

## JOINT VENTURE AGREEMENT

This JOINT VENTURE AGREEMENT (this “*Agreement*”) is made and entered into with effect as of December 1, 2017 (the “*Effective Date*”), by and between SoftBank Corp., a company incorporated under the laws of Japan and having its principal place of business at 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo, Japan (“*SoftBank*”) and AeroVironment, Inc., a company incorporated under the laws of the State of Delaware and having its principal place of business at 800 Royal Oaks Drive, Suite 210, Monrovia, CA 91016, U.S.A. (“*AV*”). SoftBank and AV are hereinafter referred to collectively as the “*Parties*” and individually as a “*Party*”.

### RECITALS

#### WHEREAS:

- (A) AV is engaged in the business of designing and manufacturing unmanned, solar-powered high altitude aircraft, along with providing associated operational and logistics services;
- (B) SoftBank is engaged in the business of, among other things, providing fixed-line and mobile telecommunications services and products and associated internet broadband services;
- (C) SoftBank and AV desire to establish a joint venture company (the “*Company*”) in the form of a Japanese *kabushiki kaisha* to engage in the business of Solar HAPS (as such term is hereinafter defined);
- (D) SoftBank and AV desire that the establishment of the Company, their relationships with the Company as Shareholders thereof, and their relationships with each other in connection therewith to be governed by the terms, and subject to the conditions, hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### 1. DEFINITIONS

1.1 Definitions. Capitalized terms used herein shall have the meanings ascribed to such terms in Exhibit A.

#### 2. THE COMPANY

2.1 Establishment of the Company. Promptly after the execution of this Agreement, the Parties will establish the Company as a Japanese *kabushiki kaisha*, targeting December 1, 2017 as the date of incorporation. The Company’s initial articles of incorporation will be substantially in the form of that set forth in Exhibit B to this Agreement. The Parties will discuss and agree in good faith on any details necessary in order to effect the incorporation of the Company. The costs of incorporating and registering the Company (i.e., the fees of any judicial scrivener retained to complete the registration and any official filing or registration fees) will be reimbursed by the Company to the Party(ies) that incurred such costs, as may be agreed by the

Parties.

2.2 Issuance of Shares. Promptly after incorporation of the Company, the Parties will cause the Company to issue to each Shareholder the number of shares specified in Section 2.7.

2.3 Name. The name of the Company shall be *HAPSMobile Inc.*

2.4 Head Office. The head office of the Company will be initially located in Minato-ku, Tokyo.

2.5 Business Purpose. [\*\*\*] of the Company's business, the purpose and intended business of the Company shall be to research, develop and manufacture Solar HAPS and to research, and develop the payload as a potential solution for the Company's next generation businesses. [\*\*\*].

2.6 Initial Capital Contributions. The Parties shall make initial cash capital contributions to establish the Company. SoftBank's initial contribution shall be 3,990,000,000 JPY in cash in exchange for ninety-five percent (95%) of the issued common stock of the Company and AV's initial contribution shall be 210,000,000 JPY in cash in exchange for five percent (5%) of the issued common stock of the Company. Following the initial capital contributions, the Parties shall make cash capital contributions in accordance with the Capital Plan attached hereto as Exhibit D. Any costs in making the capital contribution shall be incurred by the respective Parties.

2.7 Share Capital.

(a) Shareholdings. The Company shall initially be authorized to issue shares of capital stock consisting of 336,000 shares of common stock (the "*Shares*"). All of the capital of the Company will be composed of voting common shares of a single class. Upon completion of the initial capital contributions described in Section 2.6 above, each Shareholder's percentage of total share capital of the Company will be as follows. For the avoidance of doubt, such percentage and the total number of authorized shares of the Company may change from time to time as the result of Transfers or new issuances of Shares by the Company pursuant to the terms of this Agreement and applicable Laws.

Shareholders	Number of Shares	Percentage of Share Capital
SoftBank	79,800	95%
AV	4,200	5%

2.8 Independent Operation of the Company. Without prejudice to the rights and obligations of the Shareholders set forth in this Agreement, the Company (including its Subsidiaries) shall operate as an independent entity separate and apart from the Shareholders.

### 3. CAPITAL AND FUNDING AND PROVISION OF SERVICES, ETC.

3.1 Additional Capitalization or Financing. The Parties will consider the use of debt, as appropriate and as a complement to funding in share capital. In the event the Company

requires any additional funding for its operations and other activities, the Company may (a) seek such additional financing in the form of debt financing from banks and other financial institutions on commercially reasonable terms without requiring any credit support provided by any Shareholder (unless otherwise agreed in writing by the Shareholders) or (b) seek such additional financing from the Shareholders in debt or equity as agreed to by the Shareholders, which, subject to Section 5.3 and unless otherwise agreed to in writing by the Shareholders, shall be on a *pro rata* basis based on each Shareholder's Pro Rata Portion at the time of such financing.

3.2 Provision of Services, etc. By means of secondment, separate service agreement(s) or otherwise, the Parties will support the Company through the provision of services and office space as necessary.

(a) The Company may have staff members seconded from both Parties. It is anticipated that the Company shall initially have secondees from SoftBank for the purpose of [\*\*\*].

#### 4. GOVERNANCE OF THE COMPANY

4.1 General. To the extent permitted by applicable Law, each Shareholder shall at all times exercise its voting rights, and each Shareholder shall cause the Director(s) appointed by such Shareholder to exercise his/her/their voting rights, to give effect to the terms of this Section 4.

4.2 Organization. The Company shall have a board of directors (*torishimariyaku-kai*) and audit & supervisory board member(s) (*kansa-yaku*).

##### 4.3 General Meetings of Shareholders.

(a) General.

(i) Annual General Meeting and Extraordinary General Meeting. The annual general meeting of Shareholders shall be convened by the Board once every year no later than three (3) months from the end of the preceding Fiscal Year. Any Shareholder may request to convene an extraordinary general meeting by giving the Board and the other Shareholders written notice of the proposed meeting and time thereof. In the event that the Board receives such request, the Board shall convene an extraordinary general meeting without delay pursuant to the provisions of the Companies Act. Written notice of all meetings of Shareholders of the Company shall be given not less than one (1) week in advance of each meeting (which notice period may be shortened by the written waiver of or actual attendance without objection by each Shareholder at such meeting). Representatives of Shareholders (or their proxies) may attend a meeting of Shareholders (A) in person, or (B) by means of telephone or video conference or other communication device that permits all representatives participating in the meeting to hear each other or any other means unanimously approved by the Shareholders and permitted under applicable Law, and participation in a meeting by any such means shall constitute presence in person at such meeting.

(ii) Quorum of General Meeting. Subject to the requirements of the Companies Act, the quorum for any shareholders' meeting shall require the attendance of

Shareholders holding at least a majority of the issued and outstanding Shares; *provided*, that if a quorum is not present at the time appointed for a duly convened meeting, such meeting shall be adjourned to the same place and time on the date which is fifteen (15) calendar days after the original meeting date (with notice to all Shareholders) and, if at such adjourned meeting on the same subject and with the same agenda, such quorum is still not present, the attendance of the other Shareholders (or their proxies), so long as they hold at least a majority of the issued and outstanding Shares, shall be deemed a quorum.

(iii) Resolutions of General Meeting. Any matters requiring the approval of the Shareholders under the Companies Act and Articles of Incorporation shall be submitted to the Shareholders' meeting. Subject to the requirements of the Companies Act and Articles of Incorporation, any action, determination or resolution of the Shareholders of the Company shall require the affirmative vote of Shareholders holding a majority of the issued and outstanding Shares present at a meeting at which a valid quorum is present. Any action which may be taken at a meeting of the shareholders of the Company may be taken by a written resolution of the Shareholders if such resolution is executed by all the Shareholders.

(iv) Language. General meetings of Shareholders shall be conducted in the Japanese and English language.

(v) Minutes. Official written minutes of general meetings of Shareholders shall be prepared by the Company in English; *provided* that where registration of the minutes is required, the minutes will be prepared in Japanese and English; *provided further* that in the event where both Japanese and English versions exist, the Japanese version shall be the original and the English translation thereof shall be certified by the chairman of the Board to be an accurate translation, in all material aspects, of the Japanese version. The minutes shall be distributed to each Shareholder promptly following each meeting.

#### 4.4 Directors and the Board.

##### (a) General.

(i) Composition of the Board of Directors. The board of directors of the Company (the "**Board**") shall, from and after the establishment of the Company, consist of five (5) Directors, of which three (3) shall be nominated by SoftBank (collectively, the "**SoftBank Directors**") and two (2) shall be nominated by AV (the "**AV Directors**"). The initial SoftBank Directors shall be Mr. Junichi Miyakawa, Mr. Ryuji Wakikawa and Mr. Yoshihito Shimazaki. The initial AV Directors shall be Mr. Wahid Nawabi and Mr. Kirk Flittie. Each Shareholder agrees that, if at any time it is then entitled to vote for the election, removal or re-election of directors to the Board, it shall vote all of its Shares that are entitled to vote or execute proxies or written consents, as the case may be, and take all other necessary actions (including causing the Company to call a special meeting of the Shareholders) in order to ensure that the composition of the Board is as set forth in this Section 4.4(a)(i) (i.e. that the Board shall consist of three (3) SoftBank nominated Directors and two (2) AV nominated Directors).

(ii) Representative Director. The Company shall have one (1) representative Director (*daihyou-torishimari-yaku*, the "**Representative Director**"), who shall be nominated by SoftBank and approved by the Board. The initial Representative Director shall be Mr. Junichi Miyakawa.

(iii) Removal. Each Shareholder agrees that, if at any time it is then entitled to vote for the removal of Directors from the Board, it shall not vote any of its Shares or execute proxies or written consents, as the case may be, in favor of the removal of any Director who shall have been nominated pursuant to Section 4.4(a)(i) or Section 4.4(a)(iv), unless removal is for Cause or the Shareholder entitled to designate or nominate such Director pursuant to Section 4.4(a)(i) has consented to such removal in writing or is no longer entitled to designate or nominate such Director pursuant to Section 4.4(a)(i); *provided* that, if a Shareholder requests in writing the removal, with or without Cause, of a Director nominated by such Shareholder, each Shareholder shall vote all of its Shares that are entitled to vote or execute proxies or written consents, as the case may be, in favor of such removal.

(iv) Vacancies. If, as a result of death, disability, retirement, resignation, removal or otherwise, there shall exist or occur any vacancy on the Board, the Shareholder entitled under Section 4.4(a)(i) to nominate such Director whose death, disability, retirement, resignation or removal resulted in such vacancy, subject to the provision of Section 4.4(a)(i), shall have the exclusive right to nominate another individual to fill such vacancy and serve as a Director on the Board.

(b) Board Meetings.

(i) Regular and Special Board Meetings. The Board shall hold a regularly scheduled meeting at least once every calendar quarter, and extraordinary meetings as necessary for any matters requiring the urgent attention of the Board. Any Director may convene a special Board meeting by giving the other Directors written notice of the proposed meeting and time thereof. Written notice of all Board meetings shall be given not less than one (1) week in advance of each meeting (which notice period may be shortened by the written waiver of or actual attendance without objection by each Director at such meeting). Directors may attend a Board meeting (A) in person, or (B) by means of telephone or video conference or other communication device that permits all Directors participating in the meeting to hear each other or any other means unanimously approved by all the Directors and permitted under applicable Law, and participation in a meeting by any such means shall constitute presence in person at such meeting.

(ii) Quorum of Board Meeting. Subject to the requirements of the Companies Act and Articles of Incorporation, the quorum for any Board meeting shall require the attendance of at least a majority of all Directors, *provided*, that if a quorum is not present at the time appointed for a duly convened Board meeting, such meeting shall be adjourned to the same place and time on the date which is fifteen (15) calendar days after the original Board meeting date (with notice to all Directors).

(iii) Resolutions of Board Meetings. Any matters requiring the approval of the Board under the Companies Act, Articles of Incorporation or Section 4.4(c) herein shall be submitted to the Board meeting. Subject to the requirements of the Companies Act, Article of Incorporation and any applicable Minority Shareholder Protections, any action, determination or resolution of the Board shall require the affirmative vote of at least a majority of all Directors attending and entitled to vote at the meeting, *provided* that, if there is a vacancy on the Board and an individual has been nominated to fill such vacancy, the first order of business shall be to fill such vacancy. Neither the Representative Director nor any other Director

shall have a casting vote. Any action which may be taken at a meeting of the Board may be taken by a written resolution of the Board if all Directors agree in writing and no audit & supervisory board member raises any objection.

(iv) Language. Meetings of the Board shall be conducted in the Japanese and English language.

(v) Minutes. Minutes of Board meetings shall be prepared by the Company in English; *provided* that where registration of the minutes is required, the minutes will be prepared in Japanese and English; *provided further* that in the event where both Japanese and English versions exist, the Japanese version shall be the original and the English translation thereof shall be used for reference purposes only. The minutes shall be distributed to each Director promptly following each meeting.

(c) Board Reserved Matters. The Company agrees that it will not take any action with respect to any of the following matters without the prior consent of at least a majority of all Directors (each such matter, a “**Board Reserved Matter**”):

(i) any amendment to the Articles of Incorporation of the Company and this Agreement;

(ii) any reorganization, termination, Change of Control of the Company, merger, liquidation, dissolution, consolidation, sale or any bankruptcy or similar filings or actions by the Company, or the incorporation of another company into the Company;

(iii) any sale or disposition of all or substantially all of the assets of the Company to any third party that is not a member of the SoftBank Group or SoftBank Vision Fund;

(iv) the approval of the compensation to be paid to directors and audit & supervisory board members;

(v) any change in the size or composition of the Board;

(vi) the establishment or acquisition of a subsidiary and/or affiliate;

(vii) any reclassification, share dividend, share split, share combination, reorganization, recapitalization or other similar changes in the capital structure of the Company or any Subsidiary of the Company;

(viii) any issuance of additional shares, notes or bonds; any issuance, purchase or redemption of any securities; and any loans to the Company;

(ix) granting or alteration of any options, warrants or other rights (including any subscription rights) by the Company;

(x) the establishment of, or any change in the dividend policy of the Company, and the amount of net profits to be retained by the Company as reasonable and necessary reserves;

- (xi) an initial public offering of the Company;
- (xii) transfer of shares to a third party that is not a member of the SoftBank Group or SoftBank Vision Fund;
- (xiii) any expenditure exceeding [\*\*\*] Japanese yen ([\*\*\*] JPY) to the extent that it is not covered by the annual budget approved in Section 4.4.(c)(xv);
- (xiv) the approval of granting AV and SoftBank the right to use the Intellectual Property owned by the Company and the determination of the royalty amount for the usage of the Intellectual Property owned by the Company;
- (xv) approval of the Company's Business Plan or Annual Budget, or any material deviation from the Company's Business Plan or Annual Budget;
- (xvi) the entering into of any new business lines or markets or selling products outside Japan; and
- (xvii) participation in any group or consortium of companies addressing the area of business of the Company.

(d) Minority Shareholder Protection.

(i) At any time that AV's percentage of total share capital of the Company is at least 5% and less than 19%, Minority Shareholder Protection shall apply with respect to the following items in Section 4.4(c):

- a. items (i) and (ii);
- b. item (iii) but only in cases where any sale or disposition of all or substantially all of the assets of the Company to any third party (other than members of the SoftBank Group and SoftBank Vision Fund) that is a UAV competitor of AV occurs, provided that AV shall not unreasonably withhold its consent; and
- c. item (xii) but only in cases when transfer of shares to a third party (other than members of the SoftBank Group and SoftBank Vision Fund) that is a UAV competitor of AV occurs, provided that AV shall not unreasonably withhold its consent.

(ii) At any time if AV's percentage of total share capital of the Company is 19% or greater, Minority Shareholder Protection shall be applied to the following items in Section 4.4(c):

- a. items (i), (ii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xiii), and (xiv);
- b. item (iii) but only in cases where any sale or disposition of all or substantially all of the assets of the Company to any third party

(other than members of the SoftBank Group and SoftBank Vision Fund) that is a UAV competitor of AV occurs, provided that AV shall not unreasonably withhold its consent; and

c. item (xii) but only in cases when transfer of shares to a third party (other than members of the SoftBank Group and SoftBank Vision Fund) that is a UAV competitor of AV occurs, provided that AV shall not unreasonably withhold its consent,

*provided*, that any matter regarding the issuance of additional shares and transfer of shares, the consent shall not be unreasonably withheld or conditioned. For purposes of the foregoing sentence, if a Director withholds consent unless a Shareholder receives the right to purchase shares of the Company at a lower price or upon better terms than offered to third parties (or grants consent conditioned upon a Shareholder receiving the right to purchase shares of the Company at a lower price or upon better terms than offered to third parties), such withholding of consent (or conditional granting of consent) shall be deemed unreasonable.

(e) Deadlock.

(i) If the Board cannot reach an agreement on any resolution within fourteen (14) days of that matter being referred to them with respect to the Board Reserved Matter that is subject to Minority Shareholder Protection (a “**Deadlock Matter**”), the Deadlock Matter shall immediately be referred via a written notice from the Board (a “**Deadlock Notice**”) to a designated senior executive of each Party, who shall initially be Mr. Junichi Miyakawa with respect to SoftBank and Mr. Wahid Nawabi with respect to AV (each a “**Designated Executive**”). The Designated Executives, joined by a third party mediator, shall meet, confer and discuss in person or by telephone conference the Deadlock Matter in good faith attempt to resolve such issue. The Designated Executives shall refer the Deadlock Matter to commercial mediation by the Japan Commercial Arbitration Association (“**JCAA**”) in accordance with its International Commercial Mediation Rules. Such mediation shall take place in Tokyo, Japan and be conducted in English, and all documents shall be translated into Japanese. The mediation shall be conducted before a single mediator to be agreed upon by the Designated Executives, provided if the Designated Executives cannot agree on the mediator within ten (10) days after referral of the Deadlock Matter to commercial mediation, either Designated Executive may request the JCAA to designate a mediator in accordance with Rule 7 of the International Commercial Mediation Rules by JCAA. The Parties shall equally bear the fees and expenses of the mediator. During the continuation of any Deadlock Matter, the Company shall continue to operate in a manner consistent with its prior practices and this Agreement until such time as such Deadlock Matter is resolved.

(ii) If the Designated Executives are not able to resolve the Deadlock Matter within ninety (90) days of the date of delivery of the Deadlock Notice and at least sixty (60) days after referral of the Deadlock Matter to meditation pursuant to Section 4.4(e)(i), the majority Shareholder shall then have the right to exercise the Transfer Option within thirty (30) days (the “**Option Period A**”) by delivering the other Shareholder a written notice including the Buy-Out Price pursuant to terms of the Transfer Option (the “**Option Notice**”). If at the end of

the Option Period A, the majority Shareholder does not deliver an Option Notice to the other Shareholder, the other Shareholder shall then have the right to exercise the Transfer Option by delivering the majority Shareholder the Option Notice within fifteen (15) days from the end of Option Period A (the “**Option Period B**”). The Shareholder whose Option Notice is delivered shall be known as the “initiating Shareholder” and the Shareholder in receipt of the Option Notice shall be known as the “responding Shareholder”.

(iii) Within thirty (30) days after the end of either Option Period A or Option Period B (such period, the “**Option Election Period**”), the responding Shareholder shall deliver to the initiating Shareholder a written notice (the “**Response Notice**”) stating whether it elects to (a) sell all of its Shares to the initiating Shareholder for the Buy-out Price specified in the Option Notice or (b) validate the Buy-Out Price offered by obtaining an independent valuation of the fair market value of the Shares in which each initiating Shareholder and responding Shareholder shall appoint one (1) accounting firm among Deloitte Touche Tohmatsu, KPMG, Ernst & Young or PricewaterhouseCoopers or an Affiliate of such companies, excluding the accounting firm that has been retained by the Company as its Auditor at the time of the occurrence of the Deadlock Matter, and use the average of the valuations obtained from the two (2) accounting firms (a “**Valuation**”), with each Shareholder bearing the respective fees and expenses of obtaining such Valuation. If in the Response Notice the responding Shareholder elects to obtain a Valuation, it shall have an additional fifteen (15) days from the end of the Option Election Period (regardless of any prior date upon which the Response Notice is delivered) to obtain the Valuation and deliver it to the initiating Shareholder. If the responding Shareholder elects to obtain a Valuation, the responding Shareholder shall sell its Shares at an adjusted Buy-Out Price consistent with the Valuations. The failure of the responding Shareholder to deliver the Response Notice during the Option Election Period shall be deemed to be an election to sell all of its Shares to the initiating Shareholder at the Buy-out Price specified in the Option Notice.

(iv) The closing of any purchase and sale of Shares pursuant to the Transfer Option shall take place no later than thirty (30) days after the Response Notice is delivered or deemed to have been delivered or some other date mutually agreed upon by the parties. The applicable Buy-out Price shall be paid at closing by wire transfer of immediately available funds to an account designated in writing by the selling Shareholder (the “**Selling Shareholder**”). At the closing, the Selling Shareholder shall deliver to the purchasing Shareholder (the “**Purchasing Shareholder**”) good and marketable title to its Shares, free and clear of all liens and encumbrances. Each Shareholder agrees to cooperate and take all actions and execute all documents reasonably necessary or appropriate to reflect the purchase of the Selling Shareholder’s Shares by the Purchasing Shareholder. Any exercise of the Transfer Option and transfer of Shares pursuant to such exercise shall not be subject to the transfer restrictions on Shares contained in Section 5.1 hereof and each Shareholder agrees to cause the Board to approve the transfer of the Selling Shareholder’s shares to the Purchasing Shareholder . If neither Shareholder exercises the Transfer Option within either Option Period A or Option Period B, the Board shall promptly proceed with the wind-up and liquidation of the Company.

4.5 Articles of Incorporation. Each Shareholder agrees to vote all of its Shares that are entitled to vote or execute proxies or written consents, as the case may be, and to take all other actions necessary, to adopt or amend the Articles of Incorporation to (a) facilitate, and ensure that they do not at any time conflict with, any provision of this Agreement, and (b) permit each Shareholder to receive the benefits to which each such Shareholder is entitled under this

Agreement.

4.6 Audit & Supervisory Board Member. The Company shall have at least one (1) audit & supervisory board member, which shall be nominated by SoftBank. The initial audit & supervisory board member shall be Mr. Makoto Shindo.

4.7 Senior Executives of the Company. The Company shall have one (1) CEO which shall be appointed by SoftBank. Executives of the Company holding positions of vice president (or equivalent) or above shall be nominated by the CEO and submitted to the Board for approval.

4.8 Fiscal Year. The fiscal year of the Company shall commence on April 1 of each calendar year and end on March 31 of the immediately following calendar year (the “*Fiscal Year*”).

## 5. TRANSFER OF SHARES AND PREEMPTIVE RIGHTS

5.1 Transfer Restricted. Subject to Section 4.4(c), no Shareholder may Transfer any of its Shares without the approval of the Board.

### 5.2 Permitted Transfer.

(a) Notwithstanding Section 5.1, a Shareholder may Transfer all or part of its Shares to its Permitted Affiliate (“*Permitted Transfer*”). Each Shareholder agrees to cause the Board to approve the Permitted Transfer, provided that the requirements of Section 5.2(b) below are met. The Shareholders shall execute and deliver such documents in writing as may reasonably be required to implement a Permitted Transfer. Each Shareholder further agrees that it shall, and it shall cause its Permitted Affiliates, if applicable, to waive any rights they may possess under applicable Law in relation to such Permitted Transfer. For the avoidance of doubt, any Transfer of the Shares by a Permitted Affiliate shall be subject to the approval of the Board.

(b) Any such Permitted Affiliate to which the Shares are fully or partially Transferred pursuant to a Permitted Transfer (the “*Transferee Affiliate*”) shall agree to be bound by this Agreement as a Shareholder of the Company in respect of the Transferred Shares by executing and delivering a counterpart to this Agreement. In the event of a partial Transfer of the Shares by a Shareholder to its Permitted Affiliate pursuant to a Permitted Transfer, this Agreement shall apply as if the Transferring Shareholder and the Transferee Affiliate are one and the same Shareholder in the Company. Following a Shareholder’s full or partial Transfer of Shares to its Permitted Affiliate pursuant to a Permitted Transfer, the original Transferring Shareholder shall remain a party to this Agreement and shall be jointly and severally liable with its Transferee Affiliate under this Agreement as a Shareholder of the Company in respect of the Transferred Shares.

### 5.3 Preemptive Rights.

(a) Subject to Sections 4.4(b) and 5.3(d), the Company shall give each Shareholder a notice of any proposed issuance by the Company of any Shares (an “*Issuance Notice*”) at least fifteen (15) Business Days prior to the proposed issuance date. The Issuance Notice shall specify the number of Shares proposed to be issued, the price at which such Shares are to be issued, the type and amount of consideration offered for the proposed issuance and the

other material terms of the issuance.

(b) Each Shareholder may elect to purchase any or all of the Shares specified in the Issuance Notice up to such Shareholder's Pro Rata Portion, by delivering a written notice to the Company (an "*Exercise Notice*") within ten (10) Business Days following receipt of the Issuance Notice, setting out the number of Shares to be purchased by such Shareholder. Such Exercise Notice shall constitute exercise by such Shareholder of its rights under this Section 5.3 and a binding agreement of such Shareholder to purchase, at the price and on the terms specified in the Issuance Notice, the number of Shares specified in the Exercise Notice. If, at the termination of such ten (10) Business Day-period, any Shareholder shall not have delivered an Exercise Notice to the Company, such Shareholder shall be deemed to have waived all of its rights under this Section 5.3 with respect to the purchase of such Shares.

(c) The Company shall have ninety (90) calendar days from the date of the Issuance Notice to consummate the proposed issuance of Shares at the price and upon terms that are not materially less favorable to the Company than those specified in the Issuance Notice. On or before consummation of such issuance, any Person to whom Shares are issued (unless already bound hereby) shall agree in writing to be bound by the terms of this Agreement as a "Shareholder". If the Company proposes to issue any Shares after such 90-day period, it shall again comply with the procedures set forth in this Section 5.3.

(d) Notwithstanding the foregoing, no Shareholder shall be entitled to purchase any Shares as contemplated by this Section 5.3 in connection with issuances of Shares (i) to employees or directors of the Company or any of its Subsidiaries pursuant to any equity incentive plans, (ii) issued in connection with any share dividend, share split, reverse share split, reclassification or similar changes in the capital structure of the Company or any of its Subsidiaries, or (iii) in connection with any bona fide, arm's-length direct or indirect merger, acquisition or similar transaction, in each case duly approved pursuant hereto. The Company shall not be obligated to consummate any proposed issuance of Shares, nor be liable to any Shareholder if the Company has not consummated any proposed issuance of Shares pursuant to this Section 5.3 for whatever reason, regardless of whether it shall have delivered an Issuance Notice or received any Exercise Notices in respect of such proposed issuance.

(e) For the avoidance of doubt, the initial percentage of total share capital of the Company is not guaranteed in the case of an increase in capital of the Company by one Party where the other Party declines to make a capital contribution corresponding to its initial percentage of total share capital of the Company. Anti-dilution protection shall be available to each Party in the event of an increase in capital or issuance of additional Shares of the Company. Each Party will have preemptive rights as set forth in this Section 5.3 to make a capital contribution or subscribe to such additional Shares so as to retain its respective initial percentage of total share capital of the Company and avoid dilution. If either Party fails to exercise its preemptive rights, such Party will not be able to retain its initial percentage of total share capital of the Company and will result in a dilution.

(f) Notwithstanding anything in this Agreement to the contrary, AV has the right to increase its percentage of total share capital of the Company to up to nineteen percent (19%) at the Initial Share Price by making a capital contribution in cash, up to 1,968,641,975 JPY, which is expected to occur prior to the month immediately previous to the 1st Flight Test at [\*\*\*] as specified in the Initial Business Plan attached hereto as Exhibit C (such right, "AV's

**Share Purchase Right**”). No other Shareholder shall have any pre-emptive right to participate in any issuance of Shares to AV pursuant to AV’s exercise of AV’s Share Purchase Right. AV’s Share Purchase Right shall expire upon the commencement of the 1st Flight Test at [\*\*\*] as specified in the Initial Business Plan attached hereto as Exhibit C.

(g) Each Shareholder will have the right to participate in future third party offerings.

5.4 Avoidance of Restrictions. The Parties agree that the transfer restrictions in this Agreement shall not be circumvented or avoided by the holding of Shares indirectly through another Person that can itself be sold in order to dispose of an interest in Shares free of such restrictions. Any Transfer or other disposal of any Shares resulting in any Change of Control of a Shareholder or of any Person having control over that Shareholder shall be treated as being a Transfer of the Shares held by that Shareholder, and the provisions of this Agreement that apply in respect of the Transfer of Shares shall thereupon apply in respect of the Shares so held.

5.5 Transfers in Violation of this Agreement. Any Transfer, purported Transfer or attempted Transfer of Shares other than in accordance with this Agreement shall be void, and no such Transfer shall be recorded or otherwise given any effect by the Company, and the relevant purported Transferee shall not (and the purported Transferor shall) be treated as the owner of such Shares for all purposes.

## 6. DIVIDENDS AND DISTRIBUTIONS

6.1 Declaration of Dividends. Subject to applicable Law and approval of the Board of Directors, the Directors may from time to time declare dividends (including interim dividends) and distributions on Shares outstanding and authorize payment of the same out the funds of the Company lawfully available therefor and in accordance with this Section 6.

## 7. CERTAIN COVENANTS AND AGREEMENTS

7.1 Covenants of the Company. The Parties shall assure that, after formation, the Company, for itself and each Subsidiary, covenant to and agree with the Shareholders as follows by executing this Agreement:

(a) the Company will maintain in full force and effect its respective corporate existence, rights, and franchises, and all material licenses, permits, authorizations, trademarks, trade names, copyrights, patents, or processes owned or possessed by them and necessary to the conduct of the business of the Company;

(b) the Company will timely pay and discharge, or cause to be timely paid and discharged, all taxes (including all employment and payroll taxes), assessments, and other governmental charges imposed upon them or any of their respective properties or in respect of their franchises or income; *provided*, however, that no such tax or charge need be paid if being contested in good faith by proceedings diligently conducted and if such reservation or other appropriate provisions, if any, as are required by Japanese GAAP or other generally accepted accounting principles and practices applicable to the Company have been made therefor;

(c) the Company shall not, and shall cause its Representatives not to,

(i) directly or indirectly, make or authorize any offer, gift, payment, or transfer, or promise of, any money or anything else of value, or provide any benefit, to any Government Officials, Governmental Entity or Person that would result in a breach of any Anticorruption Law, by the Company or any Shareholder, or undertake or cause to be undertaken any such act (collectively, “*Corrupt Acts*”),

(ii) request any action, inaction or service by any third party that would violate any Anticorruption Law, or

(iii) receive, agree or attempt to receive the benefits of or profits from a crime or any Corrupt Act or agree to assist any person to retain the benefits of or profits from a crime or any Corrupt Act;

(d) the Company shall immediately terminate the employment of any of its employees who engaged in, authorized or permitted any Corrupt Act;

(e) no Government Officials will serve in any capacity within the Company, including as a director, employee or consultant;

(f) the Company shall, and shall procure that each Subsidiary shall, make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of assets, which comply with applicable Laws in relation to such record keeping requirements and devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are executed in accordance with management’s general or specific authorization and are recorded as necessary to permit preparation of financial statements in conformity with Japanese GAAP to maintain accountability of such assets;

(g) the Company shall not, and shall procure that each Subsidiary shall not, use any agent, representative or consultant to apply or procure any permits, licenses or certifications for any business or operation of the Company or such Subsidiary unless such agent, representative or consultant has been subject to reasonable due diligence to ensure that it has a good business reputation and conducts its business in an ethical fashion and in compliance with applicable Laws;

(h) the Company shall not, directly or indirectly, use or make available any loans or contributions from the Shareholders to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of any sanctions administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the United Nations Security Council, the European Union or Her Majesty’s Treasury; and

(i) the Company shall, and shall procure that each Subsidiary shall, remain in full compliance with applicable Laws in all material respects.

7.2 Company’s Obligation. The Parties shall assure that the Company, after formation, shall perform and observe all its obligations under this Agreement in good faith and to the maximum extent permitted under Law or the Company’s Constitutional Documents and that the Company executes this Agreement to abide by the Company’s obligations specified in this

Agreement. For the avoidance of doubt, no failure by the Company to engage in any conduct that is not permitted under Law or the Company's Constitutional Documents shall be deemed to be a breach of the Company's obligations hereunder.

7.3 Covenants of the Shareholders. Each Shareholder hereby agrees and undertakes to use its best efforts to cause its respective Directors on the Board to exercise their voting rights in order to ensure the Company's compliance with Laws and with other terms and conditions of this Agreement.

7.4 Auditor. The initial accounting auditor of the Company (the "**Auditor**") shall be Deloitte Touche Tohmatsu (and its affiliated national practices). Unless otherwise agreed by the Parties, the Company shall maintain one of Deloitte Touche Tohmatsu, KPMG, Ernst & Young or PricewaterhouseCoopers or an Affiliate of such companies as its Auditor throughout the Term.

7.5 Financial Statements. The Company shall prepare the financial statements based on SoftBank's consolidated statement in accordance with Japanese GAAP and furnish the information in accordance with SoftBank's timeline. For the avoidance of doubt, all financial statements for the Company shall be prepared in Japanese and translated into English. The Company agrees to furnish to each Shareholder the following information:

(a) as soon as practicable following the end of each Fiscal Year, but in any event within seventy-five (75) days after the end of the Fiscal Year, the statement of income (loss) and statement of change in equity for such Fiscal Year and balance sheet as of the end of such Fiscal Year, of the Company on a consolidated basis, together with accompanying notes, all prepared in accordance with Japanese GAAP, all in reasonable detail, and audited by the Auditor;

(b) as soon as practicable following the end of each Fiscal Year, but in any event within sixty (60) days after the end of each Fiscal Year, a preliminary draft of the statement of income (loss) for such Fiscal Year and balance sheet as of the end of such Fiscal Year, of the Company on a consolidated basis, all prepared in accordance with Japanese GAAP, with the exception that no notes need be attached to such statements;

(c) as soon as practicable following the end of each quarter of each Fiscal Year, but in any event within forty-five (45) days after the end of each quarter, an unaudited balance sheet as of the end of such quarter, and a statement of income of the Company on a consolidated basis for such quarter and for the current Fiscal Year to date, prepared in accordance with Japanese GAAP, with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made, in each case certified by an officer of the Company;

(d) as soon as practicable following the end of each one month period that directly follows the end of each quarter of each Fiscal Year (each such month, a "**Stub Month**"), but in any event within ten (10) Business Days of the end of each Stub Month, an unaudited balance sheet as of the end of such Stub Month and a statement of income of the Company on a consolidated basis for each such Stub Month, prepared in accordance with Japanese GAAP, with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made;

(e) upon the request of any Shareholder (at that Shareholder's expense), any other information (including any operating metrics) which is reasonably required by that Shareholder to keep it properly informed about the affairs of the Company and the Business or for the purposes of managing the tax affairs of such Shareholder (or any of its Affiliates), as soon as practicable after such request and in any event within five (5) Business Days of such request; and

(f) upon the request of AV, the Company shall provide the data reasonably necessary for AV to reconcile the financial statements to U.S. GAAP and AV shall bear any costs exceeding reasonable amounts which may occur from preparing the requested data from AV.

7.6 Business Plan; Annual Budget. The Company shall conduct its operations in accordance with the Business Plan and the Annual Budget as approved by the Board pursuant to Section 4.4(c). The Initial Business Plan and Initial Annual Budget covering the period between the establishment of the Company up to March 31, 2018 are attached hereto as Exhibit C.

7.7 Steering Committee for Progression to Commercialization. Once the research and development phase of the Solar HAPS has been completed, the Parties shall form a steering committee to decide whether to proceed to the next step which shall be [\*\*\*] (the "**Steering Committee**"). The Steering Committee shall initially be composed of two representatives; [\*\*\*] from SoftBank and [\*\*\*] from AV. The following are the criteria for the research and development phase for the Steering Committee to consider:

(a) [\*\*\*].

(b) AV has full responsibility for procurement of all materials, equipment and services to be consumed during the period of performance of the development of the [\*\*\*] Aircraft.

(c) The [\*\*\*] Aircraft will demonstrate by a combination of flight test and analysis the capability to perform [\*\*\*] operations prior to first A Check Maintenance.

7.8 Additional Agreements. The Company and AV shall enter into an agreement for AV to continue the design and development of the Solar HAPS for the Company as begun under the Design Agreement by and between the Parties and dated 28 April 2017 (such agreement to continue design and development, the "**Design and Development Agreement**") and enter into any follow-on agreements as necessary. Key personnel may be included in the Design and Development Agreement or purchase orders issued pursuant thereto.

7.9 Purchase Orders. For purchase orders issued by the Company to AV to continue the design and development of the Solar HAPS for the Company, the profit that AV may include in its prices to the Company shall be no greater than [\*\*\*] ([\*\*\*]%) of AV's total cost.

7.10 Preferred Supplier. AV will have exclusive rights for future design and manufacturing work of the aircraft as long as the quality, performance and cost is competitive. AV is responsible for providing evidence of its quality and cost competitiveness to the Company by the use of transparency standards, such as preferred supplier certification process and the Company shall review the evidence presented by AV. However, in the event that AV is not

capable of performing the necessary work due to unforeseen events, including but not limited to force majeure, the Company shall have the right to use a second source of supplier.

7.11 Operations. All future operations of the Solar HAPS shall be conducted by the Company, however, AV shall be considered as a preferred outsourcing partner.

7.12 Inspection Rights.

(a) Each of the Shareholders (through its designee Directors and auditors) shall have the right during regular working hours following reasonable advance notice by such Shareholder to the Company and at such Shareholder's expense, to (i) inspect all financial books of account and records of the Company, and (ii) make copies from such books and records. Any information provided under this Section 7.12 that constitutes Confidential Information shall be subject to the terms of Section 10.

(b) The Company shall, and shall procure that each Subsidiary shall, cooperate with any compliance audit or investigation by any Shareholder initiated in good faith and conducted reasonably, and provide all reasonable information and assistance requested upon any investigation or inquiry by a Governmental Entity directed to the Company or any of the Subsidiaries.

**8. [Intentionally blank]**

**9. TERM AND TERMINATION**

9.1 Term. This Agreement shall be effective as of the Effective Date, and shall continue in effect until terminated pursuant to Section 9.2 (such effective period, the "**Term**").

9.2 Termination. Subject to Section 4.4 (c), either Party shall be entitled to terminate this Agreement, upon the occurrence of any of the following:

- (a) the mutual written agreement of all Parties to terminate this Agreement;
- (b) the dissolution, voluntary or involuntary liquidation or winding-up of the Company;
- (c) upon an initial public offering of the Company duly approved by the Shareholders in accordance with this Agreement;
- (d) a Party filing for bankruptcy or insolvency;
- (e) a Change of Control of the Company or the other Party;
- (f) a Party is in material breach of this Agreement and any follow on agreements, and fails to remedy such breach after receiving sixty (60) days prior written notice from the non-breaching Party; *provided* that if such breach is not capable of being cured, fifteen (15) days prior written notice from the non-breaching Party; or
- (g) a Shareholder ceases to beneficially own any Shares.

9.3 Effect. The provisions of Sections 9, 10, 13 and 14 shall survive any termination of this Agreement. If the Company is dissolved, after all liabilities are paid, the remaining equity capital of the Company is to be distributed to the Parties in the same proportion as the capital contribution. Subject to separate any Intellectual Property agreements and any other additional agreements between the Parties and the Company, distribution of all non-cash assets, including any Intellectual Property, and the valuation of Intellectual Property shall be discussed by the Board of Directors. Any liabilities or obligations incurred under this Agreement shall be fulfilled in accordance with the terms set out in this Agreement. Any liabilities or obligations incurred under the Design and Development Agreement and any follow on agreements shall be fulfilled in accordance with the terms set out in the respective agreements.

9.4 Continuing Liability. Termination of this Agreement for any reason shall not release any Party hereto from any liability or obligation which has already accrued prior to such termination, and shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect, any rights, remedies or claims, whether for damages or otherwise, which a Party hereto may have hereunder, under applicable Law or otherwise or which may arise out of or in connection with such termination.

## 10. CONFIDENTIALITY AND PUBLICITY

10.1 Confidential Information. The Parties recognize that, in connection with the performance of this Agreement, each Party (in such capacity, the “**Disclosing Party**”) may disclose Confidential Information (as defined below) to other Parties (each, in such capacity, a “**Receiving Party**”). For purposes of this Agreement, “**Confidential Information**” means information disclosed by the Disclosing Party in connection with the transactions contemplated under this Agreement that is (a) proprietary (whether owned by the Disclosing Party or a third party to whom the Disclosing Party owes a non-disclosure obligation), confidential or otherwise non-public including, but not limited to, the business, future plans, technology, Intellectual Property, financial information, projections and customer information of a Party and (b) identified as confidential at the time of disclosure to a Receiving Party or which by its nature should reasonably have been considered confidential by the Receiving Party. Confidential Information does not include information which: (i) was already known to a Receiving Party or any of its Representatives at the time of the initial disclosure by the Disclosing Party, and such previous knowledge by the Receiving Party was not under a disclosure restriction by the Disclosing Party; (ii) has become publicly known through no breach of this Section 10.1 by a Receiving Party or any of its Representatives; (iii) has been duly received by a Receiving Party or any of its Representatives from a third party which, to the knowledge of the Receiving Party, is not subject to a confidentiality obligation to the Disclosing Party; or (iv) has been independently developed by or on behalf of a Receiving Party without use of or reliance on any of the Disclosing Party’s Confidential Information.

10.2 Confidentiality Obligation. The Receiving Party agrees (a) to keep the Confidential Information confidential as it treats its own confidential information, but such treatment shall not be less than a reasonable standard of protection of confidential information, and not to use the Confidential Information for any purpose other than in the performance of its obligations under this Agreement and (b) not to disclose (including by way of interviews, responses to questions or inquiries, press releases or otherwise) any such Confidential Information, except (i) to its Permitted Affiliates and its and their respective, directors, officers and employees and agents, representatives, lawyers and other advisers (collectively, the

“*Representatives*”) who reasonably need to know the Confidential Information in connection herewith for the Receiving Party’s performance of its obligations under this Agreement; *provided*, that such Representatives are subject to a confidentiality obligation and use restrictions no less restrictive than those set out in this Section 10 by such Representatives and the Receiving Party, and *provided* further, that the Receiving Party shall remain fully responsible for the breach of confidentiality obligations and use restrictions under this Section 10 by any such Representatives, and (ii) pursuant to, and to the extent required by, the applicable Laws (including an order of a Governmental Entity, court or a requirement of an applicable stock exchange); *provided*, that, to the extent permitted by applicable Laws, the Receiving Party shall, to the extent possible, promptly notify the Disclosing Party of such need to disclose Confidential Information in order to provide the Disclosing Party with a reasonable opportunity to contest such applicable disclosure and Receiving Party shall provide reasonable cooperation with the Disclosing Party to minimize disclosure or seek a grant of confidential treatment by the applicable Governmental Entity, court or stock exchange on any Confidential Information, solely at the Disclosing Party’s expense.

10.3 Certain Acknowledgements. Each Party acknowledges and agrees that (a) its obligations under this Section 10 are necessary and reasonable to protect the Disclosing Party’s Confidential Information, (b) any violation of these provisions could cause irreparable injury to the Disclosing Party for which money damages would be inadequate, and (c) as a result, the Disclosing Party shall be entitled to obtain injunctive relief against the threatened breach of the provisions of this Section 10 without the necessity of proving actual damages. The Parties agree that the remedies set forth in this Section 10 are in addition to and in no way preclude any other remedies or actions that may be available at law or under this Agreement.

10.4 Confidentiality of this Agreement; Publicity. Each Party agrees that the terms and conditions of this Agreement and the transactions hereunder shall be treated as Confidential Information for purposes of Section 10 (with such Party being treated as the Receiving Party and each of the other Parties being treated as the Disclosing Party, for purposes of applying Section 10 to the confidentiality of the terms and conditions of this Agreement and the transactions contemplated hereby). Unless otherwise required by the applicable Laws (including an order or regulation of a Governmental Entity, court, or a requirement of an applicable stock exchange), no Party shall make any press release, public announcement or any other public statements with respect to the transactions occurring under this Agreement without the prior agreement of each of the other Parties, which shall not be unreasonably withheld.

10.5 Residuals. This Agreement shall not be construed to limit the Disclosing Party’s, the Receiving Party’s, or any of their respective Representatives’ right to independently and separately develop or acquire products, services, or technology, provided such is done without any use, reference, and/or knowledge, in whole or part, of the other Party’s Confidential Information.

10.6 Export Restrictions. Each Party agrees, in connection with the performance of this Agreement and the exercise of any rights hereunder, to comply with all applicable export laws, regulations and restrictions and neither Party will require the other to produce or otherwise provide any information, in whatever form, that is prohibited, restricted or limited, by any relevant export law, regulation or government restriction.

## 11. NON-SOLICITATION

During the Term, (a) neither of the Parties shall, whether directly or indirectly, solicit for employment or engage any personnel directly employed by the Company (the “*Company Employees*”); (b) SoftBank shall not (whether directly or indirectly) solicit for employment or engagement any personnel directly employed by AV (or its Affiliates) (the “*AV Employees*”); and (c) AV shall not (whether directly or indirectly) solicit for employment or engagement any personnel directly employed by SoftBank (or its Affiliates) (the “*SoftBank Employees*”). The restrictions under (a), (b) and (c) shall not prohibit general solicitations for employment or engagement through advertisements or other means not targeted specifically to Company Employees, SoftBank Employees or AV Employees, as the case may be. This Section 11 shall not limit the ability of any Party and its Affiliates to depute or second any employee to the Company or to any other Party.

## 12. NON-COMPETE

12.1 Exclusivity. The Parties agree that the Solar HAPS is being developed exclusively for the Company.

12.2 Non-Compete. The Parties agree that neither of the Parties will compete with the Company in the area of use of Solar HAPS in commercial [\*\*\*] applications and will not engage in any similar project(s). The Company shall have the exclusive right to the Solar HAPS in any application other than Non-Commercial applications. AV shall have the exclusive rights to the Solar HAPS for Non-Commercial applications which is an extension of its now current business; provided, however, the Company shall have the exclusive rights to Non-Commercial applications for the Solar HAPS for Japan. If AV’s Non-Commercial applications of Solar HAPS impact the Company’s overall business in a materially and demonstrably negative way, then AV shall cease the activities directly causing such negative impact within a commercially reasonable time after receiving written notice from the Company providing AV with evidence of such negative impact. In the event that AV is required to cease such activities pursuant to this Article 12.2, the Steering Committee shall promptly and in good faith work to resolve the issues causing such material and demonstrable negative impact to allow AV to resume such activities in a timely manner while eliminating such negative impact to the Company’s business. In the event that AV is required to disclose to its government customers that the Solar HAPS includes technology licensed by the Company, AV shall promptly notify the Company in advance of such requirement and take steps reasonably necessary to seek to maintain the confidentiality of the information to be disclosed.

## 13. NO USE OF NAME

13.1 Without the prior written consent of a Shareholder, and whether or not it or any Affiliate thereof is then a Shareholder, no Party hereto shall (or shall permit any Affiliate thereof to) use, publish or reproduce the name or logo of such Shareholder or any similar name, trademark or logo in any manner, context or format (including references on or links to websites, in press releases, or in other public announcement); provided, however, that this Section 13.1 shall not prevent any Party from making any public disclosures, including the disclosure of the identity of a Shareholder, that are required by applicable Laws (including an order of a Governmental Entity or a requirement of an applicable stock exchange).

## 14. MISCELLANEOUS

14.1 Governing Law. This Agreement shall be governed in all respects including as to validity, interpretation and effect, by the laws of Japan, without giving effect to the conflict of laws rules thereof.

14.2 Dispute Resolution. The Parties hereby agree that any dispute arising out of or in relation to this Agreement, including without limitation the Design and Development Agreement and any license agreements, shall be referred to arbitration and finally settled by arbitration in accordance with the Commercial Arbitration Rules of the JCAA in force when the notice of arbitration is submitted. The place of arbitration shall be Tokyo, Japan. The number of arbitrators shall be more than one (1) which are fluent in English and appointed in accordance with the said rules. The arbitration proceedings shall be conducted in English and all documents shall be translated into Japanese. The arbitrator(s) shall have the authority to grant specific performance, and to allocate among the Parties the costs of arbitration in such equitable manner as the arbitrator(s) may determine. The prevailing Party or Parties in the arbitration shall be reimbursed for its or their reasonable expenses, including reasonable attorneys' fees, incurred in connection therewith and the enforcement of any resulting award. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. Notwithstanding the foregoing, any Party shall have the right to institute a legal action in a court of proper jurisdiction for injunctive relief and/or a decree for specific performance pending final settlement by arbitration.

14.3 Constitutional Documents. All Constitutional Documents in relation to the Company shall be in bilingual format providing both English and Japanese languages, provided that the Japanese versions shall be the original and the English translations thereof shall be used for reference purposes only.

### 14.4 Notices and Contact Information.

(a) Notices. Each notice, demand or other communication given or made under this Agreement shall be in writing in Japanese or English as necessary, and delivered or sent to the relevant Party(ies) hereto at its address or electronic mail address set out below (or such other address or electronic mail address as the addressee has by five days' prior written notice specified to the other Party(ies)). Any notice, demand or other communication given or made by letter between countries shall be delivered by air mail. Any notice, demand or other communication so addressed to the relevant Party(ies) hereto shall be deemed to have been delivered, (i) if delivered in person or by messenger, when proof of delivery is obtained by the delivering Party; (ii) if sent by post within the same country, on the third day following posting, and if sent by post to another country, on the seventh day following posting; and (iii) if given or made by electronic mail, upon dispatch, *provided* that the delivering Party does not receive a transmission report indicating such electronic mail was not given or made.

(b) Addresses, Email Addresses. The initial address and email address for each Party hereto for the purposes of this Agreement are:

Notices to SoftBank:  
SoftBank Corp.

Address: Tokyo Shiodome Bldg., 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo,  
105-7323 Japan  
Email: [\*\*\*]  
Attention: [\*\*\*]

Notices to AV:  
AeroVironment, Inc.  
Address: 900 Innovators Way, Simi Valley, CA 93065, U.S.A.

Email: BrownM@avinc.com (or email of current General Counsel, if different)  
Attention: General Counsel

14.5 Expenses. Except as otherwise noted herein, each Party hereto shall bear the expenses incurred by it in connection with the negotiation and execution of this Agreement and the performance of its obligations hereunder.

14.6 Assignment. Except as otherwise provided herein, neither this Agreement nor any of the rights, duties, obligations or entitlements hereunder may be assigned, delegated, transferred, sold, conveyed or otherwise disposed of by any Party without the express, prior written consent of the other Parties, and any purported assignment, delegation, transfer, sale, conveyance or other disposition without such consent shall be void and unenforceable *ab initio*; provided, however, that rights, duties or entitlements under this Agreement may be assigned, transferred and/or conveyed to a transferee of Shares pursuant to Permitted Transfer or other transfer of Shares approved by the Board without the written consent of any other Party.

14.7 Amendment and Waiver. Except as otherwise provided for in this Section 14.7, no provision of this Agreement may be waived, amended or otherwise modified except by an instrument in writing executed by all the Parties hereto. Any Party hereto may at any time irrevocably waive any or all of its rights under this Agreement by delivering a waiver of such rights, which states that such waiver is irrevocable, in writing to each of the other Parties hereto. Notwithstanding anything to the contrary in the foregoing, any amendment, waiver or modification of any provision of this Agreement that would adversely affect the rights, obligations, powers or interests of any Shareholder in a manner that is disproportionate from the manner in which it affects such matters with respect to other Shareholders may be effected only with the written consent of the Shareholder so disproportionately affected. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Any Person that becomes a Shareholder shall provide its address and electronic mail address to the Company, which shall promptly provide such information to each other Shareholder.

14.8 Entire Agreement. The terms and conditions contained in this Agreement (including the Annexes, Exhibits and Schedules thereto) constitute the entire agreement between the Parties and supersede all previous agreements and understandings, whether oral or written, between the Parties with respect to the subject matter hereof. No agreement or understanding amending this Agreement shall be binding upon any Party unless set forth in a written document which expressly refers to this Agreement and which is signed and delivered by duly authorized representatives of each Party.

14.9 No Presumption Against Drafting Party. This Agreement has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and without any strict construction in favor of or against either of the Parties. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting party has no application and is expressly waived.

14.10 Severability.

(a) Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such.

(b) If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect (i) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement or (ii) the legality, validity or enforceability in any other jurisdictions of that or any other term of this Agreement. Such term shall be replaced by a mutually acceptable provision, which being valid, legal, and enforceable comes closest to the intention of the Parties underlying such invalid, illegal or unenforceable provision.

14.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be binding as of the Effective Date, and all of which shall constitute one and the same instrument. Each such counterpart shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

14.12 Third Party Beneficiaries. Nothing herein, express or implied, is intended to nor shall be construed to confer upon or give to any Person, other than the Parties, any interests, rights, remedies or other benefits with respect to or in connection with any agreement or provision contained herein or contemplated hereby.

14.13 Obligations as a Consolidated Subsidiary. The Parties agree to cause the Company to establish any internal governance rules that might be required by either Party in which the Company is consolidated for financial accounting purposes, including any rules that might require the approval of any such Party prior to the Company taking any action including without limitation any resolution of the Board; provided, however, that such rules shall not diminish the rights of either Party under this Agreement, including any Minority Shareholder Protections.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**LEGAL ADDRESSES AND BANKING DETAILS OF THE PARTIES**

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