

Enforcement Rules on Trading Participants

Osaka Dojima Exchange, Inc.

DISCLAIMER:

This English version of the Enforcement Rules on Trading Participants (hereinafter, referred to as "Enforcement Rules" in this paragraph) has been prepared by Osaka Dojima Exchange, Inc. (the "Company") with the sole purpose of providing information to enhance the understanding of the Company of market participants who are non-residents. Although the Company believes this English version to be accurate, it does not constitute a word-for-word translation of the Japanese original, and the Company makes no guarantees concerning its content.

Accordingly, the Company accepts no liability for any damages arising as a result of the use of this English version of the Enforcement Rules.

Furthermore, if there are any differences between the Japanese and English versions of the Enforcement Rules, the Japanese version shall prevail.

In addition, any disputes that arise in relation to words and phrases in the rules and provisions, as well as the meaning of the provisions and clauses, shall be resolved in accordance with the Japanese version, regardless of whether such disputes take place inside or outside of a court.

Enforcement Rules on Trading Participants

(Purpose)

- Article 1. These Enforcement Rules shall, based on the provisions of Article 3, Paragraph 9 of the Market Rules, set forth the matters necessary with regard to Trading Participants.
2. The meaning of terms in these Enforcement Rules shall be as set forth in the Market Rules, excluding those separately set forth in these Enforcement Rules.

(Application and Notification Form)

- Article 2. Applications and notifications to be submitted to the Osaka Dojima Exchange, Inc, (hereinafter, referred to as the 'Company') pursuant to the Market Rules shall be in the format separately set forth.
2. One (1) of each of application and notification to be submitted to the Company shall be submitted.

(Application for Acquisition of Trading Qualification)

- Article 3. Applications as provided for in Article 96, Paragraph 1 of the Market Rules shall be submitted using the application for trading qualification.

(Documents to be Attached)

- Article 4. The documents provided for in each item of Article 96, Paragraph 2 of the Market Rules shall be those set forth in each of the following items.
- (1) A written pledge to the effect that the applicant satisfies the criteria set forth in Article 92, Item (1) of the Market Rules and proving that these criteria are satisfied shall consist of a table of historical trades for the items provided for in the same item, etc., and copies of trade agreements, etc.; provided, however, that in cases when it can be confirmed that the criteria are satisfied from an annual securities report, as provided for in Article 24, paragraph 1 of the Financial Instruments and Exchange Act, the annual securities report shall be deemed a document proving that these criteria are satisfied;
 - (2) A written pledge to the effect that the applicant satisfies the criteria set forth in Article 92, Item (2) of the Market Rules and documents proving these criteria are satisfied shall consist of a copy of a license pursuant to Article 190, paragraph 1 of the Commodity Derivatives Transaction Act (Act No. 239 of 1950; hereinafter, referred to as the "Act");
 - (3) A written pledge to the effect that the applicant satisfies the criteria set forth in Article 92, Item (3) of the Market Rules and documents proving these criteria are satisfied shall consist of a copy of a document proving that the applicant has received a similar license to a license under Article 190, paragraph 1 of the Act in accordance with the equivalent laws and regulations of the relevant foreign country.
 - (4) A written pledge to the effect that the applicant satisfies the criteria set forth in Article 92, Item (4) of the Market Rules and documents proving these criteria are satisfied shall consist of a copy of a register as provided for in Article 349, paragraph 2 of the Act;
 - (5) A written pledge to the effect that the applicant satisfies the criteria set forth in Article 92, Item (5) of the Market Rules and documents proving these criteria are satisfied shall consist of a public qualification certificate, etc., in the case of criteria A through K, and a copy of a document proving transactions on the Trading Participant's own account, etc., in the case of criteria L of the same;
 - (6) If the applicant is a legal entity, the following items.
 - A. Certified copies of the Articles of Incorporation and Registration;
 - B. Notification concerning the head office, main business offices, etc., containing the locations of the head office or main business offices;
 - C. Documentation containing the names of officers, copies of the resumes and residence certificates of these officers, or two (2) documents in lieu thereof ("copies of residence certificates, etc.");
 - D. A pledge that the applicant does not fall under any of the disqualifying conditions,

- pledging that the legal entity does not fall under any of the provisions of each item from Article 95, Paragraph 1, Items (1) through 14 of the Market Rules;
- E. Financial statements, etc. (balance sheet, statement of profit and loss, statement of changes in net assets, notes to financial statements, business report, and the detailed statements thereof) for the most recent three (3) fiscal years, in principle, prepared pursuant to the Companies Act (Act No. 86 of 2005) or a securities report, or documents equivalent thereto.
- (7) If the applicant is an individual, the following items.
- A. Notification concerning his or her head office, main business offices, etc., containing the locations of the head office or main business offices;
 - B. A copy of his or her resume and residence certificate (if there is a statutory representative for the person, those of the person and his or her statutory representative);
 - C. A pledge that the applicant does not fall under any of the disqualifying conditions, pledging that the individual does not fall under any of the provisions of Article 95, Paragraph 1, Items (1) through (11), Item (13), and Item (14) of the Market Rules;
 - D. A balance sheet, statement of profit and loss, etc., for the most recent three (3) fiscal years, in principle.
- (8) If the applicant is, a Trading Participant etc., of another commodity exchange or the Osaka Exchange, Inc. (the "Osaka Exchange"), documents containing the name of the exchange and the date the applicant acquired trading qualification or joined;
- (9) Other documents deemed necessary by the Company shall be as follows; provided, however, that if the applicant will not engage in transactions directly on the commodity markets of the Company, this shall be the documents set forth in items A through D, and J.
- A. Written confirmation indicating that the applicant has no relationship with antisocial forces;
 - B. Documentation containing an overview of the company;
 - C. A copy of an accounting audit report prepared by an accounting auditor pursuant to Article 396, paragraph 1 of the Companies Act or an audit report prepared by a corporate auditor pursuant to Article 381, paragraph 1 of the same, or an audit report prepared by a Board of Corporate Auditors pursuant to Article 390, paragraph 2 of the Act (equivalent documentation if the applicant is a foreign legal entity);
 - D. An organizational chart for the entire company and an organizational chart for departments related to the execution and management of operations related to commodity futures transactions;
 - E. Documentation of the rules concerning the management of transactions on the markets of the Company (including rules in light of the Guidelines Related to the Management of Sale and Purchase Transactions) or documents providing information on equivalent management methods;
 - F. Documentation of rules related to the operation of systems pertaining to transactions on the markets of the Company (including emergency management methods), documents containing an overview of these systems, and a diagram showing the layout of where terminals, etc., are installed;
 - G. Documents providing information on methods of management order history, etc., on the markets of the Company and documents showing report forms;
 - H. Copies of internal regulations pertaining to internal audits, audit implementation plans, and notification of the results of inspections pertaining to the implementation status of audits, on-site inspections in external audits, etc., and other documents (limited to cases when the applicant is a Broker Participant or Remote Broker Trading Participant);
 - I. A copy of regulations pertaining to the management of Customers (transactions, margins, etc.), documents providing information on management methods, a diagram showing the collection and management of margins pertaining to entrustment, the

documents specified in the Brokerage Contract Rules of the Company, and other documents required to the execution of operations related to commodity futures transactions (limited to cases when the applicant is a Broker Participant or Remote Broker Trading Participant);

J. Other items indicated by the Company, as necessary.

(Procedures for Acquisition of Trading Qualification)

Article 5. The procedures for the acquisition of the trading qualification as provided for in Article 98, Paragraph 1, Item (4) of the Market Rules shall be the procedures recognized as necessary and designated by the Company.

(Application for the Acquisition of Additional Trading Qualification)

Article 6. Applications as provided for in Article 102, Paragraph 1 of the Market Rules shall be performed using the additional trading qualification acquisition application.

2. A written pledge to the effect that the applicant satisfies the criteria set forth in Article 92 of the Market Rules, as provided for in Article 102, Paragraph 1, Item (1) of the Market Rules and documents proving that these criteria are satisfied shall be as set forth in Article 4, Items (1) through (5).

(Application Change in the Category of Trading Participant)

Article 7. Applications as provided for in Article 103, Paragraph 1 of the Market Rules shall be submitted using the Trading Participant Category Change Application Form, and the documents to be attached recognized by the Company shall be those set forth in each of the following items.

(1) When changing the eligibility of a Trading Participant as set forth in Article 92 of the Market Rules

Any of the documents provided for in Article 4, Items (1) through (5)

(2) When changing to a Broker Participant or Remote Broker Trading Participant

The documents set forth in Article 4, Item (9) H and I.

(Notification of Waiver of Trading Qualification)

Article 8. Notification as provided for in Article 104, Paragraph 2 of the Market Rules shall be performed using the trading qualification waiver notification, with a record of unsettled positions attached.

(Change to Notification of Waiver of Trading Qualification)

Article 9. Notifications as provided for in Article 104, Paragraph 3 of the Market Rules shall be performed in accordance with the procedures set forth in each of the following items.

(1) When intending to withdraw the notification of waiver of a trading qualification

Notification pertaining to the withdrawal of the notification of the waiver of the trading qualification

(2) When intending to extend the planned date of the waiver of trading qualification

Notification pertaining to the extension of the planned date of the waiver of trading qualification with a record of unsettled positions attached

(Procedure for the Waiver of Trading Qualification, etc.)

Article 10. Procedures as provided for in Article 107 of the Market Rules shall be performed in accordance with the procedures set forth in each of the following items.

(1) When all trading qualification is waived and the applicant has leased goods, etc., from the Company, the return of the leased goods;

(2) Other procedures designated by the Company.

(Succession to the Status of a Trading Participant)

Article 11. Notification as provided for in Article 113, Paragraph 1 of the Market Rules shall

be performed using the notification of succession upon the death of a Trading Participant, with documents proving that the applicant is the Heir attached.

2. Application for the acquisition of the trading qualification pursuant to the provisions of Article 96 Paragraph 1 of the Market Rules or additional application for the acquisition of the trading qualification pursuant to the provisions of Article 102, Paragraph 1 of the Market Rules to be performed by a legal entity succeeding to the status of a Trading Participant as provided for in Article 113, Paragraphs 4 and 5 of the Market Rules, and documents to be attached to an application for a change in the type of Trading Participant pursuant to the provisions of Article 103, Paragraph 1 of the Market Rules shall be provided for in B and D of Article 4, Item (6) or A and C of Item (7), together with any documents designated by the Company as necessary.

(Trading Participant Agreement)

Article 12. A Trading Participant Agreement as provided for in Article 114 of the Market Rules shall be concluded using the Trading Participant Agreement set forth by the Company for each Marketplace Participants, Broker Participant, Remote Marketplace Participants, or Remote Broker Trading Participant.

(Trading Participant Representative)

Article 13. Notification as provided for in Article 115, Paragraphs 1 through 3 of the Market Rules shall be performed using documents pertaining to a representative of the Trading Participant, attached to the Application for Trading Qualification.

2. Notification as provided for in Article 115, Paragraph 4 of the Market Rules shall be performed using notification pertaining to a change of representative of a Trading Participant, with a certificate of registered matters (certificate of all historical matters) or equivalent documents attached.

(Delivery Agent)

Article 13-2. Notification pertaining to a Delivery Agent as provided for in Article 115-2, Paragraph 1 of the Market Rules shall be performed using a Delivery Agent Notification with the documents listed in each of the following items attached.

- (1) Written pledge pertaining to the Delivery Agent, notification pertaining to the contact method, etc., for the Delivery Agent, and a copy of a service entrustment agreement with the Delivery Agent;
 - (2) In cases when the Delivery Agent will be a Designated Clearing Participant, and if the Designated Clearing Participant is not a Trading Participant, a certificate of registered matters (certificate of all historical matters) and the Articles of Incorporation;
 - (3) In cases when the Delivery Agent will be a representative in Japan, a certificate of registered matters (certificate of representative matters).
2. Notification pertaining to a change of a Delivery Agent as provided for in Article 115-2, Paragraph 1 Market Rules shall be performed using a Delivery Agent Change Notification with the documents set forth in each of the items of the preceding paragraph attached.

(Substitution by Securities)

Article 14. The Substituting Price for Guarantee Fund Appropriation securities as provided for in Article 121, Paragraph 3 of the Market Rules (referring to Guarantee Fund Appropriation Securities as provided for in Paragraph 2 of the same) shall be based on an amount separately specified by the Company.

(Matters to be Notified)

Article 15. Notification as described in each item of Article 126, Paragraph 1 of the Market Rules shall be performed in accordance with the procedures set forth in each of the following items.

- (1) If the conditions for eligibility as a Trading Participant provided for in Article 126,

- Paragraph 1, Item (1) of the Market Rules are no longer satisfied
Notification of Waiver of Eligibility as a Trading Participant with documents proving the circumstances thereof attached
- (2) If the conditions for losing eligibility as provided for in Article 126, Paragraph 1, Item (1) of the Market Rules are met
Notification of Applicability of Waiver of Eligibility with documents proving the circumstances thereof attached
- (3) If Article 126, Paragraph 1, Item (2) of the Market Rules applies
Notification pertaining to inability to pay, etc.
- (4) If Article 126, Paragraph 1, Item (3) of the Market Rules applies
Notification pertaining to the suspension of business transactions with a bank with documents proving the suspension of business transactions with a bank
- (5) If Article 126, Paragraph 1, Item (4) of the Market Rules applies
Notification of change of trade name, etc., with a certificate of registered matters attached
- (6) If Article 126, Paragraph 1, Item (5) of the Market Rules applies
Notification of change of name of head office, etc., with a certificate of registered matters attached (certificate of registered matters or equivalent documents for a Remote Marketplace Participants or Remote Broker Trading Participant)
- (7) If there is a change to the Articles of Incorporation as provided for in Article 126, Paragraph 1, Item (6) of the Market Rules
Notification of changes to the Articles of Incorporation with a copy of the changed Articles of Incorporation and a comparison of the old and new Articles of Incorporation attached
- (8) If there is a change to the names of officers as provided for in Article 126, Paragraph 1, Item (6) of the Market Rules
Notification of change of officers with a certificate of registered matters attached
- (9) If Article 126, Paragraph 1, Item (7) of the Market Rules applies
Notification pertaining to litigation with a copy of the complaint or judgment attached
- (10) If Article 126, Paragraph 1, Item (8) of the Market Rules applies
Notification of seizure from a court, etc., with a copy of the attachment order, order of provisional disposition, or notification of provisional order, etc., attached
- (11) If Article 126, Paragraph 1, Item (9) of the Market Rules applies
Notification pertaining to an institution of prosecution with a copy of the charging instrument attached
- (12) If the Trading Participant becomes a Trading Participant, etc., on another commodity exchange or Osaka Exchange as provided for in Article 126, Paragraph 1, Item (10) of the Market Rules
Notification pertaining to the acquisition of eligibility on the other exchange with a copy of documents proving the acquisition of trading qualification, etc., attached
- (13) If the Trading Participant ceases to be a Trading Participant, etc., on another commodity exchange or Osaka Exchange as provided for in Article 126, Paragraph 1, Item (10) of the Market Rules
Notification pertaining to the waiver of trading qualification on another exchange
- (14) If Article 126, Paragraph 1, Item (11) of the Market Rules applies
Notification pertaining to the acquisition of clearing qualification, etc., with a copy of the notification of clearing qualification acquisition approval or the acquisition application form from Japan Securities Clearing Corporation ("JSCC") attached in the case of the acquisition of clearing qualification, and a copy of the notification of clearing qualification waiver or waiver application form from JSCC attached in the case of the waiver of clearing qualification
- (15) If Article 126, Paragraph 1, Item (12) of the Market Rules applies
Notification pertaining to the merger, etc., with a copy of the agreement pertaining to the merger, split, or business transfer agreement, or documents containing this information

- attached
- (16) If Article 126, Paragraph 1, Item (14) of the Market Rules applies
Notification pertaining to insolvency, etc.
 2. Notifications as provided for in Article 126, Paragraph 2, Items (1) through (4) of the Market Rules shall be performed in accordance with the procedures set forth in each of the following items.
 - (1) If Article 126, Paragraph 2, Item (1) of the Market Rules applies
Notification pertaining to a notification to the National Futures Protection Fund with a copy of a written notification to the National Futures Protection Fund attached
 - (2) If Article 126, Paragraph 2, Item (2) of the Market Rules applies
Notification pertaining to the conclusion or cancellation of an agreement concerning the transfer of unsettled positions with a copy of an agreement or cancellation concerning the transfer of unsettled positions attached
 - (3) If Article 126, Paragraph 2, Item (3) of the Market Rules applies
Notification pertaining to approval from the competent minister regarding a merger, etc., with a copy of the certificate of approval attached
 - (4) If Article 126, Paragraph 2, Item (4) of the Market Rules applies
Notification of the abolishment of all business sites, etc., with documents proving the abolishment was resolved attached
 - (5) If Article 126, Paragraph 2, Item (5) of the Market Rules applies
Notification of the abolishment of all business sites, etc., of a Remote Broker Trading Participant with documents proving the abolishment was resolved attached.
 3. Notification as provided for in Article 126, Paragraph 2, Item (6) of the Market Rules shall be performed in cases set forth in each of the following items, and shall be performed using the notification separately set forth by the Company with the application, notification, or report described in each item attached, or a copy of the notification of disposition and the relevant documents to be attached.
 - (1) If an application has been submitted pursuant to Article 192, paragraph 1 of the Act pertaining to Article 190 of the Act;
 - (2) If notification has been submitted pursuant to Article 195, paragraph 1 of the Act;
 - (3) If notification has been submitted pursuant to Article 196, paragraphs 1 and 2 of the Act;
 - (4) If notification has been submitted pursuant to Article 197, Paragraphs 1 and 4 of the Act;
 - (5) If notification has been submitted pursuant to Article 211, Paragraph 1 of the Act;
 - (6) If a report has been submitted pursuant to Article 224 of the Act;
 - (7) If subject to a disposition pursuant to Article 232, Article 235, and Article 236 of the Act.
 4. Notifications as provided for in Article 126, Paragraph 3 of the Market Rules shall be performed in accordance with the procedures set forth in each of the following items.
 - (1) If Article 126, Paragraph 3, Item (1) of the Market Rules applies
Notification of the commencement of bankruptcy procedures, etc., with copies of a written statement concerning the decision to commence bankruptcy procedures and written notification of the decision to commence bankruptcy procedures
 - (2) If Article 126, Paragraph 3, Item (2) of the Market Rules applies
Notification of dissolution procedures with documents proving the dissolution attached
 - (3) If Article 126, Paragraph 3, Item (3) of the Market Rules applies
Notification of death with documents proving the death attached
 - (4) If Article 126, Paragraph 3, Item (4) of the Market Rules applies
Adult ward notification with documents proving the Trading Participant has become an adult ward attached
 5. Notification by a Broker Participant pursuant to Paragraph 1, Items (5) through (9), Paragraph 2, Item (3), and Paragraph 4, Items (1) and (2) shall be deemed to be performed by notification as described in Paragraph 3, Items (2), (4), and (6).

(Separate Accounting and Retention of Books of Remote Broker Trading Participants)

Article 15-2. Books prepared by a Remote Broker Trading Participant as provided for in Article 129-2, Paragraph 2 of the Market Rules shall be equivalent to books as provided for in Article 113, Paragraph 1, Item (2) of the Ordinance for Enforcement of the Commodity Derivatives Transaction Act.

(Appointment or Change of Designated Clearing Participant)

Article 16. Applications as provided for in Article 134, Paragraph 2 of the Market Rules shall be performed using the application pertaining to the appointment of a Designated Clearing Participant, with a copy of the Clearing Agreement attached. Furthermore, approval for the appointment of the Designated Clearing Participant when applying to acquire trading qualification as provided for in Article 96, Paragraph 1 of the Market Rules or applying for a change in the type of Trading Participant as provided for in Article 103, Paragraph 1 of the Market Rules shall be approved with approval as provided for in Article 97, Paragraph 1 of the Market Rules or Article 103, Paragraph 2 of the Market Rules.

2. Applications pertaining to a change of Designated Clearing Participant shall be performed using an application for the change of Designated Clearing Participant with a copy of the Clearing Agreement attached.

(Notification of Conclusion of Clearing Agreement)

Article 17. Notification pertaining to the conclusion of a Clearing Agreement with a Non-Clearing Participant as provided for in Article 135 of the Market Rules shall be performed using a notification pertaining to the conclusion of Clearing Agreement with a copy of the Clearing Agreement that the Trading Participant intends to conclude attached. Furthermore, the relevant notification when applying for the acquisition of trading qualification as provided for in Article 96 of the Market Rules or applying for a change in type as provided for in Article 103 shall be deemed to submitted with an application as provided for in Paragraph 1 of the preceding article.

(Reporting of Cancellation of Clearing Agreement)

Article 18. A report pertaining to the cancellation of a Clearing Agreement with a Non-Clearing Participant as provided for in Article 136 of the Market Rules shall be performed using the written report pertaining to the cancellation of a Clearing Agreement.

(Standards Related to Examination for Trading Qualification, etc.)

Article 19. Examinations for the trading qualification of a person applying to acquire trading qualification pursuant to the provisions of Article 97 and Article 102, Paragraph 2 of the Market Rules and a Trading Participant pursuant to the provisions of Article 103, Paragraph 2 of the Market Rules (the "applicant") shall be performed using the matters listed in each of the following items as standards; provided, however, that if the applicant will not directly perform transactions on the markets of the Company, examination shall be performed using the matters listed in Items (1) through (5) as standards.

- (1) The applicant is a person falling under any of the items of Article 92 of the Market Rules;
- (2) The applicant is a person that does not fall under any of the items of Article 95 of the Market Rules;
- (3) Systems for the appropriate execution of business operations related to transactions on Commodity Markets have been developed, or there are plans for their development;
- (4) The applicant has sufficient social credibility as a Trading Participant of the Company, and has sound management systems, including not being controlled or influenced by a person without social credibility or other person deemed inappropriate in light of the purpose of the Company and the operation of the markets;
- (5) The continuity of businesses operated by the applicant is recognized, including the fact that the applicant is not insolvent, and nor are any doubts raised in the audit report;
- (6) In the case of an application pursuant to Article 97 and Article 102, Paragraph 2, or

Article 103, Paragraph 2 of the Market Rules, pertaining to a Remote Marketplace Participants or a Remote Broker Trading Participant, a Clearing Agreement has been concluded or will certainly be concluded between the applicant and a Designated Clearing Participant;

- (7) In the case of an application pursuant to Article 97 and Article 102, Paragraph 2, or Article 103, Paragraph 2 of the Market Rules, pertaining to a Remote Marketplace Participants or a Remote Broker Trading Participant, duties as a Delivery Agent designated by the applicant can be appropriately performed.

(Reporting of Financial Results)

Article 20. The day designated by the Company as provided for in Article 127, Paragraph 1 of the Market Rules shall be within three (3) months of the end of each fiscal year.

2. The Company shall deem a financial report as described in Article 127, Paragraph 1 of the Market Rules to be performed when a Broker Participant submits notification as described in Article 16, Paragraph 3, Item (6).

(Changes or Abolishment)

Article 21. Changes to or the abolishment of these Enforcement Rules shall be determined by the authority of the President and CEO.

Supplementary Provisions

Changes to these Enforcement Rules shall come into effect on May 31, 2024.