

Clayteam Management Regulations

Following is an informative English translation of the management regulations of Clayteam. Only the original Japanese management regulations are binding.

Clayteam Management Regulations

April 1, 2010

These Regulations stipulate items required for the management of "Clayteam", established based on the National Institute of Advanced Industrial Science and Technology Consortium Regulation (regulation 17, No. 44) as follows.

Chapter One: General Rules

Article 1 (Establishment)

Clayteam (hereinafter designated as "Consortium") is established in the Research Center for Compact Chemical System of the National Institute of Advanced Industrial Science and Technology (hereinafter designated as "Institute".)

Article 2 (Purpose)

The Consortium aims to exploit materials specialized in clay films and inorganic nanoscale materials and their application. For this goal, the Consortium promotes integrated exploitation through concentration of "*Monodzukuri*" (Craftmanship) science and wisdom, while sharing information through cooperation of various scientific and industrial fields. Then the Consortium aims at propagation and market formation of materials and related technologies to clay films and inorganic nanoscale materials.

Article 3 (Activities)

The Consortium undertakes the activities described in the following (hereinafter designated as "Activities") to achieve the purpose as stated in the previous article.

- a. Technical instruction with respect to materials, specializing in clay films and inorganic nanoscale materials.
- b. Promotion of technology transfer with respect to materials, specializing in clay films and inorganic nanoscale materials.
- c. Collection, research/study, and dissemination of information with respect to materials, specializing in clay films and inorganic nanoscale materials.
- d. Opening a sample clay library with respect to materials, specializing in clay films and inorganic nanoscale materials.
- e. Planning and administration of seminars with respect to materials, specializing in

- clay films and inorganic nanoscale materials.
- f. Exhibition and public relations.
 - g. Other miscellaneous activities deemed necessary to achieve the purpose of this consortium.

Chapter 2: Membership

Article 4 (Types of Membership)

The Consortium is organized by those who agree to the enforcement of the purpose in Article 2 and Activities defined in the previous article, and listed the following (hereinafter designated as "Member".)

- a. Researchers of universities or public research organizations, who are willing to provide research results related to clay films and inorganic nanoscale materials, and those who are recognized especially by the chairperson prescribed in Article 7 (hereinafter designated as "Chairperson") (hereinafter designated as "General Member A".)
- b. Corporations or organizations whose main objectives are the practical use of research results related to clay films and inorganic nanoscale materials and information collection of related field thereof, and who are willing to pay the membership fee prescribed in Article 13, Clause 2 (hereinafter designated as "General Member B".)
- c. Organizations willing to provide information with respect to the promotion of research and development or practical use of clay films and inorganic nanoscale materials, and which are recognized especially by Tohoku Bureau of Economy, Trade and Industry, local governments, and the Chairperson (hereinafter designated as "Special Member".)

Article 5 (Admission and Withdrawal)

Admission to and withdrawal from the membership of the Consortium shall be as the noted below.

- a. Those wishing to become members must submit to the Chairperson an application form for admission and a written document with information that the Consortium define such as applicant name and address (hereinafter designated as "Information"), and acquire approval of the board of directors (hereinafter designated as "Board of Directors") prescribed in Article 8.
- b. In case of any change to the Information submitted as for the preceding clause, those seeking membership must submit a revised report to the Chairperson without delay.
- c. A member who wishes to withdraw from the Consortium must submit a withdrawal notice with the reason of withdrawal to the Chairperson, and acquire approval of Board of Directors. The membership fee must be paid in full, in case of remaining unpaid membership fees.

- d. When the following either (i) or (ii) applies to any Member, the Chairperson shall hear a situation from the Member concerned, and if required, the Chairperson can expel the Member according to the decision of the Board of Directors.
- (i) When Member defaults and does not pay a membership fee even after a written reminder with a reasonable period.
 - (ii) When a Member damages the honor of the Consortium or behaves contrary to the mission of the Consortium.

Article 6 (Member's Rights and Duties)

1. Member has the right to participate in Activities prescribed in Article 3, the right to participate in a general meeting prescribed in Article 10 (hereinafter designated as "General Meeting"), and the right to exercise voting rights.
2. Members are obligated to observe rules and regulations in regard of management of the Consortium, such as these Clayteam Management Regulations defined by the Consortium, and the decision of Board of Directors and General Meeting.

Chapter 3: Board Members

Article 7 (Board Members)

1. The Consortium has one Chairperson, a few directors, and two auditors as board members.
2. The Director of the Research Center for Compact Chemical System designates the Chairperson out of Directors in accordance with Clause 4 of the following.
3. The Chairperson supervises the Consortium management on behalf of the Consortium.
4. Director shall be chosen by mutual election of Members at General Meeting. At least one Director must be affiliated with the Research Center for Compact Chemical Systems.
5. The Chairperson selects one Auditor each from General Members A and B upon approval by the General Meeting. The Auditor audits the Consortium.
6. Each board member's term of service is one year. Reappointment is not prohibited. However, a supplementary board member's term of service shall be the predecessor's remaining period of the term.

Chapter 4: Board Meeting and Secretariat

Article 8 (Board Meeting)

1. Board Meeting is constituted by Directors, which deliberates and decides on items required for smooth management of the Consortium.
2. The Chairperson acts as the leader of Board of Directors, takes initiative, and supervises discussion.
3. The Chairperson shall hold meetings of the Board of Directors, preside over discussion related to resolutions, and call for a round-robin decision, when the Chairperson requires it.

4. Board of Directors can submit a bill to General Meeting when required.

Article 9 (Secretariat)

1. Secretariat for managing the Consortium (hereinafter designated as "Secretariat") is stationed at the Research Center for Compact Chemical System.
2. Secretariat carries out services listed in the following.
 - a. Reference work for Member and applicants for membership.
 - b. Proposal of business plan of the Consortium.
 - c. Liaison and Coordination with related organizations to the Consortium.
 - d. Account management of the Consortium.
 - e. Public relations with respect to the Consortium.
 - f. Work concerning smooth management of General Meeting and Board Meeting.
 - g. Other miscellaneous work required for management of the Consortium.

Chapter 5: General Meeting

Article 10 (General Meeting)

1. The Chairperson holds and chairs General Meeting to decide listed items in the following..
 - a. Budget related to the business plan and operational expenses
 - b. Settlement of accounts, with reports of business and operational expenses
 - c. Other important matters related to management
2. A bill submitted to the General Meeting shall be settled by most attending members' votes. In the case of a tie, the Chairperson shall settle the bill.

Article 11 (Special General Meeting)

1. The Chairperson can hold a Special General Meeting when required.

Chapter 6: Accounts

Article 12 (Fiscal Year)

1. The fiscal year of the Consortium begins on April 1 and ends on March 31 of the following year.

Article 13 (Operational Expenses)

1. Membership fees from General Members B are allocated for the operational expenses of the Consortium.
2. Membership fees for the fiscal year of the preceding clause are the following (sales tax included.)

General member B: 150,000 yen

However, membership fees for corporations applicable to Article 2 of the Small and Medium Enterprise Basic Law (except for those whose 1/2 or more of the total of issued stocks or investment is possessed by an identical major enterprise) is 50,000 yen per

annum and free for the first year.

3. The membership fee of the Consortium can be revised upon decision of the General Meeting.

Article 14 (Budget)

The Secretariat prepares a draft of a budget proposal, which is decided at General Meeting through deliberation and decision of the Board Meeting.

Article 15 (Account Settlement)

1. The Secretariat receives the Auditors' audit about the income, expenditure, and accounting situation of the current fiscal year.
2. The Secretariat must report the result to the Board Meeting and must acquire approval at the General Meeting upon audit by the Auditors.

Chapter 7 Supplementary Rules

Article 16 (Attribution of Intellectual Property)

1. Information related to Activities and disclosed among Members might be disclosed and used freely. However, when a nondisclosure agreement is separately made among Members, that nondisclosure agreement must be obeyed.
2. When a Member wishes enforcement of intellectual property owned by another Member, the handling shall be determined through separate consultation between those Members.

Article 17 (Nondisclosure Agreement)

1. When a Member wishes to disclose confidential information during execution of the Activities of the Consortium, a nondisclosure agreement can be concluded separately.

Article 18 (Dissolution)

1. The Chairperson shall declare the dissolution of the Consortium through a decision at a General Meeting based on the decision of the Board Meeting when the mission of the Consortium is accomplished or in the event that the Consortium management becomes difficult financially, etc.

Article 19 (Alteration of Regulations)

1. Revision and abolition of these Regulations shall be conducted through a decision at the General Meeting.

Article 20 (Terms)

1. Terms of the Consortium shall be three years after establishment. However, Terms shall be extended for one year when the intention of continuation is expressed at a General Meeting, then henceforth similarly.

Article 21 (Deliberations)

1. Items not prescribed in these Regulations shall be resolved harmoniously with deliberations of those concerned and the Board Meeting.

Supplementary provision

1. These Regulations are enforced from May 20, 2010.