

Detailed Rules on the Treatment of Shares, etc., from Donations in Nagoya Institute of Technology

(Detailed Rules No. 3 on July 22, 2014)

(Purpose)

**Article 1** The treatment of shares, share options, bonds with share options (hereinafter “Shares, etc.”) from donations in Nagoya Institute of Technology (hereinafter, “the Institute”) shall be based on the Provisions of the Nagoya Institute of Technology Regulations on the Treatment of Scholarship Endowments (hereinafter, “Regulations on Treatment”) and of these Detailed Rules.

(Restriction on Receiving Shares)

**Article 2** Shares, etc., when they fall under one of the cases below in addition to the Provisions in Article 4 in the Regulations on Treatment, must not be received.

Cases where:

- (1) There are problems concerning the social positions and credibility of the donor and the issuing companies of the Shares, etc.;
- (2) The acquisition of the Shares, etc., has a significant impact on the operation of the relevant company unless it exercises a right to claim common benefits, such as management participation rights as a shareholder; or
- (3) The President judges that the receipt of Shares, etc., presents a hindrance to the operation of the Institute.

(How to Assess Shares, etc.)

**Article 3** The value of Shares, etc., shall be calculated based on a method stipulated separately.

(Management and Other Matters of Shares, etc.)

**Article 4** Acquired Shares, etc., shall be managed by the Payment Chief .

2. The cashier responsible for storing Shares, etc., must do so in a safe and sure method based on the provisions in Article 21 of the Nagoya Institute of Technology Rules on the Treatment of Budget Settlement and Administrative matters for Accounting (established on April 1, 2004).
3. Common benefit rights for said issuing company that owns shares shall not be exercised in principle.

(Sales of Shares, etc.)

**Article 5** Acquired Shares, etc., shall be sold immediately. With regard to shares that are not traded at stock exchanges in Japan and overseas (hereinafter, “Private Equity”) and that cannot be

sold with share options, those shares shall be sold as soon as they become available for conversion into money.

2. Notwithstanding the Provisions in the previous Article, the cases listed below regarding received Shares, etc., can be stored for a required period of time.

Cases where:

- (1) dividends generated by the attribution of shares for the purpose of donation shall be appropriated to the execution of operations as capital; or
  - (2) in the case of listing a Private Equity, a stock exchange or the brokerage lead manager of the Equity asks to own the Equity for a prescribed period of time after the listing.
3. The President, when receiving an application for the purchase of Private Equity or share options, shall judge whether it is appropriate for sale after deliberation by the Directors' Meeting.
  4. When selling Shares, etc., Article 166 of the Financial Instruments and Exchange Act (Regulation for Insider Trading) (Law No. 102, June 27, 2007) shall be observed.

(Exercising Rights for Share Options, Bonds with Share Options)

**Article 6** Notwithstanding the Provisions of Clause 1 in the previous Article, when the President finds it necessary in the process of changing share options and thereby converts bonds with share options into cash, he/she shall be able to acquire shares by exercising the right for share options.

2. Assessment methods, management, and sales of Shares, etc., which are stipulated in the previous Clause shall be based on the Provisions of Article 3, Article 4, and from Clauses 2 to 4 in the previous Article.

(Miscellaneous Provisions)

**Article 7** Necessary matters other than the Provisions stipulated in these Detailed Rules shall be defined separately.

Supplementary Provisions

These detailed rules shall be enacted on July 22, 2014.