

[Translation] Rules of the Third Intercollegiate Negotiation Competition

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

October 4, 2004

1. Rules

- (1) The Third Intercollegiate Negotiation Competition shall be conducted in accordance with these rules (the "Rules").
- (2) The Rules may be amended from time to time by the Steering Committee. Notice of any such changes shall be delivered promptly by the Steering Committee.
- (3) Questions relating to the Rules must be addressed to the Steering Committee by the relevant deadline. With respect to questions which the Steering Committee decides to answer, the Steering Committee shall respond by sending (1) the question and (2) the response to all participants to the relevant schools. However, some questions may not be answered at the sole discretion of the Steering Committee.

2. Time and Place

- (1) The time and place of this competition shall be as stated below.
 - 1 Time: November 20 and 21, 2004
 - 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 & Distribution of the problem: October 4.
 2. Submission deadline for formal registration: Tuesday October 15
 3. The first judge meeting: October 16
 4. Deadline for questions about the Problem and the Rules: October 29
 5. The second judge meeting: October 30
 6. Submission deadline for the preliminary memo for Round A: November 12 (Friday) 15:00
 7. Submission deadline for the preliminary memo for Round B: November 19 (Friday) 15:00

3. Steering Committee

- (1) In addition to settling the Rules, the Steering Committee shall manage and control all matters relating to the competition.
- (2) Questions relating to the 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 the supervising professor who are registered for each participating school.

4. Registration

(1) The competition shall be between schools.

(2) Each participating school shall register the list of participants on the form provided for this by the relevant deadline.

(3) 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.

(4) Participants from each school shall be divided into teams of 4 to 6 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.

(5) Each school shall specify a representative to receive communications from the Steering Committee (not more than 2 students) and one instructor per school). Communications and announcements from the Steering Committee shall be made by email to the email address of registered representatives or the registered instructor depending on the content of such communications and announcements. Questions addressed to the Steering Committee shall be done by the registered representatives or by the registered instructor.

5. The Problem

(1) The following information shall be distributed to each school:

1. General information common to all participants (to be distributed via the Competition website); and
2. Secret information specific to parties on each side of the competition (to be sent to instructors).

(2) Questions relating to the problem must be addressed to the Steering Committee by the relevant deadline. With respect to questions, the Steering Committee shall respond by sending (1) the question and (2) the response to all the schools (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). However, some questions may not be answered at the sole discretion of the Steering Committee.

(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 sent to each school promptly.

(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) Each school must be in the role of either “Red” or “Blue”. 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 (4.5h), and negotiation role plays shall take place on the second day (5.0h).

(6) Each participant in each team must be in one of the roles given below. With respect to schools with four or fewer participants, at least positions 1, 3 and 5 must be filled. 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.

1. President or CEO (1)

2. Executive Vice President (1-2)

3. Lawyer or legal section chief of staff (1-2)

4. Business Planning section chief or staff (1-2)

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

(7) The position of each participant must be specified by the list of participants which shall be registered under section 4(2). The positions cannot be changed after October 22, without the permission of the Steering Committee.

(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 (1994).

- Each team shall submit a memorandum of its claims and supporting reasons by 15:00pm on November 12 (The submission should be A4 size. MS-Word files are preferred. In the case of Japanese, submissions should be 40 characters by 40

characters per page, about four to five pages in length; in the case of English, submissions should be about 2500 to 3000 words in length.) by sending it to the Steering Committee as an email attachment. The memorandums of the teams of the same university can be the same. Names of the team and participants should be specified in the headline of the memorandum.

In the memorandum, all the issues indicated in the problem have to be mentioned, considering basic assertions of the counterparty. Argument not mentioned in the problem may be considered in the memorandum by guessing possible arguments of the counterparty. The memorandum should be easy to understand its logical structure by using concise sentences, sub-sections, etc. The memorandum will be disclosed to your counterparty before the Competition. Arguments not mentioned in the Memorandum are permitted in the Round A. The memorandum itself will be also evaluated.

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 15:00pm on November 19 (a word-processed document of A4 size. MS-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 memorandum,

the arguments made by the parties in Round A, and the materials filed by the parties for Round A under the 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) There is no examination of a witness in the arbitration.

(5) The arbitration panel will not make an arbitral award.

(6) The controlling substantive law in the arbitration shall be the UNIDROIT Principles of International Commercial Contracts (1994).

(7) 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 the Rules, the Rules shall apply. Matters covered neither by the aforementioned UNCITRAL provisions nor by the Rules shall be determined by the arbitration panel.

(8) Each team shall make 15 minutes opening statement at the beginning, and 5 minutes closing at the end of the round to present their position. The above statements shall be conducted by lawyer or legal section staff. After the initial 15 minute presentation, the order of counterarguments and presentations, and any other procedures for carrying forward with the arbitration shall be set by the arbitration panel.

(9) 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.

(10) 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 in which manner, 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 agenda and timing of the negotiation may be set by the schools party freely;
- 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.

(3) Negotiations should be done in the designated place.

(4) Participants must follow the instructions by the judges.

(5) By the end of time for negotiation, the negotiation results shall be reduced to writing in a letter of intent, and submitted to the judges. The letter of intent shall be signed by the president or CEO of each company.

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

(7) 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.

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) The UNIDROIT Principles of International Commercial Contracts (1994) are also excluded from the requirements of this paragraph. The Steering Committee will provide each judge and school with the Principles (with comments).

(4) 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.

(5) When using cases and arbitral awards written in foreign languages (other than Japanese language in the Japanese section and other than English language in the English section), the whole translation of the texts or the “cases memo”, written in the language of the section and attached with the original document, should be submitted. If the original document is a summary, the participants can choose the whole translation of the summary or the “case memo”. Still, if the description is abstract and unclear as a result of using a summary, the document value will be decreased. “Case memo” should specify:

- Name of the court, date of the judgment, citation;
- Summary of the facts (parties, facts, petitions);
- Summary of issues and judgments (all the petitions and issues should be mentioned in concise manner.)
- Relations of the case and the assertions in the Competition;
- Translation of the relevant parts of the case, which will be introduced to support the argument.

(6) Judges and arbitrators may in their sole discretion refuse to permit the use of any set of materials or item therein.

(7) Materials passed to the opposite team but not referred to in the proceedings shall not be considered in evaluation.

(8) 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.

(2) Team performance shall be judged in Round B by a panel of 2 or 3 judges.

(3) Evaluation standard will be disclosed on the web of the competition. 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.

(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 comments 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, Name Card, Name Tag, Name Plate

- (1) Participants shall dress appropriately for business negotiations at each round.
- (2) Participants have to make name cards and hand them to the counterparts in each Round. University, company, title, and name should be specified in the name cards.
- (3) Participants have to make and bring the name tags and name plates, using the designated colors by the steering Committee (each university has its own color).

13. Awards

- (1) The school that achieves the highest number of total points shall receive the SUMITOMO competition award, and the next to the sixth highest ranking schools 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 representatives 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 the 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 recording 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 Sumitomo Group Public Affairs Committee. Authority to use of funds received from Sumitomo Group shall lie with the Steering Committee.