

**LARGE-SCALE ECONOMIC ACTIVITY AND DEVELOPMENT AGREEMENT
OKLAHOMA DEPARTMENT OF COMMERCE**

**PANASONIC ENERGY CORPORATION OF NORTH AMERICA
1 ELECTRIC AVENUE, SUITE 110
SPARKS, NV, 89437
FEI# 88-2538466**

This **LARGE-SCALE ECONOMIC ACTIVITY AND DEVELOPMENT AGREEMENT** (the "Agreement"), is made and entered into by and between the State of Oklahoma (the "State"), acting by and through the Oklahoma Department of Commerce (the "Department"), and Panasonic Energy Corporation of North America, a Delaware corporation (the "Company") (FEI# 88-2538466).

WITNESSETH:

WHEREAS, the Company has applied to the Department to receive incentive payments pursuant to the Large-Scale Economic Activity and Development Act of 2022, Title 68, Section 3645.1, et seq. of the Oklahoma Statutes (the "LEAD Act"); and

WHEREAS, the State has approved the Company for participation in the LEAD Act.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

ARTICLE I. OKLAHOMA LEAD ACT

Section 1.1 Payments. In accordance with the LEAD Act, the State, acting by and through the Department, hereby agrees to direct the Oklahoma Tax Commission (the "Commission") to make yearly Investment Rebate Payments to the Company, provided the Department has verified that the Establishment remains eligible for such payments in each successive year based on the eligibility criteria of the LEAD Act and on the terms and conditions set forth in this Agreement. (All capitalized terms not defined in this Agreement shall have the same meanings given such terms in the LEAD Act.)

Section 1.2 Threshold Number of New Direct Jobs. The threshold number of New Direct Jobs required for Establishments to qualify and remain qualified for Investment Rebate Payments created in Section 3645.4(A)(1) of the LEAD Act shall be as follows:

1. five hundred (500) New Direct Jobs in year one of the rebate payment period,
2. one thousand (1,000) cumulative New Direct Jobs in year two of the rebate payment period,
3. two thousand five hundred (2,500) cumulative New Direct Jobs in year three of the rebate payment period,
4. three thousand five hundred (3,500) cumulative New Direct Jobs in year four of the rebate payment period, and
5. three thousand five hundred (3,500) cumulative New Direct Jobs in year five of the rebate payment period.

Section 1.3 Projected Capital Expenditures. Projected Qualified Capital Expenditures set forth in the Application must total no less than Three Billion Six Hundred Six Million Dollars (\$3,606,000,000.00).

Section 1.4 Five-Year Rebate Payment Period. The five-year period (the “Five-Year Period”) during which the incentive payments made pursuant to this Agreement may be claimed by the Company may commence on the first day of any calendar quarter that the Company elects within the 365-day period in which the Company employs at least five hundred (500) New Direct Jobs, but shall commence no later than July 1, 2028, and shall end upon the earlier to occur of five (5) years from the commencement date or the date upon which the Company has received the Maximum Benefit (as defined in Section 1.5 below).

Section 1.5 Maximum Benefit. The maximum incentive that may be paid under the terms of this Agreement is Six Hundred Ninety-Eight Million Twenty Thousand Dollars (\$698,020,000.00) (the “Maximum Benefit”). This amount is the maximum amount the Company can receive from the State pursuant to this Agreement during the Five-Year Period and is contingent upon (i) the Company creating the threshold number of New Direct Jobs required under the LEAD Act and (ii) the actual Qualified Capital Expenditures made by or on behalf of the Company equal to or exceeding Three Billion Six Hundred Six Million Dollars (\$3,606,000,000.00).

Section 1.6 Claiming the Investment Rebate Payments. The Company shall submit to the Department an annual claim for each year of the Five-Year Period using the Department’s form, and the Company shall sign a certification, attached hereto, as Exhibit A, representing that all information provided is accurate and true. Each annual claim shall be submitted on or after the date within the year on which the Company has satisfied the applicable New Direct Jobs threshold for such year and has incurred at least twenty percent (20%) of the projected Qualified Capital Expenditures set forth in the Application. Within ten business (10) days of receiving a claim, the Department will determine if the New Direct Jobs and Qualified Capital Expenditure thresholds have been satisfied and either send a written verification letter to the Commission approving the claim and requesting that the Commission encumber the LEAD Fund payment for such year, or send a written letter to the Company requesting any additional information the Department reasonably determines is necessary to make its determination. The last date upon which a written verification letter approving a claim may be sent to the Commission is July 1, 2032.

Section 1.7 Issuing the Investment Rebate Payments. Within five (5) business days of receiving a written verification letter from the Department approving a claim, the Commission will make a request to the State Treasurer to issue a warrant for payment to Company from the LEAD Fund, pursuant to 68 O.S. § 3645.6. The Commission is responsible for budgeting monies from the Fund for use as set forth in this Agreement; the availability of funds for payment is subject to appropriation by the Legislature, see Section 4.3 also. It is the responsibility of the Company to ensure it is set up as a vendor with the State of Oklahoma and eligible to receive payment.

ARTICLE II. COMPANY’S OBLIGATIONS

The Company hereby acknowledges and agrees to comply with all requirements of the LEAD Act, including but not limited to:

Section 2.1 Rebate Payments Contingent Upon Filing of Rebate Claim. LEAD Act funds in an amount equal to the Maximum Benefit are hereby pre-qualified for the Company. Payment of such pre-qualified LEAD Act funds is contingent upon the Company filing claims within the Five-Year

Period, as set forth in Section 1.6 of this Agreement, and availability of the funds as set forth in Section 4.3.

Section 2.2 Full-Time Equivalent Employment. The Company agrees that at least eighty percent (80%) of New Direct Jobs will be filled by employees working thirty (30) or more hours per week.

Section 2.3 Basic Health Benefits Plan. The Company will offer a basic health benefits plan as described in Title 68, Section 3603(A)(1)(b) of the Oklahoma Statutes (the “Oklahoma Quality Jobs Program Act”), within one hundred eighty (180) days of employment, to all employees in New Direct Jobs.

Section 2.4 Eligible Employees. The Company will claim as New Direct Jobs only those employees whose wages are subject to State income tax. Furthermore, for an employee to be eligible as a New Direct Job, their work must be physically performed in the State. For employees who perform any work remotely, only those employees who are residents of the State and whose wages received from the Company are subject to State income tax can be eligible to be a New Direct Job.

Section 2.5 Average Annual Wage. The Company will pay its employees in New Direct Jobs the State average annual wage of no less than Fifty-Two Thousand Four Hundred Seventy-Seven Dollars (\$52,477).

Section 2.6 Eligible Jobs. The Company will report as New Direct Jobs only those types of jobs described and anticipated in the Company’s Application submitted to the Department. In the event the Company acquires an on-going Oklahoma business, the employment positions of the acquired business will not count as eligible New Direct Jobs for the duration of this Agreement.

Section 2.7 Relocation. If the Company relocates from the location set forth in its Application or expands into another location in the State, the Company will provide notice of the new address to the Department and the Commission within ninety (90) days of the relocation or expansion.

Section 2.8 Obligations to the Department. The Company will have an ongoing obligation to the Department to verify, upon the request of the Department, the Company’s compliance with the LEAD Act. In addition, if the Company fails to meet any rules or requirements of the Department, the Department can elect to withhold approval of incentive payments under this Agreement until the Company is in full compliance with the rules and requirements of the Department and the LEAD Act.

ARTICLE III. ADDITIONAL TERMS

Section 3.1 Effective Date. This Agreement will not become effective until the latest to occur of the following dates:

- (a) the date (which can be no later than April 14, 2023) that this Agreement is signed by both parties and received by the Department;
- (b) the date (which can be no later than June 1, 2023) that the Governor of the State signs into law an appropriation in the amount of at least Two Hundred Forty-Five Million Dollars (\$245,000,000) providing funds for the benefit of the Company all upon such terms and conditions that are acceptable to the Company;

- (c) the date (which can be no later than October 31, 2023) on which a Project Development Agreement among the Department, the Company and the Oklahoma Ordinance Works Authority is signed; AND
- (d) the date (which can be no later than December 31, 2024) on which the board of directors of Panasonic Holdings Corporation (“PHD”) approves construction of the Project at the MidAmerica Industrial Park.

If any one of the events described in (a) through (d) above fails to occur on or before the required date for such event, this Agreement automatically becomes null and void without further action by either party.

Section 3.2 Agreement Start Date. The Agreement Start Date (the “Start Date”) is April 1, 2024. INVESTMENT REBATE PAYMENTS ARE BASED ON NEW DIRECT JOBS CREATED AND QUALIFIED CAPITAL EXPENDITURES INCURRED ON OR AFTER THIS START DATE FOR THE DURATION OF THIS AGREEMENT. New Direct Jobs and Qualified Capital Expenditures created or invested in year one of the rebate period will be calculated beginning on the Start Date and going to the end of year 1 of the Five-Year Period. For example, if the Company achieves 500 New Direct Jobs on April 15, 2026 and elects to begin the Five-Year Period on July 1, 2026, then New Direct Jobs and Qualified Capital Expenditures for year 1 will include all New Direct Jobs created and all Qualified Capital Expenditures invested from April 1, 2024, which is the Start Date, to June 30, 2027, which is the end of year 1 of the Five-Year Period. The calculation for year 2, in the example in the previous sentence, would run from July 1, 2027 to June 30, 2028.

Section 3.3 Baseline Employment. The baseline employment for purposes of determining New Direct Jobs is Zero (0).

Section 3.4 Projected Number of New Direct Jobs. The Company projects creating 3,500 New Direct Jobs during the period commencing on the Start Date and ending on the expiration of the Five-Year Period.

Section 3.5 Return Receipt. PLEASE RETURN THIS FULLY EXECUTED AGREEMENT NO LATER THAN APRIL 14, 2023, TO THE DEPARTMENT, VIA EMAIL, AS REQUESTED TO: Thomas.grossnicklaus@okcommerce.gov.

Section 3.6 Compliance. The Company will fully comply with all of the rules and requirements of the Department during the term of this Agreement to remain eligible to receive the investment rebate payments set forth herein. If the Company fails to fully comply with all of the rules and requirements of the Department, the Department has the right, in its reasonable discretion, to withhold approval of the investment rebate payments set forth herein until the Company is in full compliance with all of the rules and requirements of the Department.

Section 3.7 Investment Tax Credit. The Company may claim credits provided for in Title 68, Section 2357.4 of the Oklahoma Statutes, for the amount of qualifying capital expenditures in excess of Four Billion Five Hundred Million Dollars (\$4,500,000,000.00) but shall not claim credits for any amount below that threshold amount, 68 O.S. § 3645.4(F)(1). The Company will provide supporting documents to the Department and Commission to prove that the qualifying capital expenditure amount is in excess of the statutorily required amount in order to claim the credits.

Section 3.8 Supporting Documents. Supporting documents to prove the Company has incurred twenty percent (20%) of the projected Qualified Capital Expenditures set forth in the Application

mentioned in Section 1.3 and Section 1.6 as well as the Four Billion Five Hundred Million Dollars (\$4,500,000,000.00) of the Qualified Capital Expenditures in Section 3.7 shall include annual tax balance sheets, master contracts for construction, and a list of machinery and equipment assets. The Department may require invoices at a later date. Agreed to dates allowing Department staff to visit the construction site to determine when the project is operational and/or to verify the Company's compliance with qualifications and requirements may be required.

Section 3.9 Qualified Capital Expenditures. In addition to the LEAD Act definition, Qualified Capital Expenditures are those funds with expenditures originating from the Company and are depreciable assets, under Internal Revenue Code, 26 U.S.C., Section 168, at a manufacturing facility that qualify for the Investment Tax Credit.

Section 3.10 Consequences of Failure to Achieve New Direct Jobs Thresholds. In the event that the Company fails to achieve a threshold for New Direct Jobs listed in Section 1.2 herein for a given year of the Five-Year Period, the Department will withhold certification of the Investment Rebate Payment for that year.

ARTICLE IV. MISCELLANEOUS

Section 4.1 Open Records. Upon execution by the Department, this Agreement will be subject to public disclosure, in accordance with the provisions of the Oklahoma Open Records Act, Title 51, Section 24A.1, et seq. of the Oklahoma Statutes.

Section 4.2 Applicable Law. This Agreement and the payment of claims pursuant hereto shall be subject to all the applicable requirements and restrictions of Oklahoma law whether or not set out specifically herein.

Section 4.3 LEAD Act Fund Payments. The obligation of the State to make the Investment Rebate Payments described in this Agreement shall be limited to the balance of any funds contained in the LEAD Fund established pursuant to the LEAD Act. This Agreement does not create, and shall never be construed as creating, a debt, legal or moral, of the State, or of any agency, authority, or political subdivision thereof, or a personal obligation of any officer, agent, or employee of the State.

Section 4.4 False Claims. Section 3609 of the Oklahoma Quality Jobs Program Act makes it unlawful to willfully make a false application or claim, and the Company represents that, to its knowledge, all information provided by the Company to the Department and used in the development of this Agreement is true and correct.

Section 4.5 Verification by the State. The Company agrees to allow all State agencies to share aggregate data for the State's review to verify information, which will be used to make a determination on New Direct Jobs and Qualified Capital Expenditures to encumber the LEAD Fund for payments each year. Given that the Company will initially be the only entity participating in the LEAD Fund, the Department agrees to work with the Company to develop reasonable methods to protect the privacy of employees of the Company and the competitively sensitive information of the Company.

Section 4.6 Binding Effect. The terms of this Agreement shall be binding upon the parties hereto, their successors and assigns.

Section 4.7 Compliance. The Department reserves the right to follow-up with the Company during the term of this Agreement to verify the Company's compliance with terms and conditions of this Agreement and/or the LEAD Act.

Section 4.8 Section Headings. The section headings contained in this Agreement are for convenience only and shall not in any way affect the meaning or interpretation of this Agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written below.

STATE OF OKLAHOMA, acting by and through the
OKLAHOMA DEPARTMENT OF COMMERCE
(the "Department")



, Executive Director

PANASONIC ENERGY CORPORATION OF NORTH
AMERICA
(the "Company")

Yasuaki Takamoto
By: Yasuaki Takamoto (Apr 11, 2023 13:06 PDT)
Signature

Yasuaki (Kris) Takamoto
Printed Name

Title: President

Date: 4/11/2023

