

This is an English translation for information purposes only. The Japanese original shall serve as legally binding.

Articles of Incorporation

Effective: February 9, 2011

Partially revised: August 3, 2011

Partially revised: September 18, 2013

Partially revised: April 16, 2015

Chapter 1 General Provisions

(Name)

Article 1

1. The name of this association shall be General Incorporated Association FLIP Consortium.
2. The English name of this association shall be the FLIP Consortium.

(Address of Head Office, etc.)

Article 2 This association's address of head office shall be Kyoto City, Kyoto, Japan.

(Aim and Activities)

Article 3 The aim of this association is to promote academic and engineering science through research and development on upgrading and the advanced use of the computer program Finite Element Analysis of Liquefaction Program ("FLIP"), thereby advancing the state-of-practice in evaluating seismic performance of social infrastructures. This association shall be engaged in the following activities worldwide:

- (1) Research and development on upgrading FLIP and promoting advanced applications thereof;
- (2) Distributing FLIP and related manuals, allowing the use of FLIP within this association, hosting seminars for beginners and workshops/working groups for advanced users, and offering general technical support on FLIP;
- (3) Promoting sales of FLIP to third parties and providing general technical support in relation therewith;
- (4) Performing analysis and investigation using FLIP; and
- (5) Other activities for achieving the objectives of this association.

(Means of Notification)

Article 4 Notification by this association shall be made electronically. In case electronic means are not available for notification due to accident or other unavoidable reasons, it shall be made via the official gazette.

(Organizational Structure)

Article 5 This association shall have a council and an auditor.

Chapter 2 Members

(Types of Members)

Article 6

1. The members of this Association shall be the following five types and the regular members and the special advisors shall be the voting members under the Act on General Incorporated Associations and General Incorporated Foundations (“the Associations Act”):

- (1) Regular members: Juridical persons in Japan who endorse the aim of and have joined this association and have records of advanced use of FLIP, extensive transaction with this Association, and high performance in the research and development of FLIP;
- (2) Special advisors: Of the persons with experience and academic standing, etc., who endorse the aim of and have joined this association, persons who execute the activities of this Association;
- (3) General members: Juridical persons or individuals in Japan who endorse the aim of and have joined this association; and have records of advanced use of FLIP, extensive transaction with this Association, and high performance in the research and development of FLIP;
- (4) Advisors: Persons of experience and academic standing, etc., who endorse the aim of and have joined this association and give academic guidance and advice on the activities of this association.
- (5) User members: Juridical persons or individuals in Japan or overseas who endorse the aim of and have joined this Association.

2. In paragraph 1 of this article, juridical persons or individuals in Japan or overseas shall be defined by the following provisions:

- (1) Individual in Japan: a natural person who has Japanese nationality and is domiciled or resident in Japan.
- (2) Juridical person in Japan: an entity which has been established by the laws and regulations of Japan and has its principal business office in Japan.

- (3) Individual in Overseas: a natural person who is not the individual in Japan as defined by item (1) in this paragraph.
- (4) Overseas juridical person: a juridical person who is not the juridical person in Japan as defined by item (2) in this paragraph. Overseas subsidiaries, branches and offices of juridical persons in Japan are included in the overseas juridical persons.

In the items (1) and (2) in this paragraph, such juridical persons or individuals are excluded that, as deemed by this Association, are directly or indirectly governed by overseas juridical persons.

(Admission to the Association)

Article 7

1. Persons wishing to become regular, general or user members of the association shall submit an application form as set out separately by the council, and obtain the approval of the council for regular and general members and of the president or the director in charge for the admission of user members.
2. Special advisors and advisors of this association shall be recommended by the council, without any application form, and a consent of the recommended persons must be obtained for such persons to become a member.
3. Paragraph 1 of this Article shall be accordingly applied to a change of membership from one type to another.

(Obligation to Bear Operating Expenses)

Article 8 Regular, general and user members shall bear the admission fee and the annual membership dues as set out separately by the general meeting of members.

(Obligation of Management)

Article 9

1. The members and the former members of this association shall not transfer any duplicate of FLIP (including modification or derivative made by the members, hereinafter the same) to a third party nor permit a third party to use FLIP.
2. The members and the former members of this association shall be obliged to maintain FLIP so as to prevent the unauthorized transfer of FLIP to any third party.

(Exemption from Liability)

Article 10 In no event shall this association be liable to the members and the former members of this association for any reason whatsoever, regarding any damage caused by the use of FLIP.

(Withdrawal from Membership)

Article 11 The members are free to withdraw from the membership at any time by submitting a notice of withdrawal in the form as set out separately by the council.

(Expulsion)

Article 12 If any of the following applies, such member may be expelled from the association by a special resolution of the general meeting of members as set out in paragraph 2 of Article 21:

- (1) In the event of a breach of this Articles of Incorporation or other regulations;
- (2) In the event of any act damaging the reputation of this association, or contrary to the aims of this association; or
- (3) Other events that warrant the expulsion.

(Loss of Eligibility)

Article 13 In addition to the events set forth in the preceding two articles, a member shall lose its eligibility if any of the following applies:

- (1) Failure to pay membership dues for one year or more;
- (2) Upon agreement by all voting members; or
- (3) In the event of death or dissolution of such member.
- (4) In the event that a member no longer satisfies the requirements for qualifying the type of members set forth in the Articles of Incorporation or other rules of this Association. However, a member is allowed to be a member of other type, if the member meets the requirements for qualifying the other type and the change of type of members is approved by this Association as set forth in Article 7.

(Rights and Obligations after Loss of Membership)

Article 14

1. A member who is forfeited of its membership in accordance with the preceding three articles shall be denied the rights of and freed from obligations as a member of this association. A voting member who is forfeited of its membership shall lose its status as a voting member under the Association Act. However, the member who has lost its membership will be able to continue its own use of FLIP, limited to the version of FLIP upgraded or enhanced during its membership. No exemption may be granted to a member for any obligations already incurred but not yet carried out at the time of loss of membership.
2. This Association shall not refund the admission fee already paid in the event of membership forfeit.

Chapter 3 General Meeting of Members

(Types)

Article 15 The types of general meeting of members of this association shall be the regular general meeting of members and the special general meeting of members.

(Composition)

Article 16 The general meeting of members shall be composed of all the voting members.

(Authority)

Article 17 The general meeting of members has the power to adopt resolutions on the matters listed below:

- (1) Admission criteria, and the amount of membership dues and admission fees;
- (2) Expulsion of a member;
- (3) Appointment and dismissal of the directors and auditors;
- (4) The amount of or rules for remuneration to the directors and auditors;
- (5) Approval on balance sheet and statement of earnings for each fiscal year;
- (6) Revision of the Article of Incorporation;
- (7) Disposal of surplus assets;
- (8) Dissolution;
- (9) Items which the council has placed on the agenda for general meeting of members;
and
- (10) Other than the matters set forth in each of the preceding items, matters stipulated by laws and regulations and this Articles of Incorporation.

(Convening of the General Meeting)

Article 18 A regular general meeting of members shall be held annually, within three months after the end of each fiscal year. The special general meeting of members shall be held when necessary.

(Convocation)

Article 19 The general meeting of members shall be convened by the president based on the resolution of the council, unless specified otherwise by laws or regulations.

(Chairperson)

Article 20 The chairperson of the general meeting of members shall be the president. In the event of the president's incapacity due to accidents or otherwise, the chairperson shall be

elected from the directors or voting members present at such general meeting of members, in the order of the directors and then the voting members present at such general meeting of members.

(Resolution)

Article 21

1. Unless otherwise specified by laws or regulations or the Articles of Incorporation, the adoption of resolutions of the general meeting of members shall be made by a majority vote of the attending voting members and a quorum of attendance of the majority of the voting members.
2. Notwithstanding the preceding paragraph, the adoption of the following matters requires the consent two thirds or more of the votes of the attending voting members and a quorum of attendance of the majority of the voting members, as a special resolution:
 - (1) Expulsion of a member;
 - (2) Revision of the Articles of Incorporation;
 - (3) Dissolution; and
 - (4) Any other matter stipulated by laws or regulations.
3. The number of voting members with a delegation of exercising voting right in accordance with the provisions of Article 23 shall be included in the number of voting members present at the meeting.
4. In resolving agendas on the appointment of director, a resolution on each candidate in accordance with paragraph 1 shall be adopted.

(Voting Rights)

Article 22 Each voting member shall each have the right to one vote.

(Proxy)

Article 23

1. A voting member shall be entitled to appoint another voting member as proxy to vote on its behalf in the event such voting member cannot attend the general meeting of members.
2. In the case set forth in the preceding paragraph, such voting member or proxy shall submit a document proving the power of proxy to this association.

(Minutes)

Article 24 The minutes of the general meeting of members shall be recorded in accordance with laws and regulations.

Chapter 4 Officers

(Officers)

Article 25

1. This association shall appoint the following number of officers:
 - directors: three persons or more; and
 - auditors: one person or more.
2. One of the directors shall be appointed as the representative director and the representative director shall be the president.
3. A number of executive directors may be appointed from among the directors.

(Appointment)

Article 26

1. The directors and auditors of this association shall be appointed by the resolution of the general meeting of members.
2. The president shall be appointed from among the directors by the resolution of the council.

(Restriction in Appointment of Directors)

Article 27

1. The number of the directors in marital status or within the third degree of relationship or in other special relationship with a director of this association shall not exceed one third of the total number of the directors. The same applies to auditors.
2. An auditor shall not concurrently serve as a director or employee of this association or a subsidiary of this association.

(Administrative Authority of Directors)

Article 28

1. The president shall represent this association and execute his duties.
2. The president and each of the executive directors shall execute the duties of this association as prescribed by the resolution of the council.
3. The president and each of the executive directors shall report to the council on the status of the execution of their duties two times or more with an interval of a period of more than four months for each fiscal year.

(Administrative Authority of Auditors)

Article 29

1. The auditors shall inspect the execution of duties of the director and prepare audit reports in accordance with laws and regulations.

2. The auditors may ask the directors or employees to report on the business and review the status of the activities and assets of this association at any time.

(Term of Office)

Article 30

1. The term of office of a director shall end at the time of adjournment of the regular general meeting of members for the last fiscal year that ends within two calendar years after the appointment. The reappointment of a director shall not be precluded.
2. The term of office of an auditor shall end at the time of adjournment of the regular general meeting of members for the last fiscal year that ends within two calendar years after the appointment. The reappointment of an auditor shall not be precluded.
3. The term of office of a director or auditor filling vacancy shall end at the expiration of the term of office of the predecessor.
4. In the event the number of directors fails to meet the quota of directors as a result of retirement of a director at the full term or in the halfway, the rights and obligations of a director shall remain with him until a new person is appointed and accepts the office.

(Dismissal)

Article 31 An officer may be dismissed by a resolution of the general meeting of members. The dismissal of an auditor shall require a resolution specified in paragraph 2 of Article 21.

(Remuneration, etc.)

Article 32 Remuneration, bonuses, or other compensation received from this association for the execution of duties of officers (hereinafter “Remuneration, etc.”) shall be determined by a resolution of the general meeting of members.

(Partial Exemption or Limitation of Liability)

Article 33

1. If requirements under laws and regulations are met, this association shall be able to release the indemnity liability of officers set forth in paragraph 1, Article 111 of the Association Act subject to a resolution of the council, to the extent of the amount computed by deducting the minimum amount of liability specified in the laws and regulations from the amount of the indemnity liability.
2. This association shall be able to conclude with an outside director an agreement to limit the indemnity liability due to acts under Article 111 of the Association Act based on Article 115 of the same Act. The amount of limitation of liability under such agreement shall be the amount specified in laws and regulations.

Chapter 5 Council

(Composition)

Article 34 The council shall be comprised of all directors.

(Authority)

Article 35 The council shall execute the following duties in addition to those specified in laws and regulations and the Articles of Incorporation:

- (1) Determination of date, time, venue and the matters to put in agenda of the general meeting of members;
- (2) Enactment, amendment or abolishment of regulations;
- (3) Decisions on execution of the activities of this association other than each of the items specified above;
- (4) Supervising the execution of duties by the directors;
- (5) Appointment and dismissal of the president; and
- (6) Approval of admission and changes of types of members specified in Article 7 of the Articles of Incorporation.

(Convocation)

Article 36

1. The council shall be convened by the president unless otherwise specified in laws or regulations. In the event of incapacity of a president due to reasons such as accidents, by another director shall convene the council.
2. The directors other than the president may request the president to convene the council by indicating the matters which are the purposes of the meeting.
3. When the auditors deem it to be necessary, the auditors may request the president to convene the council.

(Chairperson)

Article 37 The council shall be chaired by the president unless otherwise specified in laws and regulations.

(Resolutions)

Article 38 The adoption of resolutions of the council requires the consent of the majority of the directors attending the meeting with a quorum of the majority of the directors being present.

(Omission of Resolutions and Reports)

Article 39

1. If a director proposes a matter which is the purpose of resolution by the council to be resolved by the council and all the directors who are able to participate in the resolution of such proposal express their consent in writing or by electronic means, the proposal shall be deemed to have been resolved by the council. However, this shall not apply if an auditor objects.
2. If a director or auditor makes a report on the matters to be reported at the council to all directors and auditors, such matters are not required to be reported at the council. However, this shall not apply for the report on the matters specified in paragraph 3 of Article 28.

(Minutes of Meeting)

Article 40

1. The minutes of the meetings of the council shall be made in accordance with laws and regulations.
2. The directors and auditors who attended the council shall sign or affix their names and seals to the minutes in the preceding paragraph.

(Delegation of Authority)

Article 41 The matters necessary to execute the activities of this association other than those specified in the Articles of Incorporation shall be set forth separately by the resolution of the council.

Chapter 6 Funds

(Offering of Contribution of Funds)

Article 42 The association may offer contributions of funds.

(Rights of Contributors)

Article 43 The funds contributed shall not be returned before the due date agreed upon with the contributor.

(Procedures for Returning Funds)

Article 44 The return of funds to the contributors shall be made in accordance with the resolution of the council after the total amount of funds to be returned is resolved by the regular general meeting of members.

Chapter 7 Accounts

(Fiscal Year)

Article 45 The fiscal year of the association shall be from July 1 to June 30 of the next year for each year, annually.

(Business Plan and Budget)

Article 46

1. The business plan and budget of this association consisting of the following documents shall be prepared by the date before the first date of every fiscal year by the president and approved by the council. The same shall apply to the amendment of the business plan and budget:
 - (1) Business plan;
 - (2) Budget; and
 - (3) Documents prescribing the expected financing arrangements and capital investments.
2. Notwithstanding the preceding paragraph, in the event the budget is not approved due to unavoidable reasons, the president may, in accordance with the resolution of the council, execute the earnings and spendings based on the budget of the previous fiscal year until the date the budget is approved.
3. The execution of the earnings and spendings stated in the previous paragraph shall be regarded as the earnings and spendings of the newly approved budget.

(Business Reports and Settlement of Accounts)

Article 47

1. The business reports and settlement of accounts of this association for a particular fiscal year consisting of the following documents shall be prepared after every fiscal year by the president to be audited by the Auditor and approved by the council:
 - (1) Business report and supporting schedules; and
 - (2) Balance sheet and statement of earnings and supporting schedules thereof.
2. The business report shall be submitted and reported to the regular general meeting of members by the president.
3. The balance sheet and statement of earnings shall be submitted to the regular general meeting of members by the president and shall be approved by the regular general meeting of members.
4. The documents reported or approved in accordance with this article and the audit reports shall be kept at the main office for five years, and the Articles of Incorporation and list of voting members shall also be kept at the main office.

(Prohibition of Dividend of Surplus)

Article 48 This association shall not distribute dividend of surplus.

Chapter 8 Dissolution

(Residual Assets)

Article 49 When dissolving the association, the attribution of the residual assets of this association shall be made by a resolution of the general meeting of members to the Public Interest Incorporated Associations, Public Interest Incorporated Foundations, or other Associations listed in (a) through (g) of item 17, Article 5 of in the Act on Authorization of Public Interest Incorporated Associations, Public Interest Incorporated Foundations.

Supplementary Provisions

The Articles of Incorporation shall be applied from April 1, 2011 and shall be effective from August 3, 2011.

Supplementary Provisions

The Articles of Incorporation shall be applied and effective from September 18, 2013.

Supplementary Provisions

1. The Articles of Incorporation shall be applied from April 16, 2015 and shall be effective from July 1, 2015.
2. For the member who had already been a member at the time of the enforcement of the Articles of Incorporation as set forth in the preceding paragraph, the definitions of types of membership in Article 6 shall remain the same as those given in the Articles of Incorporation applied and effective from September 18, 2013.