

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

THE STATE OF TEXAS               §  
COUNTY OF COMAL             § KNOW ALL MEN BY THESE PRESENTS

THIS CONTRACTUAL AGREEMENT, 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**"), acting by and through its duly authorized officers, and Continental Autonomous Mobility US, LLC, a Delaware limited liability company (the "**Company**"), with its principal office located at One Continental Drive, Auburn Hills, Michigan, 48326, acting by and through its officers.

**WITNESSETH:**

WHEREAS, the term “***Existing Facility***” as used herein refers to the manufacturing and research facility developed by the Company under that certain Performance Agreement between the Company (as assignee of Continental Automotive Systems, Inc.) and the New Braunfels Economic Development Corporation, dated December 14, 2020, as amended (the “***Prior Performance Agreement***”), and located at 440 Kohlenberg Road, New Braunfels, Texas; and

**WHEREAS**, Company desires to invest approximately \$110,000,000.00 cumulatively in (i) additional improvements and capital investment, including the expansion of its manufacturing and research facility by adding approximately 65,000 square feet onto the existing structure (the “**Expansion**”), which together with the Existing Facility constitutes the “**Facility**”, (ii) additional machinery and equipment, and (iii) additional furniture, fixtures, and equipment; and

**WHEREAS**, the Company and the City of New Braunfels anticipate entering into a separate Tax Abatement Agreement pursuant to Chapter 312 of the Texas Tax Code, following approval of this Agreement; and

**WHEREAS**, under the authority granted to the EDC by Texas Local Government Code §501.101, EDC recommended this project for approval on September 30, 2025, and the New Braunfels City Council approved it with Resolution XXXX on MONTH DAY, YEAR; and

**WHEREAS**, the incentives are offered by the EDC in consideration of the Company fulfilling performance requirements including creating additional taxable value at its New Braunfels facility and the creation and retention of primary jobs at a minimum annual wage. Said terms and conditions are further described below; and

**WHEREAS**, the City and the Company acknowledge and agree that the inclusion of an economic development incentive, as provided herein, is a material inducement for the Company to proceed with the Expansion and make substantial capital investments within the City; and

**NOW, THEREFORE**, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## AGREEMENT

### I. COMPANY'S OBLIGATIONS

#### A. Initial Investment

1. The Company intends to construct or cause to be constructed improvements at the Facility and agrees to the Commencement of Construction no later than June 30, 2026, subject to Force Majeure.
2. Company shall demonstrate to EDC's reasonable satisfaction an investment of at least \$70,000,000 cumulatively in the Expansion.

#### B. Employment

1. The Company agrees to maintain the following employment requirements for employees working at or based out of the Facility throughout the term of the Agreement:

Abatement Year	Minimum Qualified Employees	Minimum Annual Payroll
1st Abatement Year	576	\$35,919,936
2nd Abatement Year	595	\$37,104,795
3rd Abatement Year and continuing through term of this Agreement	640	\$39,911,040

For purposes of the table above, Company shall be deemed to have met the minimum jobs requirement so long as the number of Qualified Employees as of September 15 of the applicable calendar year or the average of the number of Qualified Employees employed on the last day of each month during the applicable calendar year is 80% or greater than the required Minimum Qualified Employees for the compliance year, at the Company's election for such calendar year. Company shall be deemed to have met the minimum Annual Payroll requirement so long as the Annual Payroll actually paid is 90% or greater than the required Minimum Annual Payroll.

2. Average Annual Wage

To avoid any recapture of the incentives provided hereunder, the Company must demonstrate an Average Wage of at least \$62,000 during each year of this Agreement. For purposes hereof, "**Average Wage**" shall be the quotient of (a) the total Wages paid during a calendar year to a group of Qualified Employees at the Project equal to the Minimum Average Number of Qualified Employees specified above for such calendar year, *divided* by (b) the Minimum Average Number of Qualified Employees specified above for such calendar year. In determining the Average Wage, the Company may (a) exclude positions that exceed the Minimum Average Number of Qualified Employees, and (b) include in such calculations single positions held by more than one person during a given calendar year (for example, an individual employee working in January that ceases

employment with the Company and is replaced by another employee in July who works through the end of the year) so long as no overlapping periods are included in the computation of Wages.

### 3. 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 I.B.1. 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 Goal 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.

### 4. Certification Affidavit

To demonstrate satisfaction with the Employment requirement the Company must submit an affidavit in March of each year beginning in the 1st Abatement Year certifying the actual number of Qualified Employees, Aggregate Annual Wages paid as of the end of the preceding calendar year, and the Average Wage during such preceding calendar year. If Company fails to provide

certification as required in this Section by March 31 of the following Abatement Year and fails to subsequently provide such certification within thirty (30) days following written notice from the EDC, the EDC shall have the option to deny eligibility for the Company to receive the Incentive for the Abatement Year in which the certification was required, unless the failure was due to an event of Force Majeure. Notwithstanding the foregoing, Company shall not be required to disclose confidential personnel information regarding individual employees or their compensation.

## 5. Audit

Company shall permit EDC to audit Company's employment records for each year the Company is required to perform, subject to a notification of 30 days prior to requested access of employment records; provided, however, that the EDC's access to the employment records shall be limited to what those records necessary to verify compliance and the EDC shall treat all such records as confidential information for all purposes including the Texas Public Information Act as applicable and subject to applicable law. For the purposes of this audit provision and the enforcement of any provision of this Agreement, the City of New Braunfels employees shall serve as the EDC's agent, pursuant to that Agreement between the City and the EDC.

## 6. Definitions

- a. "**Abatement Year**" refers to each annual period during the term of the Tax Abatement Agreement for which the Company is eligible to receive a property tax abatement, commencing with the First Abatement Year.
- b. "**Affiliate**" means, with respect to any specified person or entity, any other person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person or entity. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract, or otherwise. An Affiliate includes, but is not limited to, any parent, subsidiary, or sibling entity of the Company, and any entity in which the Company or its parent, subsidiary, or sibling entity owns, directly or indirectly, at least fifty percent (50%) of the equity interests or voting power.
- c. "**Annual Payroll**" means the total amount of compensation paid to all Qualified Employees, including but not limited to, salaries and wages, bonuses, and payroll taxes paid during the calendar year to all Qualified Employees working at the Facility, excluding employer-paid fringe benefits (such as the employer-paid portion of health insurance premiums, life insurance, meal discounts, discounted or free childcare, 401k match, etc.).
- d. "**Average Wage Condition**" refers to the requirement that the Average Wage be at least \$62,000, as described in Section I.C.
- e. "**Employment Condition**" refers to the "Minimum Qualified Employees" specified in the table in Section I.B.1.
- f. "**Force Majeure**" means any contingency or cause beyond the reasonable control of Company,

including acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, governmental or de facto governmental action or inaction including, but not limited to, government actions pertaining to the determination of flood zones or FEMA actions, fire, earthquake, tornado, hurricane, explosions, floods, epidemics, strikes, slowdowns, work stoppages, unusually severe weather or adverse economic conditions (including, but not limited to, a slowdown in the automotive industry or adverse conditions due to tariffs).

- g. "**Minimum Average Number of Qualified Employees**" refers to the "Minimum Qualified Employees" specified in the table in Section I.B.1.
- h. "**Qualified Employee**" shall mean an employee of the Company, an Affiliate, or a joint venture involving the Company, or a Temp for Hire of the Company, an Affiliate, or such joint venture, who is scheduled to work at least 1,560 hours or more per year (30 or more hours per week) and who is offered benefits commonly associated with full-time employment, including but not limited to healthcare, paid and unpaid leave benefits, and, with respect to employees of the Company (but not Temps for Hire), the right to participate in Company's qualified retirement plan (or a similar plan in the case of any joint venture employees).
- i. "**Temp for Hire**" means an individual that is employed by a temporary employee agency (or similar business) who is working at the Facility pursuant to a contract between Company or its Affiliate and such temporary employee agency or other similar business.
- j. "**Wage**" is defined as the gross wages paid to an employee, excluding employer- paid fringe benefits (such as the employer paid portion of health insurance premiums, life insurance, meal discounts, discounted or free childcare, 401k match, etc.) but including the employee-elective benefits paid out of the gross wages (such as the employee paid portion of health insurance premiums, employee contributions to health savings accounts and cafeteria plans and 401k contributions made by employees).
- k. "**Wage Condition**" refers to the "Minimum Annual Payroll" specified in the table in Section I.B.1.

## II. INCENTIVES

In consideration of the Company meeting the above outlined performance obligations, EDC shall grant Company the following incentives:

- A. Upon EDC's determination that Company has complied with the requirements of Section I.A.1 and Section I.A.2 of this Agreement, the EDC will pay an amount not to exceed \$300,000, on behalf of the Company, for building permit fees, roadway impact fee and any other impact, regulatory or construction or permitting fee required by a governmental regulating entity associated with construction of the New Braunfels facility. Such amount may be paid directly from the EDC to the City or shall be reimbursed to Company within 30 days following written request received by the EDC. Any such fees in excess of the grant amount shall be the responsibility of the Company.

## III. REPAYMENT

- A. For each year that the Company fails to satisfy the Employment Condition, the Wage Condition and/or the Average Wage Condition, the Company shall pay back to the EDC an amount equal to

the greater of (a) \$1,000 for each Qualified Employee position short of the Employment Condition; (b) one percent (1%) of the aggregate wages for Qualified Employees short of the Wage Condition; or (c) one percent (1%) of the product of (1) the Minimum Average Number of Qualified Employees for such year multiplied by (2) the difference between (A) \$62,000 less (B) the Average Wage for such year. Such repayment obligation shall be the sole remedy of the EDC for a failure of the Company to satisfy the Employment Condition, the Wage Condition, and/or the Average Wage Condition.

- B. 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.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.
- C. In no event, may the aforementioned amounts repaid by the Company to the EDC exceed the value of the incentives actually received by the Company from the EDC.

#### IV. NONDISCRIMINATION

In the performance of this Agreement, Company shall not discriminate against any person because of the person's race, color, religion, national origin, sex, disability or ancestry. Proven breach of this covenant may be regarded as a material breach of this Agreement causing its termination.

#### V. UNDOCUMENTED WORKERS

Chapter 2264 of the Texas Government Code requires Company to certify that Company will agree not to knowingly employ any undocumented workers during the term of the Agreement. If Company is convicted of a violation under 8 U.S.C. Section 1324a(f), Company shall repay the amount of the financial incentives it has received from EDC with six percent (6%) interest, at the rate and according to the other terms provided by an agreement under Section 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies Company of the violation. If convicted, Company shall repay the amount of all financial incentives for the year(s) in which the violation occurred.

#### VI. ASSIGNMENT

Company may not assign this Agreement without the prior written consent of the EDC, whose consent shall not be unreasonably withheld; provided, however, that Company may assign this Agreement, without the prior written consent of the EDC, to any Affiliate of Company or in connection with a corporate reorganization, merger, consolidation, sale of all or substantially all of its assets, or any change in control resulting from such a transaction, so long as the assignee expressly assumes in writing all obligations of Company under this Agreement. For the avoidance of doubt, a change in the name of the Company, a change in the ownership of the parent entity of the Company, or a spin-off, reorganization, or similar transaction affecting the Company or its parent entity, shall not be considered an assignment requiring the EDC's consent, provided that the entity assuming the obligations under this Agreement expressly assumes in writing all such obligations. Additionally, a change in the legal name of the Company or a change in control resulting solely from a reorganization of the Company's parent company shall not be deemed to constitute an assignment under this Agreement or trigger the assignment provisions herein.

## VII. NOTICE

All communications between EDC and Company shall be addressed to the President of the New Braunfels Economic Development Corporation, c/o City of New Braunfels, 550 Landa Street, New Braunfels, Texas 78130, with a copy being sent to the City Manager at the same address.

Any communication to Company shall be addressed to:

Ibro Muharemovic  
Head of Market Americas BA Autonomous Mobility  
One Continental Drive  
Auburn Hills, MI 48326

Legal Department  
One Continental Drive  
Auburn Hills, MI 48326

## VIII. SEVERABILITY

It is understood and agreed that in the event any provision of this Agreement is inconsistent with requirements of law, the requirements of law will control and the parties shall revert to their respective positions, which would otherwise be enjoyed or occupied by the respective parties for the terms of this Agreement. In addition, if the Company notifies the EDC that it is unable to satisfy any deadline provided in this Agreement due to adverse economic conditions, the EDC agrees to meet with the Company to better understand the impact of those adverse economic conditions on the Company and consider making good faith adjustments to the terms of this Agreement to address the impacts of such adverse economic conditions upon the Company.

## IX. ENTIRE AGREEMENT

The foregoing instrument in writing between the parties herein, constitutes the entire agreement between the parties, relative to the funds made the basis hereof, and any other written or oral agreement with the EDC being expressly waived by the Company.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals on this \_\_\_\_ day of October, 2025.

NEW BRAUNFELS ECONOMIC  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Shane Hines, *President*

NEW BRAUNFELS ECONOMIC  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Larry Hammonds, *Secretary*

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals on this \_\_\_\_ day of October, 2025.

CONTINENTAL AUTONOMOUS MOBILITY  
US, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_