

REGULATIONS FOR BUSINESS RULES

THIS ENGLISH TEXT OF REGULATIONS IS ORIGINALLY PREPARED FOR THE JAPANESE TEXT AND THE JAPANESE TEXT HEREOF SHALL GOVERN FOR ALL PURPOSES AND IN ALL RESPECTS. THIS ENGLISH TEXT INTENDED AS CONVENIENCE FOR USERS, WHOSE FIRST LANGUAGE IS NOT JAPANESE.

ACCORDINGLY, JAPAN COMMODITY CLEARING HOUSE CO.,LTD (“JCC H”) GIVES NO ASSURANCE THAT THIS ENGLISH IS COMPLETELY ACCURATE WITH RESPECT TO TERM OF USE, TO THE CURRENT STATUS OF THE LAWS OR TO THE CUSTOMARY PRACTICES OF JAPAN.

THEREFORE, ALL DISPUTES THAT MAY ARISE WITHIN OR WITHOUT LAW COURTS REGARD TO THE TERM OF USE, TO THE CURRENT STATUS OF THE LAW OR TO THE CUSTOMARY PRACTICES OF JAPAN , PROVISIONS AND STIPULATIONS OF THIS REGULATIONS SHALL BE DECIDED IN ACCORDANCE WITH THE JAPANESE TEXT ONLY.

Article 1. Purpose

These Regulations prescribe the necessary matters regarding administrative procedures pursuant to matters prescribed by JCCH under the Business Rules.

Article 2. Application for Acquisition of Clearing Qualification

1. Applicants for acquisition of Clearing Qualification as prescribed under Article 6.1 of Business Rules shall to submit an application for acquisition of Clearing Qualification to JCCH containing the following information:
 - (1) The type of Clearing Qualification desired, whether Individual Clearing Qualification or General Clearing Qualification and the financial requirements to be adopted,

- (2) Trade name or name (including the same in English);
 - (3) Location of head office or main office;
 - (4) Name of representative; and
 - (5) The structure for business operations for management of the risk of losses and compliance with applicable Laws.
2. The following documentation must be attached to an application for acquisition of Clearing Qualification under the preceding Paragraph:
- (1) The evidentially documentation which certifies either Market Members etc. of a Designated Commodity Exchange (members etc. who have a trading qualification of trades for the house account) or Broker Members etc. (members etc. who have a trading qualification of trades for the house account as well as the customers accounts) (provided, however, that applicants for acquisition of Clearing Qualification under the requirements prescribed in Article 7.(1).b) of the Business Rules shall attach a document certifying that the requirements are satisfied);
 - (2) A statement summarizing outline of the applicant;
 - (3) A certificate of registered matters (issued within three months preceding the day when the application for acquisition of Clearing Qualification is filed; hereinafter referred to as the “date of filing” in this Article);
 - (4) The statement of net assets whose data shall be as of a day within two months preceding the date of filing (the form No.1 as prescribed in Commodity Exchange Act Enforcement Regulation (hereinafter “Ordinance of the Ministry”)) or the statement of net assets which is generally prepared within six months prior to the date of filing, in accordance with either annual Securities Report or Quarterly Securities Report submitted pursuant to provisions of Financial Instruments and Exchange Act, or business report submitted pursuant to provisions of Banking Act.

- (5) Documents certifying expectations of stable profitability and financial statements, business report and supplementary schedules hereof of the most recent three business years prepared in accordance with Article 435.2 of the Companies Act, and either Annual Securities Reports of the most recent three business years prepared in accordance with Article 24 of Financial Instruments and Exchange Law, business report of the most recent three business years prepared in accordance with 46-3 of Financial Instruments and Exchange Law or business report of the most recent three business years prepared in accordance with Article 19 of Banking Act;
- (6) If an applicant of Clearing Qualification is a Commodity Futures Trading Firms (referring to Commodity Futures Business Operator as prescribed in Article 2.23 of the CEA, the same shall apply hereinafter), Notification on Required Net Assets Regulation Ratio whose data shall be as of the last day of a month immediately before the date of filing (the form No.10 as prescribed in Ordinance of the Ministry (if such Commodity Futures Trading Firms calculates Required Net Assets Regulation Ratio under Article 100.2 of Ordinance of the Ministry and notifies the result thereof to Competent Minister with written notice, it may substitute for submission of such documents); the same shall apply hereinafter) ;
- (7) For an applicant of Clearing Qualification in accordance with the financial requirements prescribed in Article 7.(5) b) or c) of Business Rules, documents certifying being engaged in a business of transaction of physical commodities or related commodities with past records of such physical trading (including delivery);
- (8) For an applicant of Clearing Qualification in accordance with the financial requirements prescribed in Article 7.(5) c) or d) of Business Rules, documents certifying guarantee by its parent company, documents on financial requirements of its parent company, and document certifying that its parent company executes payment according to the instructions of JCCH;
- (9) Other documentation as deemed necessary by JCCH.

Article 3. Qualification Requirements for General Clearing Participants Who Are Not a Member of Designated Commodity Exchange

1. The requirements prescribed in Article 7.(1).b) and Article 32.(1) of the Business Rules are that a General Clearing Participant who accepts only the consignment of Commodity Clearing Transactions of Non-clearing Participants shall, if it has fallen under the special provisions prescribed in the Clearing Agreement in advance, have received the approval of JCCH for disposing of Unsettled Clearing Contracts of Commodity Clearing Transactions of Non-clearing Participants by resale or repurchase at its discretion or transferring them to a Member of Designated Commodity Exchange.
2. If a General Clearing Participant who has received the approval in the preceding paragraph intends to modify the Clearing Agreement pertaining to said approval or conclude a Clearing Agreement with another Non-clearing Participant, it shall obtain the approval of JCCH in advance.

Article 4. Procedures for Acquisition of Clearing Qualification

1. The procedures for acquisition of Clearing Qualification as prescribed under Article 8.1 of the Business Rules shall consist of payment of the Clearing Qualification acquisition fee (except for cases where a party already possessing Clearing Qualification with JCCH is adding another class of Clearing Qualification) and other procedures as deemed necessary by JCCH.
2. The fee for acquisition of Clearing Qualification under the preceding Paragraph shall be JPY 100,000, provided that the said fee shall not be required in cases where the applicant for Clearing Qualification is a Member of any Designated Commodity Market of Designated Commodity Exchange relating to the concerned Clearing Qualification at the time of implementation of the Business Rules.

Article 5. Execution of Clearing Participation Agreement

The Clearing Participation Agreement prescribed under Article 11 of the Business Rules shall be prepared using the prescribed form No.1 or No.2.

Article 5-2. Procedures upon an inquiry

Procedures upon an inquiry prescribed under Article 14.2 of Business Rules shall be prescribed in the following the Subparagraphs.

- (1) JCCH shall furnish prior notice the subject and the date to Clearing Participant concerned.
- (2) The concerned Clearing Participant could make a statement during the inquiry, JCCH shall make a record of the subjects, date of inquiry and other matters.

Article 6. Clearing Fees

1. The amount of Clearing Fees etc. prescribed under Article 15 of the Business Rules shall be prescribed by the Board of Directors.
2. The Clearing Fees etc. under the preceding Paragraph shall be as prescribed in the Attachment hereto.

Article 7. Notification Items

1. The notices and reports to be submitted to JCCH as prescribed under Articles 12, 13, 17, 18, 39 and 40 of the Business Rules shall be accompanied by the documentation deemed necessary by JCCH, and shall be submitted by the designated time and in the prescribed form.
2. Business report prescribed in Article 18.1(21) of Business Rules shall be as follows;
 - (1) If a Clearing Participant is a Commodity Futures Trading Firm, documents prepared in accordance with Article 116 of Ordinance of the Ministry, and the documents shall be submitted within three months from the end of every business year.

(2) If a Clearing Participant is not a Commodity Futures Trading Firm, documents prepared in accordance with Article 116 of Ordinance of the Ministry or documents prescribed in accordance with the following classification respectively, and documents hereof shall be submitted within three months from the end of every business year.

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| (a) A person issuing an annual securities report prescribed in Article 24 of Financial Instruments and Exchange Law | The Annual Securities Report |
| (b) A person issuing business report prescribed in Article 46.3 of the Financial Instruments and Exchange Law (excluding a person set forth (a)) | Business report prescribed in accordance with Article 172 of Cabinet Office Ordinance for Financial Instruments Firms. |
| (c) A person issuing business report prescribed in Article 19 of Banking Act (excluding a person set forth (a) and (b)) | Business report |
| (d) A person issuing a financial statements, business report and supplementary schedules thereof in accordance with Article 435.2 of the Companies Act (excluding a person set forth (a), (b) and (c)) | Financial statements etc. of each business year prepared in accordance with Article 435.2 of the Companies Act. |
| (e) Excluding a person set forth in (a) to (d) inclusive. | Balance Sheet and Loss and Profits Statements of each business year and other documents deemed necessary by JCCH. |

(3) If a Clearing Participant has acquired Clearing Qualification with the financial requirements prescribed in Article 7.(5) c) or d) of Business Rules, documents prepared by the parent company of the Clearing Participant set forth in preceding two Subparagraphs, shall be also submitted.

3. The documents prescribed by JCCH under Article 18.1(22) of Business Rules shall be prescribed in the following items. A Clearing Participant who is a Commodity Futures Trading Firm shall submit the documents prescribed in Subparagraph (1) through

Subparagraph (6), and a Clearing Participant who is not a Commodity Futures Trading Firm shall submit the documents prescribed in Subparagraph (3), (4) and (7).

However, in cases where JCCH deems a person who rated considerable creditworthiness by credit rating agencies, the person may not be required to submit the documents prescribed in Subparagraph (4).

- (1) Notification of Required Net Assets Regulation Ratio.
 - (2) Monthly Reports (documents prescribed as form No.12 in Ordinance of the Ministry).
 - (3) The statement of net assets, or financial reports etc.
 - (4) Monthly notification on liquid fund
 - (5) Reports regarding the occurrence and handling status of lawsuits or arbitration (the form No.6 as prescribed in Ordinance of the Ministry)
 - (6) Notification of controlling interest in another juridical person
 - (7) Documents prescribed in Article 2.2(7) hereof (applicable only to the parties which obtained Clearing Qualification in accordance with the financial requirements prescribed in Article 7.(5).b or c of Business Rules.
4. Date as of which documents prescribed in the preceding Paragraph are prepared (as-of-date of documents) and due date of submission of the documents shall be as follows;
- (1) The documents prescribed in Subparagraph (1), (2), (5) and (6) shall be applied mutatis mutandis pursuant to as-of date of documents and due date of submission to Competent Minister prescribed in the Commodity Exchange Act (Law No. 239 of 1950, hereinafter “CEA”) and Regulations and Ordinance.
 - (2) For the document prescribed in Subparagraph (3), as-of-date of the documents shall be the last day of a business year and the last day of the sixth month after the

day following the said last day of the business year, and the documents shall be submitted within three months from each as-of-date.

- (3) For the document prescribed in Subparagraph (4), as-of-date of documents shall be the last business day of each month, and the documents shall be submitted within four business days from the as-of-date.
 - (4) For the document prescribed in Subparagraph (7), documents certifying being engaged in a business of transaction of physical commodities or related commodities with past records of such physical trading (including delivery) from April 1 of previous year to the last day of March of this year shall be prepared and submitted by the end of June.
5. Notwithstanding the provision of Paragraph 1 of hereof, documents prescribed in Paragraph 3(4) shall be by using JCCH system, and if a Clearing Participant is a Commodity Futures Trading Firms, documents prescribed in Paragraph 3 (1), (2), and (5) hereof shall be made and submitted by CFEF-SYSTEM of National Futures Protection Fund. However, if a Clearing Participant notifies Competent Minister of Required Net Assets Regulation Ratio (hereinafter referred to as “Capital Adequacy Ratio”, the same shall apply hereinafter in Paragraph 7 (3).) calculated based on Article 100.2 of Ordinance of the Ministry, or JCCH deemed necessary for operations relating to the Business of Assuming Commodity Transaction Debts, JCCH may require the concerned Clearing Participant to submit the report in writing.
6. If a Clearing Participant is not a Commodity Futures Trading Firm but is a party which issues Securities Reports prescribed in Article 24 of the Financial Instruments and Exchanges Law and Quarterly Reports prescribed in Article 24-4. 7 of the said Law and is approved by JCCH, submission of such reports within three months after issuance of such Reports may substitute for submission of documents prescribed in Paragraph 3 (3) and (4) above.
7. If a Clearing Participant is not a Commodity Futures Trading Firm but is a party which issues financial reports or documents that allows JCCH to check the cash and deposit accounts for every quarterly period of a business year and is approved by JCCH, submission of such reports or documents to JCCH within three months after issuance of

such reports or such documents may substitute for submission of documents prescribed in Paragraph 3(4) hereof.

- 8 If a Clearing Participant has acquired Clearing Qualification with the financial requirements prescribed in Article 7 (5) c) or d) of Business Rules, the documents issued by its parent company prescribed in Article 7.3 (3) hereof shall be also submitted. However, in cases where the parent company is a person which issues Securities Reports prescribed in Article 24 of Financial Instruments and Exchange Act and Quarterly Reports prescribed in Article 24-4.7 of the said Act, submission of such Reports within three months after such Reports have been issued may substitute for submission of the documents prescribed in Article 7.3 (3) hereof.
- 9 With respect to the submission of Annual Securities Reports and Quarterly Securities Reports prescribed in Article 7.2, Article 7.6 and Article 7.8, if the documents made available for public inspection by the method specified in Article 27-30.2 of Financial Instruments and Exchange Act utilizing an Electronic Data Processing System for Disclosure prescribed in 27-30-7.1 of the said Act, the documents shall be deemed to have been submitted to JCCH.

Article 7-2. Review of Requirements Concerning Net Assets Amount

- 1 If the Clearing Participant falls under the conditions prescribed in the following, JCCH, as general rules, shall demand the Clearing Participant to submit the document set forth in each item below, based on the provision of Article 19 in Regulations for Business Rules, and any other necessary matter such as the submission period and manner etc. of the documents will be specified on all such occasion.
 - (1) When the ratio of net assets amount in respect to Clearing Participants (excluding a General Clearing Participant and a person which has acquired Clearing Qualification with the guarantee of its parent company) against the net assets amount prescribed in Article 27.1(1) through Article 27.1(3) of Business Rules (hereinafter referred to as “Required net assets amount”) becomes less than 150 percent;
The statement of net assets amount as of every month end day (“as of date”)

- (2) When the ratio of the net assets amount of a Clearing Participant (for a person which has acquired Clearing Qualification with the guarantee of its parent company, the net assets amount of the parent company; the same shall apply in the following paragraph) against the Required net assets amount becomes less than 120 percent;

The statement of net assets whose data shall be as of middle and end of each month and reports pertaining to improve the net assets designated by JCCH etc.

2. JCCH may terminate Clearing Participants' submitting documents, when the ratio of the net assets amount of the Clearing Participant against the Required net assets amount is over 150 % for two consecutive months (for a General Clearing Participant and a party which has acquired Clearing Qualification with the guarantee of its parent company, the ratio is over 120 %) and when JCCH confirms submitting documents prescribed in Paragraph 1 are not necessary.
3. Notwithstanding the provision of the preceding two paragraphs, JCCH may require the Clearing Participant reporting or submitting a separate documents if deemed necessary.

Article 7-3 Review of Requirements Regarding Net Assets Regulation Ratio

1. If Net Assets Regulation Ratio of Clearing Participant (limited to persons who is a Commodity Futures Trading Firms applied Net Assets Regulation Ratio based on the provision of Article 211.1 of the CEA in Commodity Futures Trading Firms; hereinafter the same shall apply in this Article) is incompatible with the benchmarks listed in the following items, JCCH, as general rules, shall demand the Participant to submit the document set forth in each item below, based on the provision of Article 19 in Regulations for Business Rules, and any other necessary matter such as the submission period and manner etc. of the documents will be specified on all such occasion.
 - (1) In cases where Net Assets Regulation Ratio of Clearing Participant (excluding Clearing Participant who notifies Competent Minister of Capital Adequacy Ratio.) falls below 280% (400% shall be applied if Clearing Participant is a

General Clearing Participant), notification with regard to Net Assets Regulation Ratio;

Weekly written notice of Net Assets Regulation Ratio

- (2) In cases where Net Assets Regulation Ratio of Clearing Participant (excluding Clearing Participant who notifies Competent Minister of Capital Adequacy Ratio.) falls below 200% (280% shall be applied if Clearing Participant is a General Clearing Participant), or Net Assets Regulation Ratio of Clearing Participant (limited to Clearing Participant who notifies Competent Minister of Capital Adequacy Ratio.) falls below 160% (220% shall be applied if Clearing Participant is a General Clearing Participant);

Daily written notice of Net Assets Regulation Ratio and reports pertaining to improve the Net Assets Regulation Ratio designated by JCCH etc.

2. If Net Assets Regulation Ratio of Clearing Participant is in conditions of exceeding 280% (400% shall be applied if the Clearing Participant is a General Clearing Participant) for two consecutive months or Capital Adequacy Ratio of Clearing Participant is in conditions of exceeding 160% (220% shall be applied if the Clearing Participant is a General Clearing Participant) for two consecutive months and if JCCH deems that there is no need to have the Participant submit the documents stated in the preceding paragraph, JCCH shall terminate submission of the report .
3. Notwithstanding the provision of the preceding two paragraphs, if JCCH recognizes any necessity, JCCH may request the Participant to submit additional reports or information.

Article 7-4 Cases Handling Measures Toward Clearing Participant

Applying Article 27 in Regulations for Business Rule, if necessary, JCCH shall request reports and information to Clearing Participant and fully confirm current and expected conditions based on the provision of Article 19 in the Regulations.

Article 8. Application for Relinquishment of Clearing Qualification

1. Applications to relinquish Clearing Qualification as prescribed under Article 20 of the Business Rules shall be made by applicants submitting a prescribed application for relinquishment of Clearing Qualification to JCCH containing the following information:
 - (1) The type of Clearing Qualification for which relinquishment is desired and whether Individual Clearing Qualification and General Clearing Qualification;
 - (2) Trade name or name (including the same in English);
 - (3) Location of head office or main office;
 - (4) Name of representative; and
 - (5) Statement of the reason for applying to relinquish Clearing Qualification.
2. The following documentation must be attached to an application for relinquishment of Clearing Qualification under the preceding Paragraph:
 - (1) Time Schedule for relinquishment of Clearing Qualification; and
 - (2) Other documentation as deemed necessary by JCCH.

Article 9. Payment of Monies to JCCH

The payment of monies, etc. as well as deliveries and deposits to JCCH under Article 26(5) of the Business Rules shall be conducted through the settlement banks.

Article 10. Clearing Agreement

The Clearing Agreement prescribed under Article 38 of the Business Rules shall be prepared in the prescribed form No.3.

Article 10-2. Reports Concerning Clearing Agreement

Upon occurrence of any content prescribed by JCCH under Article 39.2 of Business Rules, shall be prescribed in the following the Subparagraphs, the reports shall be accompanied by the documentation deemed necessary by JCCH, and shall be submitted in the prescribed form.

- (1) When the article in the concluded Clearing Agreement have been modified where specified to be set by agreement between a General Clearing Participant and another Non-clearing Participant
- (2) When conditions for termination of this Agreement have been set or modified from the view point of ensuring discharge of obligations relating to transactions based on consignment of Commodity Clearing Transactions by the agreement between a General Clearing Participant and another Non-clearing Participant.

Article 11. Confirmation of Content of Obligations

Confirmation of the content of obligations as prescribed under Article 45.2 of the Business Rules and other matters necessary for settlement shall be conducted by Clearing Participant using electronic information equipment.

Article 12. Reports Concerning Clearing Contracts

The classifications, timing and correction of content of the reports prescribed under Article 49.4 of the Business Rules shall be subject to the provisions prescribed by Designated Commodity Exchange for Notification of Detailed Trading Position Reports, Report of offsetting Transactions and, Notification or Report of Options Exercises.

Article 13. Settlement Prices

Settlement Prices as prescribed under Article 51 of the Business Rules shall be based on the prices received in notices from Designated Commodity Exchange.

Article 13-2. Handling of Receipts and Payments for Customer Accounts

Execution Price Differential, Settlement Price Differential, Strike Price Differential and Option Premiums for Customer Accounts pursuant to the provisions of Article 53 of the Business Rules shall include those for Overseas Customer Accounts (overseas customers refer to those who reside outside Japan and have requested a Non-clearing Participant who accepts requests for the intermediation of consignment of Commodity Clearing Transactions in accordance with the rules prescribed by a Designated Commodity Exchange (hereinafter referred to as “Remote Broker Non-clearing Participant”) to perform the intermediation of consignment of Commodity Clearing Transactions).

Article 14. Final Settlement Prices and Final Settlement Indices

Final Settlement Prices prescribed under Article 52.3, Final Settlement Prices prescribed under Article 55 and Final Settlement Indices prescribed under Article 57 of the Business Rules, respectively, shall be the amounts calculated in the manner prescribed by Designated Commodity Exchange.

Article 14-2 Application or Transfer Deadline of Positions

1. A Clearing participant who seeks to receive approval of JCCH prescribed in Paragraph 1 and 4 of Article 60-2 of Business Rules shall submit the documents separately prescribed by JCCH and the application for the relevant positions that has been submitted to the Designated Commodity Exchange. The other documents necessary for the said approval shall be separately prescribed by JCCH.

2. The time prescribed by JCCH in Paragraph 2 and 4 of Article 60-2 of Business Rules shall be the deadline prescribed by the Designated Commodity Exchange, except for the deadline separately prescribed by JCC.
3. In cases where JCCH deemed it impossible or difficult for the application to be submitted by the time prescribed by JCCH under the preceding Paragraph because of a problem with the system installed by the Designated Commodity Exchange or due to unavoidable reasons, the deadline of the application shall be the time prescribed by JCCH in a case by case basis. In such cases, JCCH shall notify the Clearing Participant of the said deadline beforehand.
4. The application to JCCH as prescribed in Paragraph 2 and 4 of Article 60-2 shall be with respect to the positions at the closing time of a trading day(which prescribed in Paragraph 1 of Article 50 of Business Rules ; the same shall apply in the following paragraph).
5. In principle, the time prescribed by JCCH in the Paragraph 3 of Article 60-2 of Business Rules shall be after the close of trading session of each trading day.

Article 14-3 Method to Handle Clearing Fees Pertaining to Give-ups

The return of Clearing Fees prescribed in Article 47-2 of the Regulations for Business Rules shall be recovered to Clearing Participants, who went through said extinguished transactions, in the following month of the calculation area's month in which said Give-ups were taken place.

Article 15. Clearing Funds

The return of Ordinary Clearing Funds prescribed in Article 47-2 of the Regulations for Business Rules, the amounts and manner of deposit of Ordinary Clearing Funds and Special Clearing Funds, method for maintaining segregated management of Clearing Funds, Cumulative Limit on the Amount of Ordinary Clearing Funds Amount, suspension of deposits of Ordinary Clearing Funds and return of Ordinary Clearing Funds and Special Clearing Funds as prescribed respectively under Article 61.2, Article 61.4, Article 62.1,

Article 62.2, Article 64.2 and Article 64.3 of the Business Rules shall be as prescribed in the Regulations for Clearing Funds.

Article 16. Compensation for Losses from Default

1. The calculation for each Designated Commodity Market relating to Clearing Margin of House Account that is deposited by a Clearing Participant with JCCH as prescribed under Article 72.1(1) of Business Rules shall be performed by multiplying the amount of the Clearing Margin of House Account deposited by the Clearing Participant with JCCH by the following rate for each Designated Commodity market for which such calculation is made.

(i) The calculation of the amount for each Designated Commodity Market shall be as follows:

“(Number of Positions of House Account \times Price Scan Range) + (Number of Positions of House Account Subject to Delivery Month Charge \times Amount of Delivery Month Charge per contract) + (Amount of Delivery Clearing Margin) + (Short Option Positions of House Account \times Short Option Minimum Charge)”

(ii) The rate shall be determined by dividing the total amount of (i) above by the amount of (i) above that is calculated for each Designated Commodity Market.

2. The calculation for each Designated Commodity Market relating to Clearing Margin of Customer Account for which a Clearing Participant has Claim for Refund as prescribed under Article 72.1(4) of the Business Rules shall be determined by multiplying the amount of Claim for Refund of the Clearing Participant by the following rate for each Designated Commodity Market for which such calculation is made:

(i) The calculation for each Designated Commodity Market shall be as follows:

(Number of Customer Positions \times Price Scan Range) + (Number of Customer Positions Subject to Delivery Month Charge \times Delivery Month Charge per contract) + (Amount of Delivery Clearing Margin) + (Number of Customer Short Option Positions \times Short Option Minimum Charge)

(ii) The applicable rate shall be the total amount of (i) above divided by the amount of (i) above that is calculated for each Designated Commodity Market.

Article 17. Compensation Made by Other Clearing Participant

The liability of other Clearing Participant to make compensation as prescribed under Article 72.7 of the Business Rules shall be assigned to the parties given in the following Subparagraphs for each of the corresponding obligations of a Defaulting Clearing Participant:

- (1) Deficiencies relating to the differential between Acceptance Price and Delivery Price for Defaulted Delivery Positions as prescribed under Article 73(1) of the Business Rules shall be proportionally allocated to the number of Aggrieved Delivery Positions of the Aggrieved Party in the manner prescribed in the Market Rules of Designated Commodity Exchange (hereinafter the “Market Rules”), and shall be borne by the Clearing Participant who have received said allocation (if the party receiving such allocation is Non-Clearing Participant, Designated Clearing Participant of the relevant Non-Clearing Participant);
- (2) Deficiencies relating to the additional indemnification for Defaulted Delivery Positions as prescribed under Article 73(2) of the Business Rules shall in accordance with the Market Rules be allocated in proportion to the Opposite Delivery Positions of the Clearing Participants (or if the party receiving such allocation is Non-Clearing Participant, Designated Clearing Participant of the relevant Non-Clearing Participant) who holds Opposite Delivery Positions of the Defaulted Delivery Positions, and shall be borne by the Clearing Participant who have received said allocation;
- (3) Deficiencies relating to the additional indemnification for Defaulted Non-Delivery Positions as prescribed under Article 73(3) of the Business Rules shall be allocated in proportion to the number of Opposite Positions held by the Clearing Participants holding Opposite Positions of the Defaulted Non-Delivery Positions (or if the party holding the Opposite Positions is Non-Clearing Participant, Designated Clearing Participant of the relevant Non-Clearing Participant), in accordance with the Market Rules and shall be borne by the Clearing Participant who has received said allocation or the Clearing Participant who has accepted the Defaulted Non-Delivery Positions;

- (4) Deficiencies relating to the differential between Acceptance Price and Contract Price at the time of acceptance for Defaulted Non-Delivery Positions as prescribed under Article 73(4) of the Business Rules shall be allocated in proportion to the Opposite Positions of the Clearing Participants holding Opposite Positions corresponding to the Defaulted Non-Delivery Positions (or if the party who holds the Opposite Positions is Non-Clearing Participant, Designated Clearing Participant of the relevant Non-Clearing Participant) in accordance with the Market Rules, and shall be borne by the Clearing Participant who has received said Allocation or the Clearing Participant who has accepted Defaulted Non-Delivery Positions;
- (5) Deficiencies relating to the differential in the losses calculated for Defaulting Clearing Participant in relation to the Defaulted Non-Delivery Positions as prescribed under Article 73(5) of the Business Rules shall be allocated in proportion to the gains of Clearing Participant who have calculated gains in each clearing period in which losses are calculated for Defaulting Clearing Participant;
- (6) JCCH shall bear the deficiencies of the clearing fees as prescribed under Article 73(6) of the Business Rules; and
- (7) Deficiencies of any and all other amounts as prescribed under Article 73(7) of the Business Rules shall be borne by the counterparty Clearing Participant (if the counterparty is Non-Clearing Participant, Designated Clearing Participant of the concerned Non-Clearing Participant).

Article 18. Calculation of Losses from Default

The calculation of losses as prescribed under Article 73 of the Business Rules shall be conducted individually for each Designated Commodity Market relating to Defaulting Clearing Participant and shall not be calculated as net figure from the gains and losses among each such Designated Commodity Market.

Article 19. Settlement Banks

1. The settlement banks prescribed under Article 76.1 of the Business Rules shall be the following:

Mizuho Bank, Kobuna-cho Branch

Resona Bank, Nihonbashi Branch

Resona Bank, Senba Branch

The Sumitomo Mitsui Banking Corporation, Osaka Nishi Branch

2. The financial institution through which a Clearing Participant should conduct settlement in applying the provisions of Article 76.2 of the Business Rules shall be the financial institution other than the settlement banks of said Clearing Participant (including financial institutions other than the financial institutions listed in the preceding paragraph) of which the Clearing Participant has notified JCCH in advance. In this case, the Clearing Participant shall conduct the settlement prescribed in Article 76.1 of the Business Rules by transferring funds to the settlement bank specified by JCCH whereas JCCH shall conduct such settlement by transferring funds to the account opened by the Clearing Participant with said financial institution

Article 19-2. Settlement Finality

Among the fee prescribed in Article 15 of Business Rules, Price Differential, Settlement Price Differential, Strike Price Differential and Option Premiums prescribed in Article 53,2 of Business Rules, the deposit or the refund of Clearing Margin prescribed in Clearing Margin Rules under Article 60 of Business Rules, the deposit of Clearing Funds prescribed in Article 61 of Business Rules, or the receipt and payment of monies or Substitute Securities between JCCH and Clearing Participant for the refund of Clearing Funds prescribed in Article 64 and 65, with respect to processing instructed by JCCH to the settlement banks and a person specified in 13 of Regulation for Substitute Securities hereinafter referred to as "the Management Institution for Substitute Securities" in this Article), no cancellation will be made after completing the instructions and the processing instructed by Clearing Participant to the settlement banks and Management Institution for Substitute Securities shall not be canceled after completing the instructions.

Article 20. Postponement of Settlement Cut-Off Times Due to System Failures or Other Factors

1. In relation to the postponement of settlement cut-off times as prescribed under Article 77.1 of the Business Rules, if JCCH grants that the report in this Paragraph from Clearing Participants shall be appropriate, JCCH shall postpone the receipt and payment for all or some of the amount under Article 53.2 of the Business Rules until the date designated by JCCH to conduct settlement for the postponed Designated Commodity Market, in case where, because of the failure of JCCH's or Designated Commodity Exchange's systems hereof, and the Clearing Participant may fail to calculate Execution Price Differential, Settlement Price Differential, Strike Price Differential or Option Premiums (collectively referred to hereinafter as "Differentials") for some of Designated Commodity Market, and then if JCCH grants a deferral for some of the affected settlements under Article 77.1 of the Business Rules, and then the Clearing Participant shall claim that they shall fail to deposit the Differentials for the rest of the postponed Designated Commodity Market, with attached the estimated amount of the Differentials for the postponed Designated Commodity Market.
2. The amount to be deferred by JCCH under the preceding Paragraph should be designated by JCCH within the amount reported by the Clearing Participant mentioned in the preceding Paragraph, to the extent deemed necessary to be deposited by the Clearing Participant.
3. Necessary matters except for the case other than in Paragraph 1 above and Article 21 shall be prescribed by JCCH on a case by case basis.

Article 20-2. Special Treatment at the Time of System Failure at the Settlement Bank

1. In cases where the provisions of Article 76.2 of the Business Rules are applied, if the Clearing Participant reports to JCCH that it is unable to pay the whole or part of the amount that should be paid to JCCH on the grounds that it is unable to conduct

settlement through financial institutions other than the settlement bank as, for example, its funds are concentrated in the settlement bank by attaching a bank statement indicating the account balance of said Clearing Participant at the settlement bank (including the amount in the process of transfer from other financial institutions to said settlement bank; the same shall apply in the following paragraph) by the cut-off time specified each time by JCCH and JCCH deems the report appropriate, JCCH shall postpone the payment due date of the whole or part of the amount that should be paid by said Clearing Participant in accordance with the provisions of Article 77.1 of the Business Rules until the date specified by JCCH.

2. The amount to be deferred by JCCH under the preceding paragraph (hereinafter referred to as the “deferred amount” in the following paragraph) shall be the lower of the account balance of said Clearing Participant at said settlement bank or the amount designated by JCCH within the amount reported by the Clearing Participant, which is the whole or part of the amount that should be paid to JCCH by said Clearing Participant.
3. If JCCH incurs interest cost with regard to the deferred amount, said Clearing Participant shall bear the cost based on the claim of JCCH.

Article 21. Transfer of Unsettled Contracts in Conjunction with Corporate Spin-Offs or Transfer of Business Operations

1. The transfer of Unsettled Contracts in conjunction with corporate spin-off or transfer of business operations under the provision of Article 80.1 of Business Rules shall apply *mutatis mutandis* to the provision of Article 14-2.
2. If a General Clearing Participant would transfer Unsettled Contracts pertaining to Commodity Clearing Transactions of a Non-Clearing Participant in conjunction with a corporate spin-off or transfer of business operations under the provisions of Article 80.2 of the Business Rules, the Clearing Participant shall obtain the consent of the Non-Clearing Participant regarding the Transfer of Concerned Unsettled Contracts.

Article 22. Authority to Amend Regulations for Business Rules

Amendments to these Regulations for Business Rules shall be conducted by the decision of CEO, Chairman.

Supplementary Provisions

These Regulations shall become implemented on May 1, 2005.

Supplementary Provisions

The amended provisions of Article 15(Clearing Funds) and Article 16(Compensation for Losses from Default) shall be implemented from April 4, 2006.

Supplementary Provisions

The amended provisions of Article 16(Compensation for Losses from Default) shall be implemented from May 1, 2006.

Supplementary Provisions

The amended provisions of Article 7(Notification Items) shall be implemented from June 1, 2007.

Supplementary Provisions

The amendments to Article 6(Payment of Clearing Fees) shall be implemented on October 1, 2007. The amended provisions to replace Article 20 to Article 21 and the new stipulations of Article 20(Postponement of Settlement Cut-Off Times Due to System Failures or Other Factors) shall be implemented on October 31, 2007.

Supplementary Provisions

The amended provisions of Article 7(Notification Items) shall be implemented from December 28, 2007.

Supplementary Provisions

The amended provisions of Article 6(Clearing Fees) shall be implemented on October 1, 2008 and become effective from the Assuming Obligations of transactions on the date.

Supplementary Provisions

1. The amendments to Article 2(Application for Acquisition of Clearing Qualification) and Article 7(Notification Items), deletion of Article 3 and creation of Article 7-2 (Review of Requirements) shall become effective from the day when approved amendments to Article 7 (Notification Items) of Business Rules (hereinafter “Rules”) is implemented (January 22, 2009). With regard to documents prescribed in Article 7.3 (6) prepared by Clearing Participants who are not Futures Commission Merchants, documents as of the last day of March 2009 and after shall be submitted.
2. If a party applies for Clearing Qualification of Article 6 of Rules concerning Article 7 thereof in accordance with Attachment 2 of the Rules implemented on January 22, 2009 and if the party has Clearing Qualification heretofore on the day of implementation, followings shall be applied;
 - (i) Notwithstanding the provision of Article 4, Clearing Qualification acquisition fee shall not be charged.
 - (ii) Notwithstanding the provision of Article 2, documents of Article 2.1 (5) and Article 2.2 (1), (2) and (5) (limited to financial statements, business report and supplementary schedules of the most recent three business years) shall not be required.
 - (iii) Notwithstanding the provision of Article 2.2 (4), for a party which makes application by the end of March 2009, Statement of net assets amount prescribed in the said item shall be regarded as being made as of the end of September 2009 or later.

Supplementary Provisions

The amendments to Article 2 (Application for Acquisition of Clearing Qualification) Article 5(Execution of Clearing Participation Agreement), Article 7-2(Review of Requirements), Article 10(Clearing Agreement), and Article 17(Compensation Made by Other Clearing Participant) shall be implemented from April 1, 2009.

Supplementary Provisions

1. The amendments to Article 2 (Application for Acquisition of Clearing Qualification), Article 7 (Notification Items) and Article 7-2 (Review of Requirements) shall be implemented on October 1, 2009.
2. The amendments to Article 17 (Compensation Made by Other Clearing Participant) shall be implemented on October 8, 2009.
3. The amendments to Clearing Agreement (Form 3) shall be implemented on October 13, 2009.

Supplementary Provisions

The amendments to Article 2 (Application for Acquisition of Clearing Qualification) and Article 7 (Notification Items) shall be implemented on October 8, 2009.

Supplementary Provisions

The amendments to Article 20 (Postponement of Settlement Cut-Off Times Due to System Failures or Other Factors) shall be implemented on April 26, 2010.

Supplementary Provisions

1. The amendments to Article 2 (Application for Acquisition of Clearing Qualification), Article 7 (Notification Items), Article 7-2 (Review of Requirements) and Article 21 (Transfer of Unsettled Contracts in Conjunction with Corporate Spin-Off or Transfer of Business Operations), and new stipulations of Article 14-2 (Application on Transfer Deadline of Positions) and Article 22 (Authority to Amend Regulations for Business Rules) shall be implemented on January 1 2011, and the amendments to Article 16 (Compensation for Losses from Default) shall be implemented on January 4 2011.
2. Notwithstanding the preceding Paragraph, the transitional measures as prescribed in the Supplementary Provisions of Ordinance of the Ministry may be still taken according to the existing cases.

Supplementary Provisions

New provisions of Article 7-2 (Review of Requirements Concerning net assets amount), Article 7-3 (Review of Requirements Regarding Net Assets Regulation Ratio) and Article 7-4 (Cases Handling Measures toward Clearing Participant) shall be effective from July 27, 2011.

Supplementary Provisions

The amended provisions of Article 6(Clearing Fees) shall be implemented on October 1, 2011 and become effective from the Assuming Obligations of night-time transactions of September 30, 2011.

Supplementary Provisions

The amendments to Article 7-2 (Review of Requirements Concerning net assets amount) and Article 7-3(Review of Requirements Regarding Net Assets Amounts Ratio) shall be implemented on November 17, 2011.

Supplementary Provisions

A new provision of Article 14-3 (Method to Handle Clearing Fees Pertaining to Give-ups) and the amendments to Article 15 (The Return of Ordinary Clearing Funds Pertaining to Give-ups) shall come into effect as from December 19, 2011.

Supplementary Provisions

Form 1 and 2 of Clearing Participation Agreement for each domestic and foreign corporation, shall come into effect as from May 7, 2012.

Supplementary Provisions

The amendments to Article 2 (Application for Acquisition of Clearing Qualification), Article 7(Notification Items), Article 7-2 (Review of Requirements Concerning net assets amount) and Article 7-3 (Review of Requirements Regarding Net Assets Regulation Ratio) shall be implemented from December 1, 2012.

Supplementary Provisions

The amendments to Article 7 (Notification Items) and Article 7-3 (Review of Requirements Regarding Net Assets Regulation Ratio) shall be implemented on January 7, 2013.

Supplementary Provisions

The new stipulations of Article 5-2 (Procedures upon an inquiry) shall be implemented on February 12, 2013.

Supplementary Provisions

The amendments to Article 19 (Settlement Banks) shall be implemented on April 30, 2013.

Supplementary Provisions

The amendments to Article 19 (Settlement Banks) and Article 20 (Postponement of Settlement Cut-Off Times Due to System Failures or Other Factors) and the new addition of Article 20-2 (Special Treatment at the Time of System Failure at the Settlement Bank) shall be implemented on June 28, 2013.

Supplementary Provisions

The amendments to Article 2 (Application for Acquisition of Clearing Qualification), Article 3 (Qualification Requirements for General Clearing Participants Who Are Not a Member of Designated Commodity Exchange), Article 7 (Notification Items), Article 7-2 (Review of Requirements Concerning net assets amount) and (Form 3) Clearing Agreement and the new addition of Article 13-2 (Handling of Receipts and Payments for Customer Accounts) shall be implemented on March 31, 2014.

Supplementary Provisions

The amendments to Article 14-2 (Application for Transfer Deadline of Positions) shall be implemented on January 8, 2015.

Supplementary Provisions

The amended provisions to Article 2 (Application for Acquisition of Clearing Qualification) and Article 7 (Notification Items) shall be implemented on June 23, 2015.

Supplementary Provisions

The amended provisions to Article 2 (Application for Acquisition of Clearing Qualification) shall be implemented on June 30, 2015, and become effective on June 1, 2015.

Supplementary Provisions

The amended provisions to Article 7 (Notification Items) and Article 7-3 (Review of Requirements Regarding Net Assets Regulation Ratio) shall be implemented on June 30, 2015.

Supplementary Provisions

The amended provisions to Article 7 (Notification Items) shall be implemented on October 7, 2015.

Supplementary Provisions

1. The amendments to Article 17 (Compensation Made by Other Clearing Participant), Article 18 (Calculation of Losses from Default), and new stipulations of Article 10-2 (Reports Concerning Clearing Agreement) shall be implemented on July 21, 2016.
2. The amendments to Article 12 (Reports Concerning Clearing Contracts), Article 13-2 (Handling of Receipts and Payments for Customer Accounts), Article 14 (Final Settlement Prices and Final Settlement Indices), and Form 3 (CLEARING AGREEMENT) shall be implemented on September 20, 2016.
3. For the concluded Clearing Agreement based on the REGULATIONS FOR BUSINESS RULES prior to the effective date, it deemed to be implemented based on equivalent provisions of the REGULATIONS FOR BUSINESS RULES on the effective date.

Supplementary Provisions

The amendments to Article 6 (Clearing Fees) shall be implemented on September 20, 2016.

Supplementary Provisions

The amendments to Article 7-2 (Review of Requirements Concerning Net Assets Amount) shall be implemented from October 18, 2016.

Supplementary Provisions

The amendments to the attachment of Article 6 (Clearing Fees) shall be implemented on April 1, 2017.

Supplementary Provisions

New addition of Article 19-2 (Settlement Finality) shall be implemented on September 10, 2018.

Supplementary Provisions

The amendments to the attachment shall be implemented on September 17, 2019.

Clearing Fees etc.

Classification		Clearing Fees etc.
Clearing Fees for Executed trades in relations to Futures or Option Transactions	Electricity Futures Contracts (Note 1)	¥0.001/kWh for each selling and buying
	Other than Electricity Futures Contracts	¥9/Con.for each selling and buying
Clearing Fees for delivery		¥1/Con,
Clearing Fees for Exercised or Allocation of Option Transactions		¥9/Con.
Fees for Transfer of Unsettled Contracts (Note2)		¥9/Con. The upper limit is ¥50,000

(Note1) If a fraction less than one Japanese Yen occurs for the total amount in one clearing period, the fraction is rounded to the unit of Japanese Yen.

(Note2) Collect from Transferee Clearing Participants

CLEARING PARTICIPATION AGREEMENT

Date:

TO: Mr. CEO, Chairman Japan Commodity Clearing House Co., Ltd.	FROM: [Trade Name or Name] [Address] [Name of Representative] [<i>seal</i>]
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This Company hereby consents the following as a Clearing Participant of the Japan Commodity Clearing House (“JCCH”):

1. This Company shall conduct itself in accordance and compliance with the provisions of the Business Rules and other rules and regulations as currently promulgated by JCCH (collective “Rules and Regulations”) or such as may be established or amended in the future.
2. This Company shall comply with any revocation of Clearing Qualification, suspension of assuming obligations or other actions imposed by JCCH pursuant to the Rules and Regulations.
4. At the time of concluding the Agreement, JCCH(including executives and the person who engages in management of JCCH) confirms an applicant falls into neither any of the items (1) through (5) nor Boryokudan (organized crime), members of organized crimes, persons who have withdrawn from Boryokudan less than five years, Boryokudan jun koseiin (quasi-members of Boryokudan), Boryokudan-related company, Sokaiya (corporate racketeers), Kaisha goro (corporate racketeers), Shakai undo etc. hyobo goro (those forces claiming to be social movements) or Tokushu chino boryoku shudan etc. (special intellectual violent organizations) and others which are equivalent to any of prescribed organized crimes. If JCCH finds its clearing participant has a relation with organized crimes against JCCH’s policy over the future, JCCH may suspend a Clearing Qualification without notification.
 - (1) An applicant and/or clearing participant of which company’s management is controlled by members of Boryokudan
 - (2) An applicant and/or clearing participant of which company’s management is practically involved by members of Boryokudan
 - (3) An applicant and/or clearing participant who has a relation with members of Boryokudan to use them wrongfully with aims to gain fraudulent profits from or cause damage to JCCH or the third parties

- (4) An applicant and/or clearing participant who provides financial resources to members of Boryokudan or is committed to provide favors to them
 - (5) An applicant and/or clearing participant whose executives or management have a relationship with members of Boryokudan and other crime syndicates, which results in coming under fire from society.
5. This Company shall be fully responsible in the event that its Clearing Qualification is relinquished, and shall not, in any manner whatsoever, cause inconvenience to JCCH, other Clearing Participants or its Designated Clearing Participant in connection therewith.
 4. If notice is received from JCCH concerning a change of contractual terms or conditions, failure of this Company to object to the proposed change by the prescribed time shall be construed as a consent to such change.
 5. Any and all lawsuits arising between this Company and JCCH shall be under the exclusive jurisdiction of Tokyo District Court.

End

**REGARDLESS OF THIS ENGLISH AGREEMENT ABOVE, THE ORIGINAL JAPANESE TEXT HEREOF SHALL GOVERN FOR ALL PURPOSES AND IN ALL RESPECTS.
THIS ENGLISH TEXT INTENDED AS CONVENIENCE FOR USERS, WHOSE FIRST LANGUAGE IS NOT JAPANESE.
THIS TEXT IS FURNISHED WITHOUT RESPONSIBILITY FOR ACCURACY AND IS ACCEPTED BY THE USER ON THE CONDITION THAT TERM OF USE OR CURRENT STATUS OF THE LAW SHALL NOT BE MADE THE BASIS FOR ANY CLAIM, DEMAND OR CAUSE FOR ACTION OUTSIDE OR INSIDE A LAW COURT AGAINST JAPAN COMMODITY CLEARING HOUSE CO., LTD ("JCCH").
BESIDES, JAPANESE TEXT IS NECESSARY FOR THOSE WHO SUBMIT THIS AGREEMENT.**

CLEARING PARTICIPATION AGREEMENT

Date:

TO: Mr. CEO, Chairman Japan Commodity Clearing House Co., Ltd.	FROM: [Trade Name or Name] [Address] [Name of Representative] [<i>seal</i>]
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This Company hereby consents the following as a Clearing Participant of the Japan Commodity Clearing House (“JCCH”):

1. This Company shall conduct itself in accordance and compliance with the provisions of the Business Rules and other rules and regulations as currently promulgated by JCCH (collective “Rules and Regulations”) or such as may be established or amended in the future.
2. This Company shall comply with any revocation of Clearing Qualification, suspension of assuming obligations or other actions imposed by JCCH pursuant to the Rules and Regulations.
3. At the time of concluding the Agreement, JCCH(including executives and the person who engages in management of JCCH) confirms an applicant falls into neither any of the items (1) through (5) nor Boryokudan (organized crime), members of organized crimes, persons who have withdrawn from Boryokudan less than five years, Boryokudan jun koseiin (quasi-members of Boryokudan), Boryokudan-related company, Sokaiya (corporate racketeers), Kaisha goro (corporate racketeers), Shakai undo etc. hyobo goro (those forces claiming to be social movements) or Tokushu chino boryoku shudan etc. (special intellectual violent organizations) and others which are equivalent to any of prescribed organized crimes. If JCCH finds its clearing participant has a relation with organized crimes against JCCH’s policy over the future, JCCH may suspend a Clearing Qualification without notification.
 - (1) An applicant and/or clearing participant of which company’s management is controlled by members of Boryokudan
 - (2) An applicant and/or clearing participant of which company’s management is practically involved by members of Boryokudan
 - (3) An applicant and/or clearing participant who has a relation with members of Boryokudan to use them wrongfully with aims to gain fraudulent profits from or cause damage to JCCH or the third parties

- (4) An applicant and/or clearing participant who provides financial resources to members of Boryokudan or is committed to provide favors to them
 - (5) An applicant and/or clearing participant whose executives or management have a relationship with members of Boryokudan and other crime syndicates, which results in coming under fire from society.
4. This Company shall be fully responsible in the event that its Clearing Qualification is relinquished, and shall not, in any manner whatsoever, cause inconvenience to JCCH, other Clearing Participants or its Designated Clearing Participant in connection therewith.
 5. If notice is received from JCCH concerning a change of contractual terms or conditions, failure of this Company to object to the proposed change by the prescribed time shall be construed as a consent to such change.
 6. All notifications between JCCH and this Company (including documentation that is exchanged between the parties hereto) shall be prepared in the Japanese language, and any amounts shall be denominated in Japanese currency.
 7. Any and all lawsuits arising between this Company and JCCH shall be under the exclusive jurisdiction of Tokyo District Court.

End

REGARDLESS OF THIS ENGLISH AGREEMENT ABOVE, THE ORIGINAL JAPANESE TEXT HEREOF SHALL GOVERN FOR ALL PURPOSES AND IN ALL RESPECTS. THIS ENGLISH TEXT INTENDED AS CONVENIENCE FOR USERS, WHOSE FIRST LANGUAGE IS NOT JAPANESE. THIS TEXT IS FURNISHED WITHOUT RESPONSIBILITY FOR ACCURACY AND IS ACCEPTED BY THE USER ON THE CONDITION THAT TERM OF USE OR CURRENT STATUS OF THE LAW SHALL NOT BE MADE THE BASIS FOR ANY CLAIM, DEMAND OR CAUSE FOR ACTION OUTSIDE OR INSIDE A LAW COURT AGAINST JAPAN COMMODITY CLEARING HOUSE CO., LTD ("JCCH"). BESIDES, JAPANESE TEXT IS NECESSARY FOR THOSE WHO SUBMIT THIS AGREEMENT.

**CLEARING AGREEMENT
(DRAFT)**

XX Co. (“XX Co.”) and YY Co. (“YY Co.”) hereby agree as follows regarding Commodity Clearing Transactions to be conducted by XX Co. as consigned by YY Co.

Article 1. Subject to Commodity Clearing Transactions

The Subject to Clearing Transactions falling within the scope of this Agreement shall be transactions conducted on Designated Commodity Exchange and Designated Commodity Market as prescribed in Japan Commodity Clearing House (“JCCH”) Business Rules.

Article 2. Designation as Designated Clearing Participant

YY Co. may elect to designate XX Co. to act as the Clearing Participant to whom YY CO. will consign Commodity Clearing Transactions (hereinafter “Designated Clearing Participant”). In such case, XX Co. and YY Co. shall provide advance notice to JCCH and Designated Commodity Exchange respectively. (However, where the approval of Designated Commodity Exchange is required, such shall be obtained in advance.).

Article 3. Transfer of Unsettled Contracts Upon Acceptance of Designation

1. If YY Co. has designated a Clearing Participant other than XX Co. to act as its Designated Clearing Participant but elects to change such designation to XX Co., XX Co. shall accept Transfer of Unsettled Clearing Contracts consisting of Commodity Clearing Transactions consigned by YY Co. from the previous Designated Clearing Participant.

2. If YY Co. relinquishes its Clearing Qualification and XX Co. was designated as its Designated Clearing Participant, XX Co. shall accept Transfer of Unsettled Clearing Contracts of YY Co.

Article 4. Transfer of Unsettled Contracts Upon Change of Designation

1. If YY Co. has designated XX Co. to act as its Designated Clearing Participant but elects to change such designation to another Clearing Participant in the manner prescribed by a Designated Commodity Exchange, XX Co. shall transfer Unsettled Clearing Contracts consisting of Commodity Clearing Transactions consigned by YY Co. to the other Clearing Participant newly designated by YY Co.
2. If YY Co. has designated XX Co. to act as its Designated Clearing Participant but subsequently acquires Clearing Qualification, XX Co. shall transfer Unsettled Clearing Contracts of YY Co. consisting of Commodity Clearing Transactions consigned by YY Co. to YY Co.

Article 5. Execution of Commodity Clearing Transactions

1. YY Co. may execute as XX Co.'s agent Commodity Clearing Transactions for which XX Co. has been designated by YY Co. as its Designated Clearing Participant executed.
2. In cases where the preceding Paragraph applies and with respect to consignment of Commodity Clearing Transactions, when YY. Co. conducts the transaction as prescribed by Designated Commodity Exchange, it shall be deemed that YY. Co. requested consignment of Commodity Clearing Transactions to XX Co. and XX Co. accepted consignment of Commodity Clearing Transactions.

Article 6. Commodity Clearing Transaction Account

All Clearing Margin for transactions pursuant to consignment by YY. Co. of Commodity Clearing Transactions, monies paid and collected for Mark-to-Market (referring to monies

consisting of Execution Price Differential, Settlement Price Differential, and Strike Price Differential), Option Premiums, and other paid and collected Securities and monies shall be processed by means of commodity clearing transaction account established by YY Co. with XX Co.

Article 7. Acceleration of Obligations

1. Upon occurrence of any of the following with respect to YY Co., and without notice or warning from XX Co., YY Co. shall become subject to acceleration of its obligations in relation to the transactions pursuant to consignment of Commodity Clearing Transactions and shall immediately satisfy such obligations:
 - (1) Suspension of payments; or becoming subject to a petition for the commencement bankruptcy proceedings, rehabilitation proceedings, restructuring proceedings, or special liquidation proceedings;
 - (2) Becoming subject to a disposition to suspend transactions issued by a clearing house or an Electronic Monetary Claim Recording Institution prescribed in Article 2.2 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007);
 - (3) Becoming subject to order or notice for provisional attachment, preservative attachment or attachment concerning the obligations of YY Co. to XX Co. relating to consignment of Commodity Clearing Transactions, or any and all other obligations owed by YY Co. to XX Co.;
 - (4) Becoming subject to attachment or commencement of public auction proceedings concerning consideration placed or deposited by YY Co. as security for the obligations of YY Co. to XX Co. relating to the transactions pursuant to consignment of Commodity Clearing Transactions; or
 - (5) Becoming subject to an action that corresponds to or is similar to any of the foregoing pursuant to the laws of a foreign country.
2. Upon occurrence of any of the following with respect to YY Co., and subject to demand from XX Co., YY Co. shall become subject to acceleration of its obligations to

XX Co. relating to consignment of Commodity Clearing Transactions and shall promptly satisfy such obligations:

- (1) Becoming delinquent in performing any part of its obligations to XX Co. relating to the transactions pursuant to consignment of Commodity Clearing Transactions; or
- (2) Becoming subject to attachment or commencement of public auction proceedings (including events equivalent or similar thereto under the laws or regulations of a foreign state) concerning consideration placed or deposited by YY Co. as security for the obligations of YY Co. owed to XX Co. (excluding obligations relating to the transactions pursuant to consignment of Commodity Clearing Transactions).

Article 8. Measures in Cases Where Payments Are Suspended

1. When YY Co. shall be involved the acceleration of obligation under the preceding Article, XX Co. may furnish the request for the liquidation of unsettled items of all YY Co.'s Clearing Contracts by XX Co. or by a Clearing Participant designated by XX Co. pursuant to consignment of Commodity Clearing Transactions to Designated Commodity Exchange as prescribed in the rule of Designated Commodity Exchange.
2. When XX Co. has delivered the intension under the preceding Paragraph, XX Co. shall report to JCCH immediately.
3. In case where YY Co. has become to be treated as a defaulter by the Designated Commodity Exchange under the notification of Paragraph 1, and then XX Co. or the Clearing Participant designated by XX Co. shall be suffered a loss as a result of the close out the position of YY Co. by offsetting sells or offsetting buys of Physical Delivery Futures Transactions, Cash Settlement Futures Transactions and Index Futures Transactions, or the close out by offsetting sells, offsetting buys or Exercise of Option Transactions (including consignment thereof), YY Co. shall pay the amount for its loss to XX Co. promptly.
4. Notwithstanding Paragraphs 1, if YY Co. has become subject to a suspension of transactions conducted in the Commodity Market, suspension of consignment of

Commodity Clearing Transactions, or expulsion from membership imposed by Designated Commodity Exchange, XX Co. shall comply with such action in the manner prescribed by Designated Commodity Exchange and JCCH and YY Co. shall comply with such action and any other action in the manner prescribed by Designated Commodity Exchange.

Article 9. Netting of Amounts

1. If YY Co. becomes subject to an acceleration of obligations under the provisions of Article 7 hereof and is required to perform its obligations to XX Co. relating to the transactions pursuant to consignment of Commodity Clearing Transactions, the amount of such obligations may be offset against any and all claims held by YY Co. against XX Co. relating to the transactions pursuant to consignment of Commodity Clearing Transactions at any time regardless of the time at which such obligations are due and payable by XX Co.
2. In the event of offset under the preceding Paragraph, XX Co. may, without the need for prior notice and without undertaking prescribed procedures, apply the amounts of the deposits of YY Co. held by XX Co. that are otherwise refundable in satisfaction of the obligations of YY Co.
3. When calculating any netting of amounts under Paragraphs 1 and 2 above, the rates of interest and late payment penalties shall be applicable to obligations owing to XX Co. until the date on which the calculation is made, and transfer these rates are satisfied shall be as prescribed by XX Co.

Article 10. Disposition of Substitute Securities, etc.

If YY Co. becomes subject to an acceleration of obligations under the provisions of Article 7 hereof, XX Co. may at XX Co.'s discretion as to, inter alia, the method, timing, location and price, dispose of Substitute Securities (*i.e.*, Substitute Securities, etc. prescribed in Article 9.1 of the Clearing Margin Rules by JCCH) placed by YY Co. as Clearing Margin, and may apply the balance of the resulting proceeds less any expenses to satisfaction of such obligations notwithstanding any legal priorities, without any notice or warning and without undertaking any statutory procedures, to ensure performance of obligations

relating to transactions pursuant to Commodity Clearing Transactions, and for the account of YY Co.. Moreover, if any obligations remain outstanding after such disposition, YY Co. shall promptly satisfy the same.

Article 11. Disposition of Property in Possession of XX Co.

In the event that YY Co. becomes subject to an acceleration of obligations under the provisions of Article 7 hereof, XX Co. may dispose of any property and Securities of YY Co. in its possession, in which event, the provisions of all of the preceding Articles hereof shall apply to the handling thereof.

Article 12. Order of Allocation for Repayment, Etc.

In the event of satisfaction of obligations or netting of amounts under Article 9 hereof, if there is a shortfall in the amount required to satisfy all obligations of YY Co. to XX Co. relating to the transactions pursuant to consignment of Commodity Clearing Transactions, allocation may be made in accordance with to the order and method deemed appropriate by XX Co.

Article 13. Payment of Penalty for Arrears

If YY Co. has failed to perform its obligations to XX Co. in relation to the transactions pursuant to consignment of Commodity Clearing Transactions, YY Co. shall upon demand by XX Co. pay XX Co. a penalty for arrears at the rate prescribed by XX Co. applicable from the day following the due date for performance thereof until the date of the performance.

Article 14. Prohibition Against Assignment of Claims

YY Co. shall not assign or offer as a security to a third party any claims it holds against XX Co. in relation to the transactions pursuant to consignment of Commodity Clearing Transactions.

Article 15. Termination of This Agreement

1. This Agreement may be terminated by mutual agreement pursuant to discussions between XX Co. and YY Co.
2. In addition to the provision of the preceding Paragraph, either party hereto may terminate this Agreement by furnishing the other party with written notice of such intent by month(s) prior to the desired termination date.
3. In addition to the provisions of Paragraphs 1 and 2 above, XX Co. may terminate this Agreement upon occurrence of any of the events prescribed in Subparagraphs of Article 7.1 or 7.2 hereof.
4. XX Co. and YY Co. shall notify respectively JCCH and Designated Commodity Exchange in advance if XX Co. intends to terminate this Agreement under the provisions of Paragraphs 1 through 3 above. If termination is under Paragraph 1 above, such notice shall be furnished by not later than three business days prior to the desired termination date, and if termination is under Paragraph 2 above, such notice shall be furnished promptly after XX Co. either furnishes written notice of such intent to YY Co. or receives written notice of such intent from YY Co. If termination is under Paragraph 3 above, such notice shall be furnished by not later than one day prior to the desired termination date (or if such date is a holiday the immediately preceding date).
5. The provisions herein shall continue to apply to Commodity Clearing Transactions that are consummated until termination of this Agreement (In case where YY Co. has become to be treated as a defaulter by the Designated Commodity Exchange under the notification of Article 8.1, and then cases involving the close out by offsetting sells or offsetting buys of Physical Delivery Futures Transactions, Cash Settlement Futures Transactions and Index Futures Transactions, or the close out by offsetting sells, offsetting buys or Exercise of Option Transactions (including consignment thereof) or cases where such actions are taken in compliance with actions imposed by Designated Commodity Exchange and JCCH under the provisions of Article 8.4 hereof (including consignment thereof)).

6. Notwithstanding the provisions of Paragraphs 1 through 3 above, termination of this Agreement shall not be effective until the notice prescribed in Paragraph 4 above is furnished by XX Co.

Article 15-2. Termination by Special Agreement

1. Notwithstanding the provisions of Article 15 hereof, when conditions for termination of this Agreement have been set in advance from the view point of ensuring discharge of obligations relating to transactions based on consignment of Commodity Clearing Transactions by the agreement between XX Co. and YY Co., and YY Co. becomes subject to such conditions, this agreement may be terminated by XX Co. by making an offer of termination to YY Co. in writing on or before the day prior to the expected day of termination (if holidays, shall be moved forward accordingly).
2. For the termination of this Agreement (hereinafter referred to as “Special Termination”), XX Co. shall give notice to JCCH promptly after XX Co. makes an offer of termination to YY Co. and before the day prior to the expected day of termination (if holidays, shall be moved forward accordingly).
3. For the Commodity Clearing Transactions concluded before the Special Termination (including resale, repurchase and exercise of option relating to the Special Termination), this agreement shall remain applicable.
4. In addition to Paragraph 3, for transactions which are deemed particularly necessary by JCCH from the view point of ensuring fulfillment of settlement, this Agreement shall remain applicable.
5. Notwithstanding the provisions of Paragraph 1 hereof, if XX Co. does not make an offer stipulated in Paragraph 2 hereof, the Special Termination will not be inure.

Article 15-3. Special provision for settlement of positions in current month

XX Co. and YY Co. shall provide special provision about the following Subparagraph to transactions pursuant to consignment of Commodity Clearing Transactions for execution of debt on sound of view.

- (1) YY Co. shall promptly furnish XX Co. with reports of necessary matters until designated date of XX Co. regarding settlement or delivery of YY Co. holding positions in current month and supply of delivery commodity etc.;
 - (2) YY Co. shall promptly furnish XX Co. with reports of warehouse receipt etc for settlement by delivery or date of pay for delivery.
 - (3) Limit on the quantity of transactions pursuant to consignment of Commodity Clearing Transactions.
2. Notwithstanding the provision of the preceding Paragraph, XX Co. and YY Co. may provide special provision about non-delivery of current contract month positions held by YY Co. or settlement of positions held by YY Co. by resale or repurchase by a certain date specified in advance.
 3. When YY Co. breaches the special provisions under Paragraphs 1 and 2 above, XX Co. may settle any unsettled Clearing Contracts of YY Co. based on consignment of Commodity Clearing Transactions by disposing of positions pertaining to said unsettled Clearing Contracts at XX Co.'s discretion and for the account of YY Co. by offsetting buys or offsetting sells or transferring them to a Member of Designated Commodity Exchange designated by XX Co.
 4. The provisions of Article 8.3 shall apply *mutatis mutandis* to the case referred to in the preceding paragraph.

Article 16. Reports

1. When requested by XX Co., YY Co. shall promptly furnish XX Co. with reports of necessary matters regarding transactions pursuant to consignment of Commodity Clearing Transactions that are subject to the provisions of this Agreement.
2. YY Co. shall promptly furnish XX Co. with written notice upon occurrence of any of the events prescribed in Subparagraphs of Article 7.1 or 7.2 hereof, or upon becoming subject to a suspension of transactions conducted in the Commodity market, suspension of consignment of Commodity Clearing Transactions, or expulsion from

membership by Designated Commodity Exchange (limited to those relating to the transactions pursuant to consignment of Commodity Clearing Transactions under this Contract).

Article 17. Duties of YY Co.

If a replacement deposit is placed by YY Co. or a Clearing Intermediary is furnishing XX Co. with written notice of such fact, YY Co. shall also furnish XX Co. with notice of necessary matters pursuant to the Clearing Margin Rules prescribed by JCCH.

Article 18. Confidentiality

XX Co. and YY Co. shall maintain confidentiality with respect to the business secrets of each other to which they become privy during the course of conducting business pursuant to this Agreement, shall not use the same for any other purpose, and shall not disclose the same to a third party except when necessary to comply with an audit conducted by Designated Commodity Exchange or JCCH, or other appropriate reason.

Article 19. Notification of Change of Registered Information

YY Co. shall promptly furnish XX Co. with written notice upon a change of its trade name, representative, signatures or seals registered with XX Co., principal address or address of administrative office, or other matters.

Article 20. Force Majeure

1. If the return of security pursuant to a request by YY Co. is delayed because of circumstances which are out of XX Co's control such as natural disaster, XX Co. shall bear no liability for damages resulting from such delay.
2. If security is lost, damaged or destroyed for the reason listed in the preceding Paragraph, XX Co. shall bear no liability for damages resulting from the same.

3. After XX Co. checks with due caution the seals and signatures used in notifications and other documents against the notified seals and signatures, XX Co. shall bear no responsibility for any damages resulting from the forgery of, falsification of, or other accident with respect to such notifications and documents.

Article 21. Effect of Notifications

If notices relating to the transactions pursuant to consignment of Commodity Clearing Transactions sent by XX Co. to the address or administrative office registered by YY Co. with XX Co. are late or fail to arrive because of fault attributable to YY Co., said notices shall be deemed as having arrived at the time normally required for completion of such delivery.

Article 22. Information Sent by Electronic Means

With the consent of XX Co., the written reports under Article 16.2 hereof and the written notices under Article 19 hereof (excluding changes to signatures and seals) otherwise required to be delivered by YY Co. in written form may instead be provided by means employing organizations that engage in electronic information processing or other information transmission technology. In such cases, the relevant reports or notices shall be deemed as having been conducted by YY Co. in written form.

Article 23. Governing Law

This Agreement shall be governed by and interpreted under the laws of Japan.

Article 24. Consent to Jurisdiction

The Court having jurisdiction over the location where the head office or branch of XX Co. is situated shall have jurisdiction over lawsuits concerning transactions pursuant to consignment of Commodity Clearing Transactions falling under this Agreement.

Article 25. Consent for Execution of Agreements for Give-ups

1. YY Co. shall obtain the prior written consent of XX Co. for any instance involving the execution by YY Co. of an agreement for Give-ups.
2. Upon cancellation of an agreement for Give-ups, YY Co. shall promptly furnish XX Co. with notice of such fact.

IN WITNESS WHEREOF, this Agreement has been executed in two original copies, with XX Co. and YY Co. retaining one original in each of their possessions.

Date:

Address

Trade Name or Name

Name of Representative (Clearing Participant) [*seal*]

Address

Trade Name or Name

Name of Representative (Non-Clearing Participant) [*seal*]

(Note 1) The number of month(s) consisting of a period of one month or greater as agreed between XX Co. and YY Co. must be entered in the space appearing in Article 15.2 given by “ month(s).”

(Note 2) If the conditions for termination of this Agreement from the view point of ensuring discharge of obligations set forth in Paragraph 1 of Article 15-2 are not

set in advance by the agreement between XX Co. and YY Co., said article can be deleted from this Agreement.

(Note 3) The court of jurisdiction under Article 24 may be changed as deemed appropriate by agreement between XX Co. and YY Co.

REGARDLESS OF THIS ENGLISH AGREEMENT ABOVE, THE ORIGINAL JAPANESE TEXT HEREOF SHALL GOVERN FOR ALL PURPOSES AND IN ALL RESPECTS.

THIS ENGLISH TEXT INTENDED AS CONVENIENCE FOR USERS, WHOSE FIRST LANGUAGE IS NOT JAPANESE. THIS TEXT IS FURNISHED WITHOUT RESPONSIBILITY FOR ACCURACY AND IS ACCEPTED BY THE USER ON THE CONDITION THAT TERM OF USE OR CURRENT STATUS OF THE LAW SHALL NOT BE MADE THE BASIS FOR ANY CLAIM, DEMAND OR CAUSE FOR ACTION OUTSIDE OR INSIDE A LAW COURT AGAINST JAPAN COMMODITY CLEARING HOUSE CO., LTD (“JCCH”).

BESIDES, JAPANESE TEXT IS NECESSARY FOR THOSE WHO SUBMIT THIS AGREEMENT.