

(English translation)

**Rules
of the
Association of
Corporate Legal
Departments**

Date of Issue April 13, 1971

Latest Edition May 22, 2006

RULES

Date of Issue April 13, 1971
Amendments May 17, 1971, May 15, 1974, May 25, 1977, January 23, 1979, May 21, 1979, May 26, 1981, May 26, 1982
December 8, 1983, May 22, 84, May 25, May 31, 1992, May 22, 2006

CHAPTER 1. GENERAL PROVISIONS

Article 1 (Name)

The name of this association shall be "Keiei Hoyu kai" (the "**Association**") and, in English, "The Association Of Corporate Legal Departments".

Article 2 (Purposes)

As an organization consisting of members of the corporate legal departments, the purposes of the Association are: (a) to conduct research on various laws and issues relating to corporate legal practice; (b) to engage in activities contributing to the development of the legal system in Japan from the perspective of corporate legal practice; and (c) to improve the skill of legal staff to fulfill the function of the legal department, thereby contributing to the sound development of corporate management.

Article 3 (Activities)

The Association shall engage in the following activities to achieve its purpose stated in the preceding Article.

- (1) Research and study of laws, regulations and other related issues relevant to corporate legal practice
- (2) Activities contributing to the improvement and development of the legal system of Japan from the perspective of corporate legal practice
- (3) Research, studies and other related activities beneficial to the development of legal departments
- (4) Assistance with the education of legal staff
- (5) Gathering and providing information on corporate legal practice
- (6) Other business activities necessary to achieve the purposes of the Association

Article 4 (Operations)

1. The activities of the Association shall be conducted by the legal staff of the Members
2. The Members shall, upon the request of the Association, encourage their legal staff to actively participate in the operation of the Association.

CHAPTER 2. MEMBERSHIP

Article 5 (Members)

1. Membership of this Association, in principle, shall be limited to companies with corporate legal departments that have completed the application procedure defined in Article 6.
2. All Members are eligible to participate in all activities arranged by the Association and shall receive the full benefit of Association membership through participation in such activities.

Article 6 (Admission and Withdrawal)

1. A company wishing to be admitted to the Association shall submit an application form to the Board of Directors for its approval.
2. Any Member may withdraw from the Association by submitting a notice to the Board of Directors.

Article 7 (Termination of Membership)

Members shall lose their membership upon any of the following:

- (1) Withdrawal from the Association
- (2) Dissolution of a company
- (3) Expulsion by a resolution of the Board of Directors due to; breach of membership obligation acting against the objectives of the Association or, harming the reputation of the Association.

CHAPTER 3. OFFICERS

Article 8 (Directors)

1. The Association shall have not more than thirty-five (35) Directors.
2. Directors shall be elected from candidates at a General Meeting.
3. Candidates for Directors shall be elected from the legal staff of the Members. The Board of Directors may select candidates from the legal staff of non-Members if they deem it necessary.
4. The Board of Directors shall fill any vacancy of Directors when the Board considers it necessary. A Director so elected shall serve only for the remainder of the unexpired term.
5. The term of office for a Director shall be two (2) years, and they may be reappointed.
6. Directors shall serve on Committees as decided by the Board of Directors.

Article 9 (Chairperson and Vice Chairperson)

1. The Association shall have one Chairperson and several Vice Chairpersons.
2. The Chairperson and Vice Chairperson shall be elected from the Directors at the meeting of the Board of Directors.

3. The Chairperson shall convene and chair the General Meeting and meetings of the Board of Directors, shall act as a representative and shall supervise the operations of the Association.
4. The Vice Chairperson shall assist the Chairperson and shall carry out the duties of the Chairperson in the event that the Chairperson is incapacitated or absent in accordance with an order previously determined by the resolution of the Board of Directors.

Article 10 (Auditors)

1. The Association shall have two (2) Auditors to audit the accounts of the Association.
2. Auditors shall be elected from candidates at a General Meeting.
3. Candidates for Auditors shall be elected from the legal staff of the Members and the means of election shall be determined at the meeting of the Board of Directors
4. The Board of Directors shall fill any vacancy of Auditor. An Auditor so appointed shall serve only for the remainder of the unexpired term.
5. Fiscal statements of the Association must be audited by the Auditors.
6. The Auditors may participate in the meeting of the Board of Directors and General Administration Committee and deliver their opinions.
7. The term of office for an Auditor shall be two (2) years, and they may be reappointed.

Article 11 (Manager and Deputy Managers of each Committee)

1. Each Committee shall have one Manager and several Deputy Managers.
2. The Manager and the Deputy Managers shall be appointed from the Directors by the Chairperson with the approval of the Board of Directors.
3. The Manager shall call and preside over each Committee and oversee the Committee's operations in line with annual business plan and budget approved at the General Meeting.
4. The Deputy Managers shall assist the Manager and shall carry out the duties of the Manager in the event that the Manager is incapacitated or absent
5. The term of office for Manager and Deputy Managers shall be two (2) years from the time of delegation. They may be reappointed.
6. The Chairperson of the Board of Directors shall fill any vacancy of Manager or Deputy Manager with the approval of the Board of Directors. A Manager or Deputy Manager so appointed shall serve only for the remainder of the unexpired term.

Article 12 (Sub-Directors)

1. Each Committee shall consist of Directors and Sub-Directors.
2. The Sub-Directors shall be appointed from the legal staff of the Members by the Manager with the approval of the Board of Directors.
3. The term of office of the Sub-Directors shall be until the close of the General Meeting held within one (1) year of their appointment, and they may be reappointed.
4. The Sub-Directors shall perform their duties under the supervision of the Manager and the Deputy Managers.

Article 13 (Councilors)

1. The Association shall have several Councilors.
2. Councilors shall be appointed by the Board of Directors from those with distinguished contribution to the activities of the Association.
3. The term of office for the Councilors shall expire at the close of General Meeting within one year of their appointment. They may be reappointed.
4. Councilors may deliver their opinions and advice to the Board of Directors at the meeting of the Board of Councilors and may participate in the activities of the Association.

CHAPTER 4. ORGANIZATIONS

Article 14 (General Meeting)

1. A General Meeting of the Association shall be held once a year and in addition, special meetings may be called as needed.
2. General Meeting shall be convened by the Chairperson. A notice of the meeting including date, time, location, purpose and the items of business must be delivered to the Members not less than two week prior to the meeting date.
3. The attendance of at least one-third of all Members shall be required to hold the General Meeting.
4. The Chairperson shall serve as the Chairperson of the General Meeting.
5. The General Meeting shall make decisions on the following matters: (a) election of the Directors and Auditors; (b) approval of business report and business plan; (c) approval of financial results and budget; (d) amendment to the Articles, (e) dissolution of the Association; and (f) any other matters deemed necessary by the Board of Directors.
6. Members exercising their voting rights either by other Members or by the Chairperson as a proxy shall be deemed present at the General Meeting.
7. The number of voting rights is one vote per one Member.
8. Resolutions of the General Meeting shall be adopted by a majority of votes by the Members who are entitled to vote with the Chairperson having the casting vote in case of any tie.

Article 15 (Board of Directors)

1. The Board of Directors shall consist of one (1) Chairperson, Vice Chairpersons and Directors. Meetings of the Board of Directors shall be held once every month and in addition, may be called at any time whenever necessary.
2. Meetings of the Board Directors shall be convened and chaired by the Chairperson of the Board.
3. Meetings of Board of Directors shall require a quorum of at least one-third of all members of the Board of Directors in attendance.
4. The Board of Director shall decide on the following matters: (a) approval of admission

and withdrawal of membership and expulsion of Members; (b) election of the Chairperson and Vice Chairpersons; (c) appointment of officers to fill any vacancy; (d) establishment and abolishment of any Committee and Sub Committee; (e) approval of draft business reports and draft business plans; (f) approval of the financial results and budget to be submitted to the General Meeting; and (g) decisions on any other policies or important matters of the Association.

5. The Board of Directors may, in addition to those provided for in these Articles, establish rules and regulations setting out specific standards necessary for implementing the activities of the Association.
6. A resolution of the Board of Directors shall be adopted by the majority of votes of the Directors present, with the Chairperson having the casting vote in case of any tie.
7. The Auditors shall attend the meeting of the Board of Directors and state their opinion.

Article 16 (Board of Councilors)

1. The Association shall have the Board of Councilors as an advisory body to the Board.
2. The Board of Councilors shall consist of Councilors.
3. A meeting of the Board of Councilors shall be convened by the Chairperson at the request of the Board of Directors.
4. A meeting of the Board of Councilors shall be held at least once a year.

Article 17 (Committees)

1. The following Committees shall be established under the supervision of the Board of Directors to decide and implement specific measures to achieve the purposes of the Association:
 - (1) General Administration Committee
 - (2) Seminar Committee
 - (3) Research Committee
 - (4) Education Committee
 - (5) Osaka Committee
2. Each Committee shall consist of Manager, Deputy Manager, Directors and Sub-Directors.
3. The General Administration Committee shall be responsible for financial affairs, external affairs, public relations and enhancement of the organization, other matters related to general affairs, and matters contributing to the enhancement and improvement of the functions of the legal departments.
4. The Seminar Committee shall be responsible for the planning and organizing lectures and seminars for the Members in a timely manner
5. The Research Committee shall be responsible for research and survey conducted by the Members either for public presentation or exclusive to members.
6. The Education Committee shall be responsible for planning and managing educational programs for Members.
7. The Osaka Committee shall be responsible for the planning and managing activities of the Association in the Kansai region.

Article 18 (Sub Committee)

1. Each Committee may establish Sub Committees as and when required subject to the approval of the Board of Directors
2. The criteria to approve the establishment of a Sub Committee shall be separately determined by the Board of Directors.

Article 19 (Secretariat)

1. The Association shall have a Secretariat with a Secretary General and staff to perform the day-to-day administration and operation.
2. The Secretary General shall control the Secretariat and lead its staff in close coordination with the Officers of the Association.
3. The Secretary General and Secretariat staff may attend meetings of the Board of Directors and any Committee and state their opinions.
4. The Association shall delegate its secretariat services including the election of the Secretary General and recruitment of Secretariat staff to “*Shadan Hojin Shoji Houmu Kenkyuka*” (Commercial Law Center, Inc.).

CHAPTER 5. ACCOUNTING

Article 20 (Enrollment Fee)

Members must pay 50,000 yen as an enrollment fee.

Article 21 (Membership Fees)

1. Annual Membership Fees shall be 150,000 yen each year.
2. Fees may be payable in two installments upon request.
3. Annual Membership Fees once paid shall not be refunded in any event including in case of termination of membership.
4. If deemed necessary at the Board of Directors, extra fees in addition to the Annual Membership Fees may be collected following the approval at the General Meeting.

Article 22 (Fiscal Year)

The fiscal year of the Association shall be from April 1 through March 31 of the next year.