(d) to restrict sales of goods in its territory that investments of that investor produce or provide by relating such sales to the volume or value of its exports or foreign exchange earnings.

3. Subparagraphs 2(a) and (b) shall not apply to requirements imposed by an importing Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

4. For greater certainty, paragraphs 1 and 2 do not apply to any requirement other than the requirements set out in those paragraphs.

Note: The application of this Article is subject to Article 51.23.

Article 51.6
Senior Management and Boards of Directors

1. A Party shall not require a juridical person of that Party that is a covered investment to appoint to senior management positions natural persons of any particular nationality.

2. A Party may require that a majority of the members of the board of directors, or any committee thereof, of a juridical person of that Party that is a covered investment, be of a particular nationality or resident in the territory of the Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

Note: The application of this Article is subject to Article 51.23.

Article 51.7
Reservations and Exceptions

1. Articles 51.3, 51.5 and 51.6 shall not apply to:

(a) any existing non-conforming measure that is maintained by the following, as set out in the Schedule of each Party in Annex 10-I:

(i) the central government of the Party; or

(ii) a prefecture of Japan or a regional government of an ASEAN Member State;

(b) any existing non-conforming measure that is maintained by a local government of a Party other than those referred to in subparagraph (a)(ii);

(c) the continuation or prompt renewal of any non-conforming measure referred to in subparagraphs (a) and (b); or

(d) an amendment or modification to any non-conforming measure referred to in subparagraphs (a) and (b), provided that the amendment or modification does not decrease the conformity of the measure, as it existed at the date of entry into force of the Party's Schedule in Annex 10-I, with Articles 51.3, 51.5 and 51.6.

2. Articles 51.3, 51.5 and 51.6 shall not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors or activities set out in its Schedule in Annex 10-II.

3. No Party shall, under any measure adopted and covered by its Schedule in Annex 10-II, require an investor of another Party, by reason of its nationality, to sell or otherwise dispose of an investment that exists at the time that the measure becomes effective, unless otherwise specified in the initial approval by the relevant authorities.

4. In cases where a Party makes an amendment or a modification pursuant to subparagraph 1(d) to any existing non-conforming measure set out in its Schedule in Annex 10-I, or adopts any new or more restrictive measure with respect to sectors, subsectors or activities set out in its Schedule in Annex 10-II, the Party shall, prior to the implementation of the amendment or modification or the new or more restrictive measure, or as soon as possible thereafter: