

Conflict of Interest Management Policy

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<p>5. Conflict of interest management policy</p> <p>(1) Reference banks, and management and employees of reference banks engaging in the JBA TIBOR rate submission process</p> <p>Pursuant to item <a href="#">(iv)</a>, paragraph (3) of Article 21 of the Rules, JBATA shall develop the Code of Conduct, require reference banks to establish internal frameworks and monitor their status of compliance to ensure the soundness of rate submissions.</p> <p>The reference banks shall establish processes for management of conflicts of interest in relation to rate submissions as stipulated in the JBA TIBOR Code of Conduct established by JBATA, and shall disseminate such processes to their management and employees to ensure their compliance.</p> <p>(2) Management and employees of JBATA</p> <p>Pursuant to item (i), paragraph (3) of Article 21 of the Rules, JBATA shall select the majority of its Board members from persons other than those who are working for or belonging to financial institutions. The Board members shall, upon taking the position of a member, submit Form 1 “Declaration of conflicts of interests” to JBATA which then shall be published by JBATA.</p> <p>Further, pursuant to <a href="#">item (xi), paragraph (3) of Article 21 and</a> Article 32 of the Rules, JBATA shall ensure that remuneration plans for its</p>	<p>5. Conflict of interest management policy</p> <p>(1) Reference banks, and management and employees of reference banks engaging in the JBA TIBOR rate submission process</p> <p>Pursuant to item <a href="#">(iii)</a>, paragraph (3) of Article 21 of the Rules, JBATA shall develop the Code of Conduct, require reference banks to establish internal frameworks and monitor their status of compliance to ensure the soundness of rate submissions.</p> <p>The reference banks shall establish processes for management of conflicts of interest in relation to rate submissions as stipulated in the JBA TIBOR Code of Conduct established by JBATA, and shall disseminate such processes to their management and employees to ensure their compliance.</p> <p>(2) Management and employees of JBATA</p> <p>Pursuant to item (i), paragraph (3) of Article 21 of the Rules, JBATA shall select the majority of its Board members from persons other than those who are working for or belonging to financial institutions. The Board members shall, upon taking the position of a member, submit Form 1 “Declaration of conflicts of interests” to JBATA which then shall be published by JBATA.</p> <p>Further, pursuant to Article 32 of the Rules, JBATA shall ensure that remuneration plans for its management and employees are</p>

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<p>management and employees are appropriately designed and implemented by giving due regard to risk management and compliance in order to avoid such plans to incentivize manipulation of the JBA TIBOR, for example by not setting a JBA TIBOR-based remuneration. JBATA's management and employees must understand any conflicts of interest that may arise in themselves, and must not conduct the following unless such conduct is reported to the head of the Oversight Committee Office in advance and its appropriateness is verified by the head of the Oversight Committee Office.</p> <p>(Delete)</p> <p>① <u>Pursuant to item (viii), paragraph (3), Article 21 and paragraph (1) of Article 30 of the Rules,</u> to exchange with financial institutions (including reference banks) and other third parties without reasonable grounds unpublished information regarding the JBA TIBOR aggregation, calculation and publication, including individual reference rates submitted from reference banks</p> <p>② <u>Pursuant to item (ix), paragraph (3), Article 21 and paragraph (2) of Article 30 of the Rules, to use information obtained concerning the JBATA's operations for their own interests or for third party's interests....</u></p> <p>(3) Members of the JBA TIBOR Oversight Committee</p>	<p>appropriately designed and implemented by giving due regard to risk management and compliance in order to avoid such plans to incentivize manipulation of the JBA TIBOR, for example by not setting a JBA TIBOR-based remuneration.</p> <p>JBATA's management and employees must understand any conflicts of interest that may arise in themselves, and must not conduct the following unless such conduct is reported to the head of the Oversight Committee Office in advance and its appropriateness is verified by the head of the Oversight Committee Office.</p> <p>① <u>To receive economic benefits from reference banks.</u></p> <p>② To exchange with financial institutions (including reference banks) and other third parties without reasonable grounds unpublished information regarding the JBA TIBOR aggregation, calculation and publication, including individual reference rates submitted from reference banks</p> <p>(New item)</p> <p>(3) Members of the JBA TIBOR Oversight Committee</p>

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<p>Pursuant to paragraph (3) of Article 8 <del>and item (ii), paragraph (3) of Article 21</del> of the Rules, JBATA shall not appoint any persons belonging to financial institutions as a member of the JBA TIBOR Oversight Committee. The JBA TIBOR Oversight Committee members shall, upon assuming the position of a member, submit Form 2 “Declaration of conflicts of interests” to JBATA which then shall be published by JBATA.</p> <p>Further, pursuant to <del>item (xi), paragraph (3) of Article 21 and Article 32 of the Rules,</del> JBATA shall ensure that remuneration plans for the Oversight Committee members are appropriately designed and implemented by giving due regard to risk management and compliance in order to avoid such plans to incentivize manipulation of the JBA TIBOR, for example not setting a JBA TIBOR-based remuneration.</p> <p>The JBA Oversight Committee members shall report to JBATA in the case set out below, and shall not participate in the Oversight Committee’s resolution if they have a conflict of interest in the resolution.</p> <ul style="list-style-type: none"> <li>○ In case where the member undertakes any work related to JBA TIBOR in accordance with a reference bank’s request</li> </ul> <p><del>Further, pursuant to item (ix), paragraph (3), Article 21 and paragraph (2) of Article 30 of the Rules, the JBA Oversight Committee members shall not use information obtained concerning the JBATA’s operations</del></p>	<p>Pursuant to paragraph (3) of Article 8 of the Rules, JBATA shall not appoint any persons belonging to financial institutions as a member of the JBA TIBOR Oversight Committee. The JBA TIBOR Oversight Committee members shall, upon assuming the position of a member, submit Form 2 “Declaration of conflicts of interests” to JBATA which then shall be published by JBATA.</p> <p>Further, pursuant to Article 32, JBATA shall ensure that remuneration plans for the Oversight Committee members are appropriately designed and implemented by giving due regard to risk management and compliance in order to avoid such plans to incentivize manipulation of the JBA TIBOR, for example not setting a JBA TIBOR-based remuneration.</p> <p>The JBA Oversight Committee members shall report to JBATA in the case set out below, and shall not participate in the Oversight Committee’s resolution if they have a conflict of interest in the resolution.</p> <ul style="list-style-type: none"> <li>○ In case where the member undertakes any work related to JBA TIBOR in accordance with a reference bank’s request</li> </ul>

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<p><u>for their own interests or for third party's interests....</u></p> <p>(4) The service provider undertaking the JBA TIBOR calculation and other administrative work on behalf of JBATA, and management and employees of the service provider involved in such administrative work Pursuant to item (v), paragraph (3) of Article 21 of the Rules, JBATA shall maintain an appropriate administration framework by, for example, limiting operations outsourced to the service provider to the simple ones, such as collection, calculation and publication, in accordance with the “Guidelines on Outsourcing JBA TIBOR Calculation/Publication Operations.”</p> <p>The service provider must not leak or provide to a third party any information that has come to its knowledge in the course of operations outsourced (particularly reference rates submitted from reference banks and official rates calculated) regardless of whether before or after the publication time unless it provides such information to JBATA or other companies as agreed under the outsourcing agreement.</p>	<p>(4) The service provider undertaking the JBA TIBOR calculation and other administrative work on behalf of JBATA, and management and employees of the service provider involved in such administrative work Pursuant to item (iv), paragraph (3) of Article 21 of the Rules, JBATA shall maintain an appropriate administration framework by, for example, limiting operations outsourced to the service provider to the simple ones, such as collection, calculation and publication, in accordance with the “Guidelines on Outsourcing JBA TIBOR Calculation/Publication Operations.”</p> <p>The service provider must not leak or provide to a third party any information that has come to its knowledge in the course of operations outsourced (particularly reference rates submitted from reference banks and official rates calculated) regardless of whether before or after the publication time unless it provides such information to JBATA or other companies as agreed under the outsourcing agreement.</p>

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<p>6. Monitoring of the status of conflict of interest management</p> <p>The JBA TIBOR Oversight Committee shall periodically monitor the management status of conflict of interest by the organizations and persons subject to the Policy, and shall provide recommendations for remedial action, if necessary.</p> <p>Further, pursuant to item (iii), paragraph (3) of Article 21 of the Rules, in case JBATA needs to revise the JBA TIBOR definitions or other relevant matters, the revision has to be reviewed by the Oversight Committee.</p>	<p>6. Monitoring of the status of conflict of interest management</p> <p>The JBA TIBOR Oversight Committee shall periodically monitor the management status of conflict of interest by the organizations and persons subject to the Policy, and shall provide recommendations for remedial action, if necessary.</p> <p>Further, pursuant to item (ii), paragraph (3) of Article 21 of the Rules, in case JBATA needs to revise the JBA TIBOR definitions or other relevant matters, the revision has to be reviewed by the Oversight Committee.</p>
<p>7. Disclosure of conflict of interest issues</p> <p>Pursuant to item (vi), paragraph (3) of Article 21 of the Rules, if there is any individual case of a conflict of interest that is considered material and appropriate to be disclosed to the JBA TIBOR users, JBATA shall disclose such a case to the public provided that the Oversight Committee has discussed the case and has concluded to do so, with the final decision being made by the Board of Directors.</p>	<p>7. Disclosure of conflict of interest issues</p> <p>Pursuant to item (v), paragraph (3) of Article 21 of the Rules, if there is any individual case of a conflict of interest that is considered material and appropriate to be disclosed to the JBA TIBOR users, JBATA shall disclose such a case to the public provided that the Oversight Committee has discussed the case and has concluded to do so, with the final decision being made by the Board of Directors.</p>

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<p>8. Information management</p> <p>Pursuant to item (vii), paragraph (3) of Article 21 of the Rules, JBATA shall treat information concerning conflicts of interest with the utmost care and take measures to manage such information appropriately depending on the cases (e.g. setting up an office at a location isolated from other related organizations with limited access to the office etc.).</p> <p>Further, pursuant to the aforementioned article of above, JBATA shall require related parties to adopt adequate measures to manage conflicts of interest promptly and fairly; in particular, to consider establishing effective procedures to control the exchange of information between relevant persons, who take part in activities that give rise to a risk of a conflict of interests.</p>	<p>8. Information management</p> <p>Pursuant to item (vi), paragraph (3) of Article 21 of the Rules, JBATA shall treat information concerning conflicts of interest with the utmost care and take measures to manage such information appropriately depending on the cases (e.g. setting up an office at a location isolated from other related organizations with limited access to the office etc.).</p> <p>Further, pursuant to the aforementioned article of above, JBATA shall require related parties to adopt adequate measures to manage conflicts of interest promptly and fairly; in particular, to consider establishing effective procedures to control the exchange of information between relevant persons, who take part in activities that give rise to a risk of a conflict of interests.</p>

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<p>9. Establishment of a whistleblowing mechanism</p> <p>Pursuant to <a href="#">item (x), paragraph (3) of Article 21 and</a> paragraph (1) of Article 25 of the Rules, JBATA shall set up a helpline system within the Compliance Office so that personnel of the JBATA, companies and their personnel to which the JBA TIBOR-related operations are outsourced and personnel of reference banks can report and consult about manipulation and misconduct related to the JBA TIBOR in order to detect such incidents at an earlier stage. The helpline system shall encompass helplines connected to internal contacts and also to independent, external bodies.</p>	<p>9. Establishment of a whistleblowing mechanism</p> <p>Pursuant to paragraph (1) of Article 25 of the Rules, JBATA shall set up a helpline system within the Compliance Office so that personnel of the JBATA, companies and their personnel to which the JBA TIBOR-related operations are outsourced and personnel of reference banks can report and consult about manipulation and misconduct related to the JBA TIBOR in order to detect such incidents at an earlier stage. The helpline system shall encompass helplines connected to internal contacts and also to independent, external bodies.</p>