

The Public University Corporation, The University of Aizu Business Policy Statement

Table of Contents

Chapter 1 General Provisions (Article 1, Article 2)

Chapter 2 System for Assuring the Performance of the Duties of Executives (Excluding Auditors) is in Compliance with the Statute on the Public University Corporation, The University of Aizu and other Laws and Ordinances (Article 3 through Article 24)

Chapter 3 Standards for Outsourcing of Operations (Article 25, Article 26)

Chapter 4 Competitive Bidding and Other Basic Matters Regarding Contracts (Article 27)

Chapter 5 Liability of Executives, etc. (Article 28, Article 29)

Chapter 6 Other Necessary Matters Regarding the Performance of Operations (Article 30, Article 31)

Chapter 1 General Provisions (Article 1, Article 2)

Article One

(Objective)

1.1 The objective of this Business Policy Statement, based on the provisions of Article 22, Paragraph 1 of the Local Independent Administrative Corporation Law (Law No. 118, 2003; hereinafter referred to as the "LAW"), is to determine matters provided for in Article 2 of the Ruling Concerning the Fukushima Prefectural University of Aizu (Fukushima Prefecture Ruling No. 54, 2006) (hereinafter "REGULATION") and contribute to the proper administration of business activities and services by the Public University Corporation, the University of Aizu (hereinafter referred to as the "CORPORATION").

Article Two

(Basic Policies on Business Administration)

2.1 The CORPORATION, based on Article 26, Paragraph 1 of the LAW, shall endeavor to engage in efficient and effective administration of its business activities.

Chapter 2 System for Assuring the Performance of the Duties of Executives (Excluding Auditors) is in Compliance with the Statute on the Public University Corporation, The University of Aizu and other Laws and Ordinances (Article 3 through Article 24)

Article Three

(Basic Matters on Internal Control)

3.1 The CORPORATION shall establish systems to 1) assure that the duties of Executives (except Auditors) are executed in compliance with the Statute on the Public University Corporation the University of Aizu (hereinafter, "STATUTE,") and/or other laws and ordinances, as well as to assure the appropriateness of other duties (hereinafter, "INTERNAL CONTROL SYSTEM"). Further, it shall continuously review said system. The CORPORATION shall also strive to provide executives and employees (hereinafter, "PERSONNEL") with notifications and training regarding the system, and to conduct the necessary updates to information systems.

Article Four

(Establishment of the INTERNAL CONTROL SYSTEM)

4.1 The CORPORATION shall establish regulations regarding the promotion of internal control that provide for the following matters.

- 1) Establishment of an internal control committee, etc. consisting of executives
- 2) Appointment of executives in charge of internal control
- 3) Designation of internal control promotion officers
- 4) Implementation of reports from the deans and directors to the executive in charge of internal control
- 5) Implementation of reports from the executive in charge of internal control to the internal control committee
- 6) Discussion of measures for improvements under the authority of the executive in charge of internal control
- 7) Interviews with employees by the executive in charge of internal control
- 8) Monitoring by the executive in charge of internal control regarding internal control

Article Five

(Measures for Assuring the Appropriateness of Duties Conducted by PERSONNEL)

5.1 The CORPORATION shall prepare regulations and other rules for handling ruling disciplinary actions against PERSONNEL who violate the STATUTE and/or other laws and ordinances, and/or regulations set forth by the CORPORATION in the course of performing their duties.

5.2 Should an incident like that specified in the previous paragraph occur, the CORPORATION shall promptly conduct corrective actions and prevent its reoccurrence.

5.3 The CORPORATION shall personnel management policy considered necessary for 1) make sure of conducting job rotation periodically, 2) management on long-hired personnel,

and 3) correcting securing appropriation of other duties.

Article Six

(Delivery of Information)

6.1 The CORPORATION shall strive to smoothly and reliably convey necessary information, such as the conveyance of the intentions of the Chairperson of the Board of Executives to the Vice Chairperson of the Board of Executives, regents, and employees, as well as the conveyance of information on crisis management, internal control, etc. from employees to executives.

Article Seven

(Basic Matters Pertaining to Operation of the CORPORATION)

7.1 The CORPORATION shall create and publish a basic philosophy on the operation of the CORPORATION.

7.2 The CORPORATION shall create a code of conduct for PERSONNEL.

Article Eight

(Appropriate and Effective Conduct of Duties)

8.1 The CORPORATION shall make decisions and expenditures regarding the performance of duties in an appropriate manner in accordance with the regulations regarding administrative decisions and accounting.

8.2 The CORPORATION shall establish and utilize financial accounting systems and other operational systems in order to appropriately and efficiently conduct operations.

Article Nine

(Matters Pertaining to the Establishment of the Board of Executives and the Division of Duties of Executives)

9.1 The CORPORATION shall establish regulations, etc. related to the establishment of the Board of Executives and the division of duties of the executives.

(1) Clarification of decision-making ruling which the Chairperson of the Board of Executives serves at the top

(2) Establishment of Board of Executives, which assists the Chairperson of the Board of Executives with the decision-making process

(3) Clarification of responsibilities by explicitly stating the division of duties of the executives

Article Ten

(Matters Pertaining to Creation of Mid-term Plan, etc.)

10.1 The CORPORATION shall clarify the roles of the Board of Executives, the Management Council, and the Education and Research Council within the formulation process for the medium-term plans and annual plans (hereinafter, "medium-term plans, etc.") in the corporate regulations.

Article Eleven

(Matters Pertaining to Performance Evaluations Based on the Medium-term Plans, Etc. and the Reflection of Said Evaluations in the Budget)

11.1 The CORPORATION shall periodically conduct progress management regarding the medium-term plans, etc. and performance evaluations based on the medium-term plans, etc. (hereinafter, "EVALUATIONS.").

11.2 The CORPORATION shall clearly state the roles of the Board of Executives, the Management Council, and the Education and Research Council within the EVALUATIONS in the corporate regulations.

11.3 The CORPORATION shall establish an organization in charge of EVALUATIONS and conduct evaluations.

11.4 The CORPORATION, when conducting EVALUATIONS, shall strive to avoid conducting evaluations in an arbitrary manner.

11.5 The CORPORATION shall reflect the performance and the results of evaluations thereof into budgets.

Article Twelve

(Matters Pertaining to Risk Assessment and Handling)

12.1 The CORPORATION shall, in order to be able to recognize, analyze, evaluate, and appropriately respond to the risk factors that can hamper the implementation of operations before they occur, organize operational processes, analyze the risks within each step of the operational processes, as well as their causes, and take measures aimed at mitigating said risk.

Article Thirteen

(Business Continuity Plan for Handling Emergencies)

13.1 The CORPORATION shall formulate a business continuity plan (hereinafter, BCP) based on the results of the analysis set forth in the previous article providing for the following matters in order to assure the continuity of operations in the event of accidents,

disasters, and other emergency situations.

- (1) The establishment of an emergency response headquarters and its constituent members
- (2) The initial emergency response system
- (3) The implementation of prompt information collection during emergencies
- (4) The implementation of drills, etc. based on the BCP

13.2 The CORPORATION shall establish a policy on the handling of anti-social forces.

Article Fourteen

(Matters Pertaining to the Management of Risks Related to Bidding and Contracts)

14.1 The CORPORATION shall conduct the following initiatives in order to assure the appropriate implementation of contracting-related administration tasks and the establishment of a self-checking system within said tasks.

- (1) Utilization of committees to conduct examinations on the appropriateness of implementation of contract
- (2) Establishment of a policy on the course of action when there is information on bid-rigging
- (3) Establishment of a policy on handling a failure of bidding

Article Fifteen

(Matters Pertaining to the Management of Risks Related to Research)

15.1 The CORPORATION shall establish regulations for assuring the following matters related to research activities.

- (1) Establishment of a research evaluation system
- (2) Distribution of research funding
- (3) Appropriate accounting of research funds based on an internal checks and balances function
- (4) Prevention on research misconduct

Article Sixteen

(Matters Pertaining to the Appropriate Management of Information)

16.1 The CORPORATION shall establish regulations related to the appropriate management of retained information and promote initiatives related to the prevention of information leaks.

16.2 The CORPORATION shall implement the initiatives required of it as an implementing organization set forth in Article 2.1 of the Fukushima Prefecture Information Disclosure Ordinance (Fukushima Prefecture Ordinance No. 5 of 2000).

16.3 The CORPORATION shall reliably implement the initiatives related to the appropriate

management of personal information required of it as an implementing organization listed in Article 2.2 of the Fukushima Prefecture Personal Information Protection Ordinance (Fukushima Prefecture Ordinance No. 71. of 1994). Further, it shall periodically conduct inspections of the implementation of the initiatives.

Article Seventeen

(Establishment of Information Systems)

17.1 The CORPORATION shall clearly indicate the location of information in its possession while clarifying viewing rights. It shall also save the information in a systematic fashion that allows it to be efficiently retrieved by individuals with viewing rights. Further, it shall put in place the information systems required to do this.

17.2 As appropriate, the information systems shall be promptly updated along with operational changes.

17.3 The CORPORATION shall strive to create tools to allow data to be used with general-purpose applications and formulate a application programming interface (API) for data such as that created in a platform-specific format

Article Eighteen

(Document Management and Information Disclosure by the CORPORATION)

18.1 The CORPORATION shall establish regulations regarding the retention and management of documents.

Article Nineteen

(Inspection and Repair of Facilities)

19.1 The CORPORATION shall conduct periodical inspections and necessary repairs of facilities.

Article Twenty

(Matters Pertaining to Auditors and Audits)

20.1 The CORPORATION shall create regulations related to auditors and audit that provide for the following matters.

- (1) The authority of auditors
- (2) Reports to the Chairperson of the Board of Executives on the results of audits
- (3) Appropriate reflection of the results of audit into operations
- (4) Reports to the auditors on the reflection of the results of audits into operations

(5) Obligation to report improper and illegal acts, as well as significant misconduct by PERSONNEL to auditors

(6) Inspection of the CORPORATION's documents

20.2 The CORPORATION must, when establishing the regulations of the previous paragraph, or making changes thereto, listen to the opinions of auditors.

Article Twenty-One

(Audit System)

21.1 The CORPORATION shall implement appropriate measures to assure the following matters in order that audits are conducted smoothly and appropriately.

(1) Cooperation by PERSONNEL with auditors and employees in charge of internal audits

(2) Requests by auditors to PERSONNEL

(3) The attendance of important meetings by auditors

(4) Collaboration between auditors and accounting auditors

(5) Collaboration between auditors and employees in charge of internal audits

(6) The authority of auditors to review the financial status of the CORPORATION based on Article 9.8 of the STATUTE

(7) Inspection by auditors of the documents listed in Article 9.9, Items (1) and (2) of the STATUTE

Article Twenty Two

(Venue for Consultation Regarding Audits)

22.1 The CORPORATION shall establish a venue for consultations regarding audits, such as opportunities for periodic communication between the Chairperson of the Board of Executives, auditors, and accounting auditors.

Article Twenty Three

(Matters Pertaining to Internal Audits)

23.1 The CORPORATION shall establish an organization in charge of internal audits, implement internal audits, and report the results of internal audits and the status of the reflection of the results of audits into operations to the Chairperson of the Board of Executives.

Article Twenty Four

(Matters Pertaining to Whistleblowing)

24.1 The CORPORATION shall establish regulations on whistleblowing that provide for the

following matters.

- (1) Establishment of whistleblowing hotlines
- (2) Protection of whistleblowers
- (3) Duty of confidentiality regarding whistleblowing
- (4) Investigations based on whistleblowing

Chapter 3 Standards for Outsourcing of Operations (Article 25, Article 26)

Article Twenty Five

(Outsourcing)

25.1 The CORPORATION may outsource part of operations listed in each item of Article 19 of the STATUTE to an individual outside the CORPORATION in the event that doing so is recognized as allowing the more efficient performance of said operations, and there is sufficient expectation that doing so would provide superior results.

Article Twenty Six

(Outsourcing Contracts)

26.1 The CORPORATION, when outsourcing operations in accordance with the provisions of the previous article, shall enter into an outsourcing contract with the consignee.

Chapter 4 Competitive Bidding and Other Basic Matters Regarding Contracts (Article 27)

Article Twenty Seven

(Basic Matters Related to Competitive Bidding and Other Contracts)

27.1 The CORPORATION shall, when signing sales, lease, outsourcing, or any other type of contract, must do so via a competitive process, in principle. However, when the nature or objective of the contract does not allow a competitive basis, or when otherwise stipulated in regulations, the CORPORATION may conduct selective bidding or enter a negotiated contract.

27.2 The procedures for contracts subject to the Agreement on Government Procurement, or GPA (1994), agreements revised by the Protocol amending the GPA (2012), and other international agreements, shall follow the procurement procedures set forth in the international agreements.

Chapter 5 Liability of Executives, etc.

Article Twenty Eight

(Liability of Executives, etc.)

28.1 Executives and Accounting Auditor (hereinafter referred to as "Executives, etc.") shall hold liability for the damage to the CORPORATION derived from failures to perform their duties as set forth in Article 19.2, Item 1 of the LAW.

Article Twenty Nine

(Partial Waiver of Liability of Executives, etc.)

29.1 If the liability of Executives, etc. provided for in aforesaid article meet the conditions stipulated in Article 19.2, Item 4 of the LAW, the CORPORATION shall be able to waive up to the amount of liability calculated by deducting the amount set forth in the Ordinance on the Liability of Executives, etc. of the Fukushima Prefecture Public University

Chapter 6 Other Necessary Matters Regarding the Performance of Operations (Article 28, Article 29)

Article Thirty

(Renting Out of Facilities)

30.1 The CORPORATION may, when recognized by the Chairperson of the Board of Executives as appropriate, rent out facilities to the extent that it does not hamper the original use or objectives of the facilities.

30.2 The CORPORATION may collect the necessary compensation proscribed separately when renting out facilities provided for in the previous paragraph.

Article Thirty One

(Other Operational Methods)

31.1 The CORPORATION shall, other than as set forth in this Business Policy Statement of the Public University Corporation the University of Aizu, separately proscribe the necessary matters related to its operations.

Additional Provisions

This Business Policy Statement shall be enforced as of the day it is approved by the Governor of Fukushima Prefecture, and be applied as of April 1, 2006.

Additional Provisions

This Business Policy Statement shall be enforced from April 1, 2018

Additional Provisions

This Business Policy Statement shall be enforced as of the day it is approved by the Governor of Fukushima Prefecture.