

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 7873

June 12, 2019

To our shareholders:

Atsushi Komoriya  
Representative Director  
**ARRK CORPORATION**  
2-2-9 Minami Hommachi, Chuo-Ku,  
Osaka-Shi, Osaka

## Notice of the 51st Annual General Meeting of Shareholders

You are cordially invited to attend the 51st Annual General Meeting of Shareholders of ARRK CORPORATION (the “Company”), which will be held as indicated below.

**If you are unable to attend the meeting, you can exercise your voting rights through either of the following methods. Please review the Reference Documents for General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, June 27, 2019.**

### **[Exercising Voting rights by Mail]**

**Please indicate your vote of approval or disapproval of the proposal on the enclosed voting form, and return the form to us so that it arrives before the above-mentioned voting deadline.**

### **[Exercising Voting rights via the Internet]**

**Please access the voting website (<https://evote.tr.mufg.jp/>) (Japanese only), and enter your vote of approval or disapproval of the proposal before the above-mentioned voting deadline by using the login ID and temporary password shown on the enclosed voting form and following on-screen instructions.**

**For further details, please refer to “Procedures for Exercise of Voting Rights via the Internet” on pages 3 through 4 of this notice.**

- 1. Date and Time:** Friday, June 28, 2019, at 10:00 a.m. (JST)
- 2. Venue:** International Conference Hall 7F,  
Osaka Chamber of Commerce and Industry,  
2-8, Honmachibashi, Chuo-ku, Osaka-shi, Osaka

### **3. Purpose of the Meeting**

#### **Matters to be reported:**

1. The Business Report, the Consolidated Financial Statements and the Audit Report for the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board for the 51st Fiscal Year (from April 1, 2018 to March 31, 2019)
2. The Report of Non-consolidated Financial Statements for the 51st Fiscal Year (from April 1, 2018 to March 31, 2019)

**Matters to be resolved:**

**Proposal No. 1** Election of Six (6) Directors

**Proposal No. 2** Election of One (1) Audit & Supervisory Board Member

**Proposal No. 3** Election of One (1) Substitute Audit & Supervisory Board Member

**4. Other Matters Relating to the General Meetings of Shareholders**

- (1) If you exercise your voting rights both in writing (voting form) and via the Internet, the vote via the Internet will be treated as valid.
- (2) If you exercise your voting rights more than once via the Internet, only the last cast vote shall be deemed effective.
- (3) If any shareholder wishes to exercise his/her voting rights by proxy, it shall be limited to delegate one shareholder of the Company having voting rights as a proxy under the provisions of Article 14 of the Articles of Incorporation of the Company, provided, however, it is necessary to submit written proof of the authority of proxy.
- (4) Among the documents to be provided to this Notice, the items below are posted on the Company's website (<http://www.arrk.co.jp/>) pursuant to laws and regulations and Article 12 of the Articles of Incorporation of the Company.
  - (i) Systems to Ensure Appropriate Operation and the Status of Implementation of the Systems in the Business Report
  - (ii) Notes to Consolidated Financial Statements
  - (iii) Notes to Non-consolidated Financial Statements

These notes are included in the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Board and Audit and Supervisory Board Members for preparation of the audit report and by the Financial Auditor for preparation of the financial audit report.

- When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.
- In order to save resources, please bring this Notice and the Business Report for the 51st Fiscal Year with you to the meeting.
- If any corrections are made to items in the Reference Documents for General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements, such corrections will be posted on the Company's website (<http://www.arrk.co.jp/>).
- Details of the resolution of this General Meeting of Shareholders will be posted on the above website after the meeting is concluded.

We prepared souvenirs for shareholders attending the meeting until last year, but we decided to discontinue the distribution starting this year due to various reasons. We would appreciate your kind understanding.

## **<Procedures for Exercise of Voting Rights via the Internet>**

**Please read the following items before exercising your voting rights via the Internet.**

**If you attend the meeting in person, it is not necessary to either mail the Voting Rights Exercise Form or to exercise your voting rights via the Internet.**

### **1. Website for exercising voting rights**

- (1) You can exercise your voting rights via the Internet only by accessing the Company's designated website for exercising voting rights (<https://evote.tr.mufg.jp/>) (Japanese only) via a personal computer, a smart phone or a mobile phone. (Please be noted that the website is not accessible from 2:00 a.m. to 5:00 a.m. every day.)
- (2) You may not be able to exercise your voting rights from a personal computer or a smart phone depending on your internet connection environments: e.g., when you use a firewall, etc. for internet connection; when antivirus software is installed; when a proxy server is used; and when Transport Layer Security (TLS) encrypted communication is not designated.
- (3) When exercising voting rights from a mobile phone, the designated website is only compatible with mobile terminals capable of TLS encrypted communication and transmission of mobile phone information.
- (4) Votes will be accepted via the Internet until 5:30 p.m. on Thursday, June 27, 2019. However, you are cordially requested to exercise your voting rights earlier, and call the Help Desk for any inquiries or questions.

### **2. How to exercise voting rights via the Internet**

- (1) Via a personal computer or a mobile phone
    - On the website for exercising voting rights (<https://evote.tr.mufg.jp/>) (Japanese only), please enter the "login ID" and "temporary password" that are indicated on the Voting Rights Exercise Form, and follow the on-screen guidance to enter whether you approve or disapprove each proposal.
    - To prevent unauthorized access ("spoofing") and falsification of the details of votes by third persons other than shareholders, you will be requested to change your "temporary password" on the website for exercising voting rights.
    - You will be provided with a new "login ID" and "temporary password" each time a General Meeting of Shareholders is convened.
  - (2) Via a smart phone
    - You can exercise your voting rights by scanning the "login QR Code" that is indicated on the Voting Rights Exercise Form to automatically access the website for exercising voting rights. (You will not be required to enter the "login ID" and "temporary password.")
    - For security reasons, you can log into the website for exercising voting rights using the QR Code only once. From the second time thereafter, you will be required to enter the "login ID" and "temporary password" even if you scan the QR Code.
    - Depending on the model of a smart phone, login using the QR Code may not be possible. If you cannot log in, please exercise your voting rights by following the instruction in 2. (1) "Via a personal computer or a mobile phone" described above.
- Note: QR Code is a registered trademark of DENSO WAVE INCORPORATED.

### **3. Treatment of voting rights exercised multiple times**

- (1) If you exercise your voting rights both by mail and via the Internet, the voting rights exercised via the Internet shall be treated as valid.
- (2) If you exercise your voting rights multiple times via the Internet, only the last vote shall be treated as valid. Similarly, if you exercise your voting rights redundantly by a personal computer, smart phone or mobile phone, only the last vote shall be treated as valid.

### **4. Fees incurred when you access the website for exercising voting rights**

Please note that any fees (internet connection charges, etc.) incurred when you access the website for exercising voting rights shall be borne by the shareholders in question. Similarly, when mobile phones, etc. are used, any packet communication charges or other fees arising from the use of mobile phones, etc. shall be borne by the shareholders.

<p style="text-align: center;"><b>Inquiries about the system, etc.</b> <b>Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation (Help Desk)</b> <b>Telephone: 0120-173-027 (Japanese only)</b> <b>(Operating hours: 9:00 a.m.- 9:00 p.m.; Toll free)</b></p>
---

## Reference Documents for General Meeting of Shareholders

### Proposal No. 1 Election of Six (6) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, to enable an expeditious decision-making, the Company proposes to elect six (6) Directors, reducing the number of members by one (1).

The names and career summaries of the candidates for Director are as follows.

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
1	Takayoshi Shimogori (October 1, 1961)	<p>Apr. 1985      Joined Mitsui Petrochemical Industries, Ltd. (currently Mitsui Chemicals, Inc.)</p> <p>Apr. 2014      Executive Officer, General Manager, Performance Compound Div., Functional Polymeric Materials Business Sector</p> <p>Apr. 2015      Business Sector President, Functional Polymeric Materials Business Sector</p> <p>Apr. 2016      Managing Executive Officer Business Sector President, Mobility Business Sector</p> <p>Apr. 2017      Business Sector President, Food &amp; Packaging Business Sector (current position)</p> <p>June 2017      Member of the Board (current position)</p> <p>Nov. 2017      Representative Director, MC Investment 01 Corporation (current position)</p> <p>Mar. 2018      Director, Chairman of the Company (current position)</p> <p>Apr. 2018      Senior Managing Executive Officer, Mitsui Chemicals, Inc. (current position) In charge of Mobility Business Sector, New Mobility Business Development Div. and Robot Materials Business Development Div. (current position)</p> <p>&lt;Significant Concurrent Positions outside the Company&gt; Member of the Board, Senior Managing Executive Officer, Business Sector President, Food &amp; Packaging Business Sector, Mitsui Chemicals, Inc. Representative Director, MC Investment 01 Corporation</p>	9,400 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Mr. Takayoshi Shimogori has extensive experience and insight as a business manager, having served as an Executive Officer and as a Member of the Board for the Company's parent company, Mitsui Chemicals, Inc. Moreover, he has a deep understanding of the business field of functional resins used for automotive applications and a wealth of knowledge regarding global management. As such, the Company considers him an appropriate person to manage and supervise the state of business execution for the Group overall as a Director.</p>			



Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
3	Takao Fujita (December 12, 1966)	<p>Sept. 1994      Joined the Company</p> <p>Apr. 2011      Executive Office in charge of Eastern Japan Production</p> <p>Apr. 2012      General Manager, Automotive Div., Development Support Sector</p> <p>June 2013      Director, ARRK DISON Modeling (Shanghai) Limited.</p> <p>Apr. 2014      Deputy Head of Automotive Sector of the Company</p> <p>Apr. 2015      Managing Executive Officer (current position)</p> <p>                    Head of Automotive Sector</p> <p>                    Director, ARRK Thailand</p> <p>June 2015      Director, ARRK U.S.A.</p> <p>June 2017      Director of the Company (current position)</p> <p>                    In charge of Automotive and Technical Development</p> <p>Nov. 2017      Head of Japan Region (current position)</p> <p>Mar. 2018      In charge of Japan Region</p> <p>June 2018      In charge of Japan Region, 3D AUTO Business, North American and Asian Styling Development Business (current position)</p> <p>&lt;Significant Concurrent Positions outside the Company&gt;</p> <p>There are no relevant items.</p>	3,900 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Since joining the Company, Mr. Takao Fujita has mainly been involved in production and sales operations of development support businesses centered on automobiles. As a Managing Executive Officer, he has acquired knowledge of management in general in his previous role as Head of Automotive Sector and current role as Head of Japan Region. As such, the Company considers him an appropriate person to serve as Director.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
4	Nobuaki Matsumoto (May 28, 1974)	<p>Apr. 1997      Joined ORIX Corporation</p> <p>Oct. 2011      Senior Vice President of Investment and Operation Group, Investment and Operation Headquarters</p> <p>Sept. 2014      Director of the Company (current position) Managing Executive Officer Deputy Head of Strategic Planning Headquarters</p> <p>June 2015      Senior Managing Executive Officer</p> <p>Apr. 2016      Managing Executive Officer Assistant to the President, in charge of Europe Automotive Sector, M&amp;A and Assignments Details</p> <p>Nov. 2016      Deputy General Manager of Investment and Operation Group, Investment and Operation Headquarters, ORIX Corporation (current position)</p> <p>June 2017      In charge of Assignments Details and Administration &amp; Accounting Div. of the Company</p> <p>&lt;Significant Concurrent Positions outside the Company&gt; Deputy General Manager of Investment and Operation Group, Investment and Operation Headquarters, ORIX Corporation</p>	– shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Mr. Nobuaki Matsumoto has extensive experience in matter such as management reform of investee companies, having worked in investment banking for many years at ORIX Corporation. As such, the Company considers him an appropriate person to manage and supervise the status of business execution for the Group overall as a Director.</p>			



Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
5	Shintaro Takai (January 24, 1973)	<p>Apr. 1999 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association) Joined Nagashima Ohno (currently Nagashima Ohno &amp; Tsunematsu)</p> <p>Jan. 2007 Partner</p> <p>Feb. 2010 Outside Audit &amp; Supervisory Board Member, The MIKI HOUSE Group (current position)</p> <p>Sept. 2014 Outside Director of the Company (current position)</p> <p>June 2016 Attorney at law, Takai &amp; Partners (current position) Outside Director, Works Applications Co., Ltd.</p> <p>June 2018 Outside Director, SEINO HOLDINGS CO., LTD. (current position)</p> <p>&lt;Significant Concurrent Positions outside the Company&gt; Attorney at law, Takai &amp; Partners Outside Audit &amp; Supervisory Board Member, The MIKI HOUSE Group Outside Director, SEINO HOLDINGS CO., LTD.</p>	– shares
<p>(Reasons for nomination as candidate for outside Director)</p> <p>Mr. Shintaro Takai has extensive experience and wide insight as an attorney, as well as experience of serving as an outside officer at various companies. As such, the Company considers him an appropriate person to further strengthen the Company's corporate governance as an outside Director objectively and from specialist perspective. Although he does not have experience of being involved in corporate management other than as an outside officer, the Company has determined that he will be able to carry out the duties as an outside Director appropriately for the aforementioned reason.</p>			

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
6	Toshimitsu Ishii* (September 18, 1971)	Apr. 1994      Joined Mitsui Petrochemical Industries, Ltd. (currently Mitsui Chemicals, Inc.) Sept. 2005      Planning & Coordination Div., Petrochemical Business Group Apr. 2010      Planning & Coordination Div., Basic Chemicals Business Sector Apr. 2016      Planning & Coordination Div., Basic Materials Business Sector Apr. 2017      Corporate Planning Div. Apr. 2019      General Manager, Solution Business Planning & Administration, Mobility Business Sector (current position) <Significant Concurrent Positions outside the Company> General Manager, Solution Business Planning & Administration, Mobility Business Sector, Mitsui Chemicals, Inc.	– shares
(Reasons for nomination as candidate for Director) Mr. Toshimitsu Ishii has a high level of insight based on business experience in a wide range of fields in the Company's parent company, Mitsui Chemicals, Inc. Moreover, in recent years, he works at Corporate Planning Div., giving him experience of overseeing company management in general. As such, the Company considers him an appropriate person as a Director.			

- Notes:
1. New candidates for Director are indicated by an asterisk (\*).
  2. There is no special interest between any of the candidates for Director and the Company.
  3. (1) Mr. Takayoshi Shimogori is a business executive of the Company's parent company, Mitsui Chemicals, Inc., and MC Investment 01 Corporation. His position and areas of responsibility at these companies, currently and for the past five (5) years, are presented in the column headed "Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)."
  - (2) Mr. Atsushi Komoriya is a business executive of the Company's parent company, Mitsui Chemicals, Inc. His position and areas of responsibility at this company, currently and for the past five (5) years, are presented in the column headed "Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)."
  - (3) Mr. Toshimitsu Ishii is a business executive of the Company's parent company, Mitsui Chemicals, Inc. His position and areas of responsibility at this company, currently and for the past five (5) years, are presented in the column headed "Career Summary, Position and Responsibility in the Company (Significant Concurrent Positions outside the Company)."
  4. Mr. Shintaro Takai is a candidate for outside Director. The Company designated Mr. Shintaro Takai as an independent officer as provided for by Tokyo Stock Exchange, and notified the Exchange to that effect. If his reelection is approved, the Company plans to designate him again as an independent officer.
  5. Mr. Shintaro Takai is currently an outside Director of the Company, and his term of office as an outside Director will be four (4) years and nine (9) months as of the conclusion of this Annual General Meeting of Shareholders.
  6. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Takayoshi Shimogori, Mr. Nobuaki Matsumoto, and Mr. Shintaro Takai to limit their liability for damages under Article 423, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to renew the said agreements with them. The maximum amount of liability under these agreements is the amount provided by laws and regulations. If the election of Mr. Toshimitsu Ishii is approved, the Company plans to enter into the same limited liability agreement with him.

**Proposal No. 2** Election of One (1) Audit & Supervisory Board Member

The term of office of the Audit & Supervisory Board Member Tsuneo Yamada will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member.

In addition, prior consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The name and career summary of the candidate for Audit & Supervisory Board Member is as follows.

Name (Date of Birth)	Career Summary and Position in the Company (Significant Concurrent Positions outside the Company)		Number of the Company’s Shares Owned
Tsuneo Yamada (December 15, 1943)	Apr. 1970	Completed the Training of Legal Apprentices (22nd term); Registered as an attorney at law (Osaka Bar Association)	– shares
	Apr. 1973	Representative, Yamada Legal Profession Corporation (current UMEGAE CHUO LEGAL PROFESSION CORPORATION) (current position)	
	Apr. 1994	Vice President, Osaka Bar Association	
	June 1994	Outside Audit & Supervisory Board Member, Alfresa Pharma Corporation	
	Jul. 1997	President, Anti-Mafia Committee of the Japan Federation of Bar Associations, Japan Federation of Bar Associations	
	June 1998	Outside Audit And Supervisory Committee Member, STELLA CHEMIFA CORPORATION	
	Aug. 1999	Administrator, Namihaya Bank	
	Mar. 2004	External Auditor, FUJIO FOOD SYSTEM Co., Ltd.	
	Apr. 2004	Board Member, Nara Institute of Science and Technology	
	Apr. 2007	President, Osaka Bar Association Vice President, Japan Federation of Bar Associations	
	May 2009	Outside Audit & Supervisory Board Member, Shinhan Bank Japan	
	June 2011	Outside Audit & Supervisory Board Member of the Company (current position)	
	June 2014	Outside Audit & Supervisory Board Member, The Senshu Ikeda Bank, Ltd.	
	June 2015	Outside Audit & Supervisory Board Member, IwaiCosmo Holdings, Inc. (current position)	
	Mar. 2019	External Director, FUJIO FOOD SYSTEM Co., Ltd. (current position)	
	<Significant Concurrent Positions outside the Company> Representative, UMEGAE CHUO LEGAL PROFESSION CORPORATION Outside Audit & Supervisory Board Member, IwaiCosmo Holdings, Inc. External Director, FUJIO FOOD SYSTEM Co., Ltd.		
(Reasons for nomination as candidate for outside Audit & Supervisory Board Member)			
Mr. Tsuneo Yamada has extensive experience and wide insight as an attorney, as well as experience of serving as an outside officer at various companies. As such, the Company considers him an appropriate person as an outside Audit & Supervisory Board Member. Although he does not have experience of being involved in corporate management other than as an outside officer, the Company has determined that he will be able to carry out the duties as an outside Audit & Supervisory Board Member appropriately for the aforementioned reason.			

- Notes:
1. The Company has entered into a legal advisory contract with UMEGAE CHUO LEGAL PROFESSION CORPORATION, to which Mr. Tsuneo Yamada belongs.
  2. Mr. Tsuneo Yamada is a candidate for outside Audit & Supervisory Board Member. The Company designated Mr. Tsuneo Yamada as an independent officer as provided for by Tokyo Stock Exchange, and notified the Exchange to that effect. If his reelection is approved, the Company plans to designate him again as an independent officer.
  3. Mr. Tsuneo Yamada is currently an outside Audit & Supervisory Board Member of the Company, and his term of office as an Audit & Supervisory Board Member will be eight (8) years as of the conclusion of this Annual General Meeting of Shareholders.
  4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Tsuneo Yamada to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the amount provided under laws and regulations. If his reelection is approved, the Company plans to renew this agreement with him.

**Proposal No. 3** Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member.

The candidate for substitute Audit & Supervisory Board Member is elected as a substitute for Mr. Tsuneo Yamada, who will assume the office of Audit & Supervisory Board Member, conditional upon approval for Proposal No. 2 in its original form at this Annual General Meeting of Shareholders.

In addition, prior consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The name and career summary of the candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of Birth)	Career Summary and Position in the Company (Significant Concurrent Positions outside the Company)	Number of the Company's Shares Owned
Junko Kawai (December 10, 1974)	<p>Oct. 2004      Joined UMEGAE CHUO LEGAL PROFESSION CORPORATION</p> <p>Mar. 2008      Partner (current position)</p> <p>Sept. 2010     Visiting Attorney, Masuda, Funai, Eifert &amp; Mitchell, Ltd (Chicago)</p> <p>Jan. 2012      Visiting Attorney, June He Law Office (Beijing)</p> <p>Jan. 2015      Outside Director, Audit &amp; Supervisory Committee Member, Kamakura Shinsho, Ltd. (current position)</p> <p>Mar. 2018      Outside Audit &amp; Supervisory Board Member, Blue Line Partners Co., Ltd. (current position)</p> <p>&lt;Significant Concurrent Positions outside the Company&gt;</p> <p>Partner, UMEGAE CHUO LEGAL PROFESSION CORPORATION</p> <p>Outside Director, Audit &amp; Supervisory Committee Member, Kamakura Shinsho, Ltd.</p> <p>Outside Audit &amp; Supervisory Board Member, Blue Line Partners Co., Ltd.</p>	– shares
<p>(Reasons for nomination as candidate for substitute outside Audit &amp; Supervisory Board Member)</p> <p>Ms. Junko Kawai has extensive experience and wide insight as an attorney active in Japan and abroad. As such, the Company considers her an appropriate person as a substitute outside Audit &amp; Supervisory Board Member. Although she does not have experience of being involved in corporate management other than as an outside officer, the Company has determined that she will be able to carry out the duties as an outside Audit &amp; Supervisory Board Member appropriately, if she is elected, for the aforementioned reason.</p>		

- Notes:
1. The Company has entered into a legal advisory contract with UMEGAE CHUO LEGAL PROFESSION CORPORATION, to which Ms. Junko Kawai belongs.
  2. Ms. Junko Kawai is a candidate for substitute outside Audit & Supervisory Board Member.
  3. If Ms. Junko Kawai assumes the position of outside Audit & Supervisory Board Member, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Ms. Junko Kawai to limit her liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the amount provided under laws and regulations.