

PaMeLa Inc. Rules for the Use of Research Funds

May 20, 2017

Amended on July 30, 2018

CEO Arata HASEGAWA

PaMeLa Inc. has established the following rules for the proper use of research funds in order to prevent misuse.

1. Purchasing Goods

- Confirmation with the Director is required if that the researcher and those qualified for it will be using public research funds to purchase items.

Confirmation by email is acceptable. With the approval of the Administration Department, only the person-in-charge of purchasing is authorized to order the goods. In principle, the researcher is not allowed to directly order or purchase the goods.

- On the the other hand, purchase of items exceeding 3 million yen in value shall only be approved by the Steering Committee.

2. Arrangements for business trips, etc.

- Travel expenses rules must be strictly followed.
- The researcher and another assigned person should seek prior approval for a business trip from the Director when making travel arrangements using public research funds.

Applications by email are acceptable. With the approval of the Director, the person-in-charge who, in this case is the Administrator of Purchasing is responsible for arranging travel documents, such as booking of flights, hotel accommodation, transportation etc. on behalf of the researchers. In principle, only the administrator is authorized to make travel arrangements for them.

- However, in some acceptable cases, wherein the researcher may purchase a travel voucher in the amount of 50,000 yen or less provided there's a written consent from the Director.

In such case, the researcher will be responsible for paying for the travel expenses using personal funds and subject for review at the time of reimbursement.

3. Reimbursement

- In the case of direct payment for purchases and business travel by the researcher and other assigned personnel, reimbursement will be processed at the end of the month after the business trip.
- A reimbursement form specified by the Company must be filled-out and submitted to the Management Department with valid receipts, on the second business day of the following month.

4. Application of labor time

- The directors give job orders to the researchers and manage them appropriately. Management is done through daily reports, consultation, and communication, as well as monthly summaries through development meetings.
- Researchers employed by the Company must use a Company-designated time card and should be submitted to the Administration Department on the second business day of the following month.
- Contents and final computation of the payroll will be reviewed and checked.