

OPERATIONAL RULES

Resolved by the Board of Directors on March 28, 2012

[Partially amended on April 26, 2017]

This translation is solely aimed to serve as a reference, and accordingly all questions that may arise with regard to the meaning of the words or expressions herein shall be dealt with in accordance with the original Japanese text.

Chapter 1. General Provisions

Article 1. Purpose

These Operational Rules shall aim to establish how to conduct activities provided in each of the Items of Article 4 of the Articles of Incorporation of the Japan Investment Advisers Association (hereinafter referred to as the “Association”) based on Article 79-3, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the “Act”) and Article 5 of the Articles of Incorporation.

Chapter 2. Activities of the Association

Article 2. Activities regarding Members’ Compliance with Laws and Regulations

1. The Association shall provide members with guidance and recommendations and conduct other activities in order to have members comply with (i) the Act and other related laws and regulations and (ii) the Articles of Incorporation and other rules of the Association including resolutions of the general assembly and the board of directors (hereinafter referred to as the “Laws and Regulations”).
2. The Association shall endeavor to find out whether members comply with the Laws and Regulations by conducting various investigations, hearings, and such like (hereinafter referred to as the “Investigations”).
3. If the Association determines that certain members’ compliance with the Laws and Regulations is inappropriate as a result of the Investigations conducted pursuant to the preceding paragraph, it shall provide guidance and recommendations deemed necessary for those members.
4. If the Association provides recommendations pursuant to the preceding paragraph, it

shall act according to the “Rules concerning Disciplinary Actions, etc. for Members” (resolved by the board of directors on March 28, 2012) (hereinafter referred to as the “Disciplinary Action Rules”) separately provided.

Article 3. Activities to Ensure Appropriateness of Business Conducted by Members

1. The Association shall conduct investigations, provide guidance and recommendations, and conduct other activities necessary for members to conclude appropriate contracts, conduct appropriate asset management business, and ensure the protection of investors with regard to the investment management business and investment advisory & agency business conducted by members.
2. The Association shall endeavor to find out how members are running their business by conducting various Investigations for members.
3. If the Association determines that certain members have conducted their business inappropriately as a result of the Investigations conducted pursuant to the preceding paragraph, it shall provide guidance and recommendations deemed necessary for those members.
4. If the Association provides recommendations pursuant to the preceding paragraph, it shall act in accordance with the Disciplinary Action Rules.

Article 4. Investigations, Disciplinary Actions, etc. for Members

1. The Association shall conduct investigations in order to determine whether members are complying with the Act, the orders given thereunder, disciplinary actions under the Act or the orders, the Articles of Incorporation or other rules, or the good faith principles of transactions.
2. The investigations set forth in the preceding paragraph shall be conducted by any of the following means.
 - (1) On-site
 - (2) Document-based
 - (3) Hearing
 - (4) Other means which the Association deems appropriate
3. If the Association finds out that certain members have violated a Law or Regulation as a result of the investigations set forth in the preceding paragraph, it shall take the necessary procedures according to the Articles of Incorporation and the Disciplinary Action Rules of the Association.
4. Upon taking disciplinary actions or other measures against members, the Association

shall act in accordance with the Disciplinary Action Rules.

Article 5. Resolving Complaints

1. The Association shall engage in activities to resolve complaints from investors with regard to the investment management business and investment advisory & agency business conducted by members.
2. The Association may entrust the activities set forth in the preceding paragraph pursuant to Article 78-8, Paragraph 1 of the Act.
3. Necessary things with regard to activities for resolving complaints shall be provided for in the “Rules on the Entrustments, etc. of the Activities for Resolving Complaints and Disputes” (resolved by the board of directors on March 28, 2012) (hereinafter referred to as the “Complaint and Dispute Rules”).

Article 6. Mediation for Resolving Disputes

1. The Association shall conduct mediation activities in the event of a dispute with regard to the investment management business and investment advisory & agency business conducted by members.
2. The Association may entrust the activities set forth in the preceding paragraph pursuant to Article 78-8, Paragraph 1 of the Act.
3. Necessary things with regard to mediation activities for resolving disputes shall be provided in the Complaint and Dispute Rules.
4. The Association shall conclude a contract including a letter of agreement necessary for entrusting the activities set forth in Paragraph 2 of the preceding article and in Paragraph 2 of this article.

Article 7. Establishment, Amendment, or Abolition of Operational Rules

1. The Association shall establish, amend, or abolish (i) rules necessary for ensuring members appropriately conduct their business including making solicitations in concluding contracts with regard to their investment management business and investment advisory & agency business and (ii) rules for the Association to conduct its activities.
2. Establishment, amendment, and abolition of rules set forth in the preceding paragraph shall be subject to a resolution of the board of directors.

Article 8. Public Relations, Disseminating Knowledge, and Enlightenment Activities for Investors, etc.

In order for investors, etc. to have a better understanding about the investment management business and investment advisory & agency business, the Association shall conduct public relations activities through newspaper and magazine advertising, the Association's website, publishing, preparing and publicizing statistical data, and such like and endeavor to make them fully known to, disseminate knowledge to and enlighten investors, etc.

Article 9. Other Activities

The Association shall engage in the following activities other than those set forth in the preceding articles (excluding Article 1) to contribute to the sound development of the investment management business and investment advisory & agency business and the protection of investors.

- (1) Conducting research and study with regard to the investment management business and investment advisory & agency business
- (2) Providing training programs to members and their officers and employees
- (3) Making recommendations, requests, and communication to the competent government agencies and other agencies concerned
- (4) Promoting communication with other related economic organizations and promoting exchanges of opinion and communication among members
- (5) Conducting other activities necessary to accomplish the purpose of the Association

Chapter 3. Activities as an Accredited Personal Information Protection Organization

Article 10. Activities as an Accredited Personal Information Protection Organization

1. The Association, as an accredited personal information protection organization authorized pursuant to Article 47, Paragraph 1 of the Act on the Protection of Personal Information (Act No.57 of 2003), shall engage in the following activities with regard to handling personal information concerning the investment management business and investment advisory & agency business conducted by members.
 - (1) Dealing with complaints with regard to handling personal information by members
 - (2) Preparing and publicizing personal information protection guidelines
 - (3) Providing guidance and recommendations and taking other measures necessary

- for members to comply with the personal information protection guidelines
- (4) Providing members with information about matters that help to ensure the proper handling of personal information
 - (5) Providing training programs to members and their officers and employees to ensure the proper handling of personal information
 - (6) Publicizing member names
 - (7) Promoting communication and coordination with related organizations
 - (8) Conducting other activities necessary for ensuring the proper handling of personal information by members
2. The Association shall engage in the activities set forth in Item 1 of the preceding paragraph according to the “Rule concerning Resolving Complaints with regard to Personal Information Protection” (resolved by the board of directors on March 28, 2012) separately provided.

Chapter 4. Miscellaneous Provisions

Article 11. Establishment of a Framework for Personal Information Protection

The Association shall establish an appropriate framework to prevent the leakage, loss, or damage of personal information with which the Association performs its duties by making rules with regard to security controls for personal information protection.

The Association shall not utilize any information on individual characteristics, such as race, creed, lineage or legal addresses, and any other special non-public information (meaning information that is not open to the public and that is obtained in conducting its activities) with which the Association performs its duties for purposes other than those the Association deems necessary for performing its duties including ensuring the appropriateness of its operations.

Article 12. Personal Securities Trading by Officers and Employees of the Association

Officers (limited to full-time officers; the same shall apply hereinafter) and employees (including part-time employees; the same shall apply hereinafter) of the Association shall not buy or sell any securities based on the information not yet made public about listed companies obtained in relation to a member’s investment management or activity by virtue of their position, or other special information obtained in the course of their duties.

Article 13. Alteration of Operational Rules

These Operational Rules may not be altered unless a resolution of the board of directors is made and authorization by the Prime Minister is obtained.

Supplementary Provision (March 28, 2012)

These Operational Rules shall be authorized by the Prime Minister and become effective on the day of registration of incorporation of a general incorporated association (July 2, 2012) provided for in Article 106, Paragraph 1 of the Act on Arrangement of Relevant Acts Incidental to 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 as applied mutatis mutandis pursuant to Article 121, Paragraph 1 of the same act following the deemed replacement of terms.

Supplementary Provision (April 26, 2017)

This amendment shall be authorized by the competent government agency and become effective on the day separately designated by the Association (May 30, 2017).

Note: The amended terms are as follows.

Article 10 is amended.