

## **Donation to be made by FRPAC**

### **Chapter 1 General Rules**

#### **Article 1 Name**

The name of this corporation is the Foundation for Research and Promotion of Ainu Culture.

#### **Article 2 Office**

The main office of this corporation is located at Kita 1-jo, Nishi 7-chome, Chuo-ku, Sapporo, Hokkaido, Japan.

2. This corporation may locate its branch offices by the decision of its Board of Directors.

#### **Article 3 Purpose**

The purpose of this Foundation is to promote Ainu culture and take measures for the dissemination of knowledge (“promotion of Ainu culture”) about Ainu traditions and culture (“Ainu traditions”) to realize a society in which the ethnic pride of the Ainu is respected, and contribute to further development of diverse national cultures.

#### **Article 4 Projects**

This Foundation shall conduct the following projects to accomplish the purposes mentioned in the previous section:

- (1) Training of successors and other projects to promote Ainu culture
- (2) Public relations activities and other dissemination projects concerning Ainu traditions
- (3) Research projects to contribute to the Promotion of Ainu culture
- (4) Projects concerning advice, subsidies and other types of support for people who are engaged in dissemination activities concerning the promotion of Ainu culture and traditions or research to contribute to the promotion of Ainu culture
- (5) Other projects necessary to accomplish the goals of this Foundation

### **Chapter 2 Assets and accounts**

#### **Article 5 Composition of assets**

The assets of this corporation consist of the following:

- (1) Assets mentioned on the inventory at the establishment of FRPAC
- (2) Contributions
- (3) Income accruing on the assets
- (4) Income accompanying business activities
- (5) Other income

#### **Article 6 Types of assets**

The assets of this corporation are in two types basic and working assets.

2. The basic assets consist of the following:

- (1) Assets mentioned on the basic assets section of the inventory at the establishment of FRPAC
- (2) Donations designated to be basic assets
- (3) Working assets that have been decided to be transferred to basic assets by the Board of Directors

3. Working assets are assets other than basic assets.

#### Article 7 Management of assets

Assets of this corporation shall be managed by the Chairman and the method of such management shall be determined separately by the Chairman after resolution by the Board of Directors.

#### 2. Cash included in basic assets must be kept

in a safe and reliable manner, such as a fixed deposit at a post office or a bank, a money trust with a trust company or a purchase of national or public corporate bonds.

**Article 8 Limitation on the disposal of basic assets** Basic assets shall not be disposed of or mortgaged. If it is necessary under unavoidable circumstances related to the implementation of this corporation's activities, however, a part of the basic assets may be disposed of, or a part or all of the basic assets may be mortgaged on condition that it is resolved by two-thirds of the present number of directors at the Board of Directors meeting, consented to by the Board of Trustees and approved by the Minister of Land, Infrastructure and Transport and Minister of Education, Culture, Sports, Science and Technology ("Competent Ministers")

#### Article 9 Payment of expenses

Expenses of this corporation shall be paid from working assets.

#### Article 10 Project planning and budget

Documents concerning this corporation's project planning and accompanying budget shall be prepared by the Chairman. Such documents must be resolved by two-thirds of the present number of directors at the Board of Directors meeting, consented by the Board of Trustees and reported to the Competent Ministers before the beginning of each fiscal year. The same applies when any changes are made to the documents

#### Article 11 Interim budget

Notwithstanding the provisions of the previous article, if the budget is not approved due to unavoidable circumstances, the Chairman may, after the resolution by the Board of Directors, make receipts and payments in accordance with the budget of the previous year until the budget is approved.

#### 2 The receipts / payments stated in the precious paragraph shall be regarded as receipts/payments on the newly approved budgets.

#### Article 12 Business report and settlement of accounts

The business report and settlement of accounts of this corporation shall be prepared by the Chairman in the form of a business report, a statement of income and expenditure a net income increase / decrease plan, a balance sheet or an inventory. Such reports must be inspected by auditors, resolved by two-thirds of the present number of directors at the Board of Directors meeting, consented to by the Board of Trustees and reported to the Competent Ministers within three months from the end of the fiscal year. In this case, if there are any changes in the total amount of assets, such changes shall be registered within two weeks and a copy of the registry book shall be attached to the report.

#### Article 13 Long-term debts

When this corporation is to borrow funds, such borrowing must be resolved by two-thirds of the present number of directors at the Board of Directors meeting, consented to by the Board

of Trustees and approved by the Competent Ministers except for short-term debts that are to be redeemed from the income of the fiscal year.

#### Article 14 Undertaking obligations and waiving rights

If this corporation is to undertake obligations or waive rights excluding those provided under the budget, such undertaking or waving must be resolved by two-thirds of the present number of directors at the Board of Directors meeting, consented to by the Board of Trustees and approved by the Competent Ministers.

#### Article 15 Fiscal year

The fiscal year of this corporation begins on April 1 and ends on March 31.

### Chapter 3 Officials

#### Article 16 Types and number

This corporation shall have the following officials:

- (1) Directors : 11 – 15
- (2) Auditors : 2
2. Out of the Directors, there shall be one Chairman, one Vice Chairman and one Managing Director.

#### Article 17 Appointment

The Directors and Auditors shall be appointed at the Board of Trustees meeting.

2. The Directors shall elect the Chairman, Vice Chairman and Managing Director by mutual vote.
3. The posts of the Directors, Auditors and Trustees shall not be held concurrently by any one person.
4. The total number of any one Director and persons in kinship or any special relationship with the said Director shall not exceed one-third of the total number of Directors.
5. Auditors shall not be in kinship or any special relationship with each other.
6. If there are any changes in Directors, such changes must be registered within two weeks and reported to the Competent Ministers without delay together with a copy of the registry.
7. If there are any changes in auditors, such changes must be reported to the Competent Ministers without delay.

#### Article 18 Duties

The Chairman shall represent this corporation and manage its businesses.

2. The Vice Chairman shall assist the Chairman and, in case of an accident involving or absence of the Chairman, shall execute the duties of the Chairman.
3. The Managing Director shall assist the Chairman and Vice Chairman and administer the management of this corporation and, in case of an accident involving or absence of the Chairman or Vice Chairman, shall execute the duties of the Chairman or Vice Chairman.
4. The Directors shall constitute the Board of Directors, which resolves and executes businesses of this corporation in accordance with these Donations
5. The Auditors shall execute the following duties:
  - (1) Inspection of assets and accounts
  - (2) Inspection of the management condition of Directors
  - (3) In the event that irregularities or inadequacy are detected with regard to property,

accounts or the execution of duties, it shall be reported to the Board of Directors, the Board of Trustees or the State Minister in charge.

- (4) Convocation or request for convocation of the Board of Directors and Board of Trustees meetings when necessary for the report of the previous paragraph.

#### Article 19 Term of office

The term of office of each Official shall be two years. an Official may, however, be reappointed.

2. The term of office of an Official appointed as a substitute or after an increase of Officials shall be the remaining term of the previous or present Officials.
3. An Official must fulfill his / her duties after his / her resignation or end of his / her term until his / her successor is installed.

#### Article 20 Dismissal

If one of the following applies to an Official, the Official may be dismissed by the resolution of two-thirds of the present number of Directors and Trustees at the Board of Directors and Board of Trustees meetings, respectively. In this case, an opportunity for an explanation must be given to the Official before the resolution at the Board of Directors and Board of Trustees meetings.

- (1) If an Official is considered to be unable to execute his / her duties due to a mental or physical problem
- (2) If an Official is considered to be conducting breach of duty or other improper acts for an Official.

#### Article 21 Remuneration

Official shall serve without pay. Full-time Official may, however, be gainfully occupied.

2. Expenses incurred by an Official may be reimbursed.
3. Matters necessary in relation to Paragraph 2 above shall be determined separately by the Chairman after the resolution by the Board of Directors.

### Chapter 4 Board of Directors

#### Article 22 Board of Directors

The Board of Directors shall consist of the Directors.

#### Article 23 Authority

The Board of Directors shall resolve and execute significant matters concerning the businesses of this corporation in addition to matters separately provided in these Donations.

#### Article 24 Types and holding

The Board of Directors meetings shall be ordinary or extraordinary meetings.

2. Ordinary meetings shall be held twice yearly.
- 3 Extraordinary meetings shall be held when one of the following is applicable:
  - (1) When the Chairman deems it necessary,
  - (2) when more then one-third of the present number of Directors request the convocation of a meeting in writing with mention of the purpose of the meeting, or
  - (3) when the Auditors convene or request to convene a meeting in accordance with the

provisions under Paragraph 4, Section 5 of Article 18.

#### Article 25 Convocation

The Board of Directors meeting shall be Convened by the Chairman or the Auditors

2. The Chairman must convene an extraordinary meeting within 14 days if a request is made in accordance with Paragraph 2 or 3 of the previous article.
3. When convening a Board of Directors meeting, the holding of such a meeting must be reported in writing at least seven days before the meeting, with mention of the date, place, purpose and matters to be discussed. In case of an emergency, however, a meeting may be convened by a method determined by the Board of Directors in advance.

#### Article 26 Chairman

The Board of Directors shall be chaired by the Chairman.

#### Article 27 Quorum

A Board of Directors meeting shall only be held with the attendance of at least two-thirds of the present number of Directors.

#### Article 28 Resolutions

Proceedings of the Board of Directors meeting shall be resolved in accordance with the separate provisions of these Donations, as well as by a majority of the Directors present. In case a tie, the Chairman shall decide the issue.

#### Article 29 Vote in writing

If a Director may not attend a Board of Directors meeting under unavoidable circumstances, he / she may vote in writing concerning matters that have been communicated in advance or may delegate another Director with their vote.

2. In the case of the paragraph above, the said Director shall be considered present concerning the application of provisions under the two previous articles.

#### Article 30 Minutes

The Minutes of a Board of Directors meeting containing the following matters must be prepared:

- (1) Date and place
  - (2) Present number of Directors, the number and names of Directors present (in case of vote by writing or proxy, it must be mentioned)
  - (3) Matters that were discussed and resolved
  - (4) Outline of the process and results of proceedings
  - (5) Matters concerning the appointment of the signers of the minutes
2. The Minutes must be signed and sealed by the Chairman and two or more signers appointed at the meeting

### Chapter 5 Trustees and the Board of Trustees

#### Article 31 Trustees

This corporation shall have 15 to 18 Trustees

2. Trustees are selected at a Board of Directors meeting and commissioned by the Chairman.

3. Provisions under Articles 19, 20 and 21 are applicable to the Trustees. In this case, "Officials" under these Articles shall be read as "Trustees."

#### Articles 32 Board of Trustees

The Board of Trustees shall consist of Trustees.

2. The Board of Trustees meeting shall be convened by the Chairman or the Auditors.
3. The Chairman of the Board of Trustees shall be selected by mutual vote of the Board of Trustees.
4. The Board of Trustees shall discuss and give advice on necessary matters provided separately in these Donations and in response to a request for advice from the Chairman.
5. Provisions under Article 27 to 30 shall be applicable to the Board of Trustees. In this case, the "Board of Directors" shall be read as the "Board of Trustees" and "Directors" as "Trustees."
6. In addition to matters provided under the Paragraphs above, other necessary matters Concerning the management of the Board of Trustees shall be determined by the Board of Directors.

#### Chapter 6 Supporting members

##### Article 33 Supporting members

This corporation shall have supporting members.

2. Supporting members shall approve the purposes of this corporation.
3. Supporting members shall pay annual membership fees determined by the Board of Directors.

#### Chapter 7 Changes to Donations and dissolution

##### Article 34 Change to Donations

Changes to these Donations may only be made by resolution of at least three-fourths of the present number of Directors and Trustees at the Board of Directors and Board of Trustees meetings, respectively, as well as by obtaining approval of the Competent Ministers.

##### Article 35 Dissolution

This corporation may be dissolved in accordance with the provisions under Paragraphs 2, 3 and 4, Section 1, Article 68 of the Civil Law, and by resolution of at least three-fourths of the present number of Directors and Trustees at the Board of Directors and Board of Trustees meetings, respectively, as well as by obtaining approval of the Competent Ministers.

##### Article 36 Disposal of remaining assets

Assets remaining at the time of dissolution of this corporation shall be donated to an organization with a purpose similar to that of this corporation, upon resolution of at least three-fourths of the present number of Directors and the Board of Trustees meetings, respectively, as well as by obtaining approval of the Competent Ministers.

#### Chapter 8 Secretariat

##### Article 37 Establishment

The Secretariat shall be established to manage business activities of this corporation.

2. The Secretariat shall have a Secretary General and necessary staff members.
3. The Secretary General and staff members shall be appointed / dismissed by the Chairman.
4. Necessary matters concerning the organization and management of the Secretariat shall be determined separately by the Chairman after resolution by the Board of Directors.

#### Article 38 Documents and account books kept on file

The following account books and documents must be kept on file at the office at all times.

- (1) Donations
- (2) List and curricula vitae of the Directors, Auditors, Trustees and staff members
- (3) Document concerning permits, licenses and registers
- (4) Documents concerning proceedings of organizations provided under the Donations
- (5) Account books and documentary evidence concerning income and expenditure
- (6) Documents indicating the conditions of assets, liabilities and net worth
- (7) Other necessary account books and documents

#### Chapter 9 Supplementary rules

##### Article 39 Entrustment

Matters provided under these Donations and other necessary matters concerning the management of this corporation shall be determined separately by the Chairman after resolution by the Board of Directors.

##### Supplementary provisions

1. These Donations shall be enforced on the day of the permission of establishment of this corporation.
2. Officials and Trustees at the establishment of this corporation shall be determined by the founder notwithstanding Sections 1 and 2 of Article 17 or Section 2 of Article 31. Their term of office shall be until March 31, 1999 notwithstanding Section 1 of Article 19 or the provisions of Section 1, Article 19, which are applied under Section 3 of Article 31.
3. The project plan and budget for the year of establishment of this corporation shall be determined by the founder notwithstanding the provisions under Article 10.
4. The fiscal year for the first year of establishment of this corporation shall be from the date of permission of its establishment to March 31, 1998, notwithstanding the provisions under Article 15.

##### Supplementary provision

These Donations shall be enforced as of January 6 ,2001.