

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE NEW ENERGY AND INDUSTRIAL TECHNOLOGY
DEVELOPMENT ORGANIZATION
OF JAPAN

AND

THE CALIFORNIA GOVERNOR'S OFFICE OF
BUSINESS AND ECONOMIC DEVELOPMENT

CONCERNING

THE DEMONSTRATION PROJECT
FOR VALIDATION OF REDOX FLOW BATTERY
IN CALIFORNIA

This Memorandum of Understanding (hereinafter referred to as "MOU") has been made to set forth the agreement between the New Energy and Industrial Technology Development Organization of Japan (hereinafter referred to as "NEDO") and the California Governor's Office of Business and Economic Development (hereinafter referred to as "GO-BIZ"), (NEDO and GO-BIZ are hereinafter referred to singularly as "PARTY" and collectively as "PARTIES"), concerning the Demonstration Project for Validation of Redox Flow Battery Performance in California (hereinafter referred to as the "PROJECT").

This MOU builds upon the original framework set forth in the Memorandum of Cooperation on climate change, renewable energy, trade and investment, vehicles, high speed rail and water between the Government of Japan and the State of California of the United States of America dated September 5, 2014.

The PARTIES hereby agree as follows:

ARTICLE 1 OBJECTIVE AND OUTLINE OF THE PROJECT

1. The objective of the PROJECT is to demonstrate that a redox flow battery can be used for both fast response and long duration applications and would provide significant assistance for issues caused by increased use of renewable energy resources. For purposes of this MOU a redox flow battery is a megawatt scale energy storage device that acts as a grid asset by storing and disbursing electricity at optimal times.
2. The demonstration system for the PROJECT will consist of a redox flow battery system that will be provided by an entity designated by NEDO.
3. The PARTIES will make the non-proprietary results of the PROJECT publically available upon project completion. For purposes of this MOU non-proprietary results mean the type of data described in Article 5, below but does not include any CONFIDENTIAL INFORMATION defined in Article 5.
4. The overall work plan and schedule for the PROJECT are set forth in Annex I, "Implementation Schedule for the PROJECT."

ARTICLE 2 WORK AND COST SHARING

1. NEDO has designated Sumitomo Electric Industries, Ltd. (hereinafter referred to as "DESIGNATED COMPANY") to implement the PROJECT.
2. GO-BIZ will support NEDO and the DESIGNATED COMPANY with permitting, siting, state agency coordination, and workforce connection during the

implementation of the PROJECT by providing staff support, assistance with information gathering and facilitation of meeting coordination regarding the PROJECT.

3. The PARTIES will periodically share information on the progress and results of the PROJECT.

ARTICLE 3 RESPONSIBILITY AND DAMAGES

1. Notwithstanding any other provision in this MOU, the PARTIES shall each bear its own costs and expenses for its own work performed pursuant to this MOU. Further, any damage incurred as a result of work undertaken for the PROJECT shall be borne by each PARTY separately. Except as explicitly described herein, GO-Biz will provide staff time and cover relevant travel expenses for GO-Biz staff.
2. Neither PARTY shall make a claim for compensation against the other PARTY in the event of any damage, injury, or loss of life due to an accident, natural calamity, or any reason other than willful misconduct or gross negligence.

ARTICLE 4 INTELLECTUAL PROPERTY AND OPERATIONAL DATA

1. The PARTIES acknowledge that any technologies, inventions, devices, works of authorship, know-how, and other results which are developed through the implementation of the PROJECT will be the exclusive property of the persons who developed them.
2. No license is hereby granted in respect of any intellectual property rights, including information and data collected related to equipment and/or services for the PROJECT.

ARTICLE 5 CONFIDENTIALITY OF TECHNICAL INFORMATION AND DISCLOSURE OF PROJECT RESULTS

1. The PARTIES will make non-proprietary/non-confidential data publically available. Expected non-proprietary/non confidential data include, but are not limited to, general operational performance data, safety data, and reliability improvement analysis.
2. Neither PARTY shall disclose any technical documents (e.g. specification sheets, project drawings, etc.) or information obtained during the implementation of the PROJECT to a third party other than for the purpose of implementation of the

PROJECT.

3. Information to be treated as CONFIDENTIAL INFORMATION under this MOU shall be (a) clearly marked as "Confidential" or "Proprietary" or (b) if orally or visually disclosed, identified as confidential or proprietary at the time of the disclosure and reduced to writing and clearly marked as "Confidential" or "Proprietary" within thirty (30) days after the time of disclosure. For the purpose of this MOU, "CONFIDENTIAL INFORMATION" means all confidential and/or proprietary information (however recorded or preserved) disclosed by a PARTY or its advisers or contractors, including DESIGNATED COMPANY in the case of NEDO being a PARTY, to the other PARTY whether before or after the date of this MOU in connection with the PROJECT,

4. Non-confidential/non-proprietary information includes the following:
 - 4.1 Public Information. Information that is or becomes publicly known without the breach of this MOU.

 - 4.2 Already Known. Information that at the time of disclosure under this MOU is already known to the receiving PARTY without any restriction on its disclosure.

 - 4.3 Third Party Source. Information that is or subsequently comes into the possession of the receiving PARTY from a third party without violation of any contractual or legal obligation.

 - 4.4 Independently Developed. Information that is independently developed by the receiving PARTY without the use of CONFIDENTIAL INFORMATION or breach of this MOU.

5. Public Records. NEDO acknowledges that GO-BIZ is subject to the California Public Records Act (PRA) (Government Code section 6250 et. seq.). This MOU and materials submitted by NEDO to GO-Biz may be subject to a PRA request, except in the event that such documents submitted to GO-Biz are exempt under the PRA. In such an event, GO-Biz will notify the NEDO, as soon as practicable that a PRA request for the PROJECT information has been received, but not less than five (5) business days prior to the release of the requested information to allow NEDO and DESIGNATED COMPANY to seek an injunction. GO-Biz will work in good faith with the NEDO to protect the information to the extent an exemption is provided by law, including but not limited to notes, drafts, proprietary information, financial information and trade secret information. GO-Biz will also apply the "balancing test" as provided for under Government Code section 6255 to

the extent applicable.

6. Except as provided in paragraph 5 of this Article 5, if a PARTY wishes to disclose confidential results of the PROJECT to a third party for any reason other than for the purpose of implementation of the PROJECT, the disclosing PARTY must obtain prior written consent from the other PARTY before any such disclosure can be made.
7. The PARTIES agree that the provisions of this article shall remain effective for a period of five (5) years after termination or expiration of this MOU.

ARTICLE 6 MUTUAL TRUST AND CONSULTATION

Any problems resulting from or anything unspecified in this MOU shall be resolved through amicable consultation, based on the principles of mutual benefit, equality, cooperation, and trust.

ARTICLE 7 AMENDMENT AND VALIDITY

1. This MOU may be amended by mutual written agreement.
2. This MOU shall be effective upon the date of its signing by both PARTIES and shall remain effective until June 30, 2020, but such expiration date will be automatically extended for a one (1) year period on the initial expiration date and on each anniversary date of the initial expiration date unless at least ninety (90) days prior to the then relevant expiration date either PARTY notifies the other PARTY in writing of its intention not to extend this MOU.
3. Notwithstanding the expiration of the validity of this MOU as stipulated in the previous paragraph, the PARTIES may terminate this MOU or extend its validity by giving a sixty (60) days' prior written notice to terminate to the other PARTY and obtaining agreement with such other PARTY.
4. Any formal notices or communication required or permitted to be given under this MOU shall be given in writing and shall be delivered (a) in person, (b) by certified mail, (c) by facsimile with confirmed receipt required, electronic communication with confirmed receipt required, or (d) by a reputable international courier that provides a receipt, and such notices shall be addressed as set forth below, or as the applicable party shall specify to the other party in writing at a later date:

New Energy and Industrial Technology
Development Organization
18F Muza Kawasaki Central Tower,
1310, Omiya-cho, Saiwai-ku, Kawasaki
City, Kanagawa 212-8854 JAPAN

California Governor's Office of Business
and Economic Development
1325 J Street
Sacramento CA 95814
zevinfrastructure@gov.ca.gov

IN WITNESS WHEREOF, the PARTIES have executed two (2) originals of this MOU in the English language on the date indicated below, with each original being equally valid. The PARTIES shall each retain one (1) original.

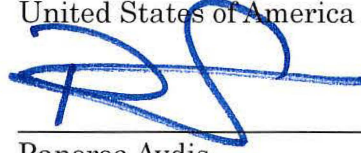
Executed in Sacramento on September 10, 2015

New Energy and Industrial Technology
Development Organization
Japan



Hiroshi Kuniyoshi
Executive Director




California Governor's Office of
Business and Economic Development
United States of America



Panorea Avdis
Chief Deputy Director

ANNEX I

Implementation Schedule*1 for the PROJECT

Action Item	2015	2016	2017	2018	2019	2020
1. Manufacturing and shipping						
2. Installation and commissioning						
3. Demonstration and operation						

*1. This schedule is tentative and subject to change by NEDO.