

Articles of Association of the Flexible Factory Partner Alliance

CHAPTER 1: General Provisions

Article 1. (Name)

The Alliance shall be called the “Flexible Factory Partner Alliance” (hereinafter referred to as “the Alliance”).

CHAPTER 2: Purpose and Activities

Article 2. (Purpose)

The purpose of the Alliance shall be to contribute to the standardization of technology to stabilize various wireless systems with coordinated control, promote the application of wireless communications in manufacturing factories that are expected to accelerate wireless-connected devices to increase productivity, and disseminate the said standards. The Alliance and a member may compete in activities to develop products, services, and technology relating to the wireless technology at the discretion of the member and shall not restrict activities to design, develop, sell, and purchase products, services, and technology. In addition, the member may not assume an obligation to implement or apply the standardized specifications relating to wireless systems in manufacturing factories to products, services, and technology of members.

Article 3. (Activities)

The Alliance shall undertake the following activities to achieve the purpose set forth in the preceding Article:

- (1) Development of specifications relating to the technology to stabilize various wireless systems with coordination control
- (2) Activities to standardize the specifications stipulated by (1)
- (3) Activities to promote the application of wireless communications in manufacturing factories
- (4) Activities necessary to achieve the purpose of the Alliance

CHAPTER 3: Members

Article 4. (Classes of Membership)

The Alliance shall consist of corporations or organizations by giving approval to the purpose of the Alliance.

Article 5. (Acquisition of Membership)

A corporation or organization who intends to join the Alliance shall submit Flexible Factory Partner Alliance Members Participation Agreement (“Membership Application”). The membership application shall be approved by a majority vote of the members present in the Board of Directors.

Article 6. (Membership Dues)

Specifics including but not limited to the types, amounts, and method of payment of the membership fee shall be stipulated separately by a resolution of the Board of Directors.

Article 7. (Optional Withdrawal)

A member may withdraw from being a member by submitting the withdrawal notice, stipulated by the Alliance separately, before 14 days prior to the date of withdrawal.

Article 8. (Expulsion)

A member may be expelled from the Alliance by a resolution of the General Assembly if any of the

following items are found applicable to the member:

- (1) The member violates any provisions of the Articles of Association or other rules.
- (2) The member defames the Alliance or commits an act contrary to the purpose of the Alliance.
- (3) There is any other justifiable reason for expulsion.

Article 9. (Disqualification from Membership)

In addition to the cases set forth in the preceding two Articles, a member shall be disqualified from membership if any of the following items are found applicable to the member:

- (1) If the member fails to fulfill the payment obligation set forth in Article 6 for one year or more.
- (2) If the member is dissolved.

Article 10. (Non-refund of Membership Dues, etc.)

A membership dues or any other money or article once paid or contributed by a member shall not be refundable.

In case the new member submits a withdrawal notice within the review period, stipulated by the Regulations on the Handling of Intellectual Property Rights, the membership dues may be reimbursed.

CHAPTER 4: General Assembly

Article 11. (Constituents)

The General Assembly shall consist of all members.

Article 12. (Convocation)

1. A General Assembly meeting shall be convened by the Chairperson.
2. A General Assembly meeting shall be convened by giving a written notice to the members, stating the date and time, place, purpose, and other matters relating to the General Assembly meeting no later than one week prior to the date of the said General Assembly meeting. If the notice stipulates any matters for which members can exercise their voting rights in writing, the notice shall be given to the members no later than two weeks prior to the date of said General Assembly meeting.

Article 13. (Chairperson of Meetings)

The chairperson of any General Assembly shall be the Chairperson. In case of his or her absence with a rational reason, one of the Vice Chairpersons may be the chairperson of any General Assembly meeting, upon granted by the Board of Directors.

Article 14. (Voting Right)

1. At a General Assembly meeting, one member shall have one voting right. However, provided that more than one company affiliated with a corporate group are members in the Alliance, a corporate group shall have one voting right.
2. The following corporation shall be regarded as affiliated with a corporate group:
 - (1) A corporation in which greater than fifty percent (50%) of the outstanding shares entitled to vote for the election of directors or similar managing authority are held by a parent corporation.
 - (2) In case that item (1) does not apply, a corporation in which greater than fifty percent (50%) of the ownership interest representing the right to make decisions are held by a parent corporation.

Article 15. (Quorum)

A General Assembly meeting may not be held unless the number of members present provides enough voting rights to form a majority among the total membership.

Article 16. (Resolution)

1. A resolution proposed at a General Assembly meeting shall be adopted by a majority vote of the members present.
2. Notwithstanding the provisions of the preceding paragraph, resolutions on the following matters shall be adopted by a three-fourths vote of the members present:

- (1) Expulsion of a member (Article 8)
- (2) Amendment to the Articles of Association (Article 41)
- (3) Dissolution of the Alliance (Article 42)
- (4) Amendment to the Regulations on the Handling of Intellectual Property Rights
- (5) Amendment to the Regulations on the Handling of Confidential Information and Copyrights

Article 17. (Vote in Writing, etc.)

1. A member who is unable to attend a General Assembly meeting may vote in writing or by appointing any other member present at the meeting to act as the said member's proxy to votes on the said member's behalf, with respect to matters for which notification is given in advance.
2. In the event of the situation set forth in the preceding paragraph, a member who votes in writing or through a proxy shall be deemed present at the meeting.

Article 18.

(Provision of Convocation Notice and Exercise of Voting Rights by Electromagnetic Means)

1. In place of the provision of a written convocation notice of a General Assembly meeting, the Chairperson may provide notice by electromagnetic means.
2. A member who is unable to attend a General Assembly meeting may exercise the said member's voting right by electromagnetic means.
3. Any matters related to the electromagnetic means set forth in the preceding two paragraphs shall be stipulated separately by the Board of Directors.

CHAPTER 5: Officers and Other Related Matters

Article 19. (Officers)

The Alliance shall have the following Officers:

- (1) Chairperson: one
- (2) Vice-chairperson: one or more
- (3) Representative Director: one
- (4) Secretary-General: one

Article 20. (Appointment of Officers)

The Officers shall be appointed by a resolution of the Board of Directors

Article 21. (Duties and Authority of Officers)

1. The Chairperson shall represent the Alliance.
2. The Vice-chairperson shall assist the Chairperson. If the Chairperson is unable to conduct his or her duties, the Vice-Chairperson may take his or her place.
3. The Representative Director shall execute operation of the Alliance as a representative of the Board of the Directors.
4. The Secretary-General shall be responsible for the Secretariat operation. He or she assists the Representative Director with the regard to preparing for the income and expenditure budget and report and the statement of accounts of the Alliance.

Article 22. (Term of Office of Officers)

1. The term of office of an Officer shall be until the termination of the last ordinary General Assembly meeting that is held during the second full fiscal year after the fiscal year of the said Officer's appointment; provided, however, that this shall not preclude the reappointment of an Officer. Notwithstanding the above, the term of office that began in July, 2017 shall be terminated at the last ordinary General Assembly meeting of the second fiscal year.
2. The term of office of a substituting Officer and that of an additionally appointed Officer shall be the remaining term of office of the said Officer's predecessor and that of the other present Officers, respectively.

Article 23. (Removal of Officers)

An Officer may be removed from office by a resolution of the Board of Directors.

Article 24. (Remuneration of Officers)

No remuneration shall be paid to any Officers.

CHAPTER 6: Board of Directors

Article 25. (Constituents and Operations)

1. The Alliance shall have a Board of Directors. The Board of Directors shall consist of all of the Directors.
2. The Board of Directors shall decide necessary issues for the operations of the Alliance except defined in the Articles of Association explicitly.

Article 26. (Appointment of Directors)

1. The Directors shall be appointed by a resolution of the General Assembly.
2. The maximum number of Directors will be seven.

Article 27. (Term of Office of Directors)

The term of office of Directors shall be until the termination of the last ordinary General Assembly meeting that is held during the second full fiscal year after the fiscal year of the said Directors' appointment; provided, however, that this shall not preclude the reappointment of a Director. Notwithstanding the above, the term of office that began in July, 2017 shall be terminated at the last ordinary General Assembly meeting of the second fiscal year.

Article 28. (Convocation)

1. A Board of Directors meeting shall be convened by the Representative Director.
2. A Board of Directors meeting shall be convened by providing a written notice to each Director, stating the date and time, place, and purpose of the Board of Directors meeting no later than three days prior to the date of the Board of Directors meeting.

Article 29. (Chairperson of Meetings)

The chairperson of Board of Directors meetings shall be the Representative Director.

Article 30. (Quorum)

A Board of Directors meeting may not be held unless a three-fourths of the Directors are present.

Article 31. (Resolution)

1. Following matters shall be resolved by a majority of votes at a Board of Directors meeting:
 - (1) Approval of membership application (Article 5)
 - (2) Specifics including but not limited to the types, amounts, and method of payment of the membership fee (Article 6)
 - (3) Grant the Vice Chairpersons to be the chairperson of any General Assembly meeting in case of the absence of the Chairperson with a rational reason (Article 13)
 - (4) Any matters related to the electromagnetic means for exercising the voting rights by members who is unable to attend a General Assembly meeting (Article 18 Section 3)
 - (5) Appointment of the Officers (Article 20)
 - (6) Removal of the Officers (Article 23)
 - (7) Necessary issues for the operations of the Alliance except defined in this Articles of Association explicitly (Article 25)
 - (8) Any matters related to the electromagnetic means for exercising the voting rights by a Director who is unable to attend a Board of Directors meeting (Article 33 Section 3)
 - (9) Establishment or disseverment of a Committee or a Working Group (Article 34)
 - (10) Appointment or removal of a Chair of a Committee or a Working Group (Article 35)
 - (11) Approval of the activity plan and the income and expenditure budget of the Alliance (Article 39)

- (12) Approval of the activity report and the statement of accounts of the Alliance (Article 40)
 - (13) Any matters necessary for the management of the Secretariat and for the staff (Article 44 Section 4)
 - (14) Any matters necessary for the implementation of the Articles of Association that are not provided for herein (Article 45)
2. Following matters shall be resolved by a unanimous consent at a Board of Directors meeting:
- (1) Final approval of specifications

Article 32 (Vote in Writing, etc.)

1. A Director who is unable to attend a Board of Directors meeting may vote in writing or by appointing any other person present at the meeting to act as the said Director's proxy to vote on the said Director's behalf, with respect to matters for which notification is given in advance.
2. In the event of the situation set forth in the preceding paragraph, a Director who votes in writing or through a proxy shall be deemed present at the meeting.

Article 33. (Provision of Convocation Notice and Exercise of Voting Rights by Electromagnetic Means)

1. In place of the provision of a written convocation notice of a Board of Directors meeting, the Representative Director may provide notice by electromagnetic means.
2. A Director who is unable to attend a Board of Directors meeting may exercise his or her voting right by electromagnetic means.
3. Any matters related to the electromagnetic means set forth in the preceding two paragraphs shall be stipulated separately by the Board of Directors.

CHAPTER 7: Committees and Working Groups

Article 34. (Formation and dissolution)

The Board of Directors may establish or dissolve a Committee or a Working Group under the Committee as necessary pursuing the purpose of the Alliance.

Article 35. (Chairs)

A Chair of a Committee or a Working Group shall be appointed or removed from his or her position by the Board of Directors.

CHAPTER 8: Intellectual Property Rights

Article 36 (Handling of Intellectual Property Rights)

1. Handling of the industrial property rights, including patent rights and utility model rights, shall be separately determined in the "Regulations on the Handling of Intellectual Property Rights."
2. Handling of copyrights shall be separately determined in the "Regulations on the Handling of Confidential Information and Copyrights."

CHAPTER 9: Confidential

Article 37. (Handling of Confidential Information)

Handling of Confidential Information shall be determined in the "Regulations on the Handling of Confidential Information and Copyrights."

CHAPTER 10: Accounting

Article 38. (Fiscal Year)

1. The fiscal year of the Alliance shall commence on April 1 every year and end on March 31 of the following year.
2. Notwithstanding the provisions of the preceding paragraph, the first fiscal year of the Alliance shall commence on the date of the foundation of this Alliance and shall end on March 31, 2018.

Article 39. (Activity Plan and Income and Expenditure Budget)

The Representative Director shall prepare the activity plan and the income and expenditure budget every fiscal year and submit them to the Board of Directors meeting for approval. The same procedure shall be applied when changing these matters.

Article 40. (Activity Report and Statement of Accounts)

The Representative Director shall prepare the activity report and the statement of accounts of the Alliance after the end of every fiscal year and submit them to the Board of Directors meeting for approval.

CHAPTER 11: Amendment to Articles of Association and Dissolution

Article 41. (Amendment to the Articles of Association)

The Articles of Association may be amended by a resolution of the General Assembly.

Article 42. (Dissolution of the Alliance)

The Alliance may be dissolved by a resolution of the General Assembly.

Article 43. (Surplus)

The Alliance shall not distribute its surplus.

CHAPTER 12: Secretariat

Article 44. (Secretariat)

1. The Alliance shall have a Secretariat.
2. Initially, the Secretariat shall have its office in the National Institute of Information and Communications Technology (NICT).
3. The Secretariat shall establish a secretary-general and required staff.
4. Any matters necessary for the management of the Secretariat and for the staff shall be stipulated separately by a resolution of the Board of Directors.

CHAPTER 13: Miscellaneous Provisions

Article 45. (Jurisdiction and Governing Law)

1. All disputes relevant to the implementation of the Articles of Association shall be subject to the exclusive jurisdiction of Tokyo District Court as court of first instance.
2. Any problems arising in connection with the approval and validity of the Articles of Association shall be governed by and construed under Japanese law.

Article 46.

Any matters necessary for the implementation of the Articles of Association that are not provided for herein shall be stipulated separately by a resolution of the Board of Directors.

Supplementary provision

The Articles of Association shall take effect on the date of foundation of the Alliance (July 26th, 2017). The revised Articles of Association shall take effect on December 20th, 2018.