

[Translation] Rules of the Second Intercollegiate Negotiation Competition

NOTE: This translation is for reference purpose only. Japanese version is controlling.

October 6 2003

1. Rules

(1) The Second Intercollegiate Negotiation Competition shall be conducted in accordance with these rules.

(2) These rules may be amended from time to time by the Steering Committee. Notice of any such changes shall be delivered by email sent to the email address of registered representatives of participating schools.

2. Time and Place

(1) The time and place of this competition shall be as stated below.

1 Time: November 29, 2003

2 Place: 7-1 Kioi-cho, Chiyoda-ku, Tokyo

(2) The schedule leading up to the competition shall be as stated below.

1 Announcement of the rules: October 6.

2 Period for formal registration: Tuesday October 14 to Friday October 24
(12:00).

3 Distribution of the problem: October 14, via the Competition website.

However, the secret information of the respective sides shall be distributed to the respective schools on or about October 27.

4 Deadline for questions about the problem and the rules: November 7.

5 Deadline for registering the positions of team members: November 14 (Friday)
(see Rule 6. (6))

6 Submission deadline for the preliminary memo for Round A: November 25
(Monday) 9:00 (see Rule 6. (8) 1)

7 Submission deadline for the preliminary memo for Round B: November 25
(Monday) 9:00 (see Rule 6. (8) 2)

3. Steering Committee

- (1) In addition to settling these rules, the Steering Committee shall manage and control all matters relating to the competition.
- (2) Questions relating to these rules and to the problem shall be addressed to the Steering Committee via email. The email address of the Steering Committee is negocom@osipp.osaka-u.ac.jp.
- (3) Communications from the Steering Committee to each school shall be made up to the day before the competition shall in principle be made by email sent to the registered email address of the representatives or supervising professors at each participating school.

4. Registration

- (1) The competition shall be between schools. Each participating school shall register required information on the form provided for this by the relevant deadline. One registration form shall be prepared for each team, with the names of the team members in the column to the left, with the positions to be assumed by each team member in blank. The form shall be sent to the Steering Committee electronically.
- (2) The competition shall be divided into a section conducted in Japanese (the Japanese section) and a section conducted in English (the English section). At the time of registration, each participant must indicate whether they will participate in the Japanese section or in the English section.
- (3) Participants from each school shall be divided into teams of 4 to 7 members each; each school may register no more than 2 Japanese teams and 2 English teams. However, the Steering Committee may grant special exemptions from this restriction.
- (4) Each school shall specify a representative to receive communications from the Steering Committee for each section (not more than 2 per school). Communications from the Steering Committee shall be made by email to the email address of registered representatives.

5. The Problem

- (1) The problem shall be distributed by the Steering Committee through the supervising professors at each participating school. The following information shall be distributed to each school:

1 General information common to all participants; and

2 Secret information specific to parties on each side of the competition.

All participants from each school shall be assigned the same party position.

- (2) Questions relating to the problem must be addressed to the Steering Committee via email by the relevant deadline. No questions will be entertained after the deadline. With respect to questions, the Steering Committee shall respond by sending (1) the question and (2) the response to all participants (in the case of questions relating to the general information) or to the relevant schools (in the case of questions relating to the secret information), by sending email to the supervising professors at each school as appropriate. However, some questions may not be answered, due to the nature of the problem. In such case, notice that an answer will not be provided shall be given.
- (3) Secret information may not be revealed to another school.
- (4) Both the general information and the secret information for each side shall be sent to judges and instructors.
- (5) The Steering Committee may make amendments to the problem from time to time. In such case, notice shall be given by email sent to the registered email address of the representatives at each school.
- (6) The Japanese text of the problem is controlling for the Japanese section, and the English text of the problem is controlling for the English section. All involved in the competition should take note that there is no guarantee that the Japanese and the English content correspond with one another.

6. Basic Structure

- (1) In this competition, there shall be a Japanese section and an English section.
- (2) Role plays shall be conducted on a team basis.
- (3) The matching of teams for the competition shall be set by the Steering Committee.
- (4) Negotiations in advance of the date for the competition are prohibited.
- (5) Arbitration role plays shall take place on the first day, and negotiation role plays shall take place on the second day, as provided in the schedule attached to these rules.
- (6) Each participant in each team must be in one of the roles given below. With respect to schools with six or fewer participants, at least positions 1, 3 and 4 must be filled.
 - 1 President or CEO (1)
 - 2 Executive Vice President (1-2)

3 Lawyer or legal section staff (1-2)

4 Pharmaceuticals section chief or staff (1-2)

5 Research and development section chief or staff (1-2)

6 Intellectual property section chief or staff (1-2)

(7) Participants must register to serve in one of the positions above on the appropriate form by the November 14 deadline. Participants shall add their positions to the left-hand column on the appropriate form, and send it electronically to the Steering Committee. Participants shall address the competition with a sense of the issues from the perspective of their registered position. The specific role of each position shall be left to the discretion of each participating school, but in the course of the competition, judges may question participants concerning the details of their role.

(8) The competition shall take place in two rounds, as follows.

1 Round A

- An arbitration based upon the UNCITRAL rules shall be conducted.
- The applicable law shall be the UNIDROIT Principles of International Commercial Contracts.
- Each team shall submit a memorandum of its claims and supporting reasons by 9:00am on November 25 (The submission should be A4 size. Word files are preferred. In the case of Japanese, submissions should be 40 characters by 40 characters per page, two to three pages in length; in the case of English, submissions should be 1500 to 2000 words in length.) by sending it to the Steering Committee as an email attachment.

2 Round B

- A bilateral negotiation shall be conducted.
- Each team shall submit a memorandum stating what it hopes to achieve in any agreement (the negotiation target) and an explanation of its reasons by 9:00am on November 28 (a word-processed document of A4 size. Word files are preferred. In the case of Japanese, submissions should be about 1000 characters in length; in the case of English, submissions should be about 400 words in length.) by sending it to the Steering Committee as an email attachment.

(9) In both Round A and Round B, it is not permitted to use a language other than the language of the section (this includes directions given by the judges to the participants, conversations with the judges, and conversations within each team). However, this shall not apply to conversations within a team outside of the room in which the round is held, conversations with Steering Committee members, or

conversations during break time.

7. Round A

- (1) An arbitration shall be conducted in Round A (note that this differs from mediation and other processes). The arbitration panel shall consist of two or three arbitrators (judges, for the purpose of the competition). Of these, one shall be the chief arbitrator. The decision of the arbitration panel shall be made by majority decision (however, for purposes of judging the competition, each judge shall evaluate team performance independently), and in the event that the arbitrators are evenly divided, the decision of the chief arbitrator shall be treated as the final decision of the arbitration panel.
- (2) The arbitration shall be conducted on the basis of the problem, the claim made by the parties in Round A, and the materials filed by the parties for Round A under these rules.
- (3) The issues to be addressed in the arbitration shall be limited to those stated in the problem (the parties shall be deemed to have referred these issues to arbitration).
- (4) At the end of Round A, the arbitration panel shall give its evaluation orally, without preparing a written decision.
- (5) The controlling substantive law in the arbitration shall be the UNIDROIT Principles of International Commercial Contracts.
- (6) Procedure in the arbitration shall be controlled by the UNCITRAL rules of commercial arbitration; but in this competition, this shall mean rules 15.1, 15.3, 20, 24, and 30 only (other rules shall not apply).
However, in the event of a conflict between the aforementioned UNCITRAL provisions and these rules, these rules shall apply. Matters covered neither by the aforementioned UNCITRAL provisions nor by these rules shall be determined by the arbitration panel.
- (7) Each team shall have 10 minutes at the beginning, and 5 minutes at the end of the round to present their position. After the initial 10 minute presentation, the order of counterarguments and presentations, and the procedures for carrying forward with the arbitration shall be set by the arbitration panel.
- (8) Participants should take note that, as a general matter, they have a duty to persuade the arbitration panel, by backing up any claims made with reference to facts or reasoning found in the problem or other materials.
- (9) Each team may request 5 minutes of caucus time per hour. However, the arbitration panel may postpone a request for a caucus for up to 20 minutes, as it

deems appropriate for the orderly progress of the arbitration.

8. Round B

(1) Participants shall divide responsibilities with a view to the smooth operation of their team, and carry out their respective responsibilities (points may be deducted by the judges, or a warning issued by the Steering Committee in the event that a participant is simply not engaged).

(2) The schools party to the negotiation shall determine, through negotiation, which members of each team shall participate in negotiations, and what the mechanisms of the negotiation shall be.

However, the following conditions must be satisfied:

- Negotiations between the company presidents must take place for 10 minutes or more
- Negotiations between the pharmaceuticals chiefs must take place for 10 minutes or more
- Negotiations between the lawyers or legal staff members must take place for 10 minutes or more

However, the agenda and timing for negotiations may be set freely by participants.

(3) When agreement over procedures has been reached under the preceding paragraph, agreement must be sought from the judges. Judges shall agree to procedures settled by the participants absent grounds that they will interfere with the judging process, or with the conduct of the competition.

(4) By the end of time for negotiation, the points on which agreement has been reached shall be reduced to writing in a memorandum of understanding, and submitted to the judges. The memorandum of understanding shall be signed by the president or CEO of each company.

(5) The time for negotiation shall be followed by a 15 minute period, during which participants may prepare for self-appraisal.

(6) Following the 15 minute preparation period, with the winner of a round of rock-scissors-paper taking the lead, each team shall have 15 minutes to deliver an oral self-appraisal before the judges. Points to be covered in the self-appraisal include:

- 1 An appraisal of the actual negotiation conducted, in light of the advance memorandum stating the aims of the team;
- 2 If the same negotiation were to be repeated the following day, which aspects of the team's approach would they choose to repeat, and which would they choose to

change;

3 Was the result of the negotiation satisfactory to the party.

After speaking to these issues, the team will respond to questions by the judges and receive their comments.

Teams shall not be present during one another's self-appraisal sessions.

NOTE: Rule 8(2) was amended by News Letter No.3 as follows:

“The schools party to the negotiation shall determine, through negotiation, which members of each team shall participate in negotiations, and what the mechanisms of the negotiation shall be.

However, negotiations between the company presidents must take place for 20 minutes or more. The negotiation between the presidents shall be made in such manner as:

- the schools party shall give a notice to the judge to commence the negotiation under this clause (no such notice is necessary when the negotiation between the presidents is made in addition to the requirement under this clause);
- only the president of each schools party is allowed to talk each other.
- other members may present at the meeting sitting behind the president. Such members may give memos to the president.
- The president may consult with team members.

The agenda and timing for negotiations may be set freely by participants.

9. Submission of Materials

(1) Each school may submit materials to support its claims. Submissions are not limited to paper documents; projected images and the like may be used, but the Steering Committee should be given notice before commencing with their preparation.

(2) Notes by participants for personal reference during the proceedings, as well as memos, copies and other such materials for personal reference are excluded from the requirements of this paragraph.

(3) Materials may be used only after a complete copy has been passed to each member of the opposite team, and to the judges (prepare 15 copies, to assure enough for each member of the opposite team, plus the judges). Materials may be passed to the other side and to the judges in the course of the proceedings in both rounds; they

need not be supplied in advance. However, the opposite team may request sufficient time to review the materials after receiving them.

- (4) Judges and arbitrators may in their sole discretion refuse to permit the use of any set of materials or item therein.
- (5) Materials passed to the opposite team but not referred to in the proceedings shall not be considered in judging the merits of the arbitration nor team performance in either round.
- (6) In both the Japanese section and the English section, any materials not in the native language of the section must be accompanied by a translation (this shall not apply to portions of such materials to which reference is not to be made in the course of the proceedings). Errors in translation will result in a loss of points for the round concerned.

10. Judging

- (1) Team performance shall be judged in Round A by a panel of 2 or 3 judges. Of these, two shall act as arbitrators. Round A shall be judge by the standards set forth in Attachment 2.
- (2) Team performance shall be judged in Round B by a panel of 2 or 3 judges. Round B shall be judge by the standards set forth in Attachment 3.
- (3) Judging shall be on the basis of absolute (not relative) performance.
- (4) In principle, Round A and Round B will be judged by different judges. When the same judge serves in Round A and Round B, the judge shall not refer to the submissions of Round A in the context of judging Round B (except, of course, matters which are explicitly raised by a team in Round B).
- (5) The Steering Committee shall appoint the judges.
- (6) In both Round A and Round B, the arbitrators and judges may ask any questions of the participants that they feel are necessary to the task of judging the competition.
- (7) In both Round A and Round B, it is expected that the evaluation will be delivered by particular judges, but the evaluations of individual judges will not be disclosed.
- (8) For schools represented by multiple teams, the average scores achieved by all of its teams shall be the score of the school.
- (9) Persons who have supervised teams in preparation for this year's competition may not judge a round involving a team which they have supervised (instructors who have not been involved in the supervision of a team shall not be barred from judging a round on the grounds that it involves a team from their own school).

- (10) Judges shall be permitted to make a record of the proceedings.
- (11) Judges shall submit the appraisal form to the Steering Committee within 30 minutes of the completion of the round to be judged.
- (12) The points achieved by a school shall be the total of points given by each judge, acting independently, in Round A and Round B. However, this shall not prevent judges from exchanging views in connection with the judging process.
- (13) The Standing Committee shall hold and advance briefing with judges, with a view to assuring that a uniformity in the standard for evaluation.

11. Support from Supervisors, etc.

- (1) Supervision by the instructors of each school in preparations for the competition is to be encouraged.
- (2) During each round, instructors of each school may not provide directions or advice to team members.

12. Dress

- (1) Participants shall dress appropriately for business negotiations at each round.

13. Awards

- (1) The school that achieves the highest number of total points shall receive the competition award, and the next highest ranking school shall receive the runner-up award.
- (2) When the points achieved by two schools are identical, the tie shall be resolved by referring to the number of evaluation categories in which each team scored the maximum number of possible points. When this also results in a tie, it shall be resolved by a rock-scissors-paper contest between a representative from each team.

14. Prohibitions

The following matters are prohibited:

- (1) Advance communication or negotiation with another school (including but not limited to face-to-face meetings, telephone calls, email messages).
- (2) Matters prohibited by these rules.
- (3) Failure to comply with directions by the Steering Committee.
- (4) Failure to comply with directions by the judges.
- (5) Breach of copyright and other laws.

15. Rule Violations

The Steering Committee shall not bestow an award on a school that it has determined to have violated these rules (this shall include schools that have been subjected to a warning).

16. Complaints

(1) Complaints that another school has is in violation of the rules must be lodged with the Steering Committee within 5 minutes of the close of each round by the school representatives of the schools involved. The Steering Committee shall issue its decision after hearing the response of the representative of the school concerning which the complaint has been lodged.

(2) Notwithstanding the preceding sub-paragraph, when immediate response is thought necessary, the representatives of each school may, even in the middle of a round, ask the judges to confirm the rules, and request that the behavior of the other school be corrected.

If the judge determines that such a request is for good reason, the judge may issue such direction as he or she deems appropriate, or consult with the Steering Committee concerning any action to be taken.

(3) The decision of the Steering Committee in subparagraph 1 above, and that of the judges in subparagraph 2 above are final, and may not be appealed.

17. Video Recording

(1) Participants consent to the video recording of the proceedings, and to the use of such recordings in future education, training, and advertising.

(2) If the individual teams wish to arrange for the video recording of sessions, each such team must prepare the necessary video equipment and media. In addition, notice is to be given to the Steering Committee. The Steering Committee may provide staff to change tapes and other media.

18. Costs

(1) In principle, costs arising from participation in this competition shall be borne by the individual participants.

(2) This competition is receiving support from the Publicity Department of Sumitomo Group. Authority to use of funds received from Sumitomo Group shall lie with the Steering Committee.