

(As of July 15<sup>th</sup>, 2015)

## Articles of Incorporation

**DISCLAIMER:**

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## **Chapter 1 General Provisions**

### **Article 1 (Trade Name)**

1. The name of the Exchange shall be “株式会社東京商品取引所” in Japanese, or “Tokyo Commodity Exchange, Inc.” in English.

### **Article 2 (Purpose)**

1. The purpose of the Exchange shall be to engage in the following business:
  - (1) Establishment and operation of a market necessary for carrying out futures transactions and spot transactions pertaining to commodities;
  - (2) Establishment and operation of a market necessary for carrying out futures transactions pertaining to commodity indexes; and
  - (3) The following business activities that are incidental or relating to the activities set forth in the preceding two items:
    - A. Appraisal of the quality of the commodities listed on the Exchange (“Listed Commodities”);
    - B. Research and study, publication and PR/publicity of commodities, commodity indexes, and the economy in general;
    - C. Dispute mediation;
    - D. Alliance or cooperation with domestic and foreign Exchanges and other organizations that are related to the business of the Exchange; and
    - E. Any other business activities that are incidental or relating to the activities set forth in Item (1) and Item (2), for the purpose of achieving the objectives thereof.
  - (4) Business activities prescribed in proviso clause of Article 3.1 of the Commodity Futures Market Act (Act No. 239 of 1950).
2. The Exchange shall engage in its business with the intention to ensure futures transactions and spot transactions executed in a fair and smooth manner, in order to contribute to the public interest and customer protection.

### **Article 3 (Location of Head Office)**

1. The head office of the Exchange shall be located in Chuo-Ku, Tokyo.

### **Article 4 (Organs)**

1. The Exchange shall, in addition to the general meeting of shareholders and directors, establish the following organs:
  - (1) Board of Directors;
  - (2) Nomination Committee, Audit Committee, and Compensation Committee;
  - (3) Executive officers;
  - (4) Accounting auditor; and
  - (5) Self-regulatory Committee.

### **Article 5 (Method of Giving Public Notice)**

1. The method of giving public notice of the Exchange shall be electronic public notice; provided, however, that in cases where giving an electric public notice is impracticable due to an accident or other unavoidable reasons, the Exchange shall post public notices in the Nikkei newspaper.

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## **Chapter 2 Shares of the Exchange**

### **Section 1 General Provisions**

### **Article 6 (Total Number of Authorized Shares)**

1. The total number of authorized shares of the Exchange shall be 15,100,000 shares and the

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total number of authorized shares for each class of shares shall be as follows:

- (1) Common stock: 15,000,000 shares
- (2) Non-voting stock: 100,000 shares

**Article 7 (Restriction on Transfer of Shares)**

1. With respect to transfer or acquisition of shares of the Exchange, a shareholder or the acquirer is required to obtain approval of the Exchange.
2. The approval prescribed in the preceding paragraph under the cases set forth in each of the following items shall be subject to the decision of the organs specified in the respective items:
  - (1) Where the transferee or acquirer is a shareholder of the Exchange: Representative Executive Officer; and
  - (2) Cases other than those prescribed in (1): Board of Directors.

**Article 8 (Claim to Heirs and the Like for Sale of Shares)**

1. For persons who have acquired shares of the Exchange as a result of inheritance or any other forms of general succession, the Exchange may demand that they sell such shares to the Exchange.

**Article 9 (Decision on Rights of Shareholders to Receive Allotment of Shares)**

1. When the Exchange carries out an offering of shares or new share subscription rights, it may decide the terms and conditions of the offering, whether it grants the rights to receive the allotment of offered shares or new share subscription rights to the existing shareholders who hold the common stock of the Exchange ("Common Shareholders") or the non-voting stock of the Exchange ("Non-voting Shareholders"), and the subscription period by resolution of the Board of Directors.

**Article 10 (Shareholder List Administrator)**

1. The Exchange shall appoint a shareholder list administrator.
2. The shareholder list administrator and his or her handling office(s) thereof shall be appointed by resolution of the Board of Directors, and public notice shall be given thereof.
3. Preparation and maintenance of the shareholder registry, and new share subscription rights registry of the Exchange and other administrative works relating to these registries, shall be entrusted to the shareholder list administrator and shall not be handled by the Exchange.

**Article 11 (Share Handling Regulations)**

1. Handling of shares and new share subscription rights, including handling of requests for entering or recording transfers on the shareholder registry and new share subscription rights registry of the Exchange, exercise of shareholders' rights and new share subscription rights and fees thereof shall be governed by the Share Handling Regulations, in addition to applicable laws or these Articles of Incorporation.

**Section 2 Common Stock**

**Article 12 (Number of Shares per Unit of Common Stock)**

1. The number of shares per unit of common stock shall be 100 shares.

**Article 13 (Rights of Shares of Less Than One Unit)**

1. Common Shareholders may not exercise any rights with respect to shareholdings of less than one unit other than those set forth in each of the following items:
  - (1) Rights set forth in each item of Article 189.2 of the Companies Act (Act No. 86 of 2005);
  - (2) Rights to receive allotment of offered shares or new share subscription rights in proportion to the number of shares held by the shareholders; and
  - (3) Rights to make a claim prescribed in the following Article.

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**Article 14 (Purchase of Additional Shares Less Than One Unit)**

1. Common Shareholders may, pursuant to the provisions of the Share Handling Regulations, request that the Exchange sell shares of the Exchange in such number that, together with the shares less than one unit currently held by the shareholder, will make up one unit of common stock.

**Section 3 Non-voting Stock**

**Article 15 (Number of Shares per Unit of Non-voting Stock)**

1. The number of shares per unit of non-voting stock shall be one share.

**Article 16 (Share Multiplier of Non-voting Stock)**

1. The share multiplier of non-voting stock (meaning the share multiplier prescribed in Article 25.5 of the Companies Act Enforcement Regulations (Ordinance of the Ministry of Justice No. 12 of 2006); the same shall apply hereinafter) shall be 100.
2. When the Exchange carries out the acts set forth in each of the following items, the share multiplier prescribed in the preceding paragraph shall be adjusted in accordance with the formula prescribed in the respective items:
  - (1) Stock split or reverse stock split of the common stock (including gratis allotment of shares; the same shall apply hereinafter in this article):  
Share multiplier after adjustment = Share multiplier before adjustment × Ratio of stock split or reverse stock split
  - (2) Stock split or reverse stock split of the non-voting stock:  
Share multiplier after adjustment = Share multiplier before adjustment / Ratio of stock split or reverse stock split

**Article 17 (Voting Rights)**

1. Non-voting Shareholders may not exercise voting rights with respect to any of the matters that can be voted on at the general meeting of shareholders.

**Article 18 (Dividends)**

1. When the Exchange distributes a dividend of surplus (limited to the year-end dividend prescribed in Article 66.2 and interim dividend prescribed in Article 66.3; the same shall apply hereinafter in this article) to the Common Shareholders, it shall also distribute a dividend of surplus to the Non-voting Shareholders (including registered share pledges of the non-voting stock and excluding Non-voting Shareholders holding the non-voting stock for which the name of the registered share pledge has been entered or recorded on the shareholder registry; the same shall apply in the following article) in currency at the rate calculated as the Common Stock Dividend Base Amount times 1.2 per share of the non-voting stock (any resulting fraction less than one yen shall be disregarded).
2. The “Common Stock Dividend Base Amount” referred to in the preceding paragraph means the amount of dividend property allotted by the dividend prescribed in the same paragraph to the number of shares of the common stock corresponding to the share multiplier of the non-voting stock as of the day on which said dividend of surplus becomes effective.

**Article 19 (Distribution of Residual Assets)**

1. When the Exchange distributes residual assets to the Common Shareholders, it shall distribute residual assets also to the Non-voting Shareholders in currency at the rate that is equal to the Common Stock Distribution Base Amount per share of the non-voting stock.
2. The “Common Stock Distribution Base Amount”, referred to in the preceding paragraph, means the amount of residual asset allotted by the distribution of residual assets prescribed in the same paragraph to the number of shares of the common stock corresponding to the share multiplier of the non-voting stock as of the day on which the matters set forth in each item of Article 504.1 of the Companies Act pertaining to distribution of residual assets are decided with respect to said distribution of residual assets.

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**Article 20 (Rights to Claim for Acquisition of Common Stock in Exchange for Non-voting Stock of the Exchange)**

1. On or after the day on which the common stock of the Exchange is listed on a financial instruments exchange, Non-voting Shareholders may request that the Exchange deliver the common stock of the Exchange in the number of shares corresponding to the share multiplier of the non-voting stock on the day of such transaction by offering one share of the non-voting stock to be acquired by the Exchange in exchange for said common stock.

**Article 21 (Condition for Acquisition by the Exchange of Non-voting Stock in Exchange for Common Stock of the Exchange)**

1. An event triggering full or partial acquisition of non-voting stock shall be deemed to have occurred upon the arrival of the day specified separately by the Representative Executive Officer pursuant to Article 168.1 of the Companies Act, provided that such day falls on or after any of the days set forth in each of the following items, whichever is earliest:
  - (1) Day on which the Exchange made application to a financial instruments exchange for listing of the common stock of the Exchange on the financial instruments exchange;
  - (2) Day on which the general meeting of shareholders of the Exchange approved a merger agreement under which the Exchange is to become the merged company (or the day on which such merger agreement was concluded, if no resolution of the general meeting of shareholders is required); or
  - (3) Day on which the general meeting of shareholders of the Exchange approved a share exchange agreement or share transfer plan under which the Exchange is to become a wholly-owned subsidiary (or the day on which such share exchange agreement was concluded, if no resolution of the general meeting of shareholders is required with respect to such share exchange agreement).
2. In cases where the Exchange acquires non-voting stock due to an event prescribed in the preceding paragraph, the Exchange shall deliver the common stock of the Exchange, in the number of shares corresponding to the share multiplier of the non-voting stock on the day of such transaction, in exchange for one share of the non-voting stock to be acquired.
3. In cases where the Exchange acquires part of non-voting stock due to the event prescribed in Paragraph 1, the non-voting stock to be acquired shall be determined on a pro-rata basis or by lottery.

**Article 22 (Condition for Acquisition by the Exchange of Non-voting Stock in Exchange for Currency)**

1. An event triggering the full or partial acquisition of non-voting stock shall be deemed to have occurred upon the arrival of the day specified separately by the Representative Executive Officer, pursuant to Article 168.1 of the Companies Act, provided that such day falls on or after the day on which the Exchange made application to a financial instruments exchange for listing of the common stock of the Exchange on the financial instruments exchange.
2. In cases where the Exchange acquires non-voting stock due to the event prescribed in the preceding paragraph, the Exchange shall deliver currency in the amount corresponding to the net assets per share of the non-voting stock on the day of such transaction in exchange for one share of the non-voting stock to be acquired.
3. In cases where the Exchange acquires part of non-voting stock due to the event prescribed in Paragraph 1, the non-voting stock to be acquired shall be determined on a pro-rata basis or by lottery.

**Article 23 (Condition for Full Acquisition by the Exchange of Non-voting Stock)**

1. The Exchange may acquire all the non-voting stock pursuant to the resolution of the general meeting of shareholders prescribed in Article 171.1 of the Companies Act. In such a case, the amount of consideration for such acquisition of non-voting stocks shall be determined in the same manner as prescribed in Article 21.2 and Article 22.2, depending on the type of consideration to be paid.

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**Article 24 (Exceptions to General Meeting of Class Shareholders)**

1. In cases where the Exchange carries out the acts set forth in each item of Article 322.1 of the Companies Act, or makes decisions on the terms and conditions of the offering of non-voting stocks or new share subscription rights written on non-voting stocks, no resolution of the general meeting of class shareholders consisting of Non-voting Shareholders is required.

**Chapter 3 General Meeting of Shareholders**

**Article 25 (Convocation of General Meeting of Shareholders)**

1. The regular general meeting of shareholders of the Exchange shall be convened within three months after the end of each business year. An extraordinary general meeting of shareholders shall be convened whenever necessary.

**Article 26 (Record Date)**

1. The record date of the voting rights of the regular general meeting of shareholders of the Exchange shall be March 31 every year.

**Article 27 (Convener and Chairperson of General Meeting of Shareholders)**

1. Unless otherwise prescribed by law, general meetings of shareholders shall be convened and chaired by one of the Directors on a rotating basis in accordance with the order predetermined by the Board of Directors.

**Article 28 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders)**

1. In giving notice of convocation of a general meeting of shareholders, the Exchange may, in lieu of provision of reference documents for a general meeting of shareholders, business reports, financial statements and/or consolidated financial statements, make available the information pertaining to the matters required to be included or presented in such documents to shareholders by means of access through the Internet in accordance with the provisions of an Ordinance of the Ministry of Justice.

**Article 29 (Method of Resolution of General Meeting of Shareholders)**

1. A resolution of the general meeting of shareholders shall be passed by a majority of votes of the shareholders with voting rights who are present at the meeting, unless otherwise prescribed by law and/or these Articles of Incorporation.
2. A resolution of the general meeting of shareholders prescribed in Article 309.2 of the Companies Act shall be passed by a two-thirds (2/3) majority vote of shareholders present at the meeting, provided that such shareholders hold at least one-third (1/3) of the total voting rights of shareholders who can exercise such voting rights.

**Article 30 (Proxy Voting)**

1. Every shareholder may exercise his/her voting rights by having one other shareholder, who is entitled to vote at the general meeting of shareholders of the Exchange, act as a proxy on his/her behalf.
2. In cases where a shareholder exercises his/her voting rights pursuant to the provisions of the preceding paragraph, the shareholder or the proxy shall submit to the Exchange a document proving his/her power of representation at each general meeting of shareholders.

**Article 31 (General Meeting of Class Shareholders)**

1. A resolution of the general meeting of class shareholders shall be passed by a majority of votes of the class shareholders with voting rights who are present at the meeting, unless otherwise prescribed by law and/or these Articles of Incorporation.
2. A resolution of the general meeting of class shareholders prescribed in Article 324.2 of the Companies Act shall be passed by a two-thirds (2/3) majority vote of class shareholders present at the meeting, provided that such class shareholders hold at least one-third (1/3) of

- the total voting rights of class shareholders who can exercise such voting rights.
3. The provisions of Article 27, Article 28, and the preceding article shall apply *mutatis mutandis* to the general meeting of class shareholders.

#### **Chapter 4 Directors and Board of Directors**

##### **Article 32 (Number of Directors)**

1. The number of Directors of the Exchange shall not exceed ten.
2. The majority of the Directors shall consist of Public Directors (meaning Public Directors prescribed in Article 2.15 of the Companies Act; the same shall apply hereinafter).

##### **Article 33 (Election of Directors)**

1. Directors shall be elected by resolution of the general meeting of shareholders.
2. One or more Public Directors shall be elected among experts who are capable of making a fair judgment about the administration and operation of commodity markets, provided that they are not engaging in the business of a Member prescribed by Article 2.16 of the Commodity Futures Market Act ("Member") or the like.
3. During their term of office, the Public Directors prescribed in the preceding paragraph may not engage in the business of a Member or the like.
4. A resolution of the general meeting of shareholders on the election of Directors shall be passed by a majority of votes of shareholders present at the meeting, provided that such shareholders hold at least one-third (1/3) of the total voting rights of shareholders who can exercise such voting rights.
5. No cumulative voting shall be allowed for a resolution of the general meeting of shareholders on the election of Directors.

##### **Article 34 (Term of Office of Directors)**

1. Directors' term of office shall expire at the conclusion of the regular general meeting of shareholders pertaining to the last business year ending within one year after their election.
2. The term of a Director appointed to increase the number of Directors, or as a substitute for a Director resigning from office before the expiration of his/her term of office, shall be the remaining term of the existing Directors.

##### **Article 35 (Compensation for Directors)**

1. Compensation, bonus and other property benefits received by Directors from the Exchange as consideration for execution of their duties ("compensation") shall be determined by the Compensation Committee.

##### **Article 36 (Exemption from Liability of Directors)**

1. Pursuant to the provisions of Article 426.1 of the Companies Act, the Exchange may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages arising from a failure to execute his/ her duties to the extent permitted by law.
2. Pursuant to the provisions of Article 427.1 of the Companies Act, the Exchange may enter into an agreement with a Director (except a Director who is an Executive Officer, etc. of the Exchange) that limits his/her liability for damages arising from a failure to execute his/her duties; provided, however, that the maximum amount of liability for damages under such agreement shall be the amount prescribed by applicable law.

##### **Article 37 (Authority of Board of Directors)**

1. The Board of Directors shall make decisions on the execution of business activities of the Exchange, including matters prescribed by laws or these Articles of Incorporation, and supervise the execution of duties by Directors and Executive Officers.

##### **Article 38 (Convener and Chairperson of Meetings of Board of Directors)**

1. Unless otherwise prescribed by law, meetings of the Board of Directors shall be convened and chaired by one of the Directors in accordance with the order predetermined by the Board of Directors.
2. Notwithstanding the provisions of the preceding paragraph, persons elected by the Nomination Committee, the Audit Committee and the Compensation Committee from the respective committee members may convene a meeting of the Board of Directors.

**Article 39 (Notice of Convocation of a Meeting of Board of Directors)**

1. When convening a meeting of the Board of Directors, notice shall be given to each Director at least three days before the day of the meeting; provided, however, that said notification period may be shortened in case of emergency.
2. A meeting of the Board of Directors may be convened without the due procedure for convocation of meetings prescribed in the preceding paragraph if the Directors unanimously agree with the convocation.

**Article 40 (Method of Resolution of Board of Directors)**

1. A resolution of the Board of Directors shall be passed by a majority of the votes of the Directors present at the meeting, provided that a majority of the voting Directors are present.

**Article 41 (Omission of Resolution of Board of Directors)**

1. In cases when a director has submitted to the Board of Directors a proposal on matters requiring a resolution of the Board of Directors for deliberation, if all Directors manifested, in writing or in an electromagnetic record, their intention to vote affirmative on the submitted proposal, a resolution of the Board of Directors approving such proposal shall be deemed by the Exchange to have been passed.

**Article 42 (Board of Directors Regulations)**

1. Matters concerning the Board of Directors shall be governed by the Board of Directors Regulations prescribed by the Board of Directors, in addition to the applicable provisions of laws and/or these Articles of Incorporation.

**Chapter 5 Nomination Committee, Audit Committee, and Compensation Committee**

**Article 43 (Selection of Committee Members)**

1. Members of the Nomination Committee, Audit Committee, and Compensation Committee shall be selected from among the members of the Board of Directors by resolution of the Board of Directors.

**Article 44 (Regulations Concerning Each Committee)**

1. Matters concerning the Nomination Committee, Audit Committee, and Compensation Committee shall be governed by the Committee Regulations, which are separately prescribed by each committee, in addition to the applicable provisions of laws, these Articles of Incorporation and/or the Board of Directors Regulations.

**Chapter 6 Executive Officers**

**Article 45 (Election of Executive Officers)**

1. Executive Officers shall be elected by resolution of the Board of Directors.

**Article 46 (Authority and Segregation of Duties of Executive Officers)**

1. Executive Officers shall make decisions on the execution of business activities of the Exchange based on the authority delegated to them by resolution of the Board of Directors and execute those business activities.
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2. The Board of Directors shall determine matters related to segregation of duties of Executive Officers, scope of supervision, and relationships among Executive Officers.

**Article 47 (Term of Office of Executive Officers)**

1. Executive Officers' term of office shall expire at the conclusion of the first meeting of the Board of Directors, convened after the conclusion of the regular general meeting of shareholders, for the last business year ending within one year after the time of their election. However, the term of office of Executive Officers who are elected after the last day of a business year and before the conclusion of the regular general meeting of shareholders for the business year shall expire at the conclusion of the first meeting of the Board of Directors convened after the conclusion of said regular general meeting of shareholders.
2. During their term of office, Executive Officers may not engage in the business of a Member or the like.

**Article 48 (Selection of Representative Executive Officer and President )**

1. One or more Representative Executive Officers shall be selected from among Executive Officers by resolution of the Board of Directors.
2. One President shall be selected from among Representative Executive Officers by resolution of the Board of Directors.

**Article 49 (Compensation of Executive Officers)**

1. Compensation for Executive Officers shall be determined by the Compensation Committee.
2. A portion of compensation for an Executive Officer who is also an employee, concurrently holding a position as a manager or other position that is attributable to the service of the Executive Officer provided in relation to such position, shall also be determined by the Compensation Committee.

**Article 50 (Exemption from Liability of Executive Officers)**

1. Pursuant to the provisions of Article 426.1 of the Companies Act, the Exchange may, by resolution of the Board of Directors, exempt an executive officer (including a person who was formerly an executive officer) from his/her liability for damages arising from a failure to execute his/her duties to the extent permitted by law and regulations.

**Chapter 7 Accounting Auditor**

**Article 51 (Election of Accounting Auditor)**

1. The accounting auditor shall be elected by resolution of the general meeting of shareholders.

**Article 52 (Term of Office of Accounting Auditor)**

1. The accounting auditor's term of office shall expire at the conclusion of the regular general meeting of shareholders pertaining to the last business year ending within one year after the time of the election.
2. Unless otherwise resolved at the regular general meeting of shareholders prescribed in the preceding paragraph, the accounting auditor shall be deemed to have been reelected at said regular general meeting of shareholders.

**Article 53 (Compensation of Accounting Auditor)**

1. Compensation of the accounting auditor shall be determined, subject to approval of the Audit Committee, by a Director(s) selected by the Board of Directors in advance.

**Chapter 8 Market Surveillance Committee**

**Article 54 (Market Surveillance Committee)**

1. The Exchange shall, for the purpose of ensuring fairness in transactions in commodity

markets of the Exchange, establish the Market Surveillance Committee, consisting of members with experience or academic standing regarding transactions in commodity markets.

2. The Market Surveillance Committee shall monitor the operation of the Exchange's business, including such matters as the method of execution of transactions and the administration of transactions in commodity markets of the Exchange and may advise Representative Executive Officers based on the monitoring results, if it is deemed necessary.
3. Representative Executive Officers shall report to the Committee on the status of ensuring fairness in transactions in commodity markets of the Exchange.
4. Matters concerning the organization and authority of the Market Surveillance Committee and other necessary matters shall be governed by the Market Surveillance Committee Rules.

## **Chapter 9 Dispute Mediation Committee**

### **Article 55 (Dispute Mediation Committee)**

1. The Exchange shall establish the Dispute Mediation Committee for the purpose of providing mediation of disputes arising between Members or between a Member who is a Commodity Derivatives Business Operators (limited to those who engage in activities prescribed in Article 2.22.1 of the Commodity Futures Market Act) and its customer in relation to transactions in the commodity markets of the Exchange. Provided, however, the Committee shall not handle any disputes arising between a Member who is a Commodity Derivatives Business Operators and its customer in connection with transactions in the commodity markets (excluding commodity clearing transactions prescribed in Article 2.20 of the Commodity Futures Market Act: "Commodity Clearing Transactions"), arbitrated by the Commodity Futures Association of Japan pursuant to Article 241 of the said Act.
2. Entrustment of the membership of the Dispute Mediation Committee, procedures for requesting mediation, mediation methods and other matters necessary for mediation shall be governed by the Dispute Resolution Regulations

## **Chapter 10 Self-regulatory Committee**

### **Article 56 (Self-regulatory Committee)**

1. The Exchange shall establish the Self-regulatory Committee for the purpose of ensuring fairness in transactions in commodity markets and protecting customers.
2. Members of the Self-regulatory Committee shall be selected from among the members of the Board of Directors by resolution of the Board of Directors.
3. Notwithstanding the provisions of Article 40, a resolution on an agenda proposing to dismiss a member of the Self-regulatory Committee shall be passed by a concurring vote of two-thirds (2/3) or more of all the Directors present at the meeting, provided that a majority of the voting Directors are present.
4. The Self-regulatory Committee shall perform self-regulatory activities prescribed by the Self-regulatory Committee Regulations, including studies on disciplinary actions imposed on Members by the Regulating Minister pursuant to the Commodity Exchange Act and related laws or the status of compliance by Members of the Articles of Incorporation and other regulations of the Exchange.
5. In addition to the matters prescribed in the preceding paragraph, matters concerning the organization and authority of the Self-regulatory Committee and other necessary matters shall be governed by the Self-regulatory Committee Regulations.

### **Article 56 (Self-regulatory Committee)**

1. The Self-regulatory Committee shall make decisions on the matters related to the self-regulatory activities of the Exchange.
2. The Self-regulatory Committee shall consist of at least three members. The majority of members of the Self-regulatory Committee shall consist of Public Directors.

3. Members of the Self-regulatory Committee shall be selected from among the members of the Board of Directors by resolution of the Board of Directors.
4. Notwithstanding the provisions of Article 40, a resolution on an agenda proposing to dismiss a member of the Self-regulatory Committee shall be passed by a concurring vote of two-thirds (2/3) or more of all the Directors present at the meeting, and by a majority of members of Self-regulatory Committee present, provided that a majority of the voting Directors are present.
5. The procedures of the meeting and any other matters necessary for operation of the Self-regulatory Committee shall be governed by the Self-regulatory Committee Regulations prescribed by the Self-regulatory Committee.

## **Chapter 11 Advisory Committee**

### **Article 57 (Establishment of Advisory Committee)**

1. In addition to the various committees prescribed in the preceding three chapters, the Exchange may establish the Advisory Committee.
2. The Advisory Committee may advise the Board of Directors or Representative Executive Officers, in response to requests by the Board of Directors or Representative Executive Officers thereof or otherwise, on important matters concerning the administration of commodity markets of the Exchange.
3. The structure and the meeting procedure of the Advisory Committee and other matters necessary for the administration of the Advisory Committee shall be governed by the Advisory Committee Regulations.

## **Chapter 12 Commodity Markets**

### **Article 58 (Commodity Markets and Listed Commodities)**

1. Transactions conducted in the commodity markets established by the Exchange shall be as follows:
  - (1) Transactions related to listed commodities
  - (2) Transactions related to listed commodity indexes

### **Article 59 (Market Rules and Brokerage Rules)**

1. Transactions in commodity markets of the Exchange shall be governed by the Market Rules.
2. Acceptance of consignment of transactions in commodity markets of the Exchange shall be governed by the Brokerage Rules.
3. In addition to those regulations prescribed in the preceding two paragraphs, the Exchange may establish other regulations as necessary for the administration of the Exchange.

### **Article 60 (Binding Force on Contracts Concluded Outside the Commodity Markets)**

1. In cases where both parties to a contract concluded between Members outside the commodity markets of the Exchange agree that the contract be governed by some of the provisions of the Articles of Incorporation, Market Rules, Brokerage Rules, Dispute Resolution Regulations or other regulations of the Exchange, and notify the Exchange of such agreement in writing, the Exchange shall apply the provisions that have been agreed upon to such Members, provided that the Exchange determines that such application is unlikely to cause any problems.

## **Chapter 13 (Deleted)**

### **Article 61 (Deleted)**

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## **Chapter 14 Audit and Sanctions of Members**

### **Article 62 (Compliance by Members of Laws, Regulations, etc.)**

1. Members shall comply with the Commodity Futures Market Act and related laws, disciplinary actions imposed by the Regulating Minister pursuant thereto, and the Articles of Incorporation, Market Rules, Brokerage Rules and other regulations of the Exchange (hereinafter in this chapter referred to as "laws and regulations of the Exchange"), as well as just and equitable principles of trade.

### **Article 63 (Audit of Members)**

1. The Exchange may conduct necessary audits of Members concerning the status of compliance with laws and regulations of the Exchange or other matters for cases prescribed by the Market Rules.

### **Article 64 (Sanctions against Members)**

1. In the event that a Member has violated the laws and regulations of the Exchange, or acted against the just and equitable principles of trade, the Exchange may recommend that such Member take appropriate corrective measures, impose a negligence fine on said Member, suspend or restrain his/her transactions on the whole or a part of commodity markets of the Exchange or his/her consignment of Commodity Clearing Transactions related thereto, or rescind the membership qualification of said Member.

## **Chapter 15 Accounting**

### **Article 65 (Business Year)**

1. The business year of the Exchange shall be the annual period from April 1 to March 31 of the following year.

### **Article 66 (Organ to Decide Dividend of Surplus)**

1. Unless otherwise prescribed by law, the Exchange shall make decisions on dividends and other matters prescribed in each item of Article 459.1 of the Companies Act by resolution of the Board of Directors, without requiring resolution of the general meeting of shareholders.
2. The Exchange shall distribute dividends in the form of currency to the shareholders or registered share pledges whose names are entered or recorded on the last shareholder registry as of March 31 every year ("year-end dividend").
3. The Exchange shall distribute dividends in the form of currency to the shareholders or registered share pledges whose names are entered or recorded on the last shareholder registry as of September 30 every year ("interim dividend").

### **Article 67 (Limitation on Claim for Dividends)**

1. The Exchange shall no longer be obligated to pay year-end, interim or other dividends if three full years have passed since the day on which the payment started and said dividends have not been claimed.
2. Year-end, interim or other dividends shall not bear any interest.

## Supplementary Provisions

These Articles of Incorporation shall take effect on the later of December 1, 2008 or the day on which the approval of the Regulating Minister was obtained (November 28, 2008) pursuant to Article 132.1 of the Commodity Exchange Act (Act No. 239 of 1950).

## Supplementary Provisions

### Article 1

Deleting Chapter 13 (Settlement of Transactions) and Article 61 (Settlement of Transactions in the Commodity Market); and, revising Article 1 (Trade Name), Article 2 (Purpose) (limited to the part amending “*Hon-sho*” to “*Tou-sha*”), Article 3 (Location of Head Office), Article 4 (Organs) (limited to the part amending “*Hon-sho*” to “*Tou-sha*”), Article 5 (Method of Giving Public Notice) through Article 11 (Share Handling Regulations), Article 14 (Purchase of Additional Shares Less Than One Unit), Article 16 (Share Multiplier of Non-voting Stock), Article 18 (Dividends) through Article 26 (Record Date), Article 28 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders), Article 30 (Proxy Voting), Article 32 (Number of Directors), Article 35 (Compensation for Directors) through Article 37 (Authority of Board of Directors), Article 41 (Omission of Resolution of Board of Directors), Article 46 (Authority and Segregation of Duties of Executive Officers), Article 49 (Compensation of Executive Officers), Article 50 (Exemption from Liability of Executive Officers), Article 54 (Market Surveillance Committee), Article 55 (Dispute Mediation Committee) (limited to the part amending “*Hon-sho*” to “*Tou-sha*”), Article 56 (Self-regulatory Committee) (limited to the part amending “*Hon-sho*” to “*Tou-sha*”), Article 57 (Establishment of Advisory Committee) through Article 60 (Binding Force on Contracts Concluded Outside the Commodity Markets), Article 62 (Compliance by Members of Laws, Regulations, etc.) (limited to the part amending “*Hon-sho*” to “*Tou-sha*”), Article 63 (Audit of Members) through Article 67 (Limitation on Claim for Dividends), shall take effect on the later of the day on which the Act that Revise Parts of the Commodity Exchange Act and the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 74 of 2009) becomes effective as set forth in the Article 1.2 of the Supplementary Provision of the said Act (i.e., October 8, 2009), or the day on which the approval of the Regulating Minister was obtained pursuant to Article 155.1 of the Commodity Exchange Act (Act No. 239 of 1950) (i.e., October 7, 2009).

### Article 2

Revisions to the provisions of Article 2 (Purpose) (excluding the part set forth in the preceding Article), Article 4 (Organs) (excluding the part set forth in the preceding Article), and Article 56 (Self-regulatory Committee) (excluding the part set forth in the preceding Article), shall take effect on the later of the day on which the Act that Revise Parts of the Commodity Exchange Act and the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 74 of 2009) becomes effective as set forth in the Article 1.3 of the Supplementary Provision of the said Act (i.e., July 1, 2010), or the day on which the approval of the Regulating Minister was obtained pursuant to Article 155.1 of the Commodity Exchange Act (Act No. 239 of 1950) (i.e., October 7, 2009). Provided, however, that the term “Commodity Futures Market Act” in the Article 2.1.4 shall be deemed to be replaced with “Commodity Exchange Act”, until the day preceding the effective date of the Act that Revise Parts of the Commodity Exchange Act and the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 74 of 2009) (i.e., January 1, 2011) set forth in the main clause of the Article 1 of the Supplementary Provision of the said Act.

### Article 3

Revisions to the provisions of Article 33 (Election of Directors), Article 55 (Dispute Mediation Committee) (excluding the part set forth in the Article 1 of the Supplementary Provisions), and Article 62 (Compliance by Members of Laws, Regulations, etc.) (excluding the part set forth in the Article 1 of the Supplementary Provisions) shall take effect on the later of the effective date

of the Act that Revise Parts of the Commodity Exchange Act and the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 74 of 2009) (i.e., January 1, 2011) set forth in the main clause of the Article 1 of the Supplementary Provision of the said Act, or the day on which the approval of the Regulating Minister was obtained pursuant to Article 155.1 of the Commodity Exchange Act (Act No. 239 of 1950) (i.e., October 7, 2009).

**Supplementary Provisions**

Revisions to the provisions of Article 1 (Trade Name) shall take effect on the later of February 12, 2013 or the day on which the approval of the Regulating Minister was obtained (January 18, 2013) pursuant to Article 155.1 of the Commodity Derivatives Act (Act No. 239 of 1950).

**Supplementary Provisions**

Revisions to the provisions of Article 36 (Exemption from Liability of Directors) shall take effect on the day on which the approval of the Regulating Minister was obtained (July 13, 2015) pursuant to Article 155.1 of the Commodity Derivatives Act (Act No. 239 of 1950).