

# Articles of Association for Niseko Promotion Board – a general incorporated association

Attestation of a notary public

26<sup>th</sup> July, 2007

Modification of the Articles of Association for Limited Liability Intermediate Corporation

20<sup>th</sup> August, 2007

Establishment of Association for limited Liability Intermediate Corporation

7<sup>th</sup> September, 2007

Modification of the Articles of Association for Limited Liability Intermediate Corporation

11<sup>th</sup> September, 2007

Modification of the Articles of Association for Limited Liability Intermediate Corporation

27<sup>th</sup> May, 2008

Modification of the Articles of Association for Limited Liability Intermediate Corporation

25<sup>th</sup> March, 2009

Modification of the Articles of Association for Limited Liability Intermediate Corporation

27<sup>th</sup> May, 2009

Modification of the Articles of Association for Limited Liability Intermediate Corporation

25<sup>th</sup> May, 2010

Modification of the Articles of Association for Limited Liability Intermediate Corporation

31st May 2017

## Chapter 1 General Rules

(Name)

Article 1 This Corporation is a general incorporated association called Niseko Promotion Board. It is written in English as Niseko Promotion Board (NPB).

(Domicile of the Head Office)

Article 2 The registered domicile of the Corporation is the municipality of Kutchan, Abuta-gun, Hokkaido.

## Chapter 2 Corporate Aims & Business

(Purpose)

Article 3 The Corporation is made up of administrative bodies, economic organisations and business operators in the tourism industry from Niseko and Kutchan. The objectives of the Corporation shall be to promote the abundance of snow and lush greenery in the Niseko-Annupuri Mountain Range, the natural resources such as rivers and lakes, accommodation facilities and restaurants, town facilities such as retail stores, and various guides and services for both

outdoor and indoor activities aimed at the many domestic and international visitors, to encourage tourists to visit, and to support the sustainable development as a resort destination which visitors can enjoy for many visits to come.

(Business)

Article 4 In order to achieve the objectives stipulated in the preceding article the Corporation shall engage in the following activities:

- (1) Conduct various research and studies on the promotion of tourism in Niseko/Kutchan both domestically and internationally, and promote tourism.
- (2) Conduct various research and studies on the planning of the tourism district and the improvement of infrastructure, while seeking the co-operation of the external authorities concerned.
- (3) Conduct coordination activities to support and encourage the coalition of various organisations in Niseko / Kutchan.
- (4) Plan, devise and participate in incidental activities concerning products related to local industry.
- (5) The sales of insurance policies as a causality/liability insurance agent.
- (6) Engage in incidental activities or activities related to the above.

### Chapter 3 Corporate Members and Affiliates

(Affiliates)

Article 5 Affiliates of the Corporation shall be as follows:

- (1) Regular Member
- (2) Associate Member
- (3) Patron Member

(Regular Member)

Article 6 Regular Members are those who joined the Corporation with assent to the above purposes. They are either individuals who reside in Kutchan-cho, Abuta-gun or Niseko-cho, Abuta-gun, or organisations and entities of which the head office or the branch office is located in Kutchan-cho, Abuta-gun or Niseko-cho, Abuta-gun, and have been approved by the Board of Directors.

(Associate Member)

Article 7 Associate Members are those who have made distinguished services to the Corporation, been accepted by the Board of Directors and been announced at the General Meeting.

2 Associate Members do not possess the right to vote. However, Associate Members can attend the General Meeting of Members and express their opinions.

(Patron Member)

Article 8 Patron Members are individuals or organisations who joined the Corporation with assent to the purposes of the Corporation and who have been approved by the Board of Directors.

(Member)

Article 9 The Members of the Corporation are the Affiliates listed under Article 6.

(Admission)

Article 10 As stipulated in the Detailed Rules of Operation, those wishing to join the Corporation as one of the Affiliates listed in Article 5 must submit an application form to the Corporation, and be approved by the Board of Directors.

(Expenses)

Article 11 Members and affiliates must bear the expenses in order to appropriate the cost required for the business activities of the Corporation.

2 The amount of expense that each member and affiliate bears shall be equal to the annual fee stated in the Detailed Rules of Operation. However, Associate Members do not bear any expense.

3 The amount paid as an expense cannot be refunded regardless of the reason.

(Withdrawal from Membership)

Article 12 Members and affiliates can withdraw from the Corporation when they wish.

2 When members and affiliates wish to withdraw from the Corporation, they must submit a Membership Withdrawal Form as stipulated in the Detailed Rules of Operation to the Corporation

3 Other than the above, members and affiliates can withdraw from the Corporation for the following reasons:

- (1) All members consent
- (2) Death or dissolution
- (3) Bankruptcy
- (4) Commencement of guardianship
- (5) A member's membership fees or other dues are a year or more in arrears.
- (6) Expulsion

(Expulsion)

Article 13 As stipulated in Article 19, Clause 1, if a member or affiliate should fall into any of the following three categories, they can be expelled following a resolution of the General Meeting of Members. In this case, the member in question shall be notified as to the reason for their expulsion one week before the General Meeting of Members. Before a decision on their membership status is taken, the member shall come before the General Meeting in order to explain their actions.

- (1) Violation of the Articles of Association or rules.
- (2) Defamation of the Corporation or violating the objectives of the Corporation
- (3) Any other just reason.

2 Should the member be expelled by a resolution adopted at the General Meeting as outlined in the preceding paragraph, the member shall be notified.

(Rights and Obligations of a Member Who No Longer Qualifies for Membership)

Article 14 In the event that a member no longer qualifies for membership for the reasons given in Article 12, the member shall lose the rights bestowed on him as a member of the Corporation and shall be exempt from member obligations.

However, the member shall fulfill any outstanding obligations.

2 Should the member lose the right to qualify as a member, the Corporation shall neither reimburse nor refund any application fees, membership fees or other monetary contributions.

(List of Members and Affiliates)

Article 15 The Corporation shall create a list of the names and addresses of the members and the affiliates.

## Chapter 4 General Meeting of Members

(General Meetings – Types and Number)

Article 16 The Corporation establishes the General Meeting of Members and the General Meeting of Members of the Corporation can be held both Ordinarily and Extraordinarily.

2 The Ordinary General Meeting shall be held once annually and within two months of the end of each business year.

- 3 Extraordinary General Meetings shall be held should the following occur:
- (1) The Board of Directors resolves to hold an Extraordinary General Meeting.
  - (2) More than one tenth of the Regular Members with voting rights submit a written notification requesting the Directors to convene a meeting and gives the reasons for the meeting and business to be discussed.
- 4 In the case of the following, Regular Members who requested the meeting in the manner outlined in the preceding paragraph may, with permission of the Court, convene a General Meeting:
- (1) On submission of the request, procedures to convene the meeting are subject to delay.
  - (2) Members have not been notified of the date of the General Meeting within six weeks of submission of the request.

(Convocation)

Article 17 As resolved by the Board of Directors, the General Meeting of Members shall be convened by the Representative Directors. However, should all Regular Members be in agreement, it may be possible to omit said procedures.

2 Should a meeting be requested as per Article 2, Item 2 above, the Representative Directors shall convene an Extraordinary Meeting of Members within six weeks of receiving the request.

3 When a General Meeting of Members is convened, written notice of the date and time, location and reason for convening the meeting shall be served one week in advance. However, should a Regular Member have sent written notification of absence from the General Meeting of Members and of his intention to exercise the right to vote, notice shall be served two weeks in advance.

(Chairperson)

Article 18 The Representative General Affairs Director shall assume the role of Chairperson.

2 Should, due to unavoidable circumstances, the Representative General Affairs Director be otherwise engaged, the Representative Operational Directors or other directors shall replace the Director as Chairperson, in keeping with the order previously stipulated by the Directors.

(Authority)

Article 19 The following shall be resolved at the General Meeting of Members:

- (1) Expulsion of Members or Affiliates
- (2) Election and dismissal of Directors and Auditors
- (3) Approval of Balance Sheet, Profit and Loss Statements (Statement of changes in net assets) and any accompanying documents.
- (4) Modifications to the Articles of Association.
- (5) Dissolution and disposal of assets
- (6) Mergers or whole or part transfer of business

(7) In addition to that stipulated in the preceding Item, matters prescribed in the General Incorporated Associations / Foundations Act (hereinafter referred to as the 'General Incorporated Associations / Foundations Act') and Items prescribed in the Articles of Association.

2 Provisions of the preceding clause notwithstanding, items of business, as outlined in Article 17, Clause 3, that have not been submitted in writing before each General Meeting of Members, may not be resolved at the General Meeting.

(Number of Voting rights)

Article 20 A Regular Member holds one voting right.

(Method of Resolution)

Article 21 Resolutions made at the General Meeting of Members shall, Article 49, Clause 2 of the General Incorporated Associations / Foundations Act and the rules stipulated in these Articles of Association notwithstanding, be resolved upon a majority vote of those in attendance at the General Meeting. In the event of a deadlock the Chairperson casts the deciding vote.

2 Should, as stated in the preceding paragraph, the Chairperson cast the deciding vote, he / she may not vote as a Regular Member.

3 Regardless of the provisions in Clause 1, the following resolutions shall be passed when the meeting is attended by the majority of the Regular Members and two thirds or more of the Regular Members with voting rights are in agreement.

(1) Expulsion of a Member

(2) Dismissal of an Auditor

(3) Modifications to the Articles of Association

(4) Dissolution

(5) Items governed by other laws and regulations

4 In order to elect Directors or Auditors , each candidate must be voted for as stipulated in Clause 1 above. Should the number of the candidates standing for position of Director or Auditor be more than the total number stipulated in Article 25, the candidates shall be chosen from among those who received the majority vote and shall stand elected in order of number of votes received.

(Representative Use of Voting Rights)

Article 22 If, for an unavoidable reason, the Regular Member is unable to attend the General Meeting of Members and have given advance notice, they may delegate their voting right to another Regular Member who can vote on their behalf.

2 In the event that all requirements outlined in the preceding clause have been met, the Regular Member in question shall be considered to have been present at the meeting.

3 The conferment of the vote to a proxy as outlined in Clause 1 above shall take place before each General Meeting of Members.

(Omission of Resolution and Report)

Article 23 In the event that the Directors or Regular Members submit a proposal that requires resolution at a General Meeting of Members, should all Regular Members have endorsed the proposal in writing, the said proposal shall be deemed to have been passed by resolution of the General Meeting of Members.

2 In the event that a Director has notified all Regular Members of a matter to be reported to a General Meeting of Members, the said matter shall not be required to be reported to a General Meeting of Members should all Regular Members have endorsed the proposal in writing. In this case the said proposal shall be deemed to have been reported to the General Meeting of Members.

(Minutes)

Article 24 The General Meeting of Members shall be minuted in accordance with Japanese laws and regulations.

## Chapter 5 Officers and Board of Directors

### Section 1 Officers

(Type and Number)

Article 25 The Corporation shall have the following board members.

(1) Directors – numbering no less than three persons, but no more than 16 persons

(2) Auditors – numbering two persons or less

2 Of all Directors, there shall three or fewer Representative Directors and, as stipulated in the General Incorporated Associations / Foundations Act Article 91, Item 2, one Director is able to hold a position as Executive Director.

(Election)

Article 26 The Directors and Auditors shall all be elected by a vote at the General Meeting of Members.

2 Representative Directors and Executive Directors shall be elected by the Board of Directors.

3 The Auditors are not able to hold a concurrent position as Director or Employee.

(Term of Office)

Article 27 The term of office for Directors shall terminate within two business years from the time of their election at the Ordinary General Meeting of Members. This does not preclude re-election.

2 The term of office for Auditors shall terminate within four business years from the time of their election, at the Ordinary General Meeting of Members. This does not preclude re-election.

3 In accordance with Article 63, Clause 2 of the General Incorporated Associations / Foundations Act, the term of office for Directors or Auditors

nominated as a substitute shall be the same as the term remaining for their predecessor.

4 In the event that there are fewer Officers than the required number stipulated in Article 26, Clause 1, even if an Officer resigns or has served their term in full, they shall carry out their duties and obligations until such time as a replacement can be elected.

(Duties and Authority of Directors)

Article 28 The Board of Directors is made up of Directors who shall, in accordance with Japanese laws and regulations and these Articles of Association, participate in the planning of decisions regarding the execution of business operations of the Corporation.

2 The Representative Directors shall, in accordance with Japanese laws and regulations and the Articles of Association, represent the Corporation and execute the business of the Corporation. Executive Directors shall, in accordance with that stipulated by the Board of Directors and the Articles of Association, share the business conducted by the Corporation.

3 The Representative Directors and Executive Directors shall, after a period of four months after the start of the business year, submit to the Board of Directors, two or more reports at 4 month intervals outlining work they have carried out.

(Duties and Rights of Representative Directors)

Article 29 The Corporation shall allocate representative directors of no less than one and no more than three persons who shall be chosen from among the directors at the Board of Directors.

2 The Representative Directors shall represent the Corporation and take charge of the overall operation of the Corporation.

3 Two Representative Operational Directors and one Representative General Affairs Director can be nominated from among the Representative Directors.

4 Representative Operational Directors shall be mainly responsible for the external business activities.

5 The Representative General Affairs Director shall be mainly responsible for internal management roles.

6 The divisions of duties of the Representative Directors are stated in the Detailed Rules of Operation.

7 The Representative General Affairs Director shall preside over the General Meeting of Members and the Board of Directors. Should, due to unavoidable circumstances, the Representative General Affairs Director be otherwise engaged, the role of chairman shall be assumed by either the Representative Operational Directors or another Director, in the order previously stipulated by the Board of Directors.



(Duties and Rights of Auditors)

Article 30 The Auditors are responsible for execution of the following duties:

- (1) Auditing business executed by the Director and, in accordance with Japanese laws and regulations, compiling audit reports.
- (2) Auditing the status of the business and assets of the Corporation. Auditing the statement of accounts and business reports every business year
- (3) Attending the General meeting of Members and meetings of the Board of Directors and, where necessary, voicing their opinion.
- (4) Should a Director act or be feared to act unfairly, violate Japanese laws and regulations or the Articles of Association or behave in a significantly improper manner, the Auditor shall, without delay, report the matter to the General Meeting of Members and the Board of Directors.
- (5) Should it be necessary to make the report prescribed in the preceding Item, the Representative Directors shall convene a meeting of the Board of Directors. However, if within five days of the request, notification of a Board of Directors meeting convening within two weeks, has not been served, the Auditor may convene the meeting directly.
- (6) Review the proposals, documents and other items prescribed by Japanese laws and regulations that Directors wish to submit to the General Meeting of Members and, in the event that they are in violation of Japanese laws and regulations, the Articles of Association or are considered to be significantly improper, report the results of the review to the General Meeting of Members.
- (7) Should a Director act outside the scope of the objectives of the Corporation or violate other laws and regulations or the Articles of Association, or it is feared the Director may do so, or it is feared the Director will significantly damage the Corporation by such action, the Auditor may demand the Director cease such actions.
- (8) Duties required of the Auditor as prescribed in other laws and regulations.

(Reward for Directors and Auditors)

Article 31 There shall be no reward for directors and auditors.

(Limitations of Business)

Article 32 In the event the Directors intend to carry out the following business, they shall reveal the main points concerning the said business to, and attain approval of, the Board of Directors.

- (1) Business which is in the interest of the Director themselves or a third party that are counted among those of the Corporation.
- (2) Business with the Corporation which is in the interest of the Director themselves or a third party.
- (3) Where the Corporation guarantees the debts of the Directors and business conducted with someone other than a Director conflicts with the interests of the Corporation and / or the Directors.

2 A Director who conducts business outlined in the preceding Clauses shall, without delay, report the main points the business to the Board of Directors.

3 The preceding two Clauses shall be dealt with following discussion by the Board of Directors and provided for separately.

(Exemption from, and Limitations of Responsibility)

Article 33 Following discussion by the Board of Directors and in the event that the conditions for liability fall within the purview of the laws and regulations, the Corporation may, where the liability for damages of Officers as stipulated in Article 111, Clause 1 of the General Incorporated Associations / Foundations Act is concerned, deduct the minimum amount of limit of liability as stipulated by law from the total amount of liability required and be exempt from paying the remainder of the amount of liability.

2 Following discussion by the Board of Directors and, in the event that the conditions for liability fall within the purview of the laws and regulations, the Corporation can, as stipulated in Article 115, Clause 1 of the General Incorporated Associations / Foundations Act, make a contract limiting liability with an Official from another organisation, in relation to the liability in the preceding paragraph. However, the amount of limit of liability on which the contract is based shall be the amount stipulated by law.

(Advisor)

Article 34 The Corporation shall be allocated a Supreme Advisor.

2 A few influential individuals shall be delegated to act as Supreme Advisors. They shall be approved by the Board of Directors and appointed by the Representative Directors.

3 At the request of the Representative Directors, the Supreme Advisor shall offer advice on the activities and the operations of the Corporation.

4 The term of office for the Supreme Advisor shall be two years.

5 The Supreme Advisor shall receive no reward.

## Section 2 Board of Directors

(Structure)

Article 35 The Corporation shall establish a Board of Directors

2 All members of the Board of Directors shall be Directors.

(Chairperson)

Article 36 The Chairperson of the Board of Directors is the Representative General Affairs Director.

2 Should, due to unavoidable circumstances, the Representative General Affairs Director be otherwise engaged, the role of Chairperson shall be assumed by a Representative Operational Director or another Director, in the order previously stipulated by the Board of Directors.

(Authority)

Article 37 The of Board of Directors shall, in accordance with the Articles of Association, be responsible for the following:

- (1) Setting the date and time, location and order of business for the General Meeting of Members.
- (2) Establishing, amending and abolishing rules and regulations.
- (3) Establishing and amending business plans and the budget for each business year.
- (4) In addition to that stipulated in the preceding Item, deciding on the execution of business carried out by the Corporation.
- (5) Supervising the execution of duties and obligations of the Directors.
- (6) Appointing and dismissing Representative Directors and Executive Directors.
- (7) Approval of the Supreme Advisor.
- (8) Other items brought up in the discussions by the Board of Directors.

2 The Board Of Directors does not have the authority to allow Directors to pass resolutions concerning the following important business matters:

- (1) Disposal and/or transfer of important assets
- (2) Large debts
- (3) Election and / or dismissal of core staff
- (4) Establishment, modification or abolition of secondary offices and / or other core organisations.
- (5) Exemption from responsibility concerning Article 32 Clause 1, and termination of the Contract for Limitation of Liability as laid out in Clause 2 of the same Article.

(Convocation)

Article 38 Meetings of the Board of Directors shall be convened by the Representative General Affairs Director.

2 Should, due to unavoidable circumstances, the Representative General Affairs Director be unable to convene a meeting, the meeting shall be convened by another Director, in the order previously stipulated by the Representative General Affairs Director and the Board of Directors.

3 When a meeting of the Board of Directors is convened, written notice of the date and time, location and order of business shall be sent to all Directors one week in prior to the meeting. However, should an emergency arise, this period may be reduced.

4 The provisions of the preceding paragraph notwithstanding, where all Directors and Auditors are in agreement, a Board of Directors meeting may be convened without following the procedures for convocation.

5 A meeting of the Board of Directors may be convened when a Director other than a Representative Director requests convocation and the said Director notifies

the Representative Directors in writing stating their reason for convocation and matter(s) to be discussed.

6 In the event that, within five days of the day of submission of the request stipulated in the preceding Item, the day of convocation of the Board of Directors meeting, which is to be held within two weeks of the day of notification, has not been announced, the Director who requested the meeting can convene the meeting.

7 If, pursuant to the provisions of Article 30, Clause 1, Item 5, the Auditor requests the Chair of the Board of Directors to convene a meeting, or the Auditor convenes a meeting.

(Resolution)

Article 39 Resolution of the Board of Directors shall, in addition to that otherwise stipulated in the Articles of Association, be made by a majority of the directors present where the majority of the directors entitled to participate in the vote are present. Should there be a deadlock, the Chairperson shall cast the deciding vote.

2 In the case of the preceding paragraph, the Chairperson may not vote as a Director.

(Omission of Resolution and Report)

Article 40 In the event that the Directors submit a proposal that requires resolution by the Board of Directors, when all Directors who have the right to vote on the matter have endorsed the proposal in writing, the said proposal shall be deemed to have been resolved by the Board of Directors. However, this shall not apply when the Auditor has objected.

2 When a Director or Auditor has notified all Directors or Auditors of a matter to be reported to the Board of Directors, the said matter shall not be required to be reported to the Board of Directors.

3 The provisions of the preceding paragraph shall not apply when the report is provided for in Article 28, Clause 3.

(Meeting Minutes)

Article 41 Meetings of the Board of Directors shall be minuted as stipulated by Japanese laws and regulations. The Representative Directors and the Auditor present at the meeting shall sign or affix their names and seals to the minutes.

### Section 3 Execution of Business Operations

(Execution of business operations)

Article 42 The Executive Director shall control the business operations of the Corporation.

(Executive Directors)

Article 43 There shall be one Executive Director, who shall be nominated with the approval of the Board of Directors and announced at the General Meeting of Members.

2 The Executive Director shall be approved by the Representative Directors and have the final executive power in all decision making of the business operations.

3 The Executive Director can hold a concurrent position as an Administrative Director.

(Term of office)

Article 44 The term of office of the Executive Director shall be two years. This does not preclude re-election.

(Obligation to Report Status of Business Operations and Assets)

Article 45 At the request of members, the Executive Director shall report the status of the assets and the business operations of the Corporation.

(Reward)

Article 46 There is no reward for the Directors for the execution of duties.

2 Should the Executive Director hold a concurrent position as an Administrative Director, the amount of reward shall be decided following discussion by the Board of Directors.

(Secretariat)

Article 47 Following discussion by the Board of Directors, the Corporation shall establish a Secretariat in order to carry out the business of the Corporation.

2 Necessary matters pertaining to the organisation and running of Secretariat shall be resolved by the Board of Directors and stipulated in the Detailed Rules of Operation.

## Subsection 2 Committees

(Committees)

Article 48 In order to achieve the aims and projects, Committees can be created as deemed necessary.

2 Provisions for Committees are stipulated in the detailed rules and regulations.

## Chapter 6 Assets and Accounting

### Section 1 Accounting

(Financial Year)

Article 49 The financial year of the Corporation shall be from 1<sup>st</sup> April until 31<sup>st</sup> March the following year.

(Business Plans and Budget)

Article 50 The Business Plans and Budget of the Corporation shall be compiled by the Representative Directors up until the day before the commencement of each business year and, following resolution by the Board of Directors, and reported at the next General Meeting of Members. The same shall apply if said documents are amended.

2 Provisions of the preceding paragraph notwithstanding, in the event that for an unavoidable reason the budget has not been compiled, the Representative Directors shall, following resolution of the Board of Directors, conduct business according to the income and expenditure laid down in the budget for the previous financial year until the day the budget has been compiled.

3 The income and expenditure mentioned in the preceding paragraph shall be deemed to be the income and expenditure for the newly compiled budget.

(Business Report and Account Settlement)

Article 51 As regards the Business Report and Accounts Settlement of the Corporation, the Representative Directors shall, after the end of each business year, compile a Business Report, accounts-related documents, and any accompanying documents (hereinafter referred to as ‘financial documents’) and, having received approval from the Board of Directors, report them to and receive the approval of the Ordinary General Meeting of Members.

2 After the conclusion of the Ordinary General Meeting of Members the Corporation shall, without delay and pursuant to the provisions of laws and regulations, make the balance sheet public.

(Accounting Principles)

Article 52 The accounting of the Corporation shall be in accordance with accounting practices that are generally accepted as fair and appropriate.

## Section 2 Funds

(Contribution of Funds)

Article 53 The Corporation can, as prescribed by the General Incorporated Associations / Foundations Act Article 131, request Regular Members and Third Parties to donate funds.

(Handling of Funds)

Article 54 As concerns the procedure for the collection, allocation, and payment of funds, and the handling of management and reimbursement of funds, the rules

governing the handling of funds shall, following resolution of the Board of Directors, be provided for separately by the rules governing handling of funds.

(Rights of Fund Contributor)

Article 55 The corporation shall not reimburse a contributor their funds until such time as the Corporation has been dissolved as stipulated in Article 61.

2 Provisions of the preceding paragraph notwithstanding, the Corporation can, as per process for reimbursement set forth in the following Article, reimburse funds to a contributor.

3 The rights of a person who makes a financial contribution to the Corporation, can not be transferred, pledged or entrusted to a third party.

(Procedures for Reimbursement of Funds)

Article 56 The amount funds to be reimbursed shall, following resolution of the Ordinary General Meeting of Members, be limited to the scope stipulated in

Article 141 of the General Incorporated Associations / Foundations Act

2 The process for reimbursing the funds outlined in Clause two of the preceding Article shall be specified following resolution of the Board of Directors.

(Substitute Fund Reserve)

Article 57 In order to reimburse funds, a reserve of substitute funds equivalent to the amount of funds to be reimbursed shall be established. The substitute fund shall not be dismantled.

### Section 3 Payment of Expenditure

(Management of Assets)

Article 58 The Assets of the Corporation shall be managed by the Executive Director and the method of management shall be as per the decision made at the General Meeting of Members and by the Board of Directors.

(Payment of Expenditure)

Article 59 The expenditure of the Corporation shall be defrayed by the following:

(1) Membership fees

Donations and other income

### Chapter 7 Modifications to the Articles of Association, Mergers and Dissolution

(Modifications to the Articles of Association)

Article 60 Modifications to these Articles must be agreed on by more than three-quarters of all members present at the General Meeting of Members as stipulated in Article 22, Clause 3.

(Dissolution)

Article 61 The Corporation can be dissolved on the grounds stipulated in Article 148, Items 1 – 2 and Items 4 – 7 of the General Incorporated Associations / Foundations Act or following a resolution of the General Meeting of Members as stipulated in Article 18, Clause 2.

(Continuation of the Corporation)

Article 62 In the event that the Corporation is dissolved on the grounds stipulated in Article 148, Items 1 – 3 of the General Incorporated Associations / Foundations Act (including having been deemed to have been dissolved on the grounds stipulated in Article 149, Clause 1 of the same law), following resolution at the General Meeting of Members the Corporation may continue as a General Incorporated Association until such time as liquidation is deemed complete in accordance with Chapter 4 of the same Act. In the event that, as stipulated in the same Clause, the Corporation is deemed to have been dissolved, this period shall be limited to three years or less after dissolution.

(Mergers)

Article 63 Should the Corporation pass a resolution at the General Meeting of Members, as stipulated in Article 18, Clause 2, to merge with a General Incorporated Association or Foundation it can hand over all or part of the business.

## Chapter 8 Liquidation

(Method of Liquidation)

Article 64 Should the Corporation dissolve, the method of liquidation shall be decided at the General Meeting of Members. However, as stipulated in the General Incorporated Associations / Foundations Act, this does not preclude the Directors or persons nominated by the Directors going into liquidation independently.

2 Nomination and dismissal of the liquidator shall be decided by a majority of the members.

(Attribution of Surplus)

Article 65 The Corporation shall not allow itself to distribute the surplus.

2 In the event that the Corporation goes in to liquidation as a result of dissolution, the matter of the organisation into which the surplus shall be disposed, whether a similar Koeki Hojin (Public Interest Corporation), or the national or local government, shall be resolved at the General Meeting of Members.



## Chapter 9 Public Information and Privacy Policy

### (Public Information)

Article 66 The Corporation shall, in order to further the activities of the Corporation in a just and open manner, take active steps to make public the status of business activities, details of the business operations, financial documents among others.

2 Items which are to be made public shall be resolved by the Board of Directors and provided for separately.

### (Privacy Policy)

Article 67 The Corporation shall use every means to protect personal information that comes into its possession during the course of business.

2 That which is necessary for the protection personal information will be resolved by the Board of Directors and be provided for separately.

### (Storage of Ledgers and Documents)

Article 68 The following documents and ledgers must be kept in the head office along with the original copies.

- (1) The Articles of Association
- (2) A list of Members and documents relating to change of Members
- (3) A list of names of Directors, Auditors and Staff and their curriculum vitae
- (4) Documents of official authorisation and records
- (5) Documents related to the minutes of the organisation as stipulated in the Articles of Association.
- (6) Inventory
- (7) Business plans and Budget Sheet
- (8) Business Reports, Statement of Income and Expenditure and other accounts-related documents.
- (9) Audit reports
- (10) Other necessary documents and ledgers as stipulated by laws and regulations.

2 Consultation of the ledgers and documents detailed in the preceding paragraph shall be as stipulated in Japanese laws and regulations and Article 66, Clause 2 of rules governing making information public,

### (Public Announcements)

Article 69 The Corporation shall give public notice by posting notices in a part of the office to which the public has access and can be easily seen, and on the website.

## Chapter 10 Miscellaneous Provisions

(Authority)

Article 70 In addition to that provided for in the Articles of Association, matters necessary for conducting the business of the Corporation shall be resolved by the Board of Directors and be provided for separately.

Article 71 All other matters not specified in the Articles of Association are pursuant to the General Incorporated Associations / Foundations Act other related regulations.

Supplementary Provisions

1 These Articles of Association came into effect on May 27<sup>th</sup>, 2009

The above Articles of Association of the Corporation are true and correct in every respect.

204 Aza Yamada, Kutchan Cho, Abuta Gun, Hokkaido  
Niseko Promotion Board  
Representative Director: Findlay, Ross Antony