

FLIP Consortium Overseas Membership Terms and Conditions

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These FLIP Consortium Overseas Membership Terms and Conditions (these “Terms and Conditions”) set forth the terms and conditions for the rights and obligations between the General Incorporated Association FLIP Consortium (the “FLIP Consortium”) and (i) the Overseas Member or (ii) the Applicant or Readmission Applicant defined in Article 2.

Article 1. Introduction

1. The aim of the FLIP Consortium is to promote academic and engineering science through research and development on upgrading and the advanced use of the computer programs “Finite Element Analysis Program of Liquefaction Process/Response Of Soil-Structure Systems during Earthquakes” (the “FLIP ROSE® Program”) and “Finite Element Analysis Program of Liquefaction Process/Total and Upscaled Lagrangian Analysis Program of Liquefaction Process” (the “FLIP TULIP® Program”), thereby advancing the state-of-practice in evaluating seismic performance of social infrastructures. The FLIP Consortium will be engaged worldwide in the activities as set forth in Article 3 in the Articles of Incorporation of the FLIP Consortium (the “Articles of Incorporation”).
2. The Overseas Member, the Applicant and the Readmission Applicant shall agree to and abide by these Terms and Conditions.
3. The FLIP Consortium will provide the FLIP Member Services defined in Item 7 of Article 2 to the Overseas Member in accordance with these Terms and Conditions.

Article 2. Definitions

1. The “Overseas Juridical Person” shall mean the same overseas entity as the Overseas Juridical Person defined by Article 6 of the Articles of Incorporation.
2. The “Applicant” shall mean Overseas Juridical Person or Individual in Overseas as defined by

Article 6 of the Articles of Incorporation who endorses the aim of the FLIP Consortium and applies for admission to Overseas Membership.

3. The “Readmission Applicant” shall mean the Applicant who once withdrew from the membership as set forth in Article 11 of the Articles of Incorporation (except for special advisors and advisors) and applies for readmission to Overseas Membership.
4. The “Overseas Member” shall be the Applicant or the Readmission Applicant who obtained the approval of the FLIP Consortium to its admission or readmission to Overseas Membership as set forth in Article 3 before October 6, 2023. The Overseas Member will be a member of a sub-group of the “User Members” of the FLIP Consortium. The change from Overseas Membership to another type of membership shall not be allowed except for the cases defined in Item 4 of Article 3.
5. The “Overseas Membership” shall be granted to the Overseas Member subject to the provisions of these Terms and Conditions. The rights of Overseas Member as set forth in Article 6 shall be only effective in and shall be limited to each country or region-equivalent (as adopted by the Olympic Games) where the Overseas Member resides or the principal office of the Overseas Member is located. The rights of Overseas Member as set forth in Article 6 shall be only effective in and shall be limited within the Overseas Juridical Person of the Overseas Member, excluding subsidiaries, affiliates or group companies of the Overseas Member.
6. The “FLIP Programs” shall mean the whole of FLIP ROSE® Program, FLIP TULIP® Program, related preprocessors and postprocessors excluding the programs updated or enhanced by the one other than the FLIP Consortium or the programs which are not approved by the FLIP Consortium.
7. The “FLIP Member Service” shall mean the following services provided to the Overseas Member by the FLIP Consortium set forth in Item (2) of Article 3 in the Articles of Incorporation;
 - (a) Providing the FLIP Programs and related manuals;
 - (b) Allowing the use of the FLIP Programs;
 - (c) Hosting short courses on the use of the FLIP Programs and working groups on advanced application of the FLIP Programs; and
 - (d) Offering the general technical support on the use of the FLIP Programs (the “Q&A Service”).
8. The “Protection Key” shall mean a USB-type software security and license enforcement protection key which enables the Overseas Member to run the FLIP Programs as computer programs on the Overseas Member’s computer or similar device.
9. The “Fiscal Year” shall mean the fiscal year of the FLIP Consortium which begins on July 1 and ends on June 30 of the following year.
10. The “Member Website” shall mean the website designated for the Overseas Members.
11. The FLIP Member Service and the Member Website provided to the Overseas Member who selected Japanese for the FLIP Programs shall be the same as those provided to the User Member.
12. “Foreign Transactions” shall mean the transactions with the juridical person or individual located

outside Japan.

13. “Domestic Transactions” shall mean the transaction with the juridical person or individual located in Japan.
14. In Domestic Transactions, all the fees set forth in these Terms and Conditions shall be subject to taxation by a law of Japan. The fees for the services which are provided to the Applicant, the Readmission Applicant or the Overseas Member outside of Japan and consumed in Japan shall be also subject to taxation by a law of Japan.

Article 3. Admission, Readmission and Change to Overseas Membership

1. Any applications for Admission, Readmission and Change to Overseas Membership shall not be accepted on or after October 6, 2023.
2. The Applicant or the Readmission Applicant shall submit the “FLIP Overseas Membership Application Form” to the FLIP Consortium and obtain the approval of the president or the director of the FLIP Consortium in charge of the admission to Overseas Membership (the “President and Director”). The Applicant or the Readmission Applicant shall select one International Advisor from the list on the Application Form as a reference. The FLIP Consortium may refer to the International Advisor for the Applicant or the Readmission Applicant.
3. The Applicant or the Readmission Applicant who obtained the approval prescribed in the following paragraph shall submit the Consent Form and be responsible for payment of the Admission fee (the “Admission Fee”) or the Readmission Fee (the “Readmission Fee”) and annual membership dues (the “Annual Membership Dues”) as set out separately in Article 4. The Applicant or the Readmission Applicant shall register (i) a responsible person who agrees to the Articles of Incorporation, these Terms and Conditions and the Q&A Service Agreement and applies for admission to the Overseas Membership (the “Responsible Person”), (ii) a person who receives the notifications from FLIP Consortium (the “Contact Person”) and (iii) a person who acts as the contact point for Q&A Service (the “Q&A Person”). These registrations shall be made on the Consent Form.
4. The Applicant or the Readmission Applicant will be approved as the Overseas Member on the day when the FLIP Consortium has confirmed the completion of the procedures prescribed in the preceding paragraph.
5. In the event the Overseas Member wishes to change its membership due to loss of eligibility set forth in (3) (d) of Article 14 and Article 13 (4) of the Articles of Incorporation because of change to an individual in Japan or a juridical person in Japan defined in Item 2 of Article 6 of the Articles of Incorporation, the Overseas Member can apply for change of its membership to User Member by submitting the Application Form for Change of Membership. The qualification and examination requirements for change of membership to User Member shall be set forth in “FLIP Consortium User Membership Terms and Conditions (the “User Member Terms and Conditions”).

6. When the Overseas Member changes its membership or readmits to another type of membership after its voluntary withdrawal, the Overseas Member will lose the eligibility and right as the Overseas Member and will acquire another eligibility and right as another type of member. However, the Overseas Member can use only the FLIP Programs, manuals, Protection Key and related documentation available during its Overseas Membership.
7. The Overseas Member who lost its membership due to any other reasons than voluntary withdrawal shall not be allowed readmittance to the overseas membership.

Article 4. Admission Fee, Readmission Fee, Annual Membership Dues and Other Fees

The terms for the Admission Fee, the Readmission Fee, the Annual Membership Dues and other fees with respect to Overseas Membership shall be as follows:

1. Admission Fee and Readmission Fee

- (1) The Admission Fee is 2,000,000 JPY excluding all import duties, taxes, withholding taxes, value added taxes, consumption tax, charges and other additional costs, if any (collectively, the “Other Costs”).
- (2) For the Applicant who is subsidiary, branch or office in Japan of Overseas Juridical Person or an individual whose domicile is in Japan and who purchased FLIP ROSE ver. 7 Series Stand Alone Version excluding Academic Discount Version, the Admission Fee is 1,000,000 JPY excluding all Other Costs.
- (3) For the Applicant who is subsidiary, branch or office in Japan of Overseas Juridical Person or an individual whose domicile is in Japan and who purchased FLIP ROSE ver. 7 Series LAN-Compatible Version, the Admission Fee is 500,000 JPY excluding all Other Costs. However, for the Applicant who purchased FLIP ROSE ver.7 Series at the discount price which is applied to the purchaser of FLIP ROSE ver.7 Series LAN-Compatible Version, the Admission Fee is 1,000,000 JPY.
- (4) The Readmission Fee is 1,000,000 JPY excluding all Other Costs.
- (5) When the Member in Japan changes its membership to the Overseas Member defined in Item 5 of Article 3, the Member in Japan shall pay the Annual Membership Dues set forth in Item 2 of this article and will not need to pay the fees for change of membership.

2. Annual Membership Dues

- (1) The Annual Membership Dues are 300,000 JPY excluding all Other Costs and will be effective through each Fiscal Year.
- (2) The Overseas Member shall pay the Annual Membership Dues each Fiscal Year.
- (3) When an application or readmission is made after July 1 of a certain Fiscal Year, the Annual Membership Dues are 300,000 JPY excluding all Other Costs and will be effective only to the end of such Fiscal Year.

(4) In the event the Applicant or the Readmission Applicant who registers in FLIP ROSE ver.7 Series Support Service Agreement and already paid the Support Service Fee applies for admission or readmission to Overseas Membership, the amount equivalent to the amount already paid by the Applicant or the Readmission Applicant for the said Support Contract Term can be deducted from the Annual Membership Dues. In this case, the Support Service Fee for only one Support Service Agreement is subject to deduction and the Support Service Agreement to which the deduction is applied is terminated at admission or readmission to membership regardless of its Support Contract Term.

(5) The Annual Membership Dues cover the cost of a Q&A Person.

(6) For addition of the Q&A Person(s), the Overseas Member shall pay 100,000 JPY per person (the “Annual Dues for Additional Person”) excluding all Other Costs after application for addition of the Q&A Person as set forth in the Q&A Service Agreement. The Annual Dues for Additional Person will be effective through each Fiscal Year. The number of the Q&A Persons can be added up to 9 per a set of the FLIP Member Service set forth in Item 1 (1) of Article 6.

(7) If the Member in Japan who has already paid the Annual Membership Dues for a certain Fiscal Year and changes its membership to Overseas Member due to loss of eligibility set forth in Item 5 of Article 3 within the same Fiscal Year, the Member in Japan will not need to pay another Annual Membership Dues for the said Fiscal Year.

3. Other Fees

(1) The Applicant, the Readmission Applicant, the Overseas Member and the Member in Japan who applies for change of its membership to the Overseas Member defined in Item 5 of Article 3 (the “Membership Change Applicant”) shall bear all Other Costs incurred in admission or readmission to, or maintenance or change of its membership. In Foreign Transactions, the Applicant, the Readmission Applicant, the Overseas Member and the Membership Change Applicant hereby acknowledges and agrees that the Other Costs may be assessed by customs or other regulatory or government officials during the admission, readmission, maintenance or change procedures of its membership and the FLIP Consortium is not able to confirm or calculate beforehand the actual amount of all Other Costs to be incurred.

(2) In Foreign Transactions, the Applicant, the Readmission Applicant or the Membership Change Applicant shall bear all the charges for shipping and handling during the admission, readmission, maintenance or change procedures of its membership. In some cases, however, the FLIP Consortium may bear the shipping costs as provided in the provisions of Item 4 of Article 13. The shipping and handling charges during the admission or readmission procedures are separately set out in the Schedule of Shipping and Handling Charges.

(3) In Domestic Transactions, the FLIP Consortium will bear the shipping costs (including, but not limited to, postage fees) except for the cases described Items 2, 3, 5 and 6 of Article 13.

(4) If the Overseas Member wishes to purchase the Additional Set of Programs as set forth in the Additional Set of Programs Terms and Conditions either in English or Japanese, the Overseas Member shall pay 1,000,000 JPY per set excluding all Other Costs. The details of the Additional Set of Programs which are not provided in these Terms and Conditions and the purchase procedures shall be set forth in the Additional Set of Programs Terms and Conditions.

(5) In case of the purchase as set forth in the preceding paragraph, the Overseas Member shall register additional Q&A Person(s) if the Overseas Member wishes to receive the Q&A Service for the Additional Set of Programs in the language different from the one which the Member uses. In this case, the Overseas Member shall pay the Annual Dues for Additional Person as set forth in Item 2(6) of this Article.

(6) If the User Member defined in Item 5 of Article 3 wishes to change the language for the FLIP Programs from the one which the User Member used before change of the membership, the User Member shall purchase the Additional Set of Programs as set forth in (4) of this article. Further, the Annual Dues for Additional Person will be required as set forth in (5) of this article if the User Member wishes to receive the Q&A Service for the Additional Set of Programs in the language different from the one which the User Member uses.

Article 5. Payment

1. The Applicant, the Readmission Applicant, the Overseas Member or the Membership Change Applicant shall pay the full amount shown on the invoice prepared by the FLIP Consortium, in advance or by the due date if specified in the invoice, by means of bank or wire transfer to the account designated by the FLIP Consortium. The Applicant, the Readmission Applicant, the Overseas Member or the Membership Change Applicant shall bear all bank or wire transfer fees incurred by it in the admission or readmission to or maintenance or change of its membership.
2. The Admission Fee, the Readmission Fee, the Annual Membership Dues, the Annual Dues for Additional Person and all other fees paid to the FLIP Consortium are non-refundable except for the cases described in Item 3 of this Article and Item 4 of Article 15.
3. Cancellation of the application for admission or readmission shall not be permitted any time after the Applicant or the Readmission Applicant has made a bank or wire transfer for the Admission Fee or the Readmission Fee and Annual Membership Dues. However, in the event the individual Applicant or the individual Readmission Applicant wishes to cancel the admission or readmission, the Applicant or the Readmission Applicant (i) shall notify the FLIP Consortium in writing or by e-mail of its desire to cancel the admission or readmission within fourteen (14) days in Foreign Transactions or within eight (8) days in Domestic Transactions from the Protection Key and the Notification which indicates the log-in ID and password to the Member Website (the "ID/PW Notification") were delivered, and (ii) shall return the Protection Key and the ID/PW Notification

within thirty (30) days from the date the Protection Key and the ID/PW Notification were delivered; provided, however, that the Protection Key is returned in its original packaging, unopened and intact, and, also provided that the Applicant or the Readmission Applicant has not broken a seal of ID/PW Notification. The Applicant or the Readmission Applicant shall bear the shipping costs for the return of any item and shall make sure all the items are returned to the FLIP Consortium in the same condition as they were delivered. The Applicant or the Readmission Applicant shall be responsible for any and all risks of loss with regard to the returned items until the same are received and accepted by the FLIP Consortium. After the returned items are received and accepted by the FLIP Consortium, the FLIP Consortium shall issue a refund of the amount paid for the admission or readmission to Overseas Membership, less any costs or expenses incurred by the FLIP Consortium to the Applicant's or the Readmission Applicant's bank account. The FLIP Consortium reserves the right to refuse the cancellation of admission or readmission and accept (i) as the withdrawal from membership set forth in (1) of Article 14, or (ii) as expulsion from membership set forth in (2) of Article 14, if the package of the Protection Key or the envelope of ID/PW Notification has been intentionally or unintentionally opened or if all the items included in the original shipment to the Applicant or the Readmission Applicant are not returned in satisfactory condition, as determined by the FLIP Consortium, in its sole and absolute discretion.

Article 6. Rights of the Overseas Member

1. The Overseas Member is entitled to receive the FLIP Member Service as follows:

- (1) The Overseas Member is entitled to receive (i) a limited, non-exclusive, non-transferable right to use the FLIP Programs, the manuals, the related documentation or portions thereof (either in English or Japanese according to the Overseas Member's choice) and any related updates, and (ii) the Protection Key. For the avoidance of doubt, the Overseas Member is not entitled to receive the source code, but will receive 10 licenses in the load modules of the FLIP Programs;
- (2) The Overseas Member can use the FLIP Programs within the geographical area and within Overseas Juridical Person or individual having the membership as defined by Item 5 of Article 2;
- (3) The Overseas Member can receive the Q&A Service either in English or Japanese according to the Overseas Member's choice. The Overseas Member shall not change the language selected at admission, readmission, change of membership, addition of the Q&A Person(s) or application for purchase of the Additional Set of Programs;
- (4) The Overseas Member has the right to participate in events of the FLIP Consortium, including seminars, short courses, and Working Groups for advanced application on the FLIP Programs held in Japan (only provided in Japanese);
- (5) The Overseas Member has the right to participate in the short courses on the use of the FLIP Programs held in Japan (only provided in Japanese). One person is allowed to participate in the short

courses per each membership. When the Overseas Member registers additional Q&A Person(s) as set forth in Item 2(6) of Article 4, the Overseas Member can allow its members (according to the number of the additional Q&A Persons) to participate in the short courses; and

(6) The Overseas Member has the right to participate, generally one person per membership, in the FLIP Consortium Annual Meeting on research and development of upgrading and advanced application of the FLIP Programs and may download the report on upgrading and advanced application of the FLIP Programs (the “Working Group Report”, available only in Japanese) from the Member Website. The Overseas Member shall bear the actual cost of printing the Working Group Report if the Overseas Member wishes to obtain a printed version.

2. The Overseas Member shall accept the possibility that the upgraded and enhanced FLIP Programs in English version, the manuals and the related documentation in English version may be distributed later than those in Japanese version or may not be provided.

3. The Overseas Member shall accept the fact that the FLIPGEN Program, available as one of the FLIP Programs, in English version is not compatible with the FLIPGEN Program in Japanese version.

Article 7. Q&A Service

In order to receive the Q&A Service set forth in Item 1 (3) of Article 6, the Overseas Member shall agree to the “Q&A Service Agreement” separately set forth. The technical questions raised from the Overseas Member shall not include the problems (i) caused by or related to the modified applications of the FLIP Programs other than those approved by the FLIP Consortium and (ii) the preprocessors and postprocessors of the FLIP Programs other than those provided by the FLIP Consortium. The technical questions shall be written only in either Japanese or in English according to the Overseas Member’s choice and sent through by using the Q&A Service Form in the Member Website or e-mail. If the Overseas Member wishes to receive the Q&A Service in the language different from the one the Overseas Member uses, the Overseas Member shall register additional Q&A Person(s) as set forth in Item 2(6) of Article 4.

Article 8. Obligations of the Overseas Member

1. The Overseas Member shall undertake the following obligations under these Terms and Conditions;

(1) The Overseas Member shall not transfer all or any parts of its membership, rights or obligations under these Terms and Conditions to any third party for any reasons including reorganization such as merger;

(2) The Overseas Member shall not transfer the duplicate of any items or services provided by the FLIP Consortium pursuant to these Terms and Conditions including, but not limited to, the FLIP Programs, the manuals, the Protection Key, the related documentation and the Q&A Service (collectively, “All Member Service”) to any third party nor permit any third party to use All Member

Service during its membership and after loss of its membership;

- (3) The Overseas Member shall take all necessary measures for preventing any unauthorized transfer of All Member Service to any third party during its membership and after loss of its membership;
 - (4) The Overseas Member shall not and shall not attempt to, reverse engineer, decompile, or disassemble all or any part of the FLIP Programs for any purpose or reason whatsoever; and
 - (5) The Overseas Member shall not commit any act that infringes upon the rights of any third party, including but not limited to, copyrights, patent rights, or other intellectual property rights by use of the FLIP Programs.
2. In the event of a breach of obligations defined by above item, a part of the Rights of the Overseas Member defined by Article 6 may be subject to restriction as one of the measures necessary for preventing such breaches.

Article 9. Shipping, Delivery, Access Method; Export Controls

1. The FLIP Programs, the manuals, the related documentation, any related updates or portions thereof, except for the Protection Key, can be obtained from the Member Website, in electronic or downloadable form
2. In Foreign Transactions, the Protection Key will be delivered CPT, as the term is defined in the latest version of International Commercial Terms (INCOTERMS) published by the International Chamber of Commerce (ICC).
3. The FLIP Consortium will ship, using the FLIP Consortium's standard methods of packaging, shipping, and delivery, the Protection Key and the ID/PW Notification to the Applicant's or the Readmission Applicant's address, which address shall be subject to approval by the FLIP Consortium, and, if approved, shipped within fourteen (14) business days after receipt of the full amount written in the invoice and receipt of the Form for admission to Overseas Membership.
4. If the User Member or Overseas Member (including the one who was previously the User Member or the Overseas Member) applies for readmission to Overseas Membership or change of the membership to Overseas Member, the FLIP Consortium will issue a new Protection key for free, with exception of the case described in Item 5 of Article 3, after receipt of the Protection Key which the Overseas Member or User Member has possessed before readmission or change of membership. The FLIP Consortium will ship, using the FLIP Consortium's standard methods of packaging, shipping, and delivery, the Protection Key and the ID/PW Notification to the User Member's or Overseas Member's address, which address shall be subject to approval by the FLIP Consortium, and, if approved, shipped within fourteen (14) business days after issuance of the new Protection key; provided that, in Foreign Transactions, the User Member or Overseas Member shall pay both shipping costs for return delivery and replacement delivery of the Protection Key. In Domestic Transactions, the User Member or Overseas Member shall pay the shipping costs for return delivery

of the Protection Key and the FLIP Consortium will pay the shipping costs for replacement delivery of the Protection Key. Notwithstanding anything to the contrary contained herein, if the Protection Key which the User Member or the Overseas Member has possessed before readmission or change of membership is not available for return to the FLIP Consortium regardless of the cause of any damage, failure, loss, or theft, the User Member or the Overseas Member shall purchase the Additional Set of Programs prescribed in Item 3(4) of Article 4.

5. In the event the User Member changes its membership to the Overseas Member due to loss of eligibility set forth in Item 5 of Article 3, the FLIP Consortium will ship ID/PW Notification to the User Member's Address written in the Application Form for Change of Membership.
6. In the preceding paragraph, the User Member shall use the same Protection Key as that which the User Member has possessed before change of membership. If the User Member wishes to change the language for the FLIP Program at change of membership, the User Member shall purchase the Additional Set of Programs set forth in Item 3(4) of Article 4.
7. With respect to the export of the Protection Key or import of the same in Foreign Transactions, the Overseas Member shall comply with all applicable laws and regulations, and shall be responsible for obtaining and/or filing all necessary permits and authorizations as well as conducting other procedures required by such laws and regulations. The Overseas Member and the FLIP Consortium agree to cooperate in all respects necessary to take advantage of the benefits of any applicable tax treaty in Foreign Transactions.
8. In the event the Overseas Member fails or refuses to accept delivery of the Protection Key or the ID/PW Notification which have been delivered to the Overseas Member's address or if the FLIP Consortium is unable to deliver the Protection Key and the ID/PW Notification to the Overseas Member's address because the Overseas Member has failed to provide adequate instructions or authorizations, then: (i) the Protection Key and the ID/PW Notification will be deemed to have been delivered to the Overseas Member; and (ii) the FLIP Consortium may, at its discretion, store the Protection Key and the ID/PW Notification on the Overseas Member's behalf, until the Overseas Member agrees to take possession. In Foreign Transactions, the Overseas Member shall be liable for any additional handling, storage, or delivery costs and expenses incurred by the FLIP Consortium.

Article 10. Inspection

1. The FLIP Consortium shall in the ordinary course of doing business inspect the Protection Key and the ID/PW Notification and test the log-in to the Member Website at its offices prior to shipping and delivery to the Overseas Member.
2. The Overseas Member shall inspect the Protection Key for any signs of damage, defacement, or defects and shall check operation of the FLIP Programs and the Protection Key according to the

documents packed together with the Protection Key promptly after the Overseas Member has received the Protection Key and the ID/PW Notification.

3. In the event the Overseas Member finds any damage, defacement, defects or troubles in operation of the FLIP Programs and the Protection Key as a result of inspection prescribed in the preceding paragraph, the Overseas Member shall notify the FLIP Consortium in writing or by e-mail of the same within thirty (30) days following the date of delivery of the Protection Key and the ID/PW Notification to the Overseas Member. The FLIP Programs and the Protection Key shall be deemed to be in good working order and condition and in compliance with these Terms and Conditions without the notification by the Overseas Member in the same time period.

Article 11. Title

The title to the Protection Key and the ID/PW Notification shall pass to the Overseas Member when the Protection Key and the ID/PW Notification have been delivered to the Overseas Member.

Article 12. Risk of Loss and Damage

Any and all risks of loss or damage to the Protection Key or the ID/PW Notification shall transfer to the Overseas Member, when the FLIP Consortium has handed-over the Protection Key or the ID/PW Notification to a carrier or when the FLIP Consortium has posted the ID/PW Notification for delivery to the Overseas Member.

Article 13. Handling and Care of Protection Key, Log-in ID and Password; Breakage; Loss

1. The Overseas Member use its best efforts to pay attention to the proper care, handling, use, and maintenance of the Protection Key provided by the FLIP Consortium.
2. In the event the Protection Key delivered to the Overseas Member is damaged, defaced or delivered in an unusable condition, the FLIP Consortium will replace the damaged or unusable Protection Key with a new Protection Key free of charge; provided, however, that the Overseas Member notified the FLIP Consortium in writing or by e-mail of the fact within thirty (30) days following the date of delivery to the Overseas Member. The Overseas Member shall pay the shipping costs for return delivery of the damaged or unusable Protection Key to the FLIP Consortium and the Overseas Member shall pay the shipping and handling costs for replacement delivery of the Protection Key to the Overseas Member. The free replacement shall not be applied to the damage or breakage caused by the Overseas Member's negligence or improper care and handling of the Protection Key.
3. In the event the Protection Key is no longer functional due to damage or breakage following the period for free replacement as set forth in the preceding paragraph, the FLIP Consortium will exchange the damaged Protection Key with a new Protection Key for a fee. The shipping charges

for exchange of the Protection Key shall be paid by the Overseas Member.

4. In the event the Protection Key is defective for reasons attributable to or caused by the FLIP Consortium, the FLIP Consortium will exchange the defective Protection Key with a new Protection Key free of charge. The shipping charges for exchange of the Protection Key shall be paid by the FLIP Consortium.
5. Notwithstanding anything to the contrary contained herein, in the event the damaged or broken Protection Key is not available for return to the FLIP Consortium regardless of during its membership or after voluntary withdrawal, these provisions regarding replacement by the FLIP Consortium shall not apply and replacement of the Protection Key shall not be available to the Overseas Member, regardless of the cause of any damage, failure, loss, or theft. The Overseas Member shall purchase the Additional Set of Programs prescribed in Item 3(4) of Article 4 in order to use the FLIP Programs. However, in the event the Protection Key is not available for return to the FLIP Consortium because of any troubles occurred in transit of the Protection Key by a carrier, the FLIP Consortium may, in its sole and absolute discretion, reissue the Protection Key for a fee or free of charge, only provided that the cause of the trouble and the situation are clarified by a carrier. The Overseas Member shall bear the shipping fees for redelivery of the Protection Key.
6. In the event the Overseas Member who has voluntarily withdrawn from its membership as set forth in (1) of Article 14 desires to replace the damaged or unusable Protection Key with a new Protection Key, the FLIP Consortium will exchange the damaged Protection Key with a new Protection Key for a fee as set forth in Item 3 of this Article, provided that the Overseas Member notifies its desire of the same in writing or by e-mail to the FLIP Consortium within two (2) years from the date of withdrawal from its membership.
7. The Overseas Member shall use its best efforts to pay attention to the proper care, handling, use and maintenance of the Protection Key not to dispose of or lose the Protection Key regardless of after voluntary withdrawal or after change of membership.
8. The Overseas Member use its best efforts to pay attention to the proper care, handling, use, and maintenance of the Log-in ID and Password to the Member Website. If the Overseas Member has lost or misplaced the Log-in ID and Password, the FLIP Consortium will notify the Overseas Member of the Log-in ID and Password after receiving the request through the e-mail address of the Contact Person or the Q&A Person registered in the FLIP Consortium.

Article 14. Loss of Membership

The Overseas Member will lose its membership in the following cases;

(1) Voluntary Withdrawal from Membership

The Overseas Member is free to withdraw from its membership at any time by submitting the Notice of Withdrawal in the form set out separately by the FLIP Consortium, provided that none of the

reasons set forth in the Item (2) nor (3) of this Article apply.

(2) Expulsion

If any of the following applies to the Overseas Member, the Overseas Member may be expelled from the FLIP Consortium by a special resolution of the general meeting of its members:

- (a) In the event of a breach by the Overseas Member of these Terms and Conditions, the Articles of Incorporation or any of the regulations of the FLIP Consortium;
- (b) In the event of any act by the Overseas Member damaging the reputation of the FLIP Consortium, or any action by the Overseas Member contrary to the aims of the FLIP Consortium; or
- (c) Any occurrence or event that in the judgment of the FLIP Consortium warrants expulsion.

The FLIP Consortium shall notify the Overseas Member of the expulsion in writing.

(3) Loss of Eligibility

The Overseas Member shall lose eligibility to its membership if any of the following applies:

- (a) Failure to pay the Annual Membership Dues for one year or longer;
- (b) Upon agreement by all voting members of the FLIP Consortium;
- (c) In the event of death or dissolution of the Overseas Member;
- (d) In the event that Overseas Member no longer satisfies the requirements for qualifying the Overseas Membership set forth in the Articles of Incorporation or other rules of the FLIP Consortium. However, the Overseas Member is allowed to be a member of other type, if (i) the Overseas Member meets the requirements for qualifying the other type, (ii) the Overseas Member apply for change of membership by submitting the Application Form for Change of Membership within fourteen (14) days after the FLIP Consortium notifies the Overseas Member of the loss of eligibility and (iii) the Overseas Member submits the Consent Form within fourteen (14) days after the change of the type of membership is approved by the FLIP Consortium as set forth in Article 7 of the Articles of Incorporation; or
- (e) In the event that any of the following events occurs for the member.
 - a. when the member has become a disappearing company in merger or a wholly owned subsidiary company in share exchange or share transfer,
 - b. when all or a part of the right of membership of this association is to be succeeded by a third party due to corporate divestiture or business transfer,
 - c. when the shareholders change by more than 50%,
 - d. when the FLIP consortium determines that there has been a significant change in effective controlling interest or business environment due to changes of the directors and other reasons.
- (f) In the event that the Overseas member violates Article 21.

The FLIP Consortium shall notify the Overseas Member of the loss of eligibility in writing with the

exception of (c).

Article 15. Rights and Obligations of Overseas Member after Loss of Membership

1. The Overseas Member who has lost its membership in accordance with the preceding article shall be denied all the rights of its membership and be relieved of its obligations pursuant to these Terms and Conditions except for Survival Clause set forth in Article 31. No exemption may be granted to the Overseas Member for any obligations already incurred but not yet carried out at the time of loss of the Overseas Membership.
2. The Overseas Member who has lost its membership due to expulsion or loss of eligibility as set forth in (2) or (3) of Article 14 shall be denied the right of readmission to membership of FLIP Consortium, and shall be no longer eligible for use of the FLIP Programs, manuals, protection key and any other related materials which had been provided during its membership.
3. In event the Overseas Member submits the Notice of Withdrawal from July 1 until August 31 of a certain Fiscal Year before paying the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person, the payment of the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person of the said year will be exempted. In the event the Overseas Member submits the Notice of Withdrawal after September 1 of a certain year, the Overseas Member shall pay the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person in accounting by month (one twelfth (1/12) of the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person to be multiplied by the number of months (round up to month) its Overseas Membership has been effective) and all Other Costs, if applicable.
4. In the event the Overseas Member submits the Notice of Withdrawal during a certain Fiscal Year after paying the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person, the FLIP Consortium shall issue a refund, to the Overseas Member's bank account, of the remaining amount of these fees in accounting by month (one twelfth (1/12) of the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person to be multiplied by the number of remaining months (round down to month) of its Overseas Membership) after deducting any costs or expenses, including bank or wire transfer fees, incurred by the FLIP Consortium.
5. In the event the Overseas Member loses its membership due to expulsion or loss of eligibility as set forth in (2) or (3) of Article 14, the Overseas Member shall pay the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person in accounting by month (one twelfth (1/12) of the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person to be multiplied by the number of months (round up to month) its Overseas Membership has been effective) and all Other Costs ,if applicable.
6. Except for the Item 4 of this Article, the Overseas Member shall agree to the fact that all the amount of payment made prior to the loss of membership will not be returned to the Overseas Member.

7. The Overseas Member, who voluntary withdrew from membership wishes readmit to membership after change to an individual in Japan or juridical person in Japan defined in Item 2 of Article 6 of the Articles of Incorporation, can apply for admission to a General Member or User Member. The eligibility and examination requirement set forth in the “FLIP Consortium General and Regular Membership Terms and Conditions” or “User Membership Terms and Conditions” will apply at readmission to membership, and the member may not be entitled to the same qualifications and rights as the type of membership that it had before its voluntary withdrawal. Notwithstanding the Item 1. of Article 15, the Overseas Members who voluntary withdrew from membership will be able to continue their own use of the FLIP Programs, manuals, protection key and any other related materials which had been provided during its membership, even after their loss of membership. However, in the event that the Overseas member has reached in any situation of (c) or (f) of Article 14. (3) after its voluntary withdrawal, the Overseas Member shall be no longer eligible for the use.

8. The Overseas Member who lost its membership due to the reason as set forth in (e) of Article 14. (3) can apply for admission only to a General Member or User Member as a first-time applicant. The eligibility and examination requirement set forth in the “FLIP Consortium General and Regular Membership Terms and Conditions” or “User Membership Terms and Conditions” will apply at readmission to membership, and the member may not be entitled to the same qualifications and rights as the type of membership that it had before its voluntary withdrawal.

Article 16. Warranty

All Member Service provided by the FLIP Consortium to the Overseas Member are provided on an "as is" and “as available” basis, without warranty of any kind, expressed or implied, as to its performance, accuracy or completeness. The FLIP Consortium makes no warranties, expressed or implied, that they (i) are free of error, (ii) are consistent with any particular standard of merchantability including without limitation any implied warranties of merchantability or fitness for a particular purpose, (iii) do not infringe third party rights or (iv) will meet the Overseas Member’s requirements for any particular application. The Overseas Member is advised not to rely, and hereby agrees that it shall not rely, on All Member Service for any purpose. The entire risk arising out of the Overseas Member’s use or performance of All Member Service remains with the Overseas Member.

Article 17. Disclaimer

To the maximum extent permitted by applicable law, the FLIP Consortium disclaims all liability for direct, indirect, special, incidental, punitive or consequential damages (including, without limitation, damages for loss of business profits, business interruption, loss of business information, or other pecuniary loss) resulting from these Terms and Conditions or the Overseas Member’s use of or the inability to use All Member Service, whether arising in tort (including negligence), contract or any

other theory of law, even if advised of the possibility of such damages. Notwithstanding anything to the contrary set forth in these Terms and Conditions, the FLIP Consortium's sole liability in connection with these Terms and Conditions, whether arising out of contract, negligence, strict liability or other theory, shall be limited to direct monetary damages, which shall not exceed, in the aggregate, the amounts of the Annual Membership Dues and, if applicable, the Annual Dues for Additional Person actually paid by the Overseas Member to the FLIP Consortium during a certain Fiscal Year.

Article 18. Copyright

The Overseas Member acknowledges and agrees that all the copyrights to the FLIP Programs, including the rights under Article 27 and 28 of the Copyright Act of Japan, belong to National Research and Development Agency National Institute of Maritime, Port and Aviation Technology, General Incorporated Foundation Coastal Development Institute of Technology, Susumu Iai, the FLIP Consortium and Kyohei Ueda (National Research and Development Agency National Institute of Maritime, Port and Aviation Technology, General Incorporated Foundation Coastal Development Institute of Technology, Susumu Iai, the FLIP Consortium and Kyohei Ueda shall collectively be referred to as the "FLIP Copyright Owners").

Article 19. Trademarks and Patents

The Overseas Member acknowledges that all trademarks, trade names, designs, patents and other industrial property rights used or embodied in the FLIP Programs, whether registered or not, are the FLIP Consortium's or the FLIP Copyright Owners' exclusive property. The Overseas Member shall not apply for or register any industrial property right in connection with the FLIP Programs.

Article 20. Force Majeure

If the performance of any part of these Terms and Conditions is prevented, restricted or interfered by riots, war, storm, fire, flood, earthquake, lockout, labor strikes, legally effective orders from any government or any judicial authority, or other similar incidents which are beyond the control of the parties hereto, the FLIP Consortium shall be excused from such performance and shall not be liable for loss or damage under these Terms and Conditions to the extent of such prevention, restriction or interference.

Article 21. Exclusion of Anti-Social Forces

1. The Overseas Member represents and warrants that it does not and will not in the future fall under any one of the following items:
 - (1) The Overseas Member or its officers are organized crime groups, a member or a quasi-member of organized crime groups, a person who has not passed five years from the date

- he/she ceased to be a member of organized crime groups, corporations related to organized crime groups, corporate racketeers, groups engaging in criminal activities under the pretext of conducting social campaigns, crime groups specialized in intellectual crimes, or persons or entities similar to foregoing (hereinafter collectively referred as "organized crime groups, etc.");
- (2) Having a relationship in which organized crime groups, etc. are deemed to control the management of the Overseas Member's business;
 - (3) Having a relationship in which organized crime groups, etc. are deemed to be substantially involved in the management of the Overseas Member's business;
 - (4) Having a relationship in which the Overseas Member is deemed to be taking advantage of organized crime groups, etc., such as for the purpose of making unjust profits for itself or a third party, or for the purpose of inflicting damage on a third party;
 - (5) Having a relationship with organized crime groups, etc. that is recognized as being involved in such activities as providing funds and such or benefits to the organized crime groups, etc.;
- or
- (6) The officers or persons who substantially involved in the management of the Overseas Member's business have a socially reprehensible relationship with organized crime groups, etc.
2. The Overseas Member guarantees that it will not commit any of the following acts by itself or through the use of a third party:
- (1) Violent demanding behavior;
 - (2) Unreasonable demanding behavior beyond legal responsibility;
 - (3) Using threatening words or violence in connection with transactions;
 - (4) Acts of spreading false rumors, using deceptive means or using force to damage the credibility or interfere with the business of the FLIP Consortium; or
 - (5) Any other acts similar to the preceding items.

Article 22. Disclosure of Production

In the event the Overseas Member discloses the production of analysis using the FLIP Programs, the Overseas Member shall follow "Important Note on FLIP ROSE® Program" described in the FLIP ROSE® Program 2D manual for quotation of the referenced documents.

Article 23. Compensation of Damages

If the FLIP Consortium has suffered any damage due to a breach of any of the provisions of these Terms and Conditions by the Overseas Member, the Overseas Member shall be liable for the damage caused to the FLIP Consortium.

Article 24. Governing Law

These Terms and Conditions shall be interpreted and construed according to, and governed by, the laws of Japan. The Kyoto District Court of Japan shall have exclusive jurisdiction to hear and settle any dispute under or in connection with these Terms and Conditions.

Article 25. Entire Agreement and Amendments

1. These Terms and Conditions, together with the Articles of Incorporation dated April 16, 2015, and related governing law, including those as amended after the Effective Date, sets forth the entire agreement of the parties relating to the subject matter hereof, and supersedes and replaces any prior agreement, understanding, intent, irrespective of whether oral or written, between the parties hereto.
2. The FLIP Consortium may revise these Terms and Conditions when it is recognized that there is a change in circumstances or other reasonable grounds with respect to these Terms and Conditions. When The FLIP consortium intends to revise these Terms and Conditions, the intention of revisions will be notified to the Overseas Member by E-mail or written documents and announced to the public through the Internet or other reasonable methods.
3. The revisions in the preceding item shall be effective on the day when a reasonable period of a month or longer has elapsed, the period of which will be specified in the prior notification and publication.

Article 26. Severability

If a court of competent jurisdiction holds that any provision of these Terms and Conditions is invalid or unenforceable, that portion shall be construed in a manner consistent with applicable law to reflect, as nearly as possible, the original intentions of FLIP Consortium, and the remaining portions of these Terms and Conditions will remain in full force and effect.

Article 27. Privacy Policy

The FLIP Consortium shall handle the Overseas Member's name, address, e-mail address, telephone number and any personal information which can be used to identify the Overseas Member, with appropriate and reasonable care in accordance with the Privacy Policy as set forth in the website of the FLIP Consortium (<https://www.flip.or.jp>). The FLIP Consortium will never disclose the Overseas Member's personally identifiable information to other parties without the consent of the Overseas Member.

Article 28. Others

1. A third-party is not permitted to perform all or any part of the procedures related to admission or readmission to, withdrawal from and maintenance of Overseas Membership on behalf of the Applicant, the Readmission Applicant or the Overseas Member. However, in Foreign Transactions only, the case is excluded where the FLIP Consortium permit the involvement of an agent, in its sole and absolute discretion by concluding an agreement separately between the three parties.
2. In the event the Overseas Member has changed its name, organization, address, the Responsible Person, the Contact Person, the Q&A Person or any other registered information, the Overseas Member shall notify the FLIP Consortium in sending the Change in Registration Form from the Member Website or by any other means of the change within one year from the change.
3. With regard to the preceding paragraph, in the event that the Overseas Member changes its organization as a surviving company after merger or acquisition or the Responsible Person, the Overseas Member shall submit the specified Notification of Change to the FLIP Consortium. In addition, when there are any uncertainties about the change, the Overseas Member may be requested to submit the registration transcript or other documents by which the FLIP Consortium is able to confirm the details of the change. In the case of (e) of Article 14. (3), the Overseas Member will lose its membership.

Article 29. Headings

The headings contained in these Terms and Conditions are for reference purposes only and shall not affect in any way the meaning or interpretation of these Terms and Conditions.

Article 30. Standard Time

The date and time used and effective between the Overseas Member and the FLIP Consortium in connection with these Terms and Conditions shall be Japan Standard Time.

Article 31. Survival Clause

The Overseas Member shall agree to abide by the Articles 8, 11, 12, 13, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 29 and 31 of these Terms Conditions after loss of its membership as set forth in Article 14.