

National University Corporation the University of Osaka Regulations Pertaining to Outside Assignment in Profit-making Enterprises and Self-employment Outside Assignment

***Note: The document below is an English translation of the University Work Regulations, originally composed in Japanese. The English version of the Work Regulations has been provided merely as a reference for international researchers and employees. Therefore, it should not be considered an official employment contract. Please note that any and all official employment contracts are concluded solely on the basis of the Japanese version of the Work Regulations.***

Chapter 1: General Provisions

(Purpose)

Article 1: The purpose of these regulations shall be to define matters pertaining to the handling of outside assignment as directors of profit-making enterprises and self-employment outside assignment in accordance with Item 3, Article 4 and Item 2, Article 5 of the Regulations Pertaining to Outside Assignment of National University Corporation the University of Osaka Staff.

Chapter 2: Outside Assignment as Directors of Profit-making Enterprise

Section 1: Outside Assignment on Technology Transfer

(Outside Assignment as Director of Technology Transfer Enterprise)

Article 2: A member of Academic Staff or a Researcher (hereinafter referred to as “Academic Staff, Etc.”) wishing to engage in an outside assignment as director of a technology transfer enterprise (hereinafter referred to as “outside assignment on technology transfer”) shall obtain the permission of the President of The University.

2. The term “director” used in the foregoing item shall refer to a person who concerns to the exercise of business of the enterprise in question, regardless of the title of the post (this shall also apply to the remainder of this section and to following section hereinafter).

(Technology Transfer Enterprise)

Article 3: The term “technology transfer enterprise” used in these regulations shall refer to a company or other organization with the purpose of operating of profit-making business which involving any of the businesses detailed hereunder.

(1) Special university technology transfer business in accordance with the provisions of Item 1, Article 2 of the Law for the Promotion of Transferring University Research Results in Technology to Non-government Enterprises (Law No. 52 of 1998: hereinafter referred to as “University Technology Transfer Promotion Law”) (only approved business planning in accordance with Item 2, Article 5 of the said law hereinafter referred to as “approved business”).

(2) Business relating to approval cited in Item 1, Article 11 of the University Technology Transfer Promotion Law or Item 3, paragraph 5, Article 109-2 of the Patent Act (Act No. 121 of April 13, 1959) (hereinafter referred to as “Research and Development Institute Certification Business”).

(Criteria for Permission for Outside Assignment on Technology Transfer Enterprise)

Article 4: The President shall grant permission in respect to applications from members of Academic Staff, Etc. for outside assignment on technology transfer in cases where said outside assignment conforms to any of the criteria detailed hereunder.

(1) In cases where the member of Academic Staff, Etc. wishing to undertake said outside assignment on technology transfer has knowledge relating to legal systems pertaining to such matters as patents and utility model rights with respect to results of research relating to technology necessary for the undertaking of a post as director of a technology transfer enterprise and to transfer of such research results.

(2) In cases where the work content pertaining to the post of director to be undertaken by the member of Academic Staff, Etc. in question involves principally approved business or Research and Development Institute Certification Business.

(3) In cases where no special interests exist or no future possibility of the development of such a special interests exists between the member of Academic Staff, Etc. applying for permission and the technology transfer enterprise concerned (including the parent company of the same).

- (4) In cases where within 2 years prior to application for the outside assignment in question, said member of Academic Staff, Etc. was not engaged in work involving special interests with the technology transfer enterprise cited in the application.
  - (5) Engaging in said outside assignment shall not interfere with the proper implementation of duties by the member of Academic Staff, Etc. concerned.
  - (6) Engaging in said outside assignment shall not result in mental and/or physical exhaustion which adversely affect efficiency in the performance of the duties of the member of Academic Staff, Etc. in question.
  - (7) The outside assignment in question shall not adversely affect the reputation or damage the honor of The University.
  - (8) The outside assignment in question shall not interfere with the fairness and reliability in the discharge of the duties of the member of Academic Staff, Etc. in question.
2. The passage "involves principally approved business or Research and Development Institute Certification Business" stipulated in No. 2 of the foregoing item shall refer to the following.
    - (1) In cases where the member of Academic Staff, Etc. in question wishes to undertake the position of Representative Director and President of a technology transfer enterprise, the principal business of said enterprise shall involve approved business or Research and Development Institute Certification Business.
    - (2) In cases where the member of Academic Staff, Etc. in question wishes to undertake the position of executive director of a technology transfer enterprise, the principal work in which said member of Academic Staff, Etc. shall be engaged shall involve approved business and Research and development Institute Certification Business.
  3. The permission cited in Item 1 shall include a limit of the period for which the outside assignment in question may be undertaken based on consideration of such factors of the term of office director.

(Reports on and Announcement of Outside Assignment on Technology Transfer Enterprise)

Article 5: Members of Academic Staff, Etc. granted permission to undertake an outside assignment on technology transfer enterprise shall report annually the matters cited in following provisions to the President pertaining to the circumstances of the outside assignment.

- (1) Name, affiliation and job title
  - (2) Name of technology transfer enterprise
  - (3) Content of work undertaken as director of technology transfer enterprise
  - (4) Time and Date of engaging in duties as director of technology transfer enterprise
  - (5) Record of types, value and reason for receipt of remuneration, profits in the form of cash, commodities or other personal possessions (excluding consideration in respect of actual expenses) given by the technology transfer enterprise.
2. The President shall make an annual announcement of the items of information pertaining to outside assignment on technology transfer enterprise detailed in the foregoing provisions.

(Withdrawal of Permission for Outside Assignment on Technology Transfer)

Article 6: In cases where an outside assignment on technology transfer ceases to conform to the criteria for permission cited in the provisions of Item 1, Article 4, the President shall withdraw said permission.

(Restrictions of Work after Termination of Outside Assignment on Technology Transfer)

Article 7: The President shall not allow a member of Academic Staff, Etc. engaged in an outside assignment on technology transfer in question to undertake work involving a relationship of special interests with a technology transfer enterprise for a period of 2 years from the date finished said outside assignment on technology transfer.

## Section 2: Outside Assignment on Research Result Application

(Outside Assignment as Director of Research Result Application Enterprise)

Article 8: A member of Academic Staff, Etc. wishing to engage in an outside assignment as director of a research result application enterprise (hereinafter referred to as "outside assignment on research result application") shall be required the permission of the President of The University.

(Research Result Application Enterprise)

Article 9: The term "research result application enterprise" used in these regulations shall refer to a company or

other organization the purpose of operating profit-making enterprise implemented by application of the research results of the member of Academic Staff, Etc. in question.

(Criteria for Permission for Outside Assignment on Research Result Application)

Article 10: The President shall grant permission in respect to applications from members of Academic Staff, Etc. for outside assignment on research result application in cases where said outside assignment conforms to any of the criteria detailed hereunder.

(1) In cases where the member of Academic Staff, Etc., who wishes to undertake outside assignment on research result application, invented or proposed (regardless of reversion of the same) the results of research (including research results for which patents, utility model rights, etc. exist and research results announced in these or published by academic societies, etc.) which the said research result application enterprise will apply .

(2) In cases where the work content pertaining to the post of director to be undertaken by the member of Academic Staff, Etc. involves principally business relating to the research result application business.

(3) In cases where no special interests exist or no future possibility of the development of such special interests exists between the member of Academic Staff, Etc. applying for permission and the research result application enterprise in question (including the parent company of the same).

(4) In cases where, within 2 years prior to application for the outside assignment in question, the member of Academic Staff, Etc. was not engaged in work involving special interests with the research result application enterprise cited in the application.

(5) In cases where the work content of the post of director which the member of Academic Staff, Etc. wishes to undertake does not include work determined in the course of negotiations pertaining to the contract concluded between said member of Academic Staff, Etc. and The University (excluding work relating to the research result application business).

(6) Engaging in said outside assignment shall not interfere with the proper implementation of duties by the member of Academic Staff, Etc. concerned.

(7) Engaging in said outside assignment shall not result in mental and/or physical exhaustion which adversely affect efficiency in the performance of the duties of the member of Academic Staff, Etc. in question.

(8) The outside assignment in question shall not adversely affect the reputation nor damage the honor of The University.

(9) The outside assignment in question shall not interfere with the fairness and reliability in the discharge of the duties of the member of Academic Staff, Etc. in question.

2. The passage "involves principally business relating to the application of the results of research" stipulated in No. 2 of the foregoing item shall refer to the following cases.

(1) In cases where the member of Academic Staff, Etc. in question wishes to undertake the position of Representative Director and President of a research result application enterprise, the principal business of said enterprise shall involve research result application business.

(2) In cases where the member of Academic Staff, Etc. in question wishes to undertake the position of executive director of a research result application enterprise, the principal work in which said member of Academic Staff shall be engaged shall involve research result application business.

3. "Special interests" cited in No. 3 and 4, Item 1 and Article 14 shall include participation as an investigative committee member in investigations with the potential to directly influence the granting or withholding of approval, certification, etc. pertaining to the research result application enterprise cited in the application for permission for the outside assignment in question.

4. The permission cited in Item 1 shall include a limit of the period for which the outside assignment in question may be undertaken based on consideration of such factors of the term of office of director.

(Leave of Absence)

Article 11: In cases where the necessity for a member of Academic Staff, Etc. engaged in duties as a director of a research result application enterprise with permission for said undertaking and where it is recognized that said member of Academic Staff, Etc. needs to be primarily engaged in said work, rendering the discharge of duties as an Employee of The University impossible, The President of The University may grant said member of Academic Staff, Etc. a leave of absence in accordance with the provisions of No. 5, Item 1, Article 14 of The Work Regulations for National University Corporation the University of Osaka Staff or No. 5, Item 1, Article 12 of The Work Regulations for National University Corporation the University of Osaka Limited Term Staff.

(Reports on and Announcement of Outside Assignment on Research Result Application)

Article 12: Members of Academic Staff, Etc. granted permission to undertake an outside assignment on research result application shall report annually the matters cited in following item to the President pertaining to the circumstances of the outside assignment.

(1) Name, affiliation and job title

(2) Name of research result application enterprise

(3) Content of work undertaken as director of research result application enterprise

(4) Time and Date of engaging in duties as director of research result application enterprise

(5) Record of types, value and reason for receipt of remuneration, profits in the form of cash, commodities or other personal possessions (excluding consideration in respect of actual expenses) given by research result application enterprise.

2. The President shall make an annual announcement of the items of information pertaining to outside assignment on research result application detailed in the foregoing provisions.

(Withdrawal of Permission for Outside Assignment on Research Result Application)

Article 13: In cases where an outside assignment on research result application ceases to conform to the criteria for permission cited in the provisions of Item 1, Article 10, the President shall withdraw said permission.

(Restrictions of Work after Termination of Outside Assignment on Research Result Application)

Article 14: The President shall not allow a member of Academic Staff, Etc. engaged in an outside assignment on research result application in question to undertake work involving a relationship of special interests with a research result application enterprise for a period of 2 years from the date finished said outside assignment on research result application.

### Section 3: Outside Assignment as Auditors

(Outside Assignment as Auditor of Stock Company)

Article 15: A member of Academic Staff, Etc. wishing to engage in an outside assignment as auditor or external director (hereinafter referred to as "outside assignment as auditor, etc.") in a stock or limited-liability company (hereinafter referred to as "stock company, etc.") shall be required the permission of the President of The University.

(Criteria for Permission for Outside Assignment as Auditors, etc.)

Article 16: The President shall grant permission in respect to applications from members of Academic Staff, Etc. for outside assignment as auditors, etc. in cases where said outside assignment conforms to any of the criteria detailed hereunder.

(1) In cases where the member of Academic Staff, Etc. wishing to undertake said outside assignment as auditor, etc. has the necessary knowledge to fulfill the role in the stock company, etc. cited in the application for permission relating to duty of the member of Academic Staff, Etc. in question.

(2) In cases where no special interests exist or no future possibility of the development of such special interests exist between the members of Academic Staff, Etc. applying for permission and the stock company, etc. cited in the application for permission (including the parent company of the same).

(3) In cases where, within 2 years prior to application for the outside assignment in question, the member of Academic Staff, Etc. was not engaged in work involving special interests with the stock company, etc. cited in the application for permission.

(4) In cases where relatives of the member of Academic Staff, Etc. are not in a position to exert strong influence as defined hereunder over the stock company, etc. cited in the application for permission.

(a) In cases where the total number of shares held in or investment in the stock company, etc. concerned by relatives (only spouses, blood relatives or relation in-law of third-degree consanguinity or closer. This shall also apply hereunder) of the member of Academic Staff, Etc. in question exceeds one quarter of the total stock issue or investment of said company.

(b) In cases where more than one half of the directors of the stock company, etc. in question are relatives of the member of Academic Staff, Etc. in question.

(c) In cases where the Representative Director and Chairman or the Representative Director and Company President of the stock company, etc. in question are relatives of the member of Academic Staff,

Etc. in question.

(5) Engaging in said outside assignment shall not interfere with the proper implementation of duties by the member of Academic Staff, Etc. in question.

(6) Engaging in said outside assignment shall not result in mental and/or physical exhaustion which adversely affect efficiency in the performance of the duties of the member of Academic Staff in question.

(7) The outside assignment in question shall not adversely affect the reputation nor damage the honor of The University.

(8) The outside assignment in question shall not interfere with the fairness and reliability in the discharge of the duties of the member of Academic Staff in question.

2. "Special interests" cited in No. 2 and 3, Item 1 and Article 19 shall include participation as an investigative committee member in investigations with the potential to directly influence the granting or withholding of approval, certification, etc. pertaining to the stock company cited in the application for permission for the outside assignment in question.

3. The permission cited in Item 1 shall include a limit of the period for which the outside assignment in question may be undertaken based on consideration of such factors of the term of office of auditor.

(Reports on and Announcement of Outside Assignment as Auditor)

Article 17: Members of Academic Staff, Etc. granted permission to undertake an outside assignment as auditor shall report annually the matters cited in following item to the President pertaining to the circumstances of the outside assignment.

(1) Name, affiliation and job title

(2) Name of stock company

(3) Time and Date of engaging in duties as auditor stock company

(4) Record of types, value and reason for receipt of remuneration, profits in the form of cash, commodities or other personal possessions (excluding consideration in respect of actual expenses) given by the stock company in question.

2. The President shall make an annual announcement of the items of information pertaining to outside assignment as auditor detailed in the foregoing provisions.

(Withdrawal of Permission for Outside Assignment as Auditor)

Article 18: In cases where an outside assignment as auditor ceases to conform with the criteria for permission cited in the provisions of Item 1, Article 16, the President shall withdraw said permission.

(Restrictions of Work after Termination of Outside Assignment as Auditor)

Article 19: The President shall not allow a member of Academic Staff, Etc. engaged in an outside assignment as auditor in question to undertake work involving special interests with a stock company for a period of 2 years from the date finished said outside assignment as auditor.

### Chapter 3: Self-employment Outside Assignment

(Self-employment Outside Assignment)

Article 20: An employee wishing to engage in self-employment outside assignment shall require the permission of the President of The University.

(Scope of Self-employment Outside Assignment)

Article 21: In cases where the employee in question is engaged in the operation of enterprises including agriculture, cattle breeding, dairy farming, fruit growing or poultry farming, and where said enterprise can be seen from an objective standpoint as being of large scale and to be for the purpose of acquisition of profits, the work shall be treated as self-employment outside assignment.

2. In cases where the employee in question is engaged in real estate or parking lot lease enterprises, the work shall be treated as self-employment outside assignment, only when it falls into any of following Nos. or following items.

(1) In cases where real estate lease falls into any of the following categories.

(a) Lease of a minimum of 5 independent houses.

(b) In the case of buildings other than independent houses, lease of a minimum of 10 rooms within 1 area capable of independent partitioning.

- (c) A minimum of 10 lease contracts in respect of land lease.
- (d) In cases of leased real estate on which facilities for the purpose of amusement or recreation such as theaters, cinemas or golf practice ranges have been provided.
- (e) In cases of buildings on leased real estate provided for the purposes of special business such as inns or hotels.
- (2) In cases where leased parking lots fall into any of the following categories.
  - (a) Cases where the parking lot constitutes a building or where said parking lot is equipped with machinery.
  - (b) Cases of parking lots with occupancy of 10 or more vehicles.
- (3) In cases where the annual total lease income from real estate or parking lots (total of rents from all such real estate and/or parking lots where multiple properties are involved) is 5,000,000 yen or more.
- (4) In addition to the foregoing provisions, cases recognized as equivalent to the lease of real estate or parking lots in accordance with No. 1 or 2.
- 3. In cases where real estate lease comprises a variety of types, 1 detached house shall be taken as a 2 apartment rooms, 1 piece of land or a 1-vehicle parking lot as 1 apartment room and a resulting total of an equivalent to 10 rooms shall qualify for treatment as self-employment outside assignment.
- 4. In cases of real estate lease under a joint name, whether the work falls into self-employment outside assignment or not shall not be judged based on consideration of the portion divided by his/her share of the real estate, but consideration of said real estate as a whole. Additionally, the number of such leased properties or the amount of income from such leases shall be judged based on consideration of the total number of properties or the total income from leases.
- 5. The amount of income from the lease shall be determined based on the amount of expected income for 1 year from the date of application. In such cases, the expected income shall refer to income from rent, etc. prior to deduction of expenses, etc. And if the total amount of expected income for 1 year (monthly rent for real estate scheduled for lease  $\times$  number of rooms  $\times$  12 months, etc.) is 5,000,000 and more, the work shall be treated as self-employment outside assignment.

(Criteria for Permission for Outside Assignment as Auditors, etc.)

Article 22: The President shall grant permission in respect to applications from employees for self-employment outside assignment in cases where said outside assignment conforms to any of the criteria detailed hereunder.

- (1) In cases of lease of real estate or parking lots
  - (a) In cases where no special interests exist or where no future possibility of the development of such a relationship exists between the employee applying for permission and lease real estate or parking lot cited in the application for permission.
  - (b) In cases where activities such as recruiting tenants, collecting rent, or the consignment of management and administration of real estate or parking lots to other business person, etc. (including such management and administration carried out by relatives) shall not interfere with the proper implementation of duties of the employee concerned.
  - (c) Engaging in said outside assignment shall not interfere with the proper implementation of duties of the employee concerned.
  - (d) Engaging in said outside assignment shall not result in mental and/or physical exhaustion which adversely affect efficiency in the performance of the duties of the employee in question.
  - (e) The outside assignment in question shall not adversely affect the reputation nor damage the honor of The University.
  - (f) The outside assignment in question shall not interfere with the fairness and reliability in the discharge of the duties of the employee in question.
- (2) In cases of business other than the lease of real estate or parking lots
  - (a) In cases where no special interests exist or no future possibility of the development of such a special interest exists between the employees applying for permission and the business cited in the application for permission.
  - (b) Entrusting implementation of the business in question to a person other than the member of Staff concerned shall not interfere with the proper implementation of duties of the employee concerned.
  - (c) In cases where the business in question is a family enterprise the employee succeeded as the result of inheritance of or receipt of bequeath of said enterprise.
  - (d) Engaging in said outside assignment shall not interfere with the proper implementation of duties of

the employee concerned.

(e) Engaging in said outside assignment shall not result in mental and/or physical exhaustion which adversely affect efficiency in the performance of the duties of the employee in question.

(f) The outside assignment in question shall not adversely affect the reputation nor damage the honor of The University.

(g) The outside assignment in question shall not interfere with the fairness and reliability in the discharge of the duties of the employee in question.

(Withdrawal of Permission for Self-employment Outside Assignment)

Article 23: In cases where a self-employment outside assignment is no longer meet the criteria for permission cited in the provisions of the foregoing article, the President shall withdraw said permission.

#### Chapter 4: Times engaged in Outside Assignment

(General Outside Regular Working Hours Rule)

Article 24: As a general rule, members of Academic Staff, Etc. shall engage in outside assignment outside regular working hours.

2. Notwithstanding the provisions of the foregoing item, in cases where necessity is recognized by the President, work at outside assignment may be undertaken within regular working hours. However, in such cases, the member of Academic Staff, Etc. concerned shall be subject to a reduction in salary in accordance with the number of hours during which the member of Academic Staff, Etc. is engaged in work at said outside assignment.

#### Chapter 5: Supplementary Provisions

(Exemption from Responsibilities of the University)

Article 25: The University shall be exempt from all responsibilities for accidents or calamities arising from work undertaken pertaining to outside assignment.

#### Supplementary Provisions

(Date of Implementation)

1. These regulations shall be implemented from 14 April 2004 and applied from 1 April 2004.

(Interim Measures)

2. With respect to the period after application of these regulations, renewal under these regulations of permission for outside assignment granted prior to the date of application of said regulations shall be unnecessary.

#### Supplementary Provision

These amendments shall be implemented from 20 June 2005.

#### Supplementary Provision

These amendments shall be implemented from 1 April 2009.

#### Supplementary Provision

These amendments shall be implemented from 1 April 2019.