

Constitution of The Institute of Actuaries of Japan

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Amended on June 23, 1989
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Amended on August 31, 1999
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Section I

General Provisions

Article 1. Name

The name of the institute shall be Shadan Hojin Nihon Actuaries Association (the Institute of Actuaries of Japan, hereinafter referred to as the "Institute").

Article 2. Office

- 1. The main office of the Institute shall be located in Chuo-ku, Tokyo.**
- 2. The Institute may locate a branch office in Osaka City, or such other place, if necessary, by a resolution of the Board of Directors.**

Article 3. Purposes

The purposes of the Institute are to maintain, promote, and improve the ability of actuaries in performing the services of the actuarial profession and to contribute to the sound development of business related to the actuarial profession through synthetic studies and research activities on actuarial science.

Article 4. Activities

To accomplish the purposes stated in Article 3, the Institute shall engage in the following activities:

- (1) Study and research of actuarial science;
- (2) Administer the qualifying examinations to judge whether candidates have sufficient knowledge and skill for performing the services of the actuarial profession;
- (3) Educate and train actuaries with regard to the knowledge and skill of the actuarial profession;
- (4) Contact and cooperate with domestic and foreign academies and organizations which are related to the services to be performed by the Institute;
- (5) Hold annual conventions, regular business meetings, meetings for study, lecture meetings and meetings for the presentation of the results of research and for the exchange of opinions;
- (6) Issue bulletins and other publications;
- (7) Answer inquiries from, and make proposals to, the governmental agencies, etc. which are related to the services to be performed by the Institute; and
- (8) Engage in the business assigned by the supervisory authorities to the Institute as a designated corporation.
- (9) Engage in any other activities necessary to accomplish the purposes of the Institute.

Section II Membership

Article 5. Classes of Membership

The members of the Institute (hereinafter "Members") shall consist of Fellows, Honorary Members, Associates, Students and Supporting Members.

Article 6. Qualifications

Requirements for admission to membership are as follows.

(1) Fellows, either (a) or (b)

- (a) A person who has passed all subjects of the qualifying examinations which have been prescribed by the President after a resolution of the Board of Directors (hereinafter referred to as the "Qualifying Examinations"), and who has been approved by the Board of Directors.
- (b) A person who has been recommended by the Board of Directors and approved by a General Meeting of Members.

(2) Honorary Members

A Fellow who has been recognized to have made a contribution to actuarial science or related business and who is recommended by the Board of Directors.

(3) Associates, either (a) or (b)

- (a) A person who has passed the first step of the Qualifying Examinations (all of the basic subjects) and who has been approved by the Board of Directors.
- (b) A person who has been recommended by the President and approved by the Board of Directors.

(4) Students, either (a) or (b)

- (a) A person who has passed one or more subjects of the first step of the Qualifying Examinations and who has been approved by the Board of Directors.

(b) A person who has applied for membership and who has been approved by the Board of Directors.

(5) Supporting Members

A governmental agency or legal entity which supports the purposes of the Institute, which applies for membership, and which is approved by the Board of Directors.

Article 7. Rights and Duties

1. Members shall have rights and duties under this Constitution.
2. Members shall comply with the "Code of Professional Conduct" separately enacted.

Article 8. Application for Membership, etc.

1. A candidate for membership shall present a written application for membership to the President, and such application shall be subject to approval of the Board of Directors.
2. Notwithstanding the preceding paragraph, a candidate who has passed one or more subjects of the first step of the Qualifying Examination shall become a Member upon the approval of the Board of Directors, without presentation of a written application for membership.

Article 9. Notice of Newly Enrolled Members

The President shall enroll the name and the necessary information of a new Member in Member Registry and make notice of such enrollment to him promptly after the approval of the Board of Directors.

Article 10. Resignation

1. A Member shall resign from the Institute in the event that any one of the following occurs upon such Member:

(1) An application for voluntary resignation is made and accepted by the President.

(2) Death of an individual Member.

(3) Bankruptcy is declared for a Member.

(4) Dissolution of a Member.

(5) Expulsion of a Member.

(6) Failure to pay Membership dues for more than two (2) years.

2. The resignation shall be effective when the President makes necessary registration in Member Registry based upon the occurrence of any of the preceding events.

3. After a Member has resigned, he or she shall have no right to make a claim on the Institute.

Article 11. Disciplinary Measures

1. The Institute may take disciplinary measures against a Member, pursuant to the Disciplinary Procedures Regulations promulgated separately herefrom, in the event that any one of the following occurs upon such Member:

(1) A Member has taken any action detrimental to the fame of the Institute.

(2) A Member has violated the provisions under this Constitution or the "Code of Professional Conduct" separately enacted.

2. Disciplinary punishment shall be the following three measures:

(1) A warning

(2) Suspension of qualification

(3) Expulsion

Article 12. Admission to or Other Changes in Membership

Any admission to or other changes in membership as stipulated in Article 6 shall be effective on the first day of each fiscal year, except when the President deems there is special circumstances and the Board of Directors approves it.

Article 13. Dues

Each Member shall pay such dues as may be stipulated in the Dues Rules which shall be established by the President after a resolution of the Board of Directors, except that Honorary Members, and such Members that are nominated by the President and approved by the Board of Directors, may be granted exemption from the payment of dues.

Article 14. Guest Members, Amity Members and Consultant Members

1. The Institute may have Guest Members, Amity Members and Consultant Members.
2. A Guest Member is a person who is recognized to have made a contribution to achieve the purposes of the Institute and who has been recommended by the Board of Directors.
3. An Amity Member is an outstanding foreign actuary who has been recommended by the Board of Directors.
4. A Consultant Member is a domestic or foreign person, who is a non-member of the Institute and has been recommended for the purpose of cooperating to the Institute by the Board of Directors.
5. Guest Members, Amity Members and Consultant Members may attend any event or meeting of the Institute.

Section III Officers and Personnel

Article 15. Officers

1. The Institute shall have the following officers:

(1) Directors: not less than fifteen (15), nor more than twenty five (25)

(2) Auditors: not more than four (4)

2. The Institute may have one Chairman, one President and up to five Vice Presidents.

Article 16. Election of Officers

1. The Directors shall elect the Chairman, President and Vice President(s) from among themselves.

2. Directors and Auditors shall be elected from Members other than Associates, Students and Supporting Members in accordance with the Election Management Rules which is separately enacted by the President after a resolution of the Board of Directors.

Article 17. Duties and Powers of Officers

1. The Chairman shall supervise all of the affairs of the Institute.

2. The President shall represent the Institute, manage the affairs of the Institute, and preside over a General Meetings of Members and the Board of Directors Meetings. In case the Chairman is unable to perform his duties, the President shall act for the Chairman. In case an office of the Chairman is vacant, the President shall perform the duties of the Chairman.

3. The Vice President(s) shall support the President in accordance with a resolution of the Board of Directors. In case the President is unable to perform his or her duties, Vice President(s) shall act for the President. In case an office of the President is vacant, the Vice President(s) shall perform the duties of the President.

4. The Directors shall support the President and Vice President(s) in accordance with a decision of the President, and administer the affairs of the Institute. In case both the President and the Vice President(s) are unable to perform their

duties, a Director or Directors shall act for the President and the Vice President(s). In case offices of the President and the Vice President(s) are vacant, the Directors perform the duties of the President and the Vice President(s).

5. The Auditor(s) shall perform the duties provided in Article 38 of the Civil Code of Japan.

Article 18. Term of Officer

1. The term of office of each officer shall be from his or her assumption of office to the close of the second Ordinary General Meeting of Members in the second year subsequent to his or her assumption of office. However, the term of office of an officer who has been elected to fill a vacancy shall be conterminous with the remainder of what would have been the term of office of the predecessor.

2. Director(s) may be reelected for any number of successive terms.

Article 19. Removal of Officers

1. An Officer may be removed prior to expiration of his or her term by a resolution of the General Meeting of Members, in the event that any one of the following occurs:

(1) he or she is unable to perform his or her duties, because of a mental or physical incapacity;

(2) he or she neglects his or her official duties;

(3) he or she is determined to be inappropriate for the position of Officer.

2. A resolution of the General Meeting of Members to remove an officer as provided in the preceding paragraph shall be adopted by an affirmative vote of at least three-quarters of the Members who are present at such meeting.

3. Notwithstanding the preceding paragraph, an affirmative vote on the removal of an Officer of at least three-quarters of the Fellows present at such meeting shall supersede an affirmative vote of three-quarters of the Members present at

such meeting.

Article 20. Employment of Personnel

1. Personnel shall be employed in order to perform the business affairs of the Institute.
2. The President has the power to employ and remove Personnel of the Institute.

Section IV Councilors, Executive Advisors and Advisors

Article 21. Number of Councilors

The Institute shall have more than ten (10) and less than fifty (50) councilors.

Article 22. Appointment of Councilors

1. Councilors shall be commissioned by the President, on the recommendation of the Board of Directors, from among representatives or corresponding officers of governmental agencies and legal entities which are the Supporting Members of the Institute, and men or women of high experience and academic standing.
2. A Councilor may not concurrently hold the office of Director or Auditor.

Article 23. Term of Office

1. The term of office of Councilors shall be two (2) years. The successor of a Councilor who is removed prior to expiration of his or her term shall hold office for the remaining term of office of his or her predecessor.
2. Councilors may be re-appointed for any number of successive terms.
3. Paragraph 1 and 2 of Article 19 shall apply mutatis mutandis to the removal of Councilors. In this application, "Officer", "General Meeting of Members" and "Members present" shall be read as "Councilor", "Board of Directors Meeting"

and "Directors present" respectively.

Article 24. Executive Advisors and Advisors

- 1. The Institute may have Executive Advisors and Advisors.**
- 2. Executive Advisors and Advisors shall be commissioned by the President on the recommendation of the Board of Directors from among Fellows of the Institute.**
- 3. Executive Advisors shall reply to inquiries of the General Meeting of Members and the Board of Directors, and may express their opinion at the meetings.**
- 4. Advisors shall cooperate with the Board of Directors in order for the smooth administration of the Institute.**

Section V General Meetings of Members

Article 25. General Meeting

General Meetings of Members (hereinafter referred to as "General Meetings") shall consist of Ordinary General Meetings and Extraordinary General Meetings.

Article 26. Convocation

The Ordinary General Meetings shall be convened by the President within two months after the close of each fiscal year. The Extraordinary General Meeting shall be convened by the President whenever he finds it necessary, or when not less than one-fifth of the Members (excluding Associates, Students, and Supporting Members) requests such meeting by showing the items of business to be deliberated upon at the meeting.

Article 27. Agenda of General Meeting

Each of the following matters shall be resolved at the General Meetings.

- (1) Amendment of this Constitution;**
- (2) Approval of a general report on activities and a plan of activities;**
- (3) Approval of a budget and the accounting statements;**
- (4) Decision of Membership Due;**
- (5) Election and removal of the officers;**
- (6) Approval of the recommended Fellows;**
- (7) Dissolution of the Institute and decision of the method for disposing of residual assets; and**
- (8) Other fundamental matters with respect to the management of the Institute.**

Article 28. Quorum

- 1. Any General Meeting shall not be held without a majority of the Members present. For that purpose, the Members who exercise their vote in advance in writing with respect to the business agenda are regarded as present.**
- 2. Notwithstanding the preceding paragraph, a majority of the Fellows present at any General Meeting shall also constitute a quorum at such meeting.**

Article 29. Resolution

- 1. Unless otherwise provided for by these Articles, resolutions of General Meeting shall be adopted by a majority of the votes cast by the Members present at such meeting. In case of a tie, the Chairman shall cast the deciding vote.**
- 2. Notwithstanding the preceding paragraph, a majority of the votes cast by the Fellows present at such meeting supercedes a majority of the votes cast by Members present.**

Article 30. Minutes

The President shall prepare minutes of all General Meetings. The minutes shall bear the names and seal impression of the Chairman, the Directors and at least two Fellows who are appointed by President and who are present at the meeting and all such minutes shall be preserved by the Institute.

Section VI

Board of Directors Meetings

Article 31. Board of Directors Meeting

The Board of Directors Meeting shall be composed of Directors.

Article 32 Convocation and Quorum

1. The President may call the Board of Directors Meeting whenever he finds it necessary.
2. Any Board of Directors Meeting shall not be held without a majority of Directors present at such meeting.

Article 33. Discussion at the Board of Directors

Unless otherwise provided for in these Articles, the Board of Directors may discuss and resolve on the following matters:

- (1) Agenda for a General Meeting;
- (2) Matters pertaining to the execution of the decisions at a General Meeting;
and
- (3) Any other matters which need not be resolved at General Meeting regarding execution of business affairs of the Institute.

Article 34. Resolution

Resolutions of the Board of Directors Meetings shall be adopted by a

majority of the votes cast by Directors present at the Board of Directors Meetings. In case of a tie, the Chairman shall cast the deciding vote.

Article 35. Board of Directors Meeting by Written Document

The President may distribute a written document to the Directors for deliberation of the matters and substitute any deliberation in such document with the opening of a Board of Directors Meeting.

Article 36. Minutes

The substance of the agenda at the Board of Directors Meeting shall be recorded in minutes, which shall bear the names and seal impression of the Chairman and Directors who are present at the Meetings, and all such minutes shall be preserved by the Institute.

**Section VII
Board of Councilors Meeting**

Article 37. Board of Councilors Meeting

1. The Board of Councilors Meeting shall be composed of Councilors.
2. Councilors shall elect the Chairman from among those Councilors present at a Board of Councilors Meeting.

Article 38. Convocation and Quorum

1. When the President finds it necessary, or when not less than one-fifth of the Councilors requests such meeting by showing the objective of the meeting, the President may call a Board of Councilors Meeting.
2. Councilors Meeting shall not be held without a majority of Councilors present at any Board of Councilors Meeting.
3. If a Councilor participates in a Board of Councilors Meeting by means of a written document executed by said Councilor, that Councilor may be

considered as present at such meeting.

Article 39. Discussion at the Board of Councilors Meeting

The Board of Councilors Meeting shall discuss important matters on the management of the Institute in response to the inquiry of the Board of Directors, and report its opinion to the Board of Directors.

Article 40. Board of Councilors Meetings by means of document

The President may distribute a written document among the Councilors for deliberation of the matters and substitute any deliberation in such document with the opening of a Board of Councilors Meeting.

Article 41. Minutes

The substance of the discussion shall be recorded in minutes, which shall bear the names and seal impression of the chairman and two or more Councilors who are present and elected at the Board of Councilors Meeting, and all such minutes shall be preserved by the Institute.

Section VIII Assets and Accounting

Article 42. Assets

The assets of the Institute shall consist of the following:

- (1) The properties specified in the attached inventory of properties, which are succeeded to by the Institute from the former voluntary association of the Institute of Actuaries of Japan;
- (2) Dues;
- (3) Returns of any assets; and
- (4) Donations and other incomes.

Article 43. Expenses

The expenses of the Institute shall be paid out of the assets which are specified in the preceding Article.

Article 44. Management of Assets

The assets shall be managed by the President in accordance with the method approved by the Board of Directors.

Article 45. Fiscal Year

Each fiscal year of the Institute shall begin on April 1 and end on March 31 of the following year.

Article 46. Plan of Activities and Budgets

1. The plan of activities and budget for each fiscal year of the Institute shall be prepared by the President and submitted to the Board of Directors for their approval before the beginning of said fiscal year. The same procedure shall apply to any change of the plan and/or budget during the course of any fiscal year.
2. The President shall submit the plan of activities and budget for each fiscal year which have been approved by the Board of Directors to the Ordinary General Meeting for approval by such meeting as well.
3. Until the approval of budget plan of said fiscal at the Ordinary General Meeting, management of expense of each fiscal year should follow the same way as preceding fiscal.

Article 47. Account

The president shall prepare an inventory of properties, a balance sheet and a profit and loss statement within one month of the close of each fiscal year. Said documents shall be audited by the Auditors and then submitted to the Ordinal General Meeting for its approval.

Section IX
Branch Office

Article 48. Branch Office

The Institute shall set up a Kansai Branch Office in Osaka City pursuant to the provisions of Article 2 paragraph 2.

Article 49. Organization of Branch Office

The Branch Office shall be composed of the Members who are residing in the Kansai District.

Article 50. Activities of Branch Office

The Branch Office shall cooperate in accomplishing the purposes of the Institute in regard to the following:

- (1) conveying instructions on Institute business to the Members who belong to the Branch Office (hereinafter referred to as "Branch Office Member");
- (2) conducting business matters of the Institute commissioned or approved by the Board of Directors;
- (3) conveying the Branch Office Members' opinions to the Board of Directors Meetings; and
- (4) conducting such other matters as are stipulated in the Branch Office Bylaws.

Article 51. General Manager of Branch Office

1. The Branch Office shall have one General Manager.
2. The General Manager of the Branch Office shall be commissioned by the President, on the recommendation of the Board of Directors, from among

Members residing in the Kansai District other than Associates, Students and Supporting Members.

- 3. The General Manager of the Branch Office may attend the Board of Directors Meeting upon the approval of the President. However he shall not have the voting right.**

Article 52. Expenses and Assets of the Branch Office

- 1. Expenses of the Branch Office shall be paid out of subsidies from the Institute, donations and other earnings.**
- 2. The General Manager of the Branch Office shall submit financial statements on the Branch Office for each fiscal year to the President within one month after the close of the fiscal year.**
- 3. Assets held by the Branch Office shall be managed by the General manager of the Branch Office instead of the President notwithstanding the provision of Article 44.**
- 4. The provisions of Articles 45, 46 and 47 shall apply mutatis mutandis to the Branch Office.**

Article 53. Enactment and Amendment of Branch Office Bylaws

Enactment and amendment of Branch Office Bylaws shall be approved by a Board of Directors Meeting of the Institute.

Article 54. Notification of Decisions

The General Manager of the Branch office shall report the matters decided by the Branch Office to the President.

Article 55. Other Branch Offices

Any organization of other Branch Office besides Kansai Branch Office shall be complied with the provisions provided for in this Section.

Section X
Amendments of the Constitution

Article 56. Amendments of the Constitution

1. Amendments of the Constitution shall be proposed by the President, and shall become effective both an affirmative vote of three-fourths of the Members present at a General Meeting and the approval of the Prime Minister.
2. Notwithstanding the preceding paragraph, amendments approved by three-fourths of the Fellows present at such meeting shall supersede a vote by three-fourths of the Members present at such meeting.

Section XI
Dissolution and Disposition of Residual Assets

Article 57. Dissolution

The Institute shall be dissolved upon both an affirmative vote of three-fourths of the Members present at a General Meeting and approval by the Prime Minister.

Article 58. Disposition of Residual Assets

In case of the dissolution of the Institute, all of its residual assets shall be donated, upon both an affirmative vote of three-fourths of the Members present at a General Meeting and approval by the Prime Minister, to a public service corporation organized for purposes similar to those of the Institute.

Article 59. Special Resolution

Notwithstanding the preceding two Articles, an affirmative vote of three-fourths of the Fellows present at either of those referenced meetings shall supersede those above-referenced votes of three-fourths of the Members present at such meetings.

Section XII
Supplemental Rules

Article 60. Enforcement

Upon a resolution of the Board of Directors, the President may establish necessary procedures to enforce this Constitution and may decide necessary matters for the activities of the Institute.

Additional Rules (June 23, 1989)

1. These Articles as revised became effective on June 23, 1989 when they were approved by the Minister of Finance.
2. Notwithstanding Article 6 of this Constitution, memberships obtained prior to the revision of this Constitution on June 23rd, 1989 remain intact.

Additional Rules (June 6, 1994)

These Articles as revised became effective on June 6, 1994 when they were approved by the Minister of Finance.

Additional Rules (July 16, 1997)

These Articles as revised became effective on July 16, 1997 when they were approved by the Minister of Finance.

Additional Rules (August 31, 1999)

These Articles as revised became effective on August 31, 1999 when they were approved by the Prime Minister.

Additional Rules (September 14, 2001)

These Articles as revised became effective on September 14, 2001 when they were approved by the Prime Minister.

Additional Rules (July 22, 2003)

These Articles as revised became effective on July 22, 2003 when they were approved by the Prime Minister and the office removal was completed.