

**Articles of Incorporation for  
the Public Interest Incorporated Foundation, the Institute for Global Environmental Strategies**

**Chapter 1    General Provisions**

(Name)

Article 1

This public interest incorporated foundation shall be called the Institute for Global Environmental Strategies (hereinafter "the Institute").

(Office)

Article 2

1. The headquarters of the Institute shall be situated at 2108-11, Kamiyamaguchi, Hayama-machi, Miura-gun, Kanagawa Prefecture.
2. The Institute may establish other offices where needed upon resolution of the Board of Directors.

(Objectives)

Article 3

The Institute, based on the Charter for the Establishment of the Institute for Global Environmental Strategies, shall strive to carry out policy-oriented research and related activities to develop and formulate innovative policy instruments and environmental strategies for sustainable development (hereinafter "Strategic Research"), aiming at creating a new paradigm for global civilization; and to make the results of the Strategic Research applicable for the policymaking and decision-making of a broad range of entities so that sustainable development can be achieved globally, inter alia in the Asia-Pacific Region.

(Programmes and Activities)

Article 4

1. In order to achieve the objectives outlined in the preceding article, the Institute shall undertake the following programmes:
  - 1) Programmes based on the Integrative Strategic Research Programme;
  - 2) Other necessary programmes to achieve the objective of the Institute.
2. In order to promote the programmes in the previous paragraph, the following activities shall be carried out
  - 1) conduct Strategic Research (including joint research with international organisations, national and local governments, research and academic institutions, corporations, and NGOs (hereinafter

- “other organisations”));
- 2) conduct Strategic Research in response to requests from other organisations; and provide information and recommendations on the formulation of strategies for sustainable development to those bodies as required;
  - 3) convene international conferences and seminars and conduct other capacity building activities (this includes co-hosting with other organisations);
  - 4) participate in conferences where various policies and decisions are determined and offer proposals based on the results of its Strategic Research;
  - 5) invite researchers from other research and academic institutions others to participate in research, and provide training courses in areas related to the creation of strategies;
  - 6) collect, arrange and provide information related to sustainable development; and
  - 7) carry out any further necessary activities to achieve the objectives of the Institute.
3. The programmes in paragraph 1 shall be undertaken in Japan and overseas

(Working languages)

#### Article 5

Working languages of the Institute shall be English and Japanese.

## **Chapter 2 Assets and Accounting**

(Composition of assets)

#### Article 6

The assets of the Institute shall be comprised of the following:

- 1) assets recorded in the List of Property prior to the day when the Institute was registered as a public interest corporation (hereinafter, date of transition to a public interest corporation) as stipulated in paragraph 1, Article 106 of the Act for Revising Related Acts as a Result of the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations, and the Act on Authorization of Public-interest Incorporated Associations and Public-interest Incorporated Foundations (Act No. 50, 2006) (hereafter the Revising Act);
- 2) assets received as donations from corporations or individuals; after the date of transition to a public-interest corporation
- 3) voluntary contributions from national and local governments in Japan and other countries;
- 4) grants from governments, local governments and public-interest corporations etc.;
- 5) income generated from existing assets;
- 6) income from fees paid by affiliates;
- 7) income from business; and
- 8) any other income.

(Classification of assets)

Article 7

1. The assets of the Institute shall consist of the Basic Fund and the Operating Resources.
2. The Institute's Basic Fund shall be composed of the following:
  - 1) assets listed in the Basic Fund category in the List of Property before the date of transition to a public interest corporation;
  - 2) assets donated specifically to the Basic Fund after the date of transition to a public interest corporation; and
  - 3) assets that are transferred to the Basic Fund by resolution of the Board of Directors and the Board of Trustees, after the date of transition to a public interest corporation.
3. The Operating Resources shall be those other than the Basic Fund.

(Administration of the assets)

Article 8

1. The assets of the Institute shall be administered by the Chair of the Board of Directors using methods decided separately by the Chair upon resolution of the Board of Directors.
2. Cash contained in the Basic Fund must be preserved using safe and reliable methods that include establishing postal time-deposit accounts or bank time-deposit accounts; entrusting the funds with a trust bank; or purchasing government or corporate bonds.

(Restrictions on the disposal of the Basic Fund)

Article 9

The Basic Fund may not be disposed of or used as collateral. However, in the case where there are unavoidable circumstances when carrying out the activities of the Institute, a portion of the Basic Fund may be disposed of, or all or a portion of the Basic Fund may be used as collateral upon resolution of two-thirds or more of the current number of members of the Board of Trustees with a majority of Trustees excluding those Trustees who have a special vested interest.

(Strategic Research Fund)

Article 10

1. The Strategic Research Fund shall be set up to ensure that operations are carried out smoothly.  
The Strategic Research Fund shall be composed of the following categories of assets:
  - 1) assets donated or issued that are designated as assets for the Strategic Research Fund before the date of transition to a public interest corporation;
  - 2) assets donated or issued that are designated as assets for the Strategic Research Fund after the

- date of transition to a public interest corporation; and
- 3) assets that are transferred to the Strategic Research Fund by resolution of the Board of Directors after the date of transition to a public interest corporation.
  2. The Strategic Research Fund may not be disposed of or used as collateral. However, in the case where there are unavoidable circumstances when carrying out the activities of the Institute, upon resolution of two-thirds or more of the members of the Board of Directors with a majority of Directors excluding those Directors who have a special vested interest, a portion of the Strategic Research Fund may be disposed of, or all or a portion of the Strategic Research Fund may be used as collateral.

(Payment of expenses)

Article 11

The expenses of the Institute shall be paid from the Operating Resources.

(Business plans and budget)

Article 12

1. The documents detailing the Institute's annual business plans, budgeted statement of income and expenditure, fund-raising/procurement of funds, and potential for business investment shall be prepared by the Chair of the Board of Directors. Prior to the start of each business year, upon resolution by the Board of Directors, these documents must then be approved by the Board of Trustees. Any revisions to these documents must also follow the same process.
2. The approved documents in the preceding paragraph must be submitted to the government agency by the day before the start of each business year.

(Provisional budget)

Article 13

1. Notwithstanding the provisions of the preceding article, when the budget for income and expenditures is not formulated due to compelling reasons, the Chair of the Board of Directors may, upon resolution of the Board of Directors, exercise control over revenue and expenses in accordance with the budget of the previous fiscal year until a new budget is formulated.
2. The budget for revenue and expenses referred to in the preceding paragraph shall become the revenue and expenditures for the newly formulated budget.

(Business reports and settlement of revenue and expenses)

Article 14

1. The Institute's business reports and settlement statements shall be prepared by the Chair of the

Board of Directors at the end of each business year and shall include the Business Report, and financial documents (Balance Sheets and Report on Changes in Net Assets) as well as related detailed statements, lists of property. After receiving the auditor's inspection and, upon resolution by the Board of Directors, these documents must gain the approval of the regular Board of Trustees.

2. Documents that have gained approval as outlined in the preceding paragraph, must be submitted to the government agency within three months after the end of the business year,
3. When there are surplus funds in the Institute's revenue and expenses settlement, upon resolution of the Board of Directors, all or a portion of this surplus shall be transferred into the Basic Fund or appropriated forward to the next fiscal year.

(Long-term borrowings)

#### Article 15

When the Institute seeks to borrow funds, except for the payment of short-term borrowings with income from that business year, there must be resolution by two-thirds or more of the current number of members of the Board of Directors with a majority of Directors excluding those Directors who have a special vested interest.

(Assumption of responsibilities and waiver of rights)

#### Article 16

In cases corresponding to the provision of Article 9, the provision of Article 10, paragraph 2 or provisions in previous articles and with the exception of those matters determined by the budget for revenue and expenses, there must be resolution of the Board of Directors when the Institute seeks to assume additional responsibilities or waive rights.

(Business year)

#### Article 17

The Institute's business year shall begin on July 1 of each year and end on June 30 of the following year.

(Calculation of remaining assets gained for the purpose of public- interest)

#### Article 18

The Chair of the Board of Directors shall calculate the remaining assets gained for the purpose of public- interest each business year on the last day of the given business year, based on the provisions of Article 48 of the implementation regulations for Acts related to the Act on Authorization of Public interest incorporated Associations and Public interest incorporation foundations, and note them as a

document of item 9, paragraph 1 of Article 56.

### **Chapter 3 Trustees and Board of Trustees**

(Trustees)

#### Article 19

1. The Institute shall have at least 4 and no more than 8 Trustees
2. Trustees shall be elected and dismissed according to Articles 179 to 195 of Act on General Incorporated Associations and General Foundations (Act 48, 2006) (hereinafter Corporation Act) with resolutions being made at Board of Trustees meetings.
3. A person who for reasons of disqualification as stipulated in paragraph 1, Article 173 of the Corporation Act, may not become a Trustee
4. Trustees may not combine their duties with the positions of Board Director, Auditor or employee at this Institute
5. In the case of the election of a Trustee, all the following conditions must be met.
  - 1) For each Trustee, the total number of Trustees for whom a) to f) apply must not exceed more than one third of the total number of Trustees.
    - a) The Trustee concerned, his/her spouse, or a relative within the third degree
    - b) Not a spouse, but a person having the equivalent relationship as marriage to the Trustee concerned
    - c) An employee of the Trustee concerned
    - d) A person apart from those pertaining to b) or c) above whose livelihood is maintained through monetary or other estate provided for by the Trustee concerned
    - e) The spouse of the person pertaining to c) or d) above
    - f) A person who is a relative within the third degree of those in b) to d) and who has a share in their livelihood.
  - 2) The total number of Trustees for whom a) to d) apply for another similar foundation (apart from public interest corporations) must not exceed more than one third of the total number of Trustees.
    - a) Director
    - b) Employee
    - c) Executive officer apart from Board member of the concerned other similar foundation (for non-corporate foundations with representatives and managers, the representative or the manager) or person on the staff who implements operations
    - d) Persons on the staff of the following organisations (excluding Diet members and local government council members)

- ① national organisations
  - ② local governments
  - ③ independent administrative corporations as stipulated in Article 2, Paragraph 1 of the General Rule Act for Independent Administrative Corporations
  - ④ national university corporations as stipulated in Article 2, Paragraph 1 of the Act of National University Corporations or inter-university research institutes as stipulated in Article 3 of the same Act.
  - ⑤ regional independent administrative corporations as stipulated in Article 2, Paragraph 1 of the Act for Regional Independent Administrative Corporations
  - ⑥ special governmental corporation (a corporation established through a special establishment act in accordance with special laws, and is subject to the provisions of Article 4 Clause 15 of the Ministry of Internal Affairs and Communications Establishment Act), or an authorised corporation (established in accordance with special laws, and also requires that its establishment has the approval of the administrative authority)
6. If there is a change among the Trustees, this must be registered within two weeks, and a report shall be submitted without delay to the administrative authority with a certified copy of register.

(Terms of office)

#### Article 20

1. The terms of office for the Trustees shall be until the conclusion of the final regular Meeting of the Board of Trustees which deals with the last business year ending within 4 years of being elected. However, Trustees shall not be prevented from being re-elected.
2. Notwithstanding the previous paragraph, the terms of office for Trustees who are elected as substitutes for Trustees who resign before the expiration of their term of office, shall be until the expiration of the term of office of the resigned Trustee
3. When the number of Trustees is insufficient to satisfy the quorum specified in Article 19 paragraph 1, then even after retirement following the expiration of a term of office or after resigning, the Trustees must carry out the rights and duties of their position until a successor takes office.

(Remuneration for Trustees etc.)

#### Article 21

Trustees shall be provided with expenses, of an amount calculated according to the issuing standards for remuneration etc. not in excess of JPY1.5 million per fiscal year, and decided separately at a meeting of the Board of Trustees.

(Exemption from liability)

Article 22

According to Article 112 of the Corporation Act as applied mutatis mutandis to Article 198, this Institute can exempt a Trustee (including former Trustees) from liability in the course of performing their duties by a unanimous agreement of the Board of Trustees.

(Composition)

Article 23

The Board of Trustees shall be composed of entirely of Trustees.

(Authority)

Article 24

The Board of Trustees shall carry out resolutions on the following items.

- 1) Approval of the Integrated Strategic Research Programme
- 2) Election and dismissal of Trustees, Directors and Auditors
- 3) The amount of remuneration etc, for Directors and Auditors
- 4) Issuing standards for remuneration etc. for Trustees, Directors and Auditors
- 5) Approval of the Business Plan and Budget for income and expenditure, Report listing potential funding and investment
- 6) Approval of the Business Report, and financial documents (Balance Sheets and Report on Changes in Net Assets) as well as related detailed statements, lists of property and statements of cash flows
- 7) Amendments to the Articles of Incorporation
- 8) Assignment of business, in whole or in part
- 9) Attribution of surplus assets
- 10) Approval of merger
- 11) Other matters decided by law or by these articles, to be resolved by the Board of Trustees

(Convening of meetings)

Article 25

The Board of Trustees shall convene a meeting once within 3 months of the end of each business year as an ordinary meeting, and in addition shall convene an extraordinary meeting of the Board of Trustees if necessary.

(Calling of Meetings)



#### Article 26

1. Meeting of the Board of Trustees shall be called by the Chair of the Board of Directors, based on a resolution of the Board of Directors, unless otherwise stipulated by law.
2. Trustees may make a request to the Chair of the Board of Directors for the convening of a meeting of the Board of Trustees indicating the purpose of the meeting and the reason for convening.

#### (Election of the Chair)

#### Article 27

The Chair of the meeting of the Board of Trustees shall be mutually elected by the Trustees from among the Trustees in attendance.

#### (Quorum)

#### Article 28

Meetings of the Board of Trustees may not be convened unless more than a half of the current number of Trustees are in attendance.

#### (Resolutions)

#### Article 29

Resolutions of the meeting of the Board of Trustees, aside from those stipulated by these Articles or by law, shall be decided upon by a majority vote with a majority of the Trustees in attendance, except those Trustees who have a special vested interest in the resolution.

#### (Omission of Resolutions)

#### Article 30

In the case that the Chair of the Board of Directors submits a proposal with respect to any matter that is the purpose of the Trustees meeting, if all Trustees who can participate in the resolution indicate their intention to agree to such a proposal in writing or by electronic means, then it shall be deemed that a resolution to approve such proposal at the Trustees meeting has been made.

#### (Omission of Notices)

#### Article 31

In the case that the Chair of the Board of Directors gives notice with respect to any matter that is to be reported to the Trustees meeting, if all Trustees manifest in writing or by electronic means their intention to agree that it is not necessary to report such a matter to the Trustees meeting, then it shall be deemed that such matter has been reported to the Trustees meeting.

(Minutes)

Article 32

1. The Minutes of the meetings of the Board of Trustees shall be prepared as stipulated by law.
2. The Chair of the meeting and two or more persons who are in attendance at the meeting and are elected to sign the minutes of the meeting must sign, or sign and affix their seals to the minutes.

(Others)

Article 33

In addition to the provisions in this article, the Board of Trustees shall determine necessary matters related to the operation of the Board of Trustees.

#### **Chapter 4     Officers**

(Types and number of officers)

Article 34

1. The Institute shall have the following officers:
  - 1) Directors  
The Institute shall have at least 3 and no more than 7 Directors.
  - 2) Auditors  
There shall be no more than two Auditors.
2. Among the Directors, there shall be one Chair of the Board of Directors.
3. Among the Directors, there can be one Vice-Chair.
4. Among the Directors, there shall be one President.
5. Among the Directors, there can be one Vice-President.
6. Among the Directors, there can be one Managing Director.
7. The Chair of the Board of Directors in paragraph 2 shall be the Representative Director, a position necessary according to the Corporation Act, the Directors in Clauses 3 to 6 and decided separately in the Board Meeting shall be the Operating Directors in charge of work implementation a position stipulated in Article 9, Clause 1, item1 of the Corporation Act.

(Elections and other matters)

Article 35

1. The Directors and Auditors shall be elected by the Board of Trustees.
2. The Chair of the Board of Directors, the Vice-Chair, the President, the Vice-President, the Managing Director and the Directors decided separately in the Board Meeting according to paragraph7 of the previous Article, shall be elected from among the Directors by means of a

resolution at the Board Meeting.

3. The Auditors may not simultaneously serve as a Director or employee at the Institute.
4. The number of Directors who are directors, or their spouse, or relative within the third degree (including those who have a special relationship ordained in a government ordinance) shall not exceed one-third of the total number of Directors. This shall be the same for Auditors.
5. The number of Directors that are directors or employees of another similar organisation (excluding public interest corporations or equivalent organisations as designated by law), or who have an equivalent close connection designated by a government ordinance shall not exceed one-third of the total number of Directors. This shall be the same for Auditors.
6. If there are any changes among the Directors or Auditors, this shall be registered by law within two weeks and reported without delay to the administrative authority.

(Duties and Authority of the Directors)

#### Article 36

1. The Directors shall comprise the Board of Directors, and they must resolve matters related to the business of the Institute in accordance with the law and the provisions under these Articles.
2. If the Directors discover facts that cause, or may cause considerable damage to the Institute, then they must immediately report these to the Auditors.
3. The Directors shall disclose to the Board of Directors of important matters related to transactions, based on Article 84 of the Corporation Law, and approval must be given by the Board.
4. The Chair of the Board of Directors shall represent the Institute and implement the business thereof.
5. The Vice-chair shall assist the Chair of the Board of Directors.
6. The President shall implement the work of Strategic Research, its related training and other matters of the Institute as stipulated in Article 52.
7. The Vice-President shall assist the President and implement the work of the office of the President in the event that the President becomes incapacitated or is absent.
8. The Managing Director shall assist the Chair of the Board of Directors and the Vice-Chair and shall, under the will of the Chair and the Vice-Chair, deal with the ordinary business of the Institute which is not within the duties of the office of the President.
9. The Operating Director in charge of work implementation shall, according to a decision separately made by the Board of Directors, share and implement the work of the Institute.
10. The Chair of the Board of Directors and the Operating Director in charge of work implementation must report their own status of duties to the Board of Directors at least twice every business year at 4 month intervals.

(Duties and Authority of the Auditors)

Article 37

1. The Auditors conduct an Audit on the duties carried out by the Directors, and in accordance with ordinances, produce an Audit report.
2. The Auditors at any time may request a report on the business activities of the Directors or employees, or a survey of the status of the business and assets of this corporation.
3. In the case that the Auditors confirm that the Directors have acted dishonestly, or that there is the possibility that they will act dishonestly, or if the Auditors confirm a fact that is in violation of the law or of these Articles or is particularly improper, then the Auditors must submit a report without delay to the Board of Directors.
4. The Auditors shall attend the Board of Directors meetings and if it is deemed necessary, must provide their opinions.
5. In the case of stipulation of Article 3 above, the Auditors may, if it is deemed necessary, submit a demand to the Chair of the Board of Directors to convene a meeting of the Board of Directors.
6. The Auditors shall examine the resolutions, documents and other items stipulated by Ministry of Justice ordinances that are to be submitted by the Directors to the Board of Trustees. In the course of doing so, if it is acknowledged that there are acts that are in violation of the law or of these articles, or there are any particularly dishonest acts being carried out, then the results of the examination must be reported to the Board of Trustees.
7. In the case that Directors conduct, or may possibly conduct, an act that is outside the purpose of this Institute or an act that is in violation of the law or of these Articles, and when this conduct may possibly cause damage to this Institute, then the Auditors may demand that the Director concerned stop the aforementioned conduct.

(Terms of office)

Article 38

1. The terms of office for the Directors shall be until the conclusion of the final regular meeting for the Board of Trustees which deals with the last business year ending within two years of being elected. However, Directors shall not be prevented from being re-elected.
2. The terms of office for Auditors shall be until the conclusion of the final regular meeting of the Board of Trustees which deals with the last business year ending within four years of being elected. However, Auditors shall not be prevented from being re-elected.
3. The terms of office for a Director or Auditor who are elected as a substitute for a Director or Auditor who has resigned before the end of his/her term of office, shall be until the expiration of the term of office of the resigned officer.

4. If there is not a sufficient number of Directors or Auditors to make up the quorum as designated in Article 34 Clause 1, then even after the end of their term of office, or after resignation the current Directors and Auditors shall exercise their rights and obligations until such time as newly elected officers take office.

(Dismissal)

#### Article 39

When one of the following matters applies to an Officer, the Officer may be dismissed by a resolution of the Board of Trustees of at least two-thirds of the Trustees excluding those who have a special interest on the matter. In this case, before a decision is made by the Board of Trustees, the Officer must be given the opportunity to account for his/her actions.

- 1) When the officer has violated his/her duties or if the Officer fails to perform his/her duties.
- 2) When psychological or physical problems become a hindrance to executing his/her duties, and he/she does not acknowledge such hindrance.

(Remuneration and others)

#### Article 40

Directors and auditors shall be provided with remuneration etc. of an amount calculated according to issuing standards for remuneration etc. decided separately at the Board of Trustees meeting.

(Exemption from liability)

#### Article 41

1. According to Article 112 of the Corporation Act as applied mutatis mutandis to Article 198, this Institute can exempt a Director or Auditor (including former Directors and Auditors) from liability in the course of performing their duties by a unanimous agreement of the Board of Trustees.
2. According to Article 113 of the Corporation Act as applied mutatis mutandis to Article 198, this Institute can, within the bounds of the law, exempt a Director or Auditor (including former Directors and Auditors) from liability in the course of performing their duties by a resolution of the Board of Trustees.
3. According to Article 114, Clause 1 of the Corporation Act as applied mutatis mutandis to Article 198, this Institute can, within the bounds of the law, exempt a Director or Auditor (including former Directors and Auditors) from liability in the course of performing their duties by a resolution of the Board of Directors.
4. According to Article 115 Clause 1 of the Corporation Act as applied mutatis mutandis to Article 198, this Institute can enter into a contract with an external Director (person who is a Director of

this Institute, who is not a representative director, operating director or employee, and who has not been a representative director, operating director or employee in the past) or with external Auditors (person who is Auditor of this Institute, and who has not been a Director or employee of this Institute in the past) to limit liability in the course of performing their duties. However, the total maximum liability based on this contract shall be the lowest maximum liability as stipulated in Article 113 mutatis mutandis of Article 198 of the Corporation Act.

## **Chapter 5 The Board of Directors**

(Composition)

Article 42

The Board of Directors shall consist entirely of Directors.

(Authority)

Article 43

In addition to matters separately determined by the provisions under these Articles of Incorporation, the Board of Directors shall execute the following business activities.

- 1) Decisions on work implementation of the corporation
- 2) Supervision of the execution of business activities of the Directors
- 3) Selection and dismissal of the Chair of the Board of Directors and Operating Directors in charge of work implementation

(Types and convening of the meetings of the Board of Directors)

Article 44

1. There shall be two types of meetings of the Board of Directors: the ordinary meeting of the Board of Directors and the extraordinary meeting of the Board of Directors.
2. The ordinary meeting of the Board of Directors shall convene twice each year.
3. The extraordinary meeting of the Board of Directors shall convene in any of the following cases:
  - 1) when the Chair of the Board of Directors deems that such a convening is necessary;
  - 2) when there is a request to convene by a Director other than the Chair of the Board, with a request stating in writing the purpose of the convening of the Board of Directors; and
  - 3) when there is a request to convene by an Auditor, as stipulated in Article 36, paragraph 5.

(Calling of Meetings)

Article 45

1. The Chair of the Board of Directors shall call meetings of the Board of Directors.

2. In the case that the Chair of the Board of Directors is absent or is indisposed, then any director shall call a meeting of the Board of Directors.
3. Notwithstanding the previous clause, a Director or Auditor who request the convening of a meeting of the Board of Directors may call a meeting themselves, in the case when it is relevant to Article 93, paragraph 3, or Article 101, paragraph 3 of the Corporation Act that is applied mutatis mutandis to Clause 197 of the Corporation Act.
4. The person calling a meeting of the Board of Directors must issue a notification to each Director and each Auditor at least one week before the meeting is held.
5. Notwithstanding the previous clause, when all Directors and Auditors agree, then a meeting can be held without going through the formalities for convening the meeting.

(Chair of meeting)

Article 46

1. The Chair of the Board of Directors shall also serve as the chair of the meeting
2. In the case that the Chair of the Board of Directors is absent or is indisposed, then the Chair shall be elected from among the directors in attendance.

(Quorum)

Article 47

Meetings of the Board of Directors may not be convened unless more than half of the current number of Directors is in attendance.

(Resolutions)

Article 48

1. Except as otherwise provided for by the provisions in these Articles of Incorporation, the resolutions of the meeting of the Board of Directors shall be decided when a majority of Directors are in attendance and decision made by that majority, but excluding those directors who have a special vested interest in the resolution.
2. Notwithstanding the previous clause, in the case that a director proposes an item for the Directors meeting, and when all Directors have expressed agreement in writing or by electronic methods for the proposed item, then it shall be taken up as a resolution at the Directors meeting. However, this may not apply if the Auditors express an objection to the proposal.

(Abbreviation of Reports to the Board of Directors)

Article 49

1. When a Director and Auditor has informed all Directors and Auditors regarding an item that

should be reported to the Board Meeting, then it is not then necessary to report it to the Board of Directors meeting.

2. The previous provision shall not apply to reports under the provision of Article 91, Clause 2, mutatis mutandis in Article 197 of the Corporation Law.

(Minutes)

Article 50

1. The Minutes of the meetings of the Board of Directors shall be prepared as stipulated by law.
2. The Chair of the Board of Directors and Auditors in attendance shall sign, or sign and affix their seal on the aforementioned Minutes of the Meeting.
3. In the case that the Chair of the Board of Directors is absent or is indisposed, then the Directors in attendance shall sign, or sign and affix their seal on the Minutes of the Meeting.

## **Chapter 6 Honorary Advisors and Counselors**

(Honorary Advisors and Counselors)

Article 51

1. The Institute may have Honorary Advisors and Counselors.
2. Honorary Advisors and Counselors shall be appointed by the Chair of the Board of Directors upon the recommendation of the Board of Directors.
3. The Honorary Advisors shall respond to inquiries from the Chair of the Board of Directors regarding basic matters and may provide advice to the President.
4. The Counselors shall respond to inquiries from the Chair of the Board of Directors regarding important business matters and may provide advice to the President.
5. The terms of office for both the Honorary Advisors and the Counselors shall be three years. However, the Honorary Advisors and the Counselors are not prevented from being reappointed.

## **Chapter 7 Research Structure**

(Duties of the President)

Article 52

The president shall implement the following work based on resolutions made by the Board of Directors:

- 1) decide on the Integrative Strategic Research Plan as stipulated in item 1, paragraph 1 of Article 4, and manage its implementation;
- 2) prepare annual reports on Strategic Research and its related training and report to the members of both the Board of Directors and the Board of Trustees;
- 3) appoint and dismiss research fellows and other related staff stipulated in Article 53, Clause 1;



- 4) decide on necessary matters related to Strategic Research and its related training;
- 5) supervise the work of Strategic Research and its related training.

(Research fellows and other related staff)

#### Article 53

1. The Institute shall have senior research fellows, research fellows, research associates, visiting research fellows and other research-related staff.
2. Visiting research fellows shall belong to other organisations and engage in the Strategic Research of this Institute.
3. The senior research fellows, research fellows, research associates and visiting research fellows shall be appointed and dismissed by the President.
4. Necessary matters related to research fellows and others shall be decided by the President subject to resolution of the Board of Directors.

(Trainees)

#### Article 54

1. In addition to those persons belonging to the Institute, the Institute may have other persons participate in the Strategic Research as trainees.
2. Necessary decisions regarding trainees shall be made by the President subject to resolution of the Board of Directors.

### **Chapter 8 Secretariat**

(Establishment)

#### Article 55

1. A Secretariat shall be installed to carry out the business of the Institute.
2. The Secretariat shall have a Secretary-General and necessary staff.
3. The Secretary-General shall be appointed and dismissed by the Chair of the Board of Directors. Upon appointment or dismissal of staff involved in research activities, however, the Secretary-General shall consult the President.
4. The Chair of the Board of Directors shall decide on matters necessary for the Institute and operation of the Secretariat subject to resolution of the Board of Directors.

(Records and documents to be kept)

#### Article 56

The offices of the Institute must always keep the following records and documents:

- 1) the Articles of Incorporation

- 2) a list of Directors, Auditors and Trustees;
- 3) documents on permission, authorisation, and registration;
- 4) Minutes of the Meetings of Directors and Trustees;
- 5) financial reports and business reports and related detailed documents (including audit report);
- 6) business plan, budgeted statement of income and expenditure, and documents recording potential fund raising and facility investments;
- 7) lists of property;
- 8) Regulations on remuneration for Directors and others;
- 9) Summaries on business structure and programme activities, as well as documents stating items necessary on these matters
- 10) Other documents and records determined by ordinances.

## **Chapter 9 Affiliates**

(Affiliates)

Article 57

1. Individual persons and corporations who endorse the objectives and activities of the Institute may become affiliates of the Institute according to the rules determined by the Chair of the Board of Directors upon resolution by the Board of Directors.
2. The affiliates can participate in the business activities of the Institute and obtain information on results of Strategic Research and related matters.
3. The affiliates shall pay the separately prescribed fees according to the rules stipulated in paragraph 1 of this Article.

## **Chapter 10 Amendments to the Articles of Incorporation and Dissolution of the Institute**

(Amendments to the Articles of Incorporation)

Article 58

1. These Articles of Incorporation may be amended in the resolution of the Board of Trustees after approval by three-fourths or more of the Trustees excluding those who has a special vested interest.
2. The stipulation in the previous clause shall also apply to Article 3, Article 4 and paragraph 2 and 5 of Article 19 of these Articles of Incorporation.
3. When amendments (excluding minor changes) are to be made relating to items given in clause 1 of Article 11 of the Act on Authorisation of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (the Act No. 49 of 2006) (hereafter the Act on Authorisation), then approval must be gained from the government agency.
4. Other amendments according to Article 13, paragraph 1 items 1 to 4 of the Act on Authorisation,

must be submitted to the government agency promptly.

(Dissolution)

Article 59

This Institute shall be dissolved if a loss of basic capital results in incapacity to fulfill the purpose of this corporation, or for other reasons under Article 202 of the Corporation Act.

(Donations associated with cancelling etc. of authorisation as a public interest corporation)

Article 60

In the case that the Institute is subject to cancellation of authorisation as a public interest corporation or is dissolved due to a merger (except for when the rights and obligations of the Institute are inherited by a public interest corporation), then after approval by three-fourths or more of the Board of Trustees excluding those who have a vested interest, property equivalent to the remaining amount acquired for public interest purposes shall, within one month of the day of the said cancellation of authorisation as a public interest corporation or of the day of the said merger, be donated to a corporation or to a national or regional public organisation set forth in Article 5, Clause 17 of the Act on Authorisation.

(Attribution of residual assets)

Article 61

The residual assets at the time of the liquidation of the Institute shall, under a resolution by three-fourth of the Board of Trustees excluding those who have a vested interest, be donated to a corporation or to a national or regional public organisation set forth in Article 5, Clause 17 of the Act on Authorisation.

## **Chapter 11 Method of Announcements**

(Method of Announcements)

Article 62

1. The announcements of this Institute shall be made electronically.
2. In the case that electronic announcements in the previous clause cannot be made due to an accident or other unavoidable reason, then announcements shall be made through publication in official reports.

## **Chapter 12 Supplementary Provisions**

(Delegation)

Article 63

Apart from items stipulated in these Articles of Incorporation, necessary matters relating to the operation of this Institute shall be decided by the Chair of the Board of Directors by means of a resolution at the Board of Directors meeting.

### **Supplementary provisions**

1. These Articles shall become effective from the day of registration as a public interest corporation as determined by Article 106 Clause 1 of the Revision Act
2. When registration is carried out of the dissolution of special civil corporation determined by Article 106 Clause 1 of the Revision Act, and registration carried out of the establishment of the public interest corporation (hereinafter “registration for transition”), notwithstanding the provisions in Article 6, then the final day of the business year shall be the day before the date of registration in the case of dissolution, and the date of the start of operations shall be the day of registering establishment.
3. The term of office for the Directors of the special civil corporation shall be terminated at the time of registration for transition, notwithstanding the provisions in Article 22 of the Articles of Association of IGES.
4. The first Directors and Auditors of the Institute shall be as follows:  
Directors – William Glanville, Hironori Hamanaka, Hideyuki Mori, Ikufumi Niimi , Mikio Shoji, Kazuhiko Takeuchi  
Auditors – Ken Hasagawa, Seiichi Kondo
5. The first Representative Director of the Institute shall be Hironori Hamanaka,, and the Operating Director in charge of work implementation shall be Hideyuki Mori.
6. The first Trustees of the Institute shall be as follows:  
Keith Bezanson, Charmine Koda, Shuzo Nishioka, Yasuhiko Okada, Tongroj Onchan, Takejiro Sueyoshi Abdul Hamid Zakri
7. The term of office for the Trustees and Auditors elected at the Board of Trustees meeting in June 2016 shall be as follows:  
The terms of office for the Trustees shall be until the conclusion of the final regular meeting for the Board of Trustees which deals with the last business year ending within five years of being elected.  
The terms of office for the Auditors shall be until the conclusion of the final regular meeting for the Board of Trustees which deals with the last business year ending within three years of being elected.