation of Items of Argument, a Dispute Resolver shall perform its duties in accordance with these Rules and with the due care as a good manager (*zenryo naru kanrisha no chui*) and faithfully for JSCC and all Clearing Participants.

2 A Dispute Resolver shall keep confidentiality of information obtained in the performance of its duties and may not use for other purposes or divulge to a third party any such confidential information except the cases prescribed in the following Items or without any other justifiable grounds:

- (1) when JSCC's written consent is obtained in advance;
- (2) when it is required to disclose or provide such confidential information pursuant to orders or requests from courts, supervisory authorities or other public institutions, financial instruments exchanges or other self-regulatory organisations, or the provisions of laws and regulations; or
- (3) when such information is disclosed or provided to professional advisors such as lawyers, certified public accountants or licensed tax accountants only to the extent that it is necessary for the performance of its obligations under these Rules or preservation of its rights.

3 When JSCC appoints a Dispute Resolver in accordance with the provisions of the preceding Article, it shall make the Dispute Resolver to submit a written pledge prescribed by JSCC to the effect that it shall comply with the obligations prescribed in the preceding two Paragraphs.

(Article 10 Dispute Resolver List)

- 1 JSCC shall prepare the Dispute Resolver List listing the Dispute Resolvers in random order.
- 2 When JSCC appoints a new Dispute Resolver, it shall add such Dispute Resolver at the end of the Dispute Resolver List on such date of appointment.
- 3 When JSCC removes a Dispute Resolver, it shall eliminate such Dispute Resolver from the Dispute Resolver List on such date of removal.
- 4 JSCC shall move the Dispute Resolver appointed as a Designated Dispute Resolver to the end of the Dispute Resolver List at the designation.
- 5 On January 1 and July 1 of every year or on the day separately designated by JSCC (referred to as the “Designated Date” hereafter in this Paragraph), JSCC shall randomly reshuffle the order of Dispute Resolvers listed on the Dispute Resolver List as of the Designated Date; provided, however, that if the Dispute Resolver who was at the top of the Dispute Resolver List on the immediately preceding Designated Date is positioned at the top of the Dispute Resolver List again, JSCC shall repeat the reshuffle of the Dispute Resolver List until such Dispute Resolver is not be positioned at the top of the list.

Chapter 3 Operation of Meetings, etc.

(Article 11 Convocation of Meetings)

- 1 A meeting of the Committee shall be convened by JSCC or a chairperson.
- 2 When JSCC or a chairperson intends to convene a meeting of the Committee, the Committee or he or she shall notify committee members of the date and time, place, Items of Argument and other necessary matters in respect of the meeting at least three hours in advance of such meeting.
- 3 When a chairperson receives a request to convene a meeting which describes Item(s) of Argument and the reasons for convocation of a meeting from two or more committee members (or one (1) committee member if supported by other committee member(s)), he or she shall convene a meeting for the purpose of deliberation of such Item(s) of Argument in accordance with the provisions of the preceding Paragraph.
- 4 In the case where a committee member requests the convocation of the meeting set forth in the preceding Paragraph (only to the extent where the item suggested as the Item of Argument is that listed in Item 1 of Paragraph 1 of Article 4 hereof), he or she shall also submit Publicly Available Information concerning the item suggested as the Item of Argument.
- 5 Mandatory Voting Committee Members shall attend the meeting unless there are unavoidable reasons.

6 When a chairperson deems it necessary, he or she may hold a meeting via telephone or other means or may accept the attendance of a committee member via telephone or other means.

7 In the case where it is determined that the ISDA Determination Committee deliberates the Item of Argument, the Committee shall finish the deliberation of such Item of Argument.

(Article 12 Proceedings of Meeting)

1 A chairperson shall chair a meeting and expedite proceedings thereof.

2 A meeting shall be kept private; provided however, that if a chairperson deems it necessary for the purpose of deliberation of Item of Argument in light of the details, situation and other circumstances of such item, he or she may have only officers and employees of a Committee Participant additionally attend the meeting.

3 When an officer or an employee of Committee Participant attends a meeting of the Committee pursuant to the proviso to the preceding Paragraph, the Committee shall make such officer or employee submit the written pledge prescribed by JSCC to JSCC in order to impose confidentiality obligation on such person similar to that of committee member prescribed in Paragraph 1 of Article 7 of these Rules.

4 When the Committee deliberates Items of Argument, it may seek advice or assistance from outside experts by a Quorum Majority vote in favour. In this case, the cost incurred in connection with such advice etc. shall be borne by JSCC; provided however, that such amount shall not exceed the amount predetermined by JSCC (or if JSCC agrees to bear the amount exceeding the predetermined amount, such agreed amount).

(Article 13 Quorum and Voting Rights, etc.)

1 The number of committee members attending the meeting shall constitute Standard Quorum to hold a meeting of the Committee.

2 When the Committee holds a vote in respect of Items of Argument or other items, each committee member shall have a single voting right. A Mandatory Voting Committee Member may not abstain from a vote.

3 In the case of the preceding Paragraph, each committee member may delegate the voting right on the issues concerning the vote prescribed in the said Paragraph to another person who belongs to the same company by notifying the Committee to such effect.

4 In the case where the Committee holds a Binding Vote or Non-Binding vote in respect of Items of Argument, voting dates or Effectiveness Convention, etc. (except the case prescribed in the following Article) and the number of Voting Committee Members does not constitute the Standard Quorum, the chairperson may postpone the vote and reconvene the meeting.

5 The determination of the Committee by a Binding Vote shall become effective at the time

such Binding Vote is held: provided, however, that in the case where the Committee has adopted an applicable Effectiveness Convention, the determination of the Committee by a Binding Vote shall become effective at the time as provided in the Effectiveness Convention.

- 6 In respect of each Item of Argument, when all committee members who are present at the meeting agree on a single response or a determination of the Committee become effective, JSCC shall promptly notify Clearing Participants of such agreement or determination. In this case, JSCC may publicly announce the contents of such agreement or determination.
- 7 An agreement among all committee members who are present at the meeting or a determination of the Committee by a Binding Vote shall be binding on all Clearing Participants and JSCC in respect of Clearing Contracts relating to the Items of Argument which are the subject of such agreement or determination.

(Article 14 Mandatory Voting Participants)

- 1 In the case where the Committee holds a Binding Vote with respect to Items of Argument or Effectiveness Convention and the number of voting members does not constitute the Standard Quorum, the chairperson shall request JSCC to designate Mandatory Voting Participant(s) concerning such Binding Vote.
- 2 JSCC shall, upon request of the chairperson pursuant to the preceding Paragraph, designate Mandatory Voting Participant(s) from among the Committee Participants in the order of the Mandatory Voting Participant Candidate List prescribed in the following Article until the number of Mandatory Voting Participants constitutes the Standard Quorum.
- 3 The designation of Mandatory Voting Participant(s) concerning the Binding Vote in question shall expire upon the conduct of the Binding Vote prescribed in Paragraph 1 of this Article.

(Article 15 Mandatory Voting Participant Candidate List)

- 1 JSCC shall, in order to designate Mandatory Voting Participant(s) in accordance with Paragraph 2 of preceding Article, prepare a list (hereinafter "Mandatory Voting Participant Candidate List") in which all committee participants are listed in random order. Where two or more Committee Participants are included in the same Corporate Group, JSCC shall put such Committee Participants as a single Committee Participant on the Mandatory Voting Participant Candidate List.
- 2 When a Clearing Participant is newly designated as a Committee Participant, JSCC shall put such Clearing Participant randomly on the Mandatory Voting Participant Candidate List on the date of designation.
- 3 When the designation of the Committee Participant is cancelled, JSCC shall eliminate such Committee Participant from the Mandatory Voting Participant Candidate List on the date of cancellation.

- 4 When a Committee Participant is designated as a Mandatory Voting Participant, JSCC shall, at the time of such designation, move such Committee Participant to the end of the Mandatory Voting Participant Candidate List.
- 5 JSCC shall, upon request of the Committee by the Quorum Majority votes, randomly reshuffle the Committee Participants listed on the Mandatory Voting Participant Candidate List.

Chapter 4 Determination Procedure of Items of Argument

Section 1 Deliberation on Items of Argument at Committee

(Article 16 Holding of Meeting etc. for Deliberation on Items of Argument)

- 1 The Committee shall hold a meeting in order to deliberate on the Items of Argument.
- 2 The Committee shall make efforts so that the determination shall be made by unanimous vote of the committee members who are present at the meeting.

(Article 17 Conduct of Non-Binding Vote on Items of Argument)

- 1 The chairperson of the Committee may, where he or she deems it necessary or upon request by two or more committee members, conduct a Non-Binding Vote at any time on all or part of the Items of Argument or any items related to the Items of Argument.
- 2 When a Non-Binding Vote is conducted according to the preceding Paragraph, the Committee shall continue deliberation on the Items of Argument with respect for the result of the vote and make effort so that the determination on the Items of Argument shall be made by unanimous vote of the committee members who are present at the meeting.

(Article 18 Conduct of Binding Vote on Items of Argument under Same Case of Argument)

- 1 The chairperson of the Committee shall, upon request by two or more committee members, conduct the Binding Vote on all the Items of Argument under the same Case of Argument and, if there are two or more Items of Argument, on each Item of Argument.
- 2 The Binding Vote prescribed in the preceding Paragraph should be conducted according to the classification of Items of Argument in each Item below on each day as specified in the relevant Item (hereinafter the "Standard Voting Date"):
 - (1) The items prescribed in Item 1 or Item 4 of Paragraph 1 of Article 4
Two (2) JSCC business days after the day on which the meeting for such items is held; provided, however, that the Committee may postpone the vote with the consent of Quorum Supermajority
 - (2) Any items other than those prescribed in the preceding Item
Nine (9) JSCC business days after the day on which the meeting for such items is held; provided, however, the Committee may postpone the vote with the consent of

Quorum Majority(or, in the case of the second postponement and thereafter, with the consent of Quorum Supermajority)

- 3 Notwithstanding the provisions of the preceding Paragraph, the Committee may conduct a Binding Vote prescribed in Paragraph 1 above on the day on which the meeting for such items is held with the consent of Acceleration Supermajority or, on and after the JSCC business day immediately following the day on which the meeting for such items is held with the consent of Quorum Supermajority.
- 4 The Committee shall, when the Quorum Supermajority votes for any specific Item of Argument on a Binding Vote, treat the result of such vote as the determination of the Committee on such Item of Argument.
- 5 The Committee may not reconsider any Item of Argument on which the determination is made by a Binding Vote.
- 6 The Committee may determine by a Quorum Majority of the Binding Vote not to make any judgement on, or to reject, the Items of Argument. In this case the Committee treats such Items of Argument as not having been presented the Committee.

(Article 19 Exception to Double Jeopardy)

The Committee shall treat each case prescribed in each Item below as a new Item of Argument and Paragraph 5 of the preceding Article shall not apply to such case:

- (1) In the case where, after the Committee determined that a Credit Event associated with a Publicly Available Information had not occurred in respect of a Clearing Contract, a new Publicly Available Information which was not referred to at the time of such determination becomes referable; and
- (2) In the case where, after the Committee determined whether each obligation was a Deliverable Obligation or not in respect of a Clearing Contract, it reconsiders such item where the result of such judgement in respect of Deliverable Obligation was different if the judgement had been made on a different day.

(Article 20 Referral to Dispute Resolver)

- 1 The Committee shall, when the determination is not made in respect of an Item of Argument by the Standard Voting Date by a unanimous vote or a Binding Vote, or a Quorum Supermajority votes for the referral to the Dispute Resolver under a Binding Vote, refer such Item of Argument to the Dispute Resolver.
- 2 When referring the Item of Argument to the Dispute Resolver according to the preceding Paragraph, the Committee shall, according to the classification of the Items of Argument prescribed in the following Items and in accordance with the provisions of each Item, specify the options for responses to be presented to the Dispute Resolver:

- (1) Items of Argument which require a response of either “Agree” or “Disagree”
The options to be presented shall be both “Agree” and “Disagree”.
- (2) The Items of Argument other than those stipulated in the preceding Item
The Committee shall conduct the voting regarding such Items of Argument and handle the result thereof as follows:
 - a. In the case where only one response obtain the most votes, the options to be presented to the Dispute Resolver shall be the response which obtained the most votes and the one which obtained the second most votes (in case there are two or more such responses then all of them); and
 - b. In the case where two or more responses obtain the most votes, the options to be presented to the Dispute Resolver shall be all of such responses.

Section 2 Decision made by Dispute Resolver

(Article 21 Designation etc. of Designated Dispute Resolver)

- 1 When the Committee refers the Item of Argument to the Dispute Resolver according to the preceding Article, JSCC shall designate the Dispute Resolver who is listed at the top of the Dispute Resolver List as the Designated Dispute Resolver for such Item of Argument. Provided, however, if in case such Dispute Resolver represents that he or she falls under any of the following events (hereinafter the “Conflict of Interests, etc.”), or where JSCC recognises as such, JSCC shall designate the Dispute Resolver who is listed next on the Dispute Resolver List as the Designated Dispute Resolver for such Items of Argument and the same shall apply in the case such second listed Dispute Resolver represents that he or she has Conflict of Interests etc. or where JSCC recognises as such:
 - (1) Where the Dispute Resolver threatens to have a conflict of interests in connection with such Item of Argument;
 - (2) Where the Dispute Resolver threatens to lack the fairness if he or she responds to such Item of Argument; or
 - (3) Where it is difficult for the Dispute Resolver to respond to such Item of Argument by the Answer Deadline (meaning the Answer Deadline prescribed in Item 4 of Paragraph 1 of Article 25 hereof).
- 2 Where all Dispute Resolvers represent that they have Conflict of Interests etc. or JSCC recognises as such in respect of all Dispute Resolvers, JSCC notifies the Committee to the effect that response from the Dispute Resolver for the Item of Argument referred from the Committee was not obtained.
- 3 JSCC may, if the Designated Dispute Resolver offers resignation or it deems it impossible or difficult to obtain response on the Item of Argument from the Designated Dispute Resolver, cancel the designation of such Dispute Resolver. In this case, JSCC shall designate a Designated Dispute Resolver based on the then Dispute Resolver List. Such Designated Dispute Resolver shall, regardless of any previous deliberations carried out by the former

Designated Dispute Resolver, newly commence the deliberations on the relevant Item of Argument.

- 4 The provision of Paragraph 1 above shall apply *mutatis mutandis* to the designation of Designated Dispute Resolver pursuant to the preceding Paragraph.

(Article 22 Withdrawal of Referral)

The Committee may, at any time until the Designated Dispute Resolver selects the response concerning the Item of Argument referred to him or her by the Committee, withdraw the referral of such Item of Argument to the Dispute Resolver by a Quorum Stage 2 Supermajority. In this case, either JSCC or the Committee shall notify the Designated Dispute Resolver of the withdrawal of the referral of such Item of Argument without delay.

(Article 23 Conduct of Oral Argument etc.)

- 1 The Designated Dispute Resolver may conduct the matters prescribed in the following Items at the Administrative Meeting and Oral Argument:

- (1) To designate the date and time to conduct the Oral Argument;
- (2) To determine or change the place, time, the form or the method for the Oral Argument;
- (3) To request the submission of Written Materials (meaning the Written Materials defined in Paragraph 5 below; the same shall apply hereinbelow) or participation to the Oral Argument against the Committee Participants regarding the specific items or the discussions which have been made by the Written Materials or the Oral Argument;
- (4) To request the submission of the witness's letter of statement or approve the submission thereof at the Oral Argument or to request the witness to testify, or approve the testimony by such witness, at the Oral Argument; and
- (5) In addition to those prescribed in the preceding Items, to expedite the proceedings of the Oral Argument or preside over the process.

- 2 The Committee Participant who agrees to a specific option among the options for response concerning the Item of Argument referred to the Designated Dispute Resolver shall appoint one or more Advocates and notify JSCC and the Designated Dispute Resolver of such Advocates. In this case, the Committee Participant may appoint external specialist(s) as the Advocate(s) in addition to the officers and employees of the Committee Participant.

- 3 The Designated Dispute Resolver shall, to the extent that an Advocate is appointed pursuant to the preceding Paragraph, have such Advocate submit the pledge prescribed by JSCC to JSCC in order to impose confidentiality obligation on such person similar to that of committee member prescribed in Paragraph 1 of Article 7 of these Rules.

- 4 The cost arising from selection of the option for responses relating to the Item of Argument referred to the Designated Dispute Resolver shall be equally borne by all Committee Participant up to the amount prescribed by JSCC in advance for each option presented, and if

such predetermined amount is exceeded, the Committee Participant who brought about such cost shall bear the amount of excess.

- 5 The materials submitted to the Designated Dispute Resolver by the Committee Participant who agrees to a specific option for response, (hereinafter referred to as the “Written Material”) shall include the followings:
 - (1) The outline of the Item of Argument referred to the Dispute Resolver and the specific option for response to which such Committee Participant agrees; and
 - (2) The documents and other evidences supporting the outline prescribed in the preceding Item.
- 6 The Designated Dispute Resolver shall, where he or she conducts the Oral Argument, request all Advocates to attend the Oral Argument.
- 7 The contents of the exchanged opinions (including the exchanged opinions at the Oral Argument and those exchanged in writing) between the Designated Dispute Resolver and the Advocates shall be shared amongst all Advocates.
- 8 The Designated Dispute Resolver shall not exchange opinions or make any other contact with those who are not Advocates regarding the Item of Argument referred to him or her from the Committee.
- 9 The dispute resolution shall be conducted in Tokyo. Provided however, the Designated Dispute Resolver may, upon discussion with the Advocates, hold the Administrative Meeting or the Oral Argument at the place deemed appropriate.

(Article 24 Response Selected by Designated Dispute Resolver)

- 1 The Designated Dispute Resolver shall select one response from the options for responses presented in respect of the Item of Argument referred to him or her from the Committee. In this case, the Designated Dispute Resolver shall not make any alteration to such presented options for responses.
- 2 When the Designated Dispute Resolver selects a response in accordance with the provisions of the preceding Paragraph, he or she shall notify the Committee and JSCC in writing of the selected response and shall not be required to explain the reason for the selection thereof.
- 3 The response selected by the Designated Dispute Resolver shall become effective at the time the written response is received by the Committee and JSCC unless otherwise specified.
- 4 JSCC shall make the response selected by the Designated Dispute Resolver public promptly after such response becomes effective.
- 5 When the response selected by the Designated Dispute Resolver in respect of the Item of

Argument referred to him or her by the Committee becomes effective, it shall bind all Clearing Participants and JSCC in respect of the Clearing Contracts relating to such Item of Argument.

(Article 25 Answer Deadline)

1 The Designated Dispute Resolver shall select one response from the options presented in respect of the Item of Argument referred to him or her in accordance with the following procedures:

- (1) The Designated Dispute Resolver and all Advocates shall hold the first Administrative Meeting within 2 JSCC business days from the day on which an Item of Argument was referred to such Dispute Resolver. In addition, when the Designated Dispute Resolver deems it necessary, he or she may hold an Administrative Meeting as needed with at least three (3) hours prior notice. When the Designated Dispute Resolver holds an Administrative Meeting, he or she shall request all Advocates to attend such Administrative Meeting;
- (2) A Committee Participant who intends to submit Written Materials, it shall submit such materials to the Designated Dispute Resolver within five (5) JSCC business days from the day on which the Item of Argument was referred to the Dispute Resolver (hereinafter referred to as the "Submission Deadline");
- (3) An initial Oral Argument shall be held at the date and time specified by the Designated Dispute Resolver (excluding the days on or before the JSCC business day immediately following the Submission Deadline). In addition, the Designated Dispute Resolver may hold an Oral Argument any time on the date and time designated by him or her if deemed necessary; and
- (4) The Designated Dispute Resolver shall select one response from the presented options within four (4) JSCC business days from the Submission Deadline (hereinafter referred to as the "Answer Deadline").

2 The procedures set forth in the preceding Paragraph may be revised from time to time by a Quorum Stage 2 Supermajority affirmative vote of the Committee or at JSCC's decision. In case such revision was made, JSCC or the Committee shall notify the Designated Dispute Resolver of such revised procedures without delay.

(Article 26 Expiration of Referral)

In any of the cases below, JSCC shall notify the Committee that the Dispute Resolver could not respond for the Item of Argument referred to him or her from the Committee:

- (1) Where the Designated Dispute Resolver does not select a response from the presented options by the Answer Deadline; and
- (2) Where the Designated Dispute Resolver informs JSCC and the Committee that he or she is unable to select one response in respect of such Item of Argument. It is not required to state the reason for being unable to select one response.

Section 3 Reconsideration at Committee

(Article 27 Reconsideration at Committee)

- 1 When JSCC notifies the Committee that the Dispute Resolver was unable to respond in accordance with the Paragraph 2 of Article 21 or the preceding Article, it shall convene a Committee meeting within one (1) JSCC business day from the day on which such notification is made in order to select one response from the options presented to the Dispute Resolver in respect of the Item of Argument referred to the Dispute Resolver.
- 2 When a Quorum Majority votes in favour of a specific response in a Binding Vote at a meeting convened in accordance with the provisions of the preceding Paragraph, the Committee shall regard such response as the determination made by the Committee in respect of the Item of Argument prescribed in the said Paragraph.
- 3 In case the Committee cannot determine a response to a certain Item of Argument at the Binding Vote prescribed in the preceding Paragraph, JSCC shall convene the meeting of the Committee again on the JSCC business day immediately following the day on which the meeting in the said Paragraph was held. In this case, the provisions of Paragraph 2 above shall be applied *mutatis mutandis* to a Binding Vote held at the meeting convened in accordance with the provisions of this Paragraph.
- 4 In case the Committee cannot determine a response to a certain Item of Argument at the Binding Vote prescribed in the preceding Paragraph, JSCC shall continue to convene the meeting and hold a Binding Vote in accordance with the provisions of the preceding Paragraph repeatedly until the responses for all such Items of Argument are determined.

Chapter 5 Miscellaneous

(Article 28 Organiser)

- 1 The organiser of the Committee shall be JSCC.
- 2 The organiser shall be engaged in the support of committee members, administrative communications, assistance of operation of the meetings, preservation of records and other operational works of the Committee.

(Article 28 Delegation)

Matters necessary for administration of the Committee other than those prescribed in these Rules shall be prescribed by the Committee on a case-by-case basis.

Supplementary Provisions

- 1 These Rules shall be enforced from 19 July 2011 (hereinafter referred to as “Date of Enforcement”).

- 2 JSCC may take necessary procedures and perform any other acts and things in relation to the designation of Committee Participants and appointment of committee members even before the Date of Enforcement pursuant to the applicable provisions of these Rules.
- 3 JSCC shall appoint not less than three (3) but not more than five (5) Dispute Resolvers in accordance with Article 8 of these Rules approximately within six (6) months from the Date of Enforcement. Provided, however, in the case the Committee refers an Item of Argument to the Dispute Resolver pursuant to Article 20 of these Rules or otherwise deems necessary to appoint Dispute Resolvers, JSCC shall immediately appoint Dispute Resolvers pursuant to Article 8 hereof.
- 4 JSCC shall prepare the Dispute Resolver List and state the Dispute Resolvers on the list on the first day on which the Dispute Resolvers are appointed after the Date of Enforcement. If not less than two (2) Dispute Resolvers are appointed on the same day, such Dispute Resolvers shall be stated on the Dispute Resolver List in random order notwithstanding Paragraph 2 of Article 10 of these Rules.

Supplementary Provisions

These amended Rules shall be enforced from 23 July 2012.

Supplementary Provisions

These amended Rules shall be enforced from 22 September 2014.

Supplementary Provisions

These amended Rules shall be enforced from 6 April 2018.