

[English Translation]

JAPANESE YEN SETTLEMENT REGULATIONS

TOKYO FINANCIAL EXCHANGE INC.

(This is an English translation of the Japanese Yen Settlement Regulations, the original of which has been prepared in the Japanese language only. The Japanese language text hereof shall govern for all purposes and in all respects. Accordingly, all questions that may arise within or without courts of law in regard to the meaning of the words, provisions and stipulations of these Regulations shall be decided in accordance with the Japanese language text. Tokyo Financial Exchange Inc. (“TFX”) assumes no responsibility for accuracy, correctness, or contents of this English text.)

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CHAPTER I.

GENERAL PROVISIONS

Article 1. Purpose

These Regulations set forth necessary matters with respect to the manner of payment and receipt of Japanese Yen funds in connection with mark-to-market and final settlement of Interest Rate Futures contracts and L-T Link Positions, payment and receipt of option premiums and payment and receipt of Japanese Yen funds in connection with clearing of overseas positions, each carried out between Tokyo Financial Exchange Inc. (hereinafter called the “Exchange”) and a Clearing Member and the Linked Overseas Clearing House defined in Article 2(4) of the Trading Regulations of the Exchange (hereinafter called the “Trading Regulations”) (hereinafter called the “Linked Overseas Clearing House”) pursuant to the Trading Regulations, the Clearing Regulations of the Exchange (hereinafter called the “Clearing Regulations”) and the Special Provisions for Trading Regulations and Brokering Terms for Options of the Exchange (hereinafter called the “Special Provisions for Options”) (the said payments and receipts are hereinafter collectively called “Japanese Yen Settlement”), in addition to those set forth in the Link Agreements (hereinafter called the “Link Agreements”) defined in Article 2(8) of the Trading Regulations.

Article 2. Definitions

The terms used herein shall have the meanings ascribed to them as below.

- (1) A “Japanese Yen Mark-to-Market Cash Settlement Variation” means the money paid and received between the Exchange and a Clearing Member in Japanese Yen in accordance with the provisions of Article 49.3 of the Clearing Regulations.
- (2) A “Settlement Money for Japanese Yen Cash Settlement Variation” means the money paid and received between the Exchange and a

Clearing Member upon the cash settlement set forth in Article 51.1 of the Clearing Regulations which is carried out in Japanese Yen in accordance with the provisions of Articles 54, 69, 71, 73, 75, and 76-2 of the Clearing Regulations.

- (3) A “Japanese Yen Cash Settlement Variation” means a Japanese Yen Mark-to-Market Cash Settlement Variation, a Settlement Money for Japanese Yen Cash Settlement Variation and an Option Premium Difference defined in Article 2(9) hereof.
- (4) A “Japanese Yen Adjustment Payment” means the money specified in Article 28.2 of the Clearing Regulations as to be the amount of money paid and received between the Exchange and the Linked Overseas Clearing House in Japanese Yen.
- (5) A “Japanese Yen Settlement Bank” means a financial institution designated and registered by the Exchange in accordance with the provisions of Article 98 of the Clearing Regulations for the purpose of Japanese Yen Settlement.
- (6) An “Exchange’s Japanese Yen Settlement Account” means the deposit account established and maintained by the Exchange in one of the (1) offices within Tokyo of each Japanese Yen Settlement Bank for the purpose of Japanese Yen Settlement.
- (7) An “immediately available fund” means a fund in Japanese Yen which is received as deposit and is then treated as an immediately withdrawable fund by a financial institution which carries on receipts of deposits as its business in accordance with its deposit transaction terms and conditions.
- (8) A “Japanese Yen Settlement Date” means: (i) (a) with respect to a Japanese Yen Mark-to-Market Cash Settlement Variation, the day on which such Japanese Yen Mark-to-Market Cash Settlement Variation is payable and receivable in accordance with the provisions of Article 46 or 47 of the Clearing Regulations, (b) with respect to a Settlement Money for Japanese Yen Cash Settlement Variation, the settlement date

set forth in Article 4.1 of the Trading Regulations, and (c) with respect to an Option Premium Difference defined in Article 2(9) below, the day on which such Option Premium Difference is payable and receivable in accordance with the provisions of Articles 77.1, 77.3, 90-33.1 and 90-33.3 of the Clearing Regulations; and (ii) with respect to a Japanese Yen Adjustment Payment, the business day immediately following the business day during which the day session occurs for the trading day on which there arises an L-T Link Position under the same terms and conditions as those of the overseas position for which the Japanese Yen Adjustment Payment is to be calculated.

- (9) An “Option Premium Difference” means the money paid and received between the Exchange and a Clearing Member in accordance with the provisions of Articles 79.1 and 90-35.1 of the Clearing Regulations.

Article 3. Monies to be Settled

The monies to be settled by the Exchange through a Japanese Yen Settlement Bank shall be Japanese Yen Mark-to-Market Cash Settlement Variations, Settlement Monies for Japanese Yen Cash Settlement Variation, Option Premium Differences and Japanese Yen Adjustment Payments.

CHAPTER II.

DESIGNATION of JAPANESE YEN SETTLEMENT BANK

Article 4. Designation of Japanese Yen Settlement Bank by Clearing Member

4.1 A Clearing Member shall be obligated to request handling of Japanese Yen Settlement to one (1) of the banks which are registered by the Exchange as Japanese Yen Settlement Banks.

4.2 In order to make the request referred to in Article 4.1 above, the Clearing Member shall establish a deposit account for the purpose of Japanese Yen Settlement (hereinafter called a “Clearing Member’s Japanese Yen Settlement Account”) in one of the (1) offices within Japan of the Japanese Yen Settlement Bank, and submit to the said bank “Japanese Yen Fund Transfer Request” in the form of Schedule 1 attached hereto and “Japanese Yen Settlement Report” in the form of Schedule 2 attached hereto addressed the Exchange (hereinafter called the “Japanese Yen Settlement Report”).

4.3 When a Japanese Yen Settlement Bank has received the request referred to in Article 4.1 hereof from a Clearing Member, it shall confirm the statement of the Japanese Yen Fund Transfer Request and the Japanese Yen Settlement Report referred to in Article 4.2 above, and then submit the Japanese Yen Settlement Report to the Exchange.

Article 5. Exchange’s Designation of Japanese Yen Settlement Bank

5.1 The Exchange shall request a Japanese Yen Settlement Bank for settlement of Japanese Yen Adjustment Payments.

5.2 When it makes the request referred to in Article 5.1 above, the Exchange shall establish a deposit account for settlement of Japanese Yen Adjustment Payments (hereinafter called the “Exchange’s Japanese Yen Adjustment Payment Settlement Account”) in one of the (1) offices within Japan of the Japanese Yen Settlement Bank, whereupon the Japanese Yen Settlement Bank shall, in order to secure smooth performance of Japanese Yen Settlement, establish a facility limit with respect to the said Exchange’s Japanese Yen Adjustment Payment Settlement Account. The amount of such facility limit and other terms and conditions of the facility provided by the Japanese Yen Settlement Bank shall be separately determined between the Exchange and the Japanese Yen Settlement Bank.

5.3 The Japanese Yen Settlement Bank which accepts the request referred to in Article 5.1 hereof from the Exchange (together with the Japanese Yen Settlement Bank specified in Article 4.3 above, hereinafter called “Designated Japanese Yen Settlement Bank”) shall execute an agreement concerning Japanese Yen Adjustment Payment with the Exchange (hereinafter called “Service Agreement”).

Article 6. Changes in Registered Matters

Whenever a Clearing Member intends to change any of the matters registered in the form of Japanese Yen Settlement Report, the Clearing Member shall provide the Exchange with an advance written notice stating the matter(s) to be changed through the Designated Japanese Yen Settlement Bank.

Article 7. Termination of Agreement between Clearing Member and Designated Japanese Yen Settlement Bank

7.1 Whenever a Clearing Member or a Designated Japanese Yen Settlement Bank wishes to terminate an agreement executed between them based on the Japanese Yen Fund Transfer Request (hereinafter called the “Japanese Yen Settlement Agreement”), such party shall notify such effect in writing to the other party to the agreement not less than three (3) months prior to the day on which such party wishes to terminate the agreement (limited only to the business day which is not a Japanese bank holiday or a New York bank holiday). In such case, the termination shall take effect at the time of completion of the settlement under the Japanese Yen Settlement Agreement in which such day is designated to be the Japanese Yen Settlement Date.

7.2 The Clearing Member or a Designated Japanese Yen Settlement Bank who or which has served the notice referred to in Article 7.1 above shall report to such effect to the Exchange in writing without delay.

7.3 If a Designated Japanese Yen Settlement Bank intends to request the Exchange to cancel its registration as Japanese Yen Settlement Bank, it shall notify such effect in writing also to the Clearing Member with whom it has a Japanese Yen Settlement Agreement concurrently with making the said request to the Exchange, and by serving such notice, the bank shall be deemed to have served a notice of its intention to terminate the Japanese Yen Settlement Agreement, which termination shall take effect as of the date of cancellation of the registration pursuant to Article 7.1 above.

7.4 A Clearing Member who has served or has been served from the Designated Japanese Yen Settlement Bank the notice referred to in Article 7.1 or 7.3 above shall designate a successor Designated Japanese Yen Settlement Bank and submit the Japanese

Yen Settlement Report to notify such successor Designated Japanese Yen Settlement Bank to the Exchange within one (1) month from the date of such notice and in accordance with the provisions of Article 4 hereof. In such case, the Japanese Yen Settlement Agreement between the Clearing Member and the successor Designated Japanese Yen Settlement Bank shall be applied and take effect starting from the settlement under which the Japanese Yen Settlement Date falls the business day immediately following the business day on which the termination under Article 7.1 or 7.3 above takes effect.

Article 8. Termination of Japanese Yen Settlement Agreement, etc. due to Cancellation of Registration of Designated Japanese Yen Settlement Bank

8.1 Whenever the Exchange has cancelled the registration of any Designated Japanese Yen Settlement Bank as Japanese Yen Settlement Bank (excluding the case where the same has been cancelled based on the request from the same Designated Japanese Yen Settlement Bank), the Exchange shall immediately notify such cancellation the Clearing Member who has executed and maintains the Japanese Yen Settlement Agreement with the same Designated Japanese Yen Settlement Bank and the same Designated Japanese Yen Settlement Bank. In such case, the said Japanese Yen Settlement Agreement shall be deemed to have been automatically terminated as at the transmission of the said cancellation notice.

8.2 Each Clearing Member receiving a notice set forth in Article 8.1 above shall immediately request another Japanese Yen Settlement Bank to undertake handling of Japanese Yen Settlement which has been carried out by the former Japanese Yen Settlement Bank, in accordance with the provisions of Article 4 hereof.

8.3 In the case of Article 8.1 above, if the Designated Japanese Yen Settlement Bank has executed a Service Agreement, the Service Agreement shall be deemed to have been automatically terminated as at the transmission of the said cancellation notice.

CHAPTER III.

SETTLEMENT of JAPANESE YEN CASH SETTLEMENT VARIATION

Article 9. Notice of Japanese Yen Cash Settlement Variation to Clearing Member

With respect to any Japanese Yen Cash Settlement Variation, the Exchange shall notify the Clearing Member of the amount of the Japanese Yen Cash Settlement Variation to be paid or received to or from the Exchange by 9:00 a.m. of the Japanese Yen Settlement Date with respect to such Japanese Yen Cash Settlement Variation (hereinafter simply called “Japanese Yen Settlement Date” in this Chapter III).

Article 10. Request to Designated Japanese Yen Settlement Bank for Settlement of Payment and Receipt

10.1 The Exchange shall request the office of Designated Japanese Yen Settlement Bank in which it has established and maintains Exchange’s Japanese Yen Settlement Account (hereinafter called “Handling Office of Designated Japanese Yen Settlement Bank”) to handle the settlement set forth in Articles 12 and 13 hereof by 9:00 a.m. of the relevant Japanese Yen Settlement Date. Provided, however, that the Exchange shall not make such request so long as the relevant Clearing Member has not designated the said Designated Japanese Yen Settlement Bank as its Designated Japanese Yen Settlement Bank.

10.2 When the Exchange makes the request referred to in Article 10.1 above, it shall deliver “Request for Payment and/or Receipt of Market Derivatives Contract Cash/Delivery Settlement Payment” in the form of Schedule 3 attached hereto (hereinafter called “Credit/Debit Request”) to the Handling Office of Designated Japanese Yen Settlement Bank.

10.3 Once the Exchange has made the request referred to in Article 10.1 hereof to a Handling Office of Designated Japanese Yen Settlement Bank, it shall not cancel or correct the request.

Article 11. Clearing Member's Funding Obligation

Each Clearing Member who is liable to pay a Japanese Yen Cash Settlement Variation (hereinafter called the "Payer Clearing Member") shall procure the necessary fund for the payment of the same in its Japanese Yen Settlement Account in an immediately available fund by 11:00 a.m. of the relevant Japanese Yen Settlement Date.

Article 12. Debit to Clearing Member's Japanese Yen Settlement Account

The Designated Japanese Yen Settlement Bank shall debit the amount stated in the Credit/Debit Request to the Payer Clearing Member's Japanese Yen Settlement Account and credit the same amount to the Exchange's Japanese Yen Settlement Account in an immediately available fund by 11:00 a.m. of the relevant Japanese Yen Settlement Date.

Article 13. Credit to Clearing Member's Japanese Yen Settlement Account

The Designated Japanese Yen Settlement Bank shall debit the amount stated in the Credit/Debit Request to the Exchange's Japanese Yen Settlement Account and credit the same amount to the Japanese Yen Settlement Account of the Clearing Member who should receive the Japanese Yen Cash Settlement Variation (hereinafter called the "Payee Clearing Member") in an immediately available fund by 14:00 p.m. of the relevant Japanese Yen Settlement Date.

Article 14. Method of Advising to Exchange

The Handling Office of Designated Japanese Yen Settlement Bank shall advise the Exchange that it has settled the credit and/or debit transaction under Article 12 hereof or Article 13 above by submitting "Credit/Debit Completion Report" in the form of Schedule 3 attached hereto to the Exchange by 15:00 p.m. of the relevant Japanese Yen Settlement Date.

Article 15. No Requirement to Advise Clearing Member

The Handling Office of Designated Japanese Yen Settlement Bank shall not be required to advise its settlement of the credit and/or debit transaction under Article 12 or 13 hereof to the relevant Clearing Member.

CHAPTER IV.

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Articles 16 through 22 (Deleted)

CHAPTER V.

SETTLEMENT OF JAPANESE YEN ADJUSTMENT MONEY

Article 23. Request to Designated Japanese Yen Settlement Bank for Settlement of Payment and Receipt

23.1 With respect to any Japanese Yen Adjustment Payment, the Exchange shall request the Handling Office of Designated Japanese Yen Settlement Bank to handle the settlement set forth in Article 24 below and Article 25 hereof by 9:00 a.m. of the Japanese Yen Settlement Date with respect to such Japanese Yen Adjustment Payment (hereinafter simply called “Japanese Yen Settlement Date” in this Chapter V).

23.2 The Exchange shall make the request referred to in Article 23.1 above by delivering to the Handling Office of Designated Japanese Yen Settlement Bank the Credit/Debit Request in the form of Schedule 3 attached hereto with any amendment which the Exchange may deem appropriate.

Article 24. Debit to Exchange's Japanese Yen Adjustment Payment Settlement Account

Where the Linked Overseas Clearing House is liable to pay a Japanese Yen Adjustment Payment, the Designated Japanese Yen Settlement Bank shall debit the amount stated in the Credit/Debit Request to the Exchange's Japanese Yen Adjustment Payment Settlement Account and credit the same amount to the Exchange's Japanese Yen Settlement Account in an immediately available fund by the time provided in the relevant Service Agreement of the relevant Japanese Yen Settlement Date

Article 25. Credit to Exchange's Japanese Yen Adjustment Payment Settlement Account

Where the Linked Overseas Clearing House should be paid a Japanese Yen Adjustment Payment, the Designated Japanese Yen Settlement Bank shall debit the amount stated in the Credit/Debit Request to Exchange's Japanese Yen Settlement Account and credit the same amount to the Exchange's Japanese Yen Adjustment Payment Settlement Account in an immediately available fund by the time provided in the relevant Service Agreement of the relevant Japanese Yen Settlement Date.

Article 26. Method of Advising to Exchange

The Handling Office of Designated Japanese Yen Settlement Bank shall advise the Exchange that it has settled the credit and/or debit transaction under Article 24 hereof or Article 25 above by submitting "Credit/Debit Completion Report" in the form of Schedule 3 attached hereto to the Exchange by 15:00 p.m. of the relevant Japanese Yen Settlement Date.

CHAPTER VI.

HANDLING OF ADVERSE INCIDENTS

Article 27. Communication Method upon Method of Advising of Inability to Credit/Debit Transaction

In the event that the Handling Office of Designated Japanese Yen Settlement Bank cannot settle the credit and/or debit transaction provided in Article 12 hereof due to failure of the Payer Clearing Member to funding in its Japanese Yen Settlement Account or cannot settle the credit and/or debit transaction provided in Article 24 hereof due to failure of the Linked Overseas Clearing House, notwithstanding of its being liable to pay the relevant Japanese Yen Adjustment Payment, to procure funding pursuant to the provisions of the relevant Link Agreement, the Handling Office of Designated Japanese Yen Settlement Bank shall communicate such fact to the Exchange by telephone by 11:00 a.m. of the relevant Japanese Yen Settlement Date, and serve a written notice of the same effect to the Exchange immediately thereafter.

Article 28. Funding in Exchange's Japanese Yen Settlement Account

28.1 If the fund within the Exchange's Japanese Yen Settlement Account established and maintained in any Designated Yen Settlement Bank becomes insufficient as a result of Article 27 above, the Exchange shall credit the amount of the deficiency to the same Exchange's Japanese Yen Settlement Account in an immediately available fund.

28.2 The credit to the Exchange's Japanese Yen Settlement Account pursuant to Article 28.1 above shall be made by 11:15 a.m. of the relevant Japanese Yen Settlement Date.

Article 29. Refusal of Payment to Clearing Member

29.1 In the event that a Payee Clearing Member fails to pay or deposit the amount of any money payable or depositable to the Exchange when due in accordance with the provisions of the Trading Regulations, the Special Provisions for Options, the Special Provisions for Trading Regulations for FX Daily Futures Transactions, the Special Provisions for Trading Regulations for Equity Index Daily Futures Transactions, the

Clearing Regulations, the Regulations for Margin and Unsettled Market Derivatives Contracts, the Regulations for Margin and Unsettled Contracts for FX Daily Futures Transactions, the Regulations for Margin and Unsettled Contracts for Equity Index Daily Futures Transactions, the Regulations for Margin and Unsettled Contracts for FX Clearing Futures Transactions, the FX Exchange Margin Settlement Regulations, the Equity Index Exchange Margin Settlement Regulations, the FX Clearing Exchange Margin Settlement Regulations or these Regulations, the Exchange may refuse to pay any Japanese Yen Cash Settlement Variation due to the Payee Clearing Member.

29.2 If the Exchange refuses to pay any Japanese Yen Cash Settlement Variation due to the Payee Clearing Member under Article 29.1 above, it shall offer the Designated Japanese Yen Settlement Bank to which the Exchange has previously requested to handle the Credit/Debit Request with respect to the Payee Clearing Member in accordance with the provisions of Article 10 hereof, that the Exchange correct the same Credit/Debit Request by 11:30 a.m. of the relevant Japanese Yen Settlement Date.

29.3 After the Exchange makes the correction pursuant to Article 29.2 above, it shall promptly prepare a new Credit/Debit Request and deliver the same to the same Designated Japanese Yen Settlement Bank.

Article 29-2. Change of Designated Time

29-2.1 In the case of Article 27, 28 or 29 hereof or if the Exchange otherwise determines it truly unavoidable to do so, the Exchange may change any time designated in connection with any of the procedures set forth in Chapters III and V hereof.

29-2.2 When the Exchange has changed any time designated in connection with any procedures in accordance with Article 29-2.1 above, the Exchange shall immediately inform such change to all Clearing Members and the Designated Japanese Yen Settlement Bank.

CHAPTER VII.

MISCELLANEOUS PROVISIONS

Article 30. Exemption of Application of Deposit Transaction Terms and Conditions

30.1 With respect to payment of Japanese Yen Cash Settlement Variation to the Exchange, no Clearing Member shall be required to draw current checks or present or deliver passbook or withdrawal request to the Designated Japanese Yen Settlement Bank in which the Clearing Member's Japanese Yen Settlement Account is established and maintained notwithstanding the deposit transaction terms and conditions prescribed by the Designated Japanese Yen Settlement Bank.

30.2 The provisions of Article 30.1 above shall apply mutatis mutandis to any and all payments by the Exchange to Clearing Members, wherein "Clearing Member" used in Article 30.1 above shall be read as "the Exchange", "the Exchange" used in Article 30.1 above shall be read as "Clearing Member", and "Clearing Member's Japanese Yen Settlement Account" shall be read as "Exchange's Japanese Yen Settlement Account" respectively.

30.3 With respect to Japanese Yen Adjustment Payment, the Exchange shall not be required to draw current checks or present or deliver passbook or withdrawal request to the Designated Japanese Yen Settlement Bank in which the Exchange's Japanese Yen Adjustment Payment Settlement Account is established and maintained notwithstanding the deposit transaction terms and conditions prescribed by the Designated Japanese Yen Settlement Bank.

Article 31. Revision of These Regulations

The Exchange may revise these Regulations after notifying such effect to Clearing Members and Japanese Yen Settlement Banks in advance.

Article 32. Determination of Necessary Matters, etc.

32.1 The Exchange may establish detailed rules to prescribe necessary matters other

than those set forth herein or take other necessary steps in order to secure proper and reliable Japanese Yen Settlement for Japanese Yen Cash Settlement Variations.

32.2 Whenever the Exchange has prescribed any detailed rules or taken any steps set forth in Article 32.1 above, the Exchange shall notify the Japanese Yen Settlement Banks and Clearing Members to that effect without delay.

32.3 The Exchange may establish detailed rules to prescribe necessary matters other than those set forth herein or in the Link Agreements or take other necessary actions in order to secure appropriate Japanese Yen Settlement with respect to Japanese Yen Adjustment Payments.

32.4 Whenever the Exchange has prescribed the detailed rules or taken the action set forth in Article 32.3 above, it shall notify such effect to the Designated Japanese Yen Settlement Bank which the Exchange designates as such.

Article 33. Settlement of Fund Between Designated Japanese Yen Settlement Banks

Matters necessary to prescribe in connection with settlement of funds between Designated Japanese Yen Settlement Banks in order to adjust the balances in Exchange's Japanese Yen Settlement Accounts established and maintained in said Designated Japanese Yen Settlement Banks for the purpose of Japanese Yen Settlement as set forth herein shall be prescribed by the Exchange in separate regulations.

Article 34. Costs and Expenses

Each Clearing Member who has requested a Japanese Yen Settlement with respect to Japanese Yen Cash Settlement Variation shall bear the handling fees and other costs and expenses of the Designated Japanese Yen Settlement Bank which handled the requested Japanese Yen Settlement, and pay the same in the manner and at the rate separately agreed upon between the said Designated Japanese Yen Settlement Bank and the Clearing Member.

Article 35. Burden of Damages

35.1 Any damages which a Clearing Member, a Japanese Yen Settlement Bank or the Exchange shall incur or sustain shall be borne by each of them by itself.

35.2 If a Clearing Member has failed to make Japanese Yen Settlement by the deadline set forth herein, the Clearing Member shall pay a default interest accrued on the amount due which shall be calculated per diem based on a year of 365 days at the rate of 14% per annum. Where a deadline of Japanese Yen Settlement set forth herein is set as a specific time of a specific day, if a Clearing Member has failed to make the Japanese Yen Settlement by that time, the Clearing Member shall pay a default interest accrued for a period of delay including the full day on which the said deadline falls.

35.3 If any damages arise but the liable party therefor is not clear, the Clearing Member, the Japanese Yen Settlement Bank and the Exchange shall discuss among other to determine the liable party or allocation of such damages.

SUPPLEMENTARY PROVISIONS

The amended Japanese Yen Settlement Regulations shall take effect as from April 23, 2012.

SUPPLEMENTARY PROVISIONS

The amended Japanese Yen Settlement Regulations shall take effect as from April 12, 2021.

SUPPLEMENTARY PROVISIONS

The amended Japanese Yen Settlement Regulations shall take effect as from

March 20, 2023.