

**ARTICLES OF ASSOCIATION**  
(Revised June 29, 2017)

**JGC CORPORATION**

# **ARTICLES OF ASSOCIATION OF JGC CORPORATION**

## **CHAPTER I. GENERAL PROVISIONS**

### **ARTICLE 1. (Company Name)**

The name of the Company shall be Nikki Kabushiki Kaisha and shall be indicated in English as JGC CORPORATION.

### **ARTICLE 2. (Purposes)**

The purpose of the Company shall be to carry on the following business services:

1. The design, procurement, construction, operation and maintenance activities related to plants, facilities and systems in such areas of business as petroleum, petroleum refining, petrochemicals, gas, chemicals in general, electric power, steel manufacturing, nuclear power, coal production, water production, agricultural production, feed production, biochemical processes, foods, pharmaceuticals, medical goods and equipment, information, telecommunications, transportation, distribution, stockpiling, urban development, water supply and sewerage systems, industrial pollution control, disaster prevention, environmental conservation, and space development.
2. The design, procurement, construction, operation and maintenance of plants, facilities and systems in such areas of business as paper, pulp, ceramics, cement, metal smelting and construction materials.
3. The carrying out of construction work of steel structures.
4. The lease and installment sale of the plants, facilities and systems regarding each and all of the above clauses.
5. Consultation for the planning of the plants, facilities and systems mentioned in the above clauses.

6. The development of technologies regarding the activities identified in the above clauses.
7. The manufacture and sale of the plants, machinery, tools and measurement equipment associated with the activities identified in the above clauses.
8. The acquisition, development, maintenance, supply and sale of intangible proprietary rights such as industrial property rights and copyrights, and of know-how, system engineering and other software.
9. The provision of services, and the manufacture and sale/distribution of hardware relating to data processing, the provision of information and information communication.
10. Production and sale of petroleum, gas and chemical products.
11. The production and sale of catalysts and other chemical products.
12. Research and development, and providing research and development services, associated with the production and sale of pharmaceuticals, chemicals for medical diagnosis, and other substances which are produced through the application of biotechnology.
13. Research and development, and providing research and development services, associated with the production and sale of ceramic products.
14. Acquisition of mining rights regarding exploration and development of energy resources such as petroleum, natural gas and coal, as well as mineral resources; production, manufacture, processing, sale and purchase and lease of these natural resources.
15. Trading of greenhouse gas emission rights.
16. Research and development, and the provision of research and development services associated with fuels for power generation; production of electric power; supply of electric and steam power, as well as other types of power.

17. Development, production, sale and purchase and lease of solar light and heat, geothermal heat, hydraulic power, wind power, bio fuels and other renewable energy.
18. Urban and local development and related planning, design, supervision and management.
19. Daily-use water- and industrial water-related water supply and sewerage systems; treatment, disposal and supply of water resources such as ocean, rivers and lakes and related planning, design, supervision and management.
20. Own, procure, lease, maintain and manage medical facilities.
21. The sale, purchase, lease, brokerage and management of real estate, and the design, construction and supervision of civil engineering and building works.
22. Serving as a non-life insurance agency and engaging in the sale of life insurance.
23. Provision of manpower in accordance with the provisions of “The Law for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers.”
24. The operating of a travel agency business, in accordance with the provisions of the “Travel Agency Law.”
25. The operating of a security guard business based on the provisions of the “Private Security Business Law.”
26. Operating an advertising agency.
27. The holding of, and investment in, securities.
28. Investigation, investment and loan, and guarantee of the business services regarding each of the above clauses.
29. Services incidental to each of the above clauses.

**ARTICLE 3. (Location of Head Office)**

The head office of the Company shall be located in Yokohama, Kanagawa.

**ARTICLE 4. (Organization)**

The Company established the following organizations, as well as the General Meeting of Shareholders and Directors.

- (1) Board of Directors
- (2) Corporate Auditors
- (3) Board of Corporate Auditors
- (4) Accounting Auditors

**ARTICLE 5. (Method of Public Notices)**

The Company shall make its public notices electronically. However, in the event that public notices cannot be made electronically due to an accident or some other unavoidable condition, the public notices shall be carried in the “Nihon Keizai Shimbun,” published in Tokyo.

**CHAPTER II. SHARES**

**ARTICLE 6. (Total Allowable Number of Shares)**

The total number of shares that can be issued by the Company shall be 600,000,000 shares.

**ARTICLE 7. (Purchase for Treasury Shares)**

In accordance with Article 165, Paragraph 2 of the Company Law, the Company shall be allowed to obtain its own shares through a resolution of the Board of Directors resolution.

**ARTICLE 8. (Number of Shares per Unit)**

The number of the Company’s shares per unit shall be 100 shares.

**ARTICLE 9. (Rights for Holders of Fractional Unit Shares)**

Holders of less than one unit of shares in the Company shall only be allowed to execute the following rights.

- (1) Rights stipulated in Article 189, Paragraph 2 of the Company Law
- (2) Rights to make requests in accordance with the stipulations in Article 166 Paragraph 1 of the Company Law
- (3) Right to receive allotment of offered shares and right to receive allotment of share warrants according to the number of shares held
- (4) Rights to make requests in accordance with the following Article

**ARTICLE 10. (Make-Up Sale of Shares Constituting less than One Unit)**

A shareholder may request the Company to sell additional shares that will result in the shareholder holding one unit together with the shareholder's own shares, pursuant to the Rules for Treatment of Shares.

**ARTICLE 11. (Administrator of the Shareholders' Register)**

The Company shall appoint an administrator of the shareholders' register. The administrator and its place of office shall be determined by resolution of the Board of Directors and shall be notified publicly.

Making and keeping the Company's shareholders' register and register of stock acquisition rights and all related administrative matters shall be dealt with by the administrator, not by the Company.

**ARTICLE 12. (Rules for Treatment of Shares)**

Matters relating to the treatment of shares of the Company and the relevant charges shall comply with the applicable law, the provisions hereof and the rules for treatment of shares to be established by the Board of Directors.

## **CHAPTER III. GENERAL SHAREHOLDERS' MEETING**

### **ARTICLE 13. (Time of Calling)**

An ordinary general shareholders' meeting shall be called every year in June, and an extraordinary general shareholders' meeting may be called whenever necessary.

### **ARTICLE 14. (Base Date for Ordinary General Shareholders' Meeting)**

The base date for being eligible for voting rights at the ordinary general shareholders' meeting is March 31 of each year.

### **ARTICLE 15. (Person Entitled to Call a Meeting and Chairmanship)**

A general shareholders' meeting shall be called by the Chairman of the Board, and he shall act as chairman of a general shareholders' meeting.

Should the Chairman of the Board be unable to so act or where he has vacated his post, any one of the other directors determined in accordance with the order provided for in advance at a meeting of the Board of Directors shall so act.

### **ARTICLE 16. (Provision of Reference Materials of General Shareholders' Meeting and Other Related Materials on the Internet)**

When convening a general shareholders' meeting, it may be deemed that the Company has provided shareholders with information regarding those items that must be contained in the general shareholders' meeting documents, including reference materials, business reports, account statements and consolidated account statements, on the condition that such information is disclosed through the Internet in accordance with the relevant Ministry of Justice Ordinance.

### **ARTICLE 17. (Procedure for Resolutions)**

Except as otherwise provided for by law or herein, resolutions at a general shareholders' meeting may be made by the majority of voting rights of the shareholders with such rights.

Pursuant to the regulations set forth in Article 309, Paragraph 2 of the Corporation Law, resolutions shall be made by voting rights equivalent to the two-thirds or more of the voting rights of the shareholders with such rights and the number of shares with voting rights held or represented by those at the meeting of such shareholders shall be one-third or more with such rights present thereat.

**ARTICLE 18. (Use of Voting Rights though a Proxy)**

A shareholder may exercise his/her voting rights through a proxy, who shall be another shareholder in the Company.

Such shareholder or proxy shall submit to the Company a written proxy notice at the time of each general shareholders' meeting.

**CHAPTER IV. DIRECTORS AND MEETINGS OF THE BOARD OF DIRECTORS**

**ARTICLE 19. (Number of Directors)**

The Company shall have 15 or fewer directors.

**ARTICLE 20. (Procedure of Election)**

Directors shall be elected at the resolution of a general shareholders' meeting.

The election of a Director shall be conducted by shareholders present thereat who can exercise voting rights equivalent to one-third or more of the voting rights of all the shareholders and by the majority of the voting rights represented at the meeting.

No cumulative voting shall be conducted for the election of directors.



**ARTICLE 21. (Tenure of Office)**

The tenure of office of directors shall expire at the conclusion of the ordinary general shareholders' meeting concerning the end of business year that falls within one year following their appointment.

**ARTICLE 22. (Directors in Special Posts)**

The Board of Directors may appoint by resolution one Chairman of the Board, one Vice Chairman of the Board, one President, and one or more Executive Vice Presidents, Senior Managing Directors and Managing Directors.

**ARTICLE 23. (Representative Director)**

The Representative Director shall be elected by resolution at a meeting of the Board of Directors.

**ARTICLE 24. (Counselors and Advisors)**

The Board of Directors may appoint by resolution one or more Chairman Emeritus and Advisors.

**ARTICLE 25. (Executive Officers)**

The Board of Directors shall by resolution of a meeting appoint executive officers who shall execute the businesses assigned at the meeting.

**ARTICLE 26. (Remuneration)**

The remuneration for directors, which consists of bonuses and other benefits from the Company in consideration of the execution of their duties (hereinafter referred to as "remuneration"), shall be determined by the general meeting of shareholders.

**ARTICLE 27. (Persons having the Calling Rights and Chairman)**

Except as otherwise provided for by law, meetings of the Board of Directors shall be called by

the Chairman of the Board and he shall act as chairman of meetings of the Board of Directors. Should the Chairman of the Board be unable to so act or where he has vacated his post, any one of the other directors determined in accordance with the order provided at meetings of the Board of Directors shall so act.

**ARTICLE 28. (Procedure for Calling)**

A notice calling a meeting of the Board of Directors shall be issued to each director and each auditor at least three days in advance of the date set for the meeting.

However, in case of emergency, the said period may be shortened.

**ARTICLE 29. (Agenda)**

At its meeting, the Board of Directors shall decide on important matters relating to the execution of business as well as the matters provided for by law or herein.

**ARTICLE 30. (Resolution of the Board of Directors without Meetings)**

In accordance with the fulfillment of the requirement under the Article 370 of the Company Law, the Company is deemed to gain a resolution at the Board of Directors' Meeting.

**ARTICLE 31. (Directors' Exemption from Liability)**

The Company may, by resolution of the Board of Directors, exempt any directors (including former directors) from liabilities as provided in Article 423, Paragraph 1 of the Company Law to the extent as provided in laws or regulations. However, such directors' liability exemption shall exclude their minimum liability amount stipulated by law.

In accordance with Article 423, Paragraph 1 of the Company Law, the Company may enter into agreements with external directors to limit their liability for their duties. However, the liabilities for their duties based on the agreements shall be the minimum liability amount stipulated by law.

## **CHAPTER V. CORPORATE AUDITORS AND MEETINGS OF THE CORPORATE AUDITORS**

### **ARTICLE 32. (Number of Corporate Auditors)**

The Company shall have five or fewer corporate auditors.

### **ARTICLE 33. (Procedure of Selection)**

Corporate auditors shall be elected by resolutions at a general shareholders' meeting. The resolutions of the election of corporate auditor shall be conducted in the presence of shareholders who can exercise voting rights equivalent to one-third or more of all the shareholders and by the majority of their voting rights.

### **ARTICLE 34. (Tenure of Office)**

The tenure of office of corporate auditors shall expire at the conclusion of the ordinary general shareholders' meeting concerning the last business year within four years following their assumption of office.

The tenure of a corporate auditor who shall be appointed as an alternate of a resigning corporate auditor candidate shall be the same as the remaining term of the office of the resigning corporate auditor.

### **ARTICLE 35. (Full-Time Corporate Auditor)**

The corporate auditors shall elect full-time corporate auditor(s) by resolution of the Board of Corporate Auditors.

### **ARTICLE 36. (Remuneration)**

The remuneration and other benefits for corporate auditors shall be determined by resolution at a general shareholders' meeting.

**ARTICLE 37. (Procedure for Calling)**

A notice calling a meeting of the corporate auditors shall be issued to each auditor at least three days in advance of the date set for the meeting.

However, in case of an emergency, the said period may be shortened.

**ARTICLE 38. (Agenda)**

At its meeting, the corporate auditors shall decide on important matters relating to the execution of their duties as well as the matters provided for by law.

**ARTICLE 39. (Corporate Auditors' Exemption from Liability)**

The Company may, by resolution of the Board of Directors, exempt any corporate auditors (including former corporate auditors) from liabilities as provided in Article 423, Paragraph 1 of the Company Law to the extent as provided in laws or regulations. However, such corporate auditors' liability exemption shall exclude their minimum liability amount stipulated by law.

In accordance with Article 423, Paragraph 1 of the Company Law, the Company may enter into agreements with external corporate auditors to limit their liability for their duties. However, the limit of the liabilities for their duties based on the agreement shall be the minimum liability amount stipulated by law.

**CHAPTER VI. ACCOUNTING AUDITOR**

**ARTICLE 40. (Procedure of Selection)**

The Accounting Auditor shall be elected by the general shareholders' meeting.

**ARTICLE 41. (Tenure of Office)**

The term of office for the Accounting Auditor shall expire at the conclusion of the ordinary

general shareholders' meeting concerning the last business year within one year following their assumption of office. However, the Accounting Auditor is deemed to be reappointed at the above ordinary general shareholders' meeting provided that there is no resolution to the contrary.

## **CHAPTER VII. ACCOUNTS**

### **ARTICLE 42. (Business Year)**

The business year of the Company shall be the one-year period from April 1 to March 31 of the following year.

### **ARTICLE 43. (Base Date for Distribution of Retained Earnings)**

The base date for the Company's year-end distribution of retained earnings is March 31 of every year.

### **ARTICLE 44. (Rejection of Dividend Payment)**

If and when the dividend is paid in the form of cash, and if the distribution of the dividend is not received within three years from the date it became due and payable, the Company shall be relieved of the obligation of such payment.