

Conflict of Interest Management Policy for TORF

QUICK Benchmarks Inc.

1. Objective

Pursuant to Article 20 of the TORF Operational Rules (“Rules”) which pertains to processes and frameworks for the management of conflicts of interest, the Conflict of Interest Management Policy for TORF (“Policy”) identifies conflicts of interest that may arise in the concerned parties, management and employees of reporting brokers and QUICK Benchmarks Inc. (“QBS”) and other persons involved in the TORF administration. The Policy specifies methods to manage such conflicts of interest in order to ensure the soundness of the Tokyo Term Risk Free Rate (“TORF”) as a financial benchmark.

2. Definitions

The term “conflicts of interest” for the purpose of the Policy shall mean as defined in paragraph (2) of Article 20 of the Rules. Specifically, a conflict of interest exists when the interests of management and employees of reporting brokers and QBS and other persons involved in TORF compete/conflict with the interests of ensuring the soundness of TORF as a financial benchmark.

[Reference: Paragraph (2), Article 20 of the TORF Operational Rules]

- (1) Given the extensive use of the TORF as a reference rate for lending and derivatives contracts, conflicts of interest may arise from the involvement in the process of definition, determination, administration and governance of TORF by the person belonging to the financial institution who deals with financial instruments as described previously.
- (2) A conflict of interest that may arise from the involvement in the process of definition, determination, administration and governance of the TORF by the person belonging to the reporting broker which is the data provider.
- (3) Conflict of interest arises when QUICK’s and its sales representatives’ professional responsibility for pursuing customers’ interests as duty of a financial information vendor for customers in financial institutions compete/conflict with their responsibility for properly calculating and publishing TORF according to the definitions.
- (4) A conflict of interest may arise between the responsibility for pursuing the profits as a joint-stock company and the responsibility for calculating and publishing TORF pursuant to the definitions.

- (5) A conflict of interest may arise between the responsibility of QUICK for pursuing the profit as a joint-stock company and the responsibility for ordering its wholly owned subsidiary QBS to carry out appropriate calculation pursuant to the definitions of TORF and to ensure the soundness of the TORF as a financial benchmark.
- (6) A conflict of interest may arise when a person who may directly or indirectly gain financial benefits depending on the level of the TORF is involved in the TORF determination process.

3. Organizations and Persons subject to the Policy

The Policy shall apply to:

- (1) Management and employees of financial institutions
- (2) Reporting brokers
- (3) Management and employees of reporting brokers
- (4) QBS
- (5) Management and employees of QBS
- (6) Members of the TORF Oversight Committee
- (7) The service provider undertaking the TORF calculation and other administrative work on behalf of QBS, and management and employees of the service provider involved in such administrative work (in the case where the TORF calculation and other administrative work have been entrusted)
- (8) QUICK Corp. ("QUICK"), the parent company of QBS

4. Potential Conflicts of Interest

Examples of conflicts of interest that arise or may arise include those described in the following paragraphs. The organizations and persons subject to the Policy must understand that conflicts of interest are not limited to the following examples and could arise in any other situations, and must appropriately manage conflicts of interest.

(1) Management and employees of financial institutions

- Conflict of interest arises when the professional interests of the management and employees of a financial institution compete/conflict with their responsibility for ensuring the soundness of TORF as a financial benchmark by properly calculating TORF according to the definition and confirming the appropriateness of the TORF administration.
- Conflict of interest arises when the professional responsibility for perusing customers' interests as duty of a financial institution compete/conflict with their responsibility for ensuring the soundness of TORF as a financial benchmark by properly calculating TORF according to the definition and confirming the appropriateness of the TORF administration.

(2) Reporting brokers

- Conflict of interest arises when reporting brokers' responsibility for perusing

their customers' interests competes/conflicts with their responsibility for ensuring the soundness of TORF as a financial benchmark by appropriately reporting the rate pursuant to the definitions of TORF.

- Conflict of interest arises when the reporting brokers' responsibility for serving the interests of the group companies competes/conflicts with their responsibility for ensuring the soundness of TORF as a financial benchmark by appropriately reporting the rate pursuant to the definitions of TORF.

(3) Management and employees of reporting brokers

- Conflict of interest arises when the reporting brokers' responsibility for serving the interests of their customers competes/conflicts with their responsibility for ensuring the soundness of TORF as a financial benchmark by appropriately reporting the rate pursuant to the definitions of TORF.
- Conflict of interest arises when the responsibility of the reporting brokers' group companies to serve the interests of their customers or the companies competes/conflicts with their responsibility for ensuring the soundness of TORF as a financial benchmark by appropriately reporting the rate pursuant to the definitions of TORF.

(4) QBS

- Conflict of interest arises when QBS's responsibility for pursuing profit as a company compete/conflict with their responsibility for ensuring the soundness of TORF as a financial benchmark by properly calculating TORF according to the definition and confirming the appropriateness of the TORF administration.

(5) Management and employees of QBS

- Conflict of interest arises when the responsibility of QBS's management and employees for fulfilling their duties to satisfy interests of a related financial institution where they are concurrently affiliated to or to peruse customers' interest of the relevant financial institution competes/conflicts with their responsibility for ensuring the soundness of TORF as a financial benchmark by, among other things, assessing the appropriateness of the TORF administration and monitoring the reporting brokers' fulfillment of their responsibilities to appropriately report the rates pursuant to the definitions of TORF.
- Conflict of interest arises when the responsibility of QBS's management and employees for fulfilling their duties to satisfy interests of QUICK where they are concurrently affiliated to and QUICK's customers compete/conflict with their responsibility for ensuring the soundness of TORF as a financial benchmark by properly calculating TORF according to the definition and confirming the appropriateness of the TORF administration.

(6) Members of the TORF Oversight Committee

- Conflict of interest arises when a member's duties to, among other things, act for the benefit of a reporting broker with which the member individually enters

into a delegation agreement (e.g. the member assumes a position at the reporting broker, such as corporate lawyer, and receives economic benefits from fulfilling that duty) compete/conflict with their responsibility for ensuring the soundness of the TORF as a financial benchmark by, among other things, assessing the appropriateness of the TORF administration and monitoring reporting brokers' fulfillment of responsibilities to report the rate appropriately pursuant to the definitions of TORF.

- Conflict of interest arises when a member's responsibility for fulfilling their duties to satisfy interests of QUICK where they are concurrently affiliated to and QUICK's customers compete/conflict with their responsibility for ensuring the soundness of the TORF as a financial benchmark by, among other things, assessing the appropriateness of the TORF administration and monitoring reporting brokers' fulfillment of responsibilities to report the rate appropriately pursuant to the definitions of TORF.

(7) The service provider undertaking the TORF calculation and other administrative work on behalf of QBS, and management and employees of the service provider involved in such administrative work (in the case where the TORF calculation and other administrative work have been entrusted); and

- Conflict of interest arises when the service provider's own interests (e.g. to gain an advantage in relation to the TORF calculation and other administrative work) compete/conflict with its responsibility for ensuring the soundness of TORF as a financial benchmark by receiving appropriate rate reporting from reporting brokers and calculating/publishing the official rates.

(8) QUICK

- Conflict of interest arises when the professional responsibility for perusing customers' interests as duty of a financial information vendor for customers in financial institutions compete/conflict with their responsibility for ensuring the soundness of TORF as a financial benchmark by having QBS, its wholly owned subsidiary, properly calculate TORF according to the definitions and confirming the appropriateness of the TORF administration.
- Conflict of interest arises when QUICK's responsibility for perusing profit as a company compete/conflict with their responsibility for ensuring the soundness of TORF as a financial benchmark by having QBS, its wholly owned subsidiary, properly calculate TORF according to the definitions and confirming the appropriateness of the TORF administration.

5. Conflict of Interest Management Policy

(1) Management and employees of reporting brokers

Pursuant to item (x), paragraph (3) of Article 20 of the Rules, QBS shall develop the Code of Conduct, require reporting brokers to establish internal frameworks and monitor their status of compliance to ensure the soundness of rate reporting.

The reporting brokers shall establish processes for management of conflicts of interest

in relation to rate reporting as stipulated in the TORF Code of Conduct established by QBS, and shall disseminate such processes to their management and employees to ensure their compliance.

If the Person Responsible for Rate Reporting or Staff Performing Rate Reporting Tasks of the reporting broker has other duties within the company or group companies, they shall report to QBS on the duties they perform and the internal verification measures taken if the duties they perform are for trading of financial instruments that reference TORF. This should be included in the notification to QBS and reported to QBS.

(2) QBS

QBS must not interfere with the soundness of TORF as a financial benchmark for its own financial transactions. When QBS conducts financial transactions related to TORF, certain management and employees (those who may possess and currently possess TORF insider information) shall be excluded from the internal decision. QBS shall regularly report to the TORF Oversight Committee on the execution of such financial transactions, and the TORF Oversight Committee shall make recommendations to the Board of Directors as necessary.

(3) Management and employees of QBS

Pursuant to items (i) and (ii), paragraph (3) of Article 20 of the Rules, QBS shall select outside directors from among those who do not belong to financial institutions or reporting brokers or their competitors. The Board members shall, upon taking the position of a member, submit Form 1 "Declaration of Conflicts of Interests" to QBS which then shall be published by QBS.

Further, pursuant to item (xvii), paragraph (3) of Article 20 and Article 31 of the Rules, QBS shall ensure that remuneration plans for its 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 TORF, for example by not setting TORF-based remuneration.

QBS'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 TORF Oversight Committee in advance and its appropriateness is verified by the head of the TORF Oversight Committee.

- A) Pursuant to item (xiv), paragraph (3), Article 20 and paragraph (1) of Article 29 of the Rules, to exchange with financial institutions (including reporting brokers) and other third parties without reasonable grounds unpublished information regarding the TORF aggregation, calculation and publication, including individual rates reported from reporting brokers
- B) Pursuant to item (xv), paragraph (3), Article 20 and paragraph (2) of Article 29 of the Rules, to use information obtained concerning the QBS's operations for their own interests or for third party's interests

(4) Members of the TORF Oversight Committee

Pursuant to paragraph (3) of Article 6 and items (i) and (ii), paragraph (3) of Article 20 of the Rules, QBS shall not appoint any person who belongs to a financial institution or a person who belongs to a reporting broker or its competitors as a member of the TORF Oversight Committee. The Oversight Committee members shall, upon assuming the position of a member, submit Form 2 “Declaration of Conflicts of Interests” to QBS which then shall be published by QBS.

Further, pursuant to item (xvii), paragraph (3) of Article 20 and Article 31 of the Rules, QBS 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 TORF, for example not setting a TORF-based remuneration.

The TORF Oversight Committee members shall report to QBS 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.

- In case where the member undertakes any work related to TORF in accordance with a reporting broker’s request

Further, pursuant to item (xv), paragraph (3), Article 20 and paragraph (2) of Article 29 of the Rules, the Oversight Committee members shall not use information obtained concerning the QBS's operations for their own interests or for third party's interests.

- (5) The service provider undertaking the TORF calculation and other administrative work on behalf of QBS, and management and employees of the service provider involved in such administrative work (in the case where the TORF calculation and other administrative work have been entrusted)

Pursuant to item (xi), paragraph (3) of Article 20 of the Rules, QBS 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.

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 rates reported from reporting brokers and official rates calculated) regardless of whether before or after the publication time unless it provides such information to QBS or other companies as agreed under the outsourcing agreement.

(6) QUICK

QUICK shall report to QBS when it executes a financial transaction related to TORF. QBS shall monitor the status of such transactions once a year and make a public announcement as necessary.

6. Monitoring of the Status of Conflict of interest Management

The 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.

Further, pursuant to item (v), paragraph (3) of Article 20 of the Rules, in case QBS needs to revise the TORF definitions or other relevant matters, the revision has to be reviewed by the TORF Oversight Committee.

7. Disclosure of Conflict of Interest Issues

Pursuant to item (xii), paragraph (3) of Article 20 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 TORF users, QBS shall disclose such a case to the public provided that the TORF Oversight Committee has discussed the case and has concluded to do so, with the final decision being made by the Board of Directors.

8. Information Management

Pursuant to item (xiii), paragraph (3) of Article 20 of the Rules, QBS 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.). The equipment used for calculation in the office shall be the dedicated equipment provided by QBS, and IDs and passwords shall be strictly managed.

Further, pursuant to item (xiii), paragraph (3) of Article 20 of the Rules, QBS 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.

9. Establishment of a Whistle-blowing Mechanism

Pursuant to item (xvi), paragraph (3) of Article 20 and paragraph (1) of Article 24 of the Rules, QBS shall set up a whistle-blowing system within the Internal Audit Office so that personnel of the QBS, companies and their personnel to which the TORF-related operations are outsourced, and personnel of reporting brokers can report and consult about manipulation and misconduct related to TORF in order to detect such incidents at an earlier stage.

10. Audit

Pursuant to paragraph (1) of Article 22 of the Rules, on an annual basis, in principle, QBS shall be subject to internal and external audits on the execution of the TORF calculation and publication operations, establishment and implementation of processes/procedures required under the Rules and the review of the TORF administration framework (including reviewing the definitions and calculation methods).

Further, pursuant to paragraphs (3) and (4) of Article 22 of the Rules, QBS shall report audit results to the Oversight Committee and then to the Board of Directors, and shall also disclose the outline of its execution of audits.

11. Periodic Review and Revision

Processes and frameworks for the management of conflicts of interest described in the

Policy shall be periodically reviewed and revised if necessary. Any revision of the Policy including the necessity of its revision shall be discussed by the Oversight Committee, and resolved by the Board of Directors.

(Supplementary Rules)

1. Effective date

The Policy shall take effect on April 26, 2021.

2. Amendment.

October 13, 2021

(This English translation is provided exclusively as a convenience. Any questions that may arise in interpretation of words and provisions of these rules shall be interpreted in accordance with the Japanese original version.)

MMM DD, YYYY

QUICK Benchmarks Inc.

Full name: _____

Declaration of Conflicts of Interests

I hereby confirm the following matters and sign my name to the effect that I will engage in my duties as a board member of QUICK Benchmarks Inc. ("QBS").

1. In performing my duties as a board member of QBS, I declare that I do not have any conflicts of interest, except for the items to be checked below, and I pledge to report to the Board of Directors without delay any change in the situation (including the occurrence of a new possibility of conflict of interest).

- I am an management/employee of the reporting broker _____
_____.
- I have a direct relationship with the reporting broker _____
_____, including receiving compensation for services related to TORF.
- I am an attorney and may receive attorney fees from a reporting broker in the course of my duties, provided that I comply with the "Basic Rules on the Duties of Practicing Attorneys" established by the Japan Federation of Bar Associations.
- I am a certified public accountant and may receive remuneration for accounting audits from reporting brokers in the course of my duties, provided that I comply with the "Code of Ethics" and "Guidelines Concerning Conflicts of Interest" established by the Japanese Institute of Certified Public Accountants.
- I have entered into an employment contract with QUICK Corp. ("QUICK"), the wholly owned parent company of QBS, and in the course of my duties at QUICK, I may have the responsibility of serving the interests of QUICK and QUICK's clients.

2. I understand that if I have a special interest in any resolution of the Board of Directors, I will not have voting rights with respect to such resolution in accordance with Article 7 (2) of the Regulations of the Board of Directors.

3. I understand that the Board of Directors or the Oversight Committee has the right to investigate the accuracy of the contents of this pledge.

MMM DD, YYYY

QUICK Benchmarks Inc.

Full name: _____

Declaration of Conflicts of Interests

I hereby confirm the following matters and sign my name to the effect that I will engage in my duties as a member of the TORF Oversight Committee (“Oversight Committee”) of QUICK Benchmarks Inc. (“QBS”).

1. In performing my duties as a member of the Oversight Committee, I declare that I do not have any conflicts of interest, except for the items checked below, and I pledge to report to the Oversight Committee without delay any change in that situation (including the occurrence of a new possibility of conflict of interest).
 - I have a direct relationship with the reporting broker _____, including receiving compensation for services related to TORF.
 - I am an attorney and may receive attorney fees from a reporting broker in the course of my duties, provided that I comply with the "Basic Rules on the Duties of Practicing Attorneys" established by the Japan Federation of Bar Associations.
 - I am a certified public accountant and may receive remuneration for accounting audits from reporting brokers in the course of my duties, provided that I comply with the “Code of Ethics” and "Guidelines Concerning Conflicts of Interest" established by the Japanese Institute of Certified Public Accountants.
 - I have entered into an employment contract with QUICK Corp. (“QUICK”), the wholly owned parent company of QBS, and in the course of my duties at QUICK, I may have the responsibility of serving the interests of QUICK and QUICK's clients.

2. I understand that if I have a special interest in any resolution of the TORF

Oversight Committee, I will not have voting rights with respect to such resolution in accordance with Article 6 (3) of the Operational Rules and Article 6 (2) of the Regulations of the Oversight Committee.

3. I understand that the Board of Directors or the Oversight Committee has the right to investigate the accuracy of the contents of this pledge.