

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE STATE OF CALIFORNIA
AND
JAPAN BANK FOR INTERNATIONAL COOPERATION

This Memorandum of Understanding (“**MOU**”) is agreed upon as of March 5th, 2021 by the California Governor’s Office of Business and Economic Development (“**GO-Biz**”) and Japan Bank for International Cooperation (“**JBIC**”) (hereinafter referred to as the “**Parties**”).

WHEREAS, California and Japan, as neighbors on either side of the Pacific Ocean, have a long relationship dating back to the arrival of the first Japanese mission to the United States of America (the “**U.S.**”) in San Francisco in 1860.

WHEREAS, Today, this strong relationship is evidenced by the fact that Japan is one of the largest exporting and importing partners for California and that Japanese companies are the largest foreign employer of Californians.

WHEREAS, California has the largest economy and the largest population in the U.S., the fifth largest economy in the world, is recognized as one of the most environmentally advanced states in the U.S. and the world, and GO-Biz is responsible for economic development within the State of California.

WHEREAS, JBIC, as a policy-based financial institution wholly owned by the government of Japan, is tasked with focusing its efforts to contribute to the sound development of the Japanese and international economy and society by working with Japanese companies that have globally renowned technology.

WHEREAS, GO-Biz and JBIC have expressed interest in strengthening the relationship with one another, particularly concerning environmental preservation, high quality infrastructure, strengthening communities and striking a balance between improving quality of life and boosting California’s economy.

THEREFORE, the Parties have reached the following understanding:

SECTION I

Objective

The purpose of this MOU is to formalize a non-exclusive framework of cooperation to facilitate an active collaboration between the Parties in order to permit them to:

- (i) Establish a further enhanced relationship, with the goals of encouraging collaboration, increasing prosperity in both regions and contributing to the further development of favorable relations between California and Japan;
- (ii) Facilitate private sector exchange in California and Japan in a wide range of areas for the benefit of the development of both regions; and
- (iii) Assist one another to better understand the Parties' policies and priorities and legal and regulatory frameworks.

SECTION II

Areas of Cooperation

The Parties intend to cooperate, to the extent permitted under their respective laws and regulations, in order to enhance economic development, sustainability, and resilience in California and Japan in the following sectors:

- (i) environmental protection;
- (ii) clean mobility, including:
 - a. zero-emission vehicles, consisting of collaboration on best practices, research, incentives navigation, and other measures to promote and accelerate the development of battery electric and hydrogen fuel cell electric vehicles and infrastructure; and
 - b. rail transportation including rolling stock, signaling systems, and other technological components for high-speed rail, intercity rail, commuter rail, light rail and subway;
- (iii) energy production and storage, including exploring collaboration on offshore wind energy, and large-scale hydrogen production and storage demonstrations;
- (iv) demand flexibility and energy efficiency codes and standards for buildings and

appliances;

- (v) water production, distribution, and conservation;
- (vi) logistics – for goods and people – and smart cities; and
- (vii) other sectors that are mutually agreed by the Parties to discuss.

SECTION III

Coordination

The parties respectively designate the Director, Division 1, Social Infrastructure Finance Department of JBIC and the Deputy Director for International Affairs and Trade Development at the Governor’s Office of Business and Economic Development of California to establish the creation of an action plan to implement the objectives of this Memorandum of Understanding.

SECTION IV

Specific Activities

The Parties shall endeavor to develop cooperation in the following ways:

- 4.1 GO-Biz and JBIC will share relevant information regarding policies such as applicable legal and regulatory frameworks, economic policy and investment incentives or product offerings (California state incentives, JBIC financial product offerings, etc.), and specific projects ongoing in California in which Japanese companies might consider participating or are already participants;
- 4.2 The Parties will communicate closely with one another and representatives of the Parties will have a meeting at least annually to exchange views and information with respect to agreed upon policies and projects. The timing of the first meeting and its details will be discussed within 6 months from the signature of this MOU;
- 4.3 The Parties will aim to hold joint workshops or seminars in California, Japan, or by webinar, as appropriate, in order to (i) conduct the activities referred to above or (ii) to promote collaboration between Japanese companies and

companies in California. In order to promote collaboration with the private sector, the Parties may be able to invite third parties from the private sector to such workshops or seminars; and

- 4.4 In the case of the collaboration referred to in the clause 4.1 through 4.3, GO-Biz may introduce JBIC to the most appropriate point of contact within the Government of the State of California, in order for the Parties to exchange information properly and efficiently. California agrees to provide information about, and introductions to, the California Infrastructure and Economic Development Bank (IBank) to explore the potential for providing financing to Japanese companies engaged in business or operations within California.

SECTION V

No Legal Obligations, Rights, or Remedies

This Memorandum of Understanding is a voluntary initiative. It does not create any legally binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any forum whatsoever. In addition, the pledges in this Memorandum of Understanding are not conditioned upon reciprocal actions by other Parties; each Party retains full discretion over implementation of its pledges in light of the Party's individual circumstances, laws, and policies.

SECTION VI

Availability of Personnel and Resources

This Memorandum of Understanding does not involve the exchange of funds, nor does it represent any obligation of funds by either Party. All costs that may arise from activities covered by, mentioned in, or pursuant to this Memorandum of Understanding will be assumed by the Party who incurs them, unless otherwise stipulated and decided pursuant to a future written arrangement. All activities undertaken pursuant to this Memorandum of Understanding are subject to the availability of funds, personnel, and other resources of each Party.

The personnel designated by a Party for the execution of this Memorandum of Understanding will work under the orders and responsibility of the Party and any other

organization or institution to which they belong, at all times maintaining any pre-existing employment relationship with the Party and such organization or institution. Their work will not create an employer-employee relationship with another Party or any other organization or institution, so in no case will that other Party, or other organization or institution, be considered as a substitute or joint employer of the designated personnel.

SECTION VII

Compliance with Applicable Laws

All activities undertaken pursuant to or in connection with this Memorandum of Understanding, and all personnel designated by the Parties for the execution of those activities undertaken pursuant to this Memorandum of Understanding are subject to all laws applicable in the jurisdiction where the activities are performed. Such personnel, if visiting the other Party to participate in an activity pursuant to this Memorandum of Understanding, will not engage in any activity detrimental to this Memorandum of Understanding.

The Parties agree to keep confidential corporate financial records, corporate proprietary information including trade secrets, information relating to the siting of projects or potential projects within the state for the purpose of permitting the agency to work with the relevant company or JBIC in retaining, locating, or expanding a project within California, JBIC's financial terms and conditions, and such other information that is clearly identified as confidential, proprietary or likewise at the time of its disclosure, except in the case that such information (i) is publicly available from other sources, (ii) is required to be disclosed by any law, order, regulation, regulatory bodies, or policies affecting public institutions applicable to the disclosing Party including but not limited to the California Public Records Act ("CPRA"), (iii) is already in the possession or knowledge of the receiving party, (iv) is agreed to be disclosed with the prior written consent of the other Party, or (v) may be required to be disclosed in the ordinary course of business.

Notwithstanding the above, if a Party receives a request under any law, order, regulation, or policy including but not limited to the CPRA, for disclosure of information submitted by the other Party, the Party shall promptly notify the other Party

of such request.

SECTION VIII

Interpretation and Application

Any difference that may arise in relation to the interpretation or application of this Memorandum of Understanding will be resolved through consultations between the Parties, who will endeavor in good faith to resolve such differences.

SECTION IX

Final Provisions

This Memorandum of Understanding is effective from the date of its signature, for a 5-year period. After the fifth (5th) year, each Party has the option to renew the Memorandum of Understanding for another five (5) years by delivering to the other Party, in writing, a notice of its desire to do so.

This Memorandum of Understanding may be modified at any time by mutual consent of the Parties. Any modification shall be made in writing and specify the date on which such modification is to become effective.


Any of the Parties may, at any time, withdraw from this Memorandum of Understanding by providing a written notice. A party intending to withdraw from this Memorandum of Understanding shall endeavor to provide the written notice to the other party 90 days in advance of the withdrawal.

The termination of this Memorandum of Understanding shall not affect the conclusion of the cooperation activities that may have been initiated during the time this Memorandum of Understanding is in effect, unless the Parties mutually decide otherwise.

IN WITNESS WHEREOF, the Parties, acting through their duly authorized representatives, have caused this Memorandum of Understanding to be duly executed on March 5th, 2021 in three (3) originals in English.

[RELEVANT SIGNATURE PAGES TO BE INCLUDED]

For the State of California:



Eleni Kounalakis

Lieutenant Governor of the State of California

Signing Location: SAN FRANCISCO, CALIFORNIA

Signing Date and Time: MARCH 4, 2021 4:20 PM

For the State of California:

Dee Dee Myers

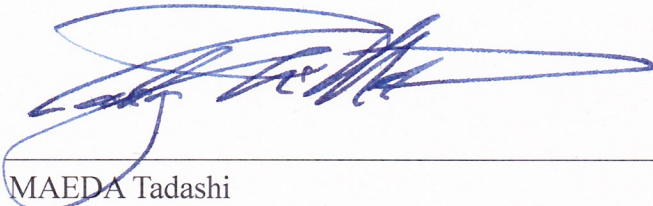
Dee Dee Myers

Senior Advisor to the Governor and Director of the
Governor's Office of Business and Economic
Development

Signing Location: *Los Angeles, Ca*

Signing Date and Time: *3/4/21 4:25 pm*

For Japan Bank for International Cooperation:



MAEDA Tadashi

Governor of Japan Bank for International Cooperation

Signing Location: Tokyo, Japan

Signing Date and Time: March 5th, 2021 9:25AM (JST)