

**SECOND AMENDMENT TO CONTRACT BETWEEN
THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION
AND
CONTINENTAL AUTONOMOUS MOBILITY US, LLC.**

This Second Amendment to Contract (this “**Second Amendment**”) is made and entered into by and between the New Braunfels Economic Development Corporation, a non-profit corporation of the State of Texas (the “**EDC**”), and Continental Autonomous Mobility US, LLC, a Delaware limited liability company (the “**Company**”). The EDC and the Company are sometimes referred to in this Second Amendment individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. The EDC and Continental Automotive Systems, Inc. entered into that certain Contract Between the New Braunfels Economic Development Corporation and Continental Automotive Systems, Inc. dated July 21, 2020 (the “**Original Contract**”).

B. The Parties subsequently entered into that certain First Amendment to Contract dated December 28, 2020 (the “**First Amendment**,” and together with the Original Contract, the “**Contract**”), pursuant to which the deadlines for commencement of construction and operations, together with the Employment Condition and Wage Condition schedules, were extended by one year.

C. Pursuant to an assignment, all rights and obligations of Continental Automotive Systems, Inc. under the Contract were assigned to Continental Autonomous Mobility US, LLC, a Delaware limited liability company, which is now the "Company" under the Contract.

D. The Parties now desire to further amend the Contract to (i) revise the schedule of minimum average numbers of Qualified Employees required for the Employment Condition, (ii) eliminate the “two-year rolling average” methodology, and (iii) provide alternate methods for measuring compliance with the Employment Condition for any given calendar year, all as more particularly set forth herein.

E. Section IX of the Original Contract permits amendments by written agreement of the Parties, and the EDC Board of Directors has approved the modifications contained in this Second Amendment.

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

1. Definitions. Capitalized terms used but not defined in this Second Amendment shall have the meanings assigned to such terms in the Contract.
2. Amendment and Replacement of Section I(3). Section I(3) of the Original Contract, as amended by the First Amendment, is hereby deleted in its entirety and replaced with the following:

“(3) Employment Condition.

(a) To avoid any recapture of incentives provided hereunder, the Company must satisfy the Employment Condition for each calendar year beginning with calendar year 2024 and continuing through calendar year 2033. The Employment Condition shall be satisfied for a particular calendar year if the number of Qualified Employees at the Project equals or exceeds the applicable minimum set forth in the following table:

| Calendar Year | Minimum Number of Qualified Employees |
|----------------------|--|
| 2024 | 365 |
| 2025 | 365 |
| 2026 | 406 |
| 2027 | 555 |
| 2028 | 576 |
| 2029 | 576 |
| 2030 | 576 |
| 2031 | 576 |
| 2032 | 576 |
| 2033 | 576 |

(b) The Employment Condition for a particular calendar year may be satisfied by either of the following methods, at the Company's election for such calendar year:

- (i) the number of Qualified Employees employed at the Project as of September 15 of the applicable calendar year; or
- (ii) the average of the number of Qualified Employees employed at the Project on the last day of each month during the applicable calendar year."

For purposes of the Contract, as amended, "***Qualified Employee***" shall mean a full-time employee at the New Braunfels facility by the Company or its Affiliate, or Temp for Hire (as defined in the Original Contract) who works a minimum of thirty (30) hours per week at the Project (i.e., annual scheduled hours of at least 1500), and who qualifies for benefits commonly associated with full time employment, including but not limited to healthcare, paid and unpaid leave benefits, and/or eligible to participate in Company's qualified retirement plan

(c) Local Hiring Goal. To focus the economic benefits of job creation created by the Facility on the local community, the Company shall use commercially reasonable efforts to ensure that no less than twenty percent (20%) of the Qualified Employees required pursuant to Section 3(a) above shall be Local Employees (the "***Local Hiring Goal***"). For purposes of this Section, "***Local Employee***" shall mean a Qualified Employee whose primary residence is within the boundaries of Comal County or Guadalupe County, Texas as of the date of hire. The Parties acknowledge that this percentage is a good faith commitment and not a rigid hiring quota. The Parties also acknowledge that the Company shall not engage in any hiring practice that would violate applicable federal, state, or local nondiscrimination and equal employment opportunity laws in pursuit of this goal.

The Company shall maintain documentation of its good faith efforts to recruit and hire Local Employees, including but not limited to: posting job openings with local workforce development boards and community organizations; participating in local job fairs and outreach events; advertising in local media outlets; partnering with local educational institutions or training programs.

Notwithstanding the foregoing, however:

- (i) if, in any measuring year, the annual unemployment rate for Comal County, Texas, as published by the U.S. Bureau of Labor Statistics through its Local Area Unemployment Statistics (LAUS) program for Comal County, Texas or a mutually agreed-upon source, is less than three and one-half percent (3.5%), then the Local Hiring Requirement shall be waived for that year.
- (ii) If the Company does not meet the Local Hiring Goal in any measuring year, then the Company shall within twelve (12) months demonstrate its commercially reasonable efforts to increase outreach and recruitment of Local Employees, and provide the City with a report detailing such efforts. Evidence of such good faith efforts shall be deemed sufficient to satisfy the Company's obligations under this Section.
- (iii) Nothing in this Section shall require the Company to hire or retain any unqualified applicant or to violate applicable employment laws.
- (iv) The Local Hiring Goal is not intended and shall not be applied as a proxy for discrimination on the basis of any protected characteristic under applicable law, and if any court of competent jurisdiction, arbitrator, or governmental authority determines that the Local Hiring Goal, as drafted or applied, is or would be such a proxy for discrimination, the Local Hiring Goal shall be waived.
- (v) For each year that the Company fails to satisfy the Local Hiring Goal following a failure to cure such failure as provided under Section I(3)(c)(ii) above and subject to the other conditions and qualifications hereunder, the Company shall pay back to the EDC an amount equal to \$1,000 per percentage point short of the Local Hiring Goal for that year."

3. Removal of Two-Year Rolling Average Concept. All references in the Contract (including, without limitation, Sections I(3) and I(5)) to the "two-year rolling average" method of determining the number of Qualified Employees are hereby deleted and shall be of no further force or effect.
4. Annual Certifications. Section I(5) of the Contract is amended to require that the annual affidavit submitted by the Company include the results of the measurement method selected by the Company under Section I(3) for the applicable calendar year and a statement identifying which of the two measurement methods set forth above was used. Except as expressly modified by this Second Amendment, all other requirements of Section I(5) remain unchanged.

5. Conforming Amendments. The Parties acknowledge that additional conforming changes to cross-references, headings, and defined terms in the Contract may be necessary to fully implement the intent of this Second Amendment; any such conforming changes are hereby deemed made and incorporated into the Contract as amended hereby.
6. Ratification of Contract. Except as expressly amended by this Second Amendment, the Contract remains unmodified and in full force and effect, and the Parties hereby ratify and confirm the Contract as amended. In the event of any conflict between the terms of the Contract and the terms of this Second Amendment, the terms of this Second Amendment shall control.
7. Counterparts; Electronic Signatures. This Second Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. Signatures transmitted by electronic means (including .pdf or other electronic imaging) shall be deemed original signatures for all purposes.
8. Binding Effect. This Second Amendment is binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

[Signature page follows]

Executed to be retroactively effective as of the 1st day of January, 2024 (the “*Effective Date*”).

NEW BRAUNFELS ECONOMIC
DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CONTINENTAL AUTONOMOUS MOBILITY
US, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____