

# GLOBAL ENVIRONMENT CENTRE FOUNDATION

## ARTICLES OF INCORPORATION

(This English Translation is for information purpose only.)

### Chapter 1 GENERAL PROVISIONS

(Name)

Article 1. This juristic person shall be called “Global Environment Centre Foundation” (abbreviated to “GEC”) (hereinafter referred to as “the Foundation”).

(Office)

Article 2. The Foundation shall have its main office at Tsurumi-ku, Osaka City.

2. The Foundation may, by a resolution of the Board of Directors, establish (a) suboffice(s) at any location as necessary. The same shall apply to the change or closure thereof.

### Chapter 2 OBJECTIVES AND ACTIVITIES

(Objectives)

Article 3. The objective of the Foundation is to contribute to the conservation of the global environment, including that of developing countries, by supporting the United Nations Environment Programme in its efforts to conserve environment of large cities in developing countries, and by promoting international cooperation, taking advantages of abundant knowledge and experiences in the subject matters accumulated in Japan.

(Activities)

Article 4. In order to accomplish the objectives of the preceding Article, the Foundation shall implement the following activities:

- (1) To support United Nations Environment Programme International Environmental Technology Centre in its efforts to disseminate information on environmentally sound technologies (ESTs) and to transfer such technologies which are aimed at promotion of environmental conservation in large cities in developing countries.
  - (2) To collect, disseminate, research and study information on the environmental conservation of the world including those of developing countries as well as countermeasures to global warming in order to promote technical cooperation and capacity building in developing countries.
  - (3) Other activities, which may be deemed necessary to accomplish the objectives of the Foundation.
- 2 Activities stated in the above, are to be conducted in Japan and overseas countries.

### Chapter 3 ASSETS AND ACCOUNTS

(Basic Assets)

Article 5. Basic assets essential to achieve the Foundation’s objectives shall be as shown in the Appendix.

- 2 For the purpose of achieving its objectives, the Foundation shall manage the basic assets with the care of a good manager, in accordance with the regulations separately specified by the Board of Councilors. If any portion of the basic assets is to be disposed of or removed from the basic assets, prior approval of the Board of Directors and the Board of Councilors is required.

(Fiscal Year)

Article 6. The Foundation’s fiscal year shall commence on April 1 every year and end on March 31 of the following year.

(Plan for Activities and Income and Expenditure Budget)

Article 7. The Foundation’s plan for its activities, income and expenditure budget, financing, and capital investment shall be prepared by the President and be approved by the Board of Directors before the

commencement of each fiscal year. The same procedure shall also apply for any changes to the plan.

- 2 Documents pertaining to the plan mentioned in the preceding paragraph shall be kept at the main office until the end of the relevant fiscal year and will be made available for general viewing.

(Report of Activities and Financial Results)

Article 8. With regard to the report of the Foundation's activities and its financial results, the following documents shall be prepared by the President after the end of the fiscal year, accordingly audited by the Auditor and finally approved by the Board of Directors. In addition, the contents of Items (1) and (2) shall be reported in, and the documents listed in Items (3) through (6) shall be approved at the general meeting of the Councilors:

- (1) Report of activities
- (2) Detailed statement annexed to the report of activities
- (3) Balance sheet
- (4) Statement of Change in Net Assets
- (5) Detailed statement annexed to the balance sheet and Statement of Change in Net Assets
- (6) List of assets

- 2 In addition to the documents mentioned in the preceding paragraph, the Foundation shall maintain the following documents and the Articles of Incorporation at the head office and they shall be made available for general viewing. The period of such general viewing of the documents from (1) to (4) is limited to five (5) years.

- (1) Audit report
- (2) List of Directors, Auditors, and Councilors
- (3) Document stating the guidance of remunerations to Directors, Auditors, and Councilors.
- (4) Documents summarizing the status of the operating organization and its activities, and key figures relating to such activities

(Calculation of the Balance of Assets acquired for Public Interest Purposes)

Article 9. The President shall calculate the balance of assets acquired for public interest purposes as on the last day of the relevant fiscal year, pursuant to the provisions of Article 48 of the Ordinance for Enforcement of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, and shall specify such balance in the document listed in Paragraph 2, Item (4) in the preceding Article for each fiscal year.

## **Chapter 4 COUNCILORS**

(Councilors)

Article 10. The Foundation shall have at least three (3) but no more than eleven (11) Councilors.

(Appointment and Dismissal of Councilors)

Article 11. Councilors are appointed and dismissed upon a resolution of the Board of Councilors, provided, however, that the appointment is in accordance with the selection procedures for the Councilor Selection Committee.

- 2 The Councilor Selection Committee shall consist of five (5) members comprising one Councilor, one Auditor, one member of the Secretariat, and two external committee members.

- 3 Members of the Councilor Selection Committee shall be appointed by the Board of Directors, but the external committee members shall not fall under any of the following persons:

- (1) A person who is executing business of the Foundation or any of its related organizations (including major business partners and organizations having material interest with the Foundation; the same shall apply hereinafter), or who is an employee of such organizations;
- (2) A person who once has fallen under the preceding category
- (3) A person who is a spouse or a relative within the third degree of kinship, or an employee (including a person who was an employee in the past), of any of the persons listed in items (1) or (2).

4. Candidates for Councilor posts may be recommended to the Councilor Selection Committee by the

Board of Directors or the Board of Councilors. The detailed regulations regarding the operation of the Councilor Selection Committee shall be set forth at the meeting of the Board of Directors.

- 5 When recommending a candidate for the post of Councilor, the recommending Board must inform the Councilor Selection Committee of the following matters, as well as the reason why the candidate is considered suitable for the post:
  - (1) Candidate's Curriculum Vitae
  - (2) Reasons why the candidate is recommended
  - (3) The candidate's relationship with the Foundation and its Directors, Auditors, and Councilors
  - (4) The candidate's concurrent position(s)
- 6 Resolution of the Councilor Selection Committee shall be made by a majority vote with more than a half of the committee members present. In addition, such a resolution is invalid unless at least one external Committee member is present at the meeting and at least one approving vote from external members of the Committee is obtained.
- 7 The Councilor Selection Committee may appoint (a) substitute Councilor(s) for cases where there are an inadequate number of Councilors, as prescribed in Article 10.
8. In the case mentioned in the preceding paragraph, the Councilor Selection Committee shall resolve the following matters at the same time:
  - (1) A resolution that the candidate is a substitute Councilor;
  - (2) When the candidate is to be appointed as a substitute Councilor for one or more specific Councilors, a resolution as such;
  - (3) When two or more substitute Councilors are to be appointed for the same Councilor (two or more Councilors when the candidate was appointed as a substitute for two or more Councilors), priorities among such substitute Councilors.
- 9 The resolution relating to the appointment of substitute Councilors prescribed in Paragraph 7 shall remain in force until the close of the general meeting of the Board of Councilors for the last fiscal year that ends within four years of such resolution.

(Term of Office)

Article 12. The term of office of a Councilor shall expire at the close of the general meeting of the Board of Councilors for the last fiscal year that ends within four years of his/her appointment as a Councilor. However, a Councilor may be re-appointed.

- 2 In case of a Councilor appointed as a substitute for a Councilor who has retired from office before the expiration of his/her term, the term of office shall run until the expiration of the term of the predecessor.
- 3 If the number of Councilors falls below the minimum required number of the Councilors stipulated in Article 10, a Councilor who retired from office due to expiration of the term of office or resignation shall continue to have the rights and obligations of a Councilor until a newly appointed person assumes the position.

(Remuneration, etc. for Councilors)

Article 13. Remuneration shall be paid to Councilors according to his/her attendances to the Board of Councilors within the limit of the amount separately approved by the board of the Councilors.

- 2 The Foundation may reimburse Councilors' out of pocket expenses that are deemed legitimate to perform their official duties. The payment standard in such cases shall be separately specified by the Board of Councilors.

## **Chapter 5 BOARD OF COUNCILORS**

(Composition)

Article 14. The Board of Councilors shall consist of all the Councilors

(Authority)

Article 15. The Board of Councilors shall make decisions on the following matters:

- (1) The appointment and dismissal of Directors and Auditors
- (2) The amount of remuneration to be paid to Directors and Auditors

- (3) The standard for reimbursement of expenses incurred by Councilors
- (4) Approval of the balance sheet, statement of changes in net assets, and accompanying detailed statement thereof
- (5) Approval of the list of assets
- (6) Amendment to the Articles of Incorporation
- (7) Disposal of residual assets
- (8) Approval of disposal or exclusion of basic assets
- (9) Other matters to be resolved by the Board of Councilors in accordance with laws and regulations and the Articles of Incorporation

(Convening)

Article 16. In addition to the general meeting of the Board of Councilors convened in June every year, extraordinary meetings may be called at any time as deemed necessary.

(Convocation)

Article 17. Unless otherwise provided for by laws and regulations, the Board of Councilors shall be convened by the President, pursuant to a resolution of the Board of Directors.

2 Any Councilor may request the President to convene a meeting of the Board of Councilors, indicating the purpose and reasons for convening the meeting.

3 If all of the Councilors agree, a Councilors meeting may be convened without the convocation procedure.

(Chairperson)

Article 18. The Chairperson of the Board of Councilors shall be elected in each meeting, by the mutual vote of the Councilors present.

(Resolution)

Article 19. A resolution of the Board of Councilors shall be made by a majority vote of the Councilors present, excluding those who have a special interest in the resolution, and a quorum of such meeting shall be constituted when a majority of the Councilors are present at the meeting.

2 Notwithstanding the provisions of the preceding paragraph, the following resolutions shall be made by a greater than two-thirds majority of the Councilors, excluding those with a special interest in the vote:

- (1) Dismissal of Auditors
- (2) Amendment to the Article of Incorporation
- (3) Approval of disposal or exclusion of basic assets
- (4) Any other matters required by laws and regulations

3 With respect to the resolution of a proposal on the appointment of Directors and Auditors, a resolution described in Paragraph 1 of the Article is required for each candidate. If the total number of candidates for Directors or Auditors exceeds the maximum number as provided in Article 21, candidates shall be elected according to those who have received the majority votes, in the order of the number of votes won by each candidate, until all positions are filled.

(Minutes)

Article 20. Minutes of meetings of the Board of Councilors shall be prepared with respect to the matters discussed at the meeting, as required by laws and regulations.

2 The Chairperson and the signatory appointed by the Councilors present at the meeting shall sign or affix their names and seals to the minutes.

## **Chapter 6 DIRECTORS AND AUDITORS**

(Appointment of Directors and Auditors)

Article 21. The Foundation shall have the following Directors and Auditors:

- (1) Directors At least three (3) persons but not more than eight (8) persons
- (2) Auditors Not more than three (3) persons

2 One of the Directors shall be President

3 Among Directors, not more than two (2), who are not serving as President, shall be appointed as Operating Directors

4 The President stated in Paragraph 2 is assigned to the duly authorized representative of the directors of general incorporated association or general incorporation foundation, and the Operating Director shall execute the shared duties of the Foundation, as determined separately by the Board of Directors.

(Election of Directors)

Article 22. Directors and Auditors shall be appointed by a resolution of the Board of Councilors.

2 President and Operating Director shall be appointed from among the Directors by a resolution of the Board of Directors.

(Duties and Authority of Directors)

Article 23. The Directors shall constitute the Board of Directors and execute their duties in accordance with laws and regulations and the Articles of Incorporation.

2 The President and Operating Director shall report the status of their execution of duties to the Board of Directors at least twice each fiscal year, at intervals of no less than four months.

(Duties and Authority of Auditors)

Article 24. The Auditors shall audit the execution of the duties of the Directors and shall prepare auditors' reports in accordance with laws and regulations.

2 The Auditors may request activity reports from the Directors or employees at any time, and may investigate the operations and the assets of the Foundation.

3 The Auditors may attend meetings of the Board of Directors and the Board of Councilors and state their opinions.

(Term of Office of Officers and Auditors)

Article 25. The term of office of Directors shall continue until the close of the general meeting of the Board of Councilors for the last fiscal year that ends within two years of their appointment. However, a Director may be reappointed.

2 The Auditors' term of office shall continue until the close of the general meeting of the Board of Councilors for the last fiscal year that ends within two years of their appointment. However, an Auditor may be reappointed.

3 The term of office of a Director or an Auditor appointed as a substitute shall continue until the end of the predecessor's term of office.

4 In cases where the number of Directors or Auditors falls below the minimum required number of Directors or Auditors, respectively stipulated in Article 21, a Director or Auditor who retired from office due to expiration of term or resignation shall continue to have the applicable rights and obligations until a newly elected person assumes the position.

(Dismissal of Directors and Auditors)

Article 26. If any of the following apply to a Director or Auditor, such a Director or Auditor may be dismissed by a resolution of the Board of Councilors:

(1) A breach of the duties of the office or a failure to execute these duties

(2) Difficulty or inability to cope with the execution of his/her duties due to mental or physical disability.

(Remuneration, etc.)

Article 27. The Foundation may pay Directors a remuneration, etc. that has been decided by the Board of Directors, within the scope of the total amount separately stipulated by the Board of Councilors. The Foundation may pay Directors additional remunerations for their attendances to the Board meetings of Directors, with in the scope of the total amount separately stipulated by the Board of Councilors.

2 The Foundation may pay Auditors remunerations that have been decided by the Board of Directors.

3 The Foundation may reimburse Directors and Auditors for their out-of-pocket expenses that are legitimate to perform their official duties.

(Limitation of Liability of Directors and Auditors)

Article 28. In accordance with Article 114, Paragraph 1 of the Act on General Incorporated Associations and General Incorporated Foundations as applied mutatis mutandis pursuant to Article 198 of the same Act, the Foundation may, by resolution by the Board of Directors (excluding the Director who is liable for the damages), grant exemption from the liability of Directors and Auditors, stipulated in Article 111, Paragraph 1 as applied mutatis mutandis pursuant to Article 198 of the same Act, within the limit of the amount

calculated by deducting the minimum liability amount (the amount stipulated in Article 113, Paragraph 1, Item 2 of the same Act) from the total liability for damages.

(Advisors)

Article 29. The Foundation may opt to have a few Advisors.

2 Advisors shall perform the following duties:

(1) To advise the President upon request

(2) To express opinions with respect to the matters referred by the Board of Directors

3 Appointment and dismissal of Advisors shall be resolved by the Board of Directors.

4 No remuneration shall be paid to Advisors.

## **Chapter 7 BOARD OF DIRECTORS**

(Composition)

Article 30. The Board of Directors shall consist of all the Directors.

(Authority)

Article 31. The Board of Directors shall carry out the followings:

(1) Making decisions on the execution of the Foundations' activities

(2) Supervising the execution of the Directors' duties

(3) Appointing and dismissing the President and Operating Directors

(Convening)

Article 32. In addition to the general meetings of the Board of Directors shall be convened in June and March of every fiscal year, extraordinary meetings may be called at any time as deemed necessary.

(Convocation)

Article 33. The Board of Directors shall be convened by the President.

2 In cases where the President is unable to perform his/her duties due to absence or an accident, any Director may convene the Board of Directors.

(Chairperson)

Article 34. The Board of Directors shall be chaired by the President.

2 In cases where the President is unable to perform his/her duties due to an accident, another Director shall chair the meeting in accordance with the order predetermined by the Board of Directors.

(Resolution)

Article 35. A resolution of the Board of Directors shall be made by majority vote of the Directors present, when majority of the Directors, excluding those who have special interest in the resolution, are present.

2 Notwithstanding the preceding paragraph, if the requirements provided for in Article 96 of the Act on General Incorporated Associations and General Incorporated Foundations applied mutatis mutandis by Article 197 of the same Act are satisfied, a resolution of the Board of Directors shall be deemed to have been made.

(Minutes)

Article 36. As required by laws and regulations minutes of the meeting of the Board of Directors shall be prepared with respect to the matters discussed and decided in the meeting.

2 The President and Auditors present at the meeting shall sign or affix their names and seals to the minutes stated in the preceding Paragraph.

## **Chapter 8 AMENDMENT TO THE ARTICLES OF INCORPORATION AND**

### **DISSOLUTION**

(Amendment to the Articles of Incorporation)

Article 37. The Articles of Incorporation may be amended by a resolution of the Board of Councilors.

2 The preceding paragraph shall also apply to Articles 3, 4, and 11 of the Articles of Incorporation.  
(Dissolution)

Article 38. The Foundation shall be dissolved in cases where the achievement of the Foundation's objectives becomes impossible because of a loss of the basic assets, or as required by any other reasons provided for in the laws and regulations.

(Donation Due to Cancellation of Public Interest Accreditation)

Article 39. In the event the Foundation is subject to the cancellation of its public interest accreditation or the Foundation ceases to exist as a result of a merger (excluding in cases where another public interest corporation succeeds the rights and obligations of the Foundation), the Foundation shall donate an amount equal to the balance of the assets acquired for public interest purposes to a corporation listed in Article 5, Paragraph 17 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, or the government or the local government within one month of the date of cancellation of public interest accreditation or the date of such a merger, following a resolution by the Board of Councilors.

(Ownership of Residual Assets)

Article 40. In the event the Foundation is to be liquidated, residual assets shall be donated to a corporation listed in Article 5, Paragraph 17 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, or the government or the local government, following a resolution by the Board of Councilors.

## **Chapter 9 METHOD OF PUBLIC NOTICE**

(Method of Public Notice)

Article 41. Public notices pertaining to the Foundation shall be made by electronic public notice

## **Chapter 10 SECRETARIAT**

(Secretariat)

Article 42. The Foundation shall establish a Secretariat for the purpose of dealing with the Foundation's office work.

2 The Secretariat shall have a Secretary General and necessary staff.

3 The Secretary General shall be appointed and dismissed by the President, based on a resolution of the Board of Directors.

4 The Secretariat's staff shall be appointed and dismissed by the President.

5 Necessary matters regarding the organization and operation of the Secretariat shall be separately prescribed by the President, following a resolution of the Board of Directors.

(keeping of Documents and Books, etc.)

Article 43. The following documents and books shall be kept at all times at the Foundation's office. The duration for maintaining them shall be in accordance with the terms prescribed by laws and regulations, if any.

(1) Articles of Incorporation

(2) List of Directors and Auditors, etc.

(3) Activity Plan

(4) Income and expenditure budget

(5) Documents stating the outlook for financing and capital investment

(6) Minutes of meetings of the Board of Councilors and the Board of Directors

(7) Balance sheets

(8) Statement of Changes in Net Assets

(9) List of assets

(10) Activity Reports

- (11) Annexed detailed statements
  - (12) Audit reports
  - (13) Documents indicating an outline of organizational operation and activities, and related matters of importance
  - (14) Payment standards for remunerations, etc. for Directors and Auditors, etc.
  - (15) Other documents and books, as required by laws and regulations
- 2 Access to the documents and books prescribed in each of the items of the preceding paragraphs shall be in accordance with the disclosure regulations determined by a resolution of the Board of Directors in addition to the provisions prescribed by laws and regulations.

## Chapter 11 AUXILIARY PROVISIONS

(Delegation)

Article 44. In addition to the provision in the Articles of Incorporation, matters necessary for the Foundation's operation shall be separately set forth by the President, following a resolution by the Board of Directors.

### Supplementary Provisions

- 1 The Articles of Incorporation shall come into force on the date of registration of the establishment as a public interest incorporated organization, as defined in Article 106, Paragraph 1 of the Act on Arrangements of Relevant Acts Accompanying the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations.
- 2 In cases where the registration for the dissolution of a special civil law corporation and the establishment of a public interest incorporation takes place as provided for in Article 106, Paragraph 1 of the Act on Arrangements of Relevant Acts Accompanying the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, notwithstanding the provisions of Article 6, the preceding date of the registration for dissolution shall be the final date of the fiscal year, and the date of the registration for the establishment shall be the first date of the fiscal year.
- 3 The first President of the Foundation shall be Hideo Miyahara.
- 4 The first Operating Directors of the Foundation shall be Kazuhiko Mitsuoka and Katsuichi Mochizuki.
- 5 The first Councilors of the Foundation shall be the following:
  - Masahito Izumi
  - Shigehiro Kataoka
  - Toru Katayama
  - Kumao Kaneko
  - Toshifumi Sakai
  - Yutaka Suzuki
  - Yoji Higaki
  - Seiichi Matsumoto
  - Minoru Mizuno
  - Toru Morioka
- 6 The Foundation's rules and regulations, established before the registration transfer, shall remain in effect after the transfer, to the extent that they do not conflict with the provisions of laws and regulations or the Articles of Incorporation.

### Appendix 1: Basic Assets ( basic assets essential for conducting activities) (related to Article 5)

Type of assets	Amount, etc.
Time deposits, securities	Japanese Yen1,754,163,550