UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 05, 2024

QuantumScape Corporation

(Exact name of Registrant as Specified in Its Charter)

001-39345

(Commission File Number)

Delaware (State or Other Jurisdiction of Incorporation)

1730 Technology Drive San Jose, California (Address of Principal Executive Offices)

85-0796578 (IRS Employer Identification No.)

> 95110 (Zip Code)

Registrant's Telephone Number, Including Area Code: 408 452-2000

N/A (Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

	Trading	
Title of each class	Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	QS	The New York Stock Exchange

-...

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company \Box

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. □

Item 1.01 Entry into a Material Definitive Agreement.

Collaboration Agreement and IP License Agreement

On July 5, 2024, QuantumScape Battery, Inc. ("QS"), a wholly owned subsidiary of QuantumScape Corporation (the "Company"), entered into a Collaboration Agreement (the "Collaboration Agreement") with PowerCo SE ("PowerCo," and together with QS, the "Parties"), a battery cell company wholly owned by the Volkswagen Group, with the goal of industrializing the solid-state lithium-metal battery technology QS intends to use in its first planned product—the QSE-5 (the "QSE-5 Technology").

Under the Collaboration Agreement, the Parties will collaborate to enable PowerCo to manufacture battery cells incorporating the QSE-5 Technology, including establishing a joint QS-PowerCo staffed scale-up team to facilitate technology transfer into a target battery cell design defined by PowerCo, co-develop production processes, and carry out other related activities. The Parties will jointly own any new intellectual property jointly developed and relating to automotive battery cells or the industrialization thereof (but excluding background intellectual property of each Party, which shall continue to be owned by such Party, and any developed intellectual property relating to QS's separator technology, which shall be owned exclusively by QS).

Subject to the completion of certain technical milestones, the Parties have agreed to enter into a license agreement, the form of which is attached as an exhibit to the Collaboration Agreement (the "IP License Agreement"). The IP License Agreement provides that QS will grant PowerCo a non-exclusive, limited, royalty-bearing license to use the QSE-5 Technology for the purpose of manufacturing and selling batteries for automotive applications at one or more PowerCo facilities for a maximum total annual capacity of up to 40 GWh, and expandable by an additional 40 GWh of annual capacity. As part of the license arrangement, PowerCo will pre-pay QS an initial royalty fee of \$130,000,000, against which any future royalties due will be credited. The initial royalty is subject to a time-based diminishing clawback if the IP License Agreement is terminated early by PowerCo under certain conditions.

Amended Letter Agreement on Board Designation Rights

On July 5, 2024, QS, the Company and Volkswagen Group of America Investments, LLC ("VWGoAI"), a wholly owned affiliate of the Volkswagen Group, entered into a letter agreement (the "Amended Letter Agreement") that amended and superseded the previously disclosed letter agreement dated December 7, 2020 between QS, the Company and VWGoAI. Pursuant to the Amended Letter Agreement, VWGoAI will continue to have the right to designate up to two directors to the Company's board of directors (each, a "VW Director") notwithstanding the termination of the JV Agreement discussed below. Such designation rights will continue to be subject to termination upon certain other circumstances. The Amended Letter Agreement also outlines the VW Directors' rights to attend meetings of the Company's board and certain committees of the Company's board and to receive materials provided to other board members, subject to recusals and exclusions under circumstances relating to potential conflicts of interest.

The Volkswagen Group has been a collaborative partner of and significant investor in the Company since 2012.

The foregoing description of the terms of the Collaboration Agreement, IP License Agreement and Amended Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Collaboration Agreement, including the IP License Agreement attached as Exhibit 1 thereto, and the Amended Letter Agreement attached hereto as Exhibit 10.1 and Exhibit 10.2, respectively.

Item 1.02 Termination of a Material Definitive Agreement.

The entry into the Collaboration Agreement with PowerCo supersedes the joint venture arrangement under the previously disclosed Amended and Restated Joint Venture Agreement, dated May 14, 2020 (together with the ancillary agreements thereunder, the "JV Agreement"), by and among the Company, QS, Volkswagen Group of America, Inc. ("VWGoA"), VWGoAI, and QSV Operations LLC, the joint venture entity between QS and VWGoAI (the "JV Entity", and together with the Company, QS, VWGoA and VWGoAI, the "JV Parties"). VWGoA and VWGoAI are wholly owned affiliates of the Volkswagen Group.

Accordingly, in connection with the signing of the Collaboration Agreement, on July 5, 2024, the JV Parties entered into a Joint Venture Termination and Release Agreement (the "JV Termination Agreement") to, among other things, terminate the JV Agreement, dissolve the JV Entity, and remove earmark restrictions on \$134,000,000 of funds previously reserved by the Company for future contribution to the JV Entity.

The foregoing description of the terms of the JV Termination Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the JV Termination Agreement attached hereto as Exhibit 10.3.

As previously disclosed in the Current Report on Form 8-K filed on September 3, 2020, certain then senior level employees and advisors of the Company, including the Company's executive officers at that time, entered into lock-up agreements (the "Lock-up Agreements") pursuant to which they agreed to certain restrictions on the transfer of Company's securities, subject to certain exceptions, for up to four years from November 2020 or the earlier release in certain circumstances, including the termination of the

JV Agreement by VWGoAI. In connection with the signing of the JV Termination Agreement on July 5, 2024, the restrictions on the transfer of Company's securities under the Lock-Up Agreements automatically terminated pursuant to its terms.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Director

Frank Blome, Chief Executive Officer of PowerCo, has served on the board of directors of the Company (the "Board") since 2020. In order to execute the Collaboration Agreement and lead PowerCo in its collaboration with QS, Mr. Blome resigned from the Board on July 5, 2024. Mr. Blome's decision did not reflect any disagreement with the Company on any matter relating to the Company's operations, policies, or practices. The Company will continue to work closely with Mr. Blome and PowerCo in connection with the Collaboration Agreement. Mr. Blome served as one of the two designated VW Directors, and his successor on the Board is expected to be appointed and announced in the coming months.

Forward-Looking Statements

Certain information in this Current Report on Form 8-K may be considered "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, without limitation, statements regarding the Collaboration Agreement, IP License Agreement, Amended Letter Agreement, the Company's ability to achieve the technical milestones under the Collaboration Agreement required to trigger the license and royalty prepayment, and Board composition. These forward-looking statements are based on management's current expectations, assumptions, hopes, beliefs, intentions and strategies regarding future events and are based on currently available information as to the outcome and timing of future events. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements, including due to difficulties in achieving the quality, consistency, reliability, safety, cost and throughput required for commercial production and sale, changes in economic and financial conditions, changing regulatory requirements and other factors discussed in the section titled "Risk Factors" in our Annual Report and Quarterly Reports and other documents filed with the Securities and Exchange Commission from time to time. Except as otherwise required by applicable law, the Company disclaims any duty to update any forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits.

Exhibit Number	Description
10.1*	Collaboration Agreement
10.2	Amended and Restated Letter Agreement
10.3	Termination Agreement
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Portions of this exhibit have been omitted in accordance with Item 601 of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QuantumScape Corporation

Date: July 11, 2024

By: /s/ Michael McCarthy

Name: Michael McCarthy Title: Chief Legal Officer and Head of Corporate Development

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED IN ACCORDANCE WITH ITEM 601 OF REGULATION S-K, BECAUSE THE REGISTRANT HAS DETERMINED THAT THE OMITTED INFORMATION (I) IS NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL

Execution Version

COLLABORATION AGREEMENT

This **COLLABORATION AGREEMENT** (the "<u>Agreement</u>") is made and entered into as of July 5, 2024 (the "<u>Effective Date</u>") by and between QuantumScape Battery, Inc., a Delaware corporation having its principal place of business at 1730 Technology Drive, San Jose CA 95110 ("<u>QS</u>"), and PowerCo SE, a *societas europaea* having its principal place of business at Industriestrasse Nord 38239, Salzgitter, Germany ("<u>PowerCo</u>") (QS and PowerCo also each a "<u>Party</u>" and together the "<u>Parties</u>").

BACKGROUND

A. QS is the owner of and is continuing to develop certain technology and intellectual property rights pertaining to automotive battery cells, including the QSE5 Technology.

B. PowerCo intends to industrialize the QS Technology based on the QSE5 at scale by manufacturing battery cells consisting of such Technology, initially at one or more PowerCo facilities that together have a maximum annual capacity of 40GWh (the "<u>Initial</u> <u>Capacity</u>"). To enable such industrialization [***] the Parties need to undertake certain technology and knowledge transfer and development activities.

C. The Parties have agreed to enter into this Agreement to set forth the terms on which the Parties will collaborate to enable PowerCo to manufacture battery cells incorporating QSE5 Technology in the Target Design [***] at a 40GWh production line [***], including by establishing the Scale-Up Team, facilitating the transfer of QSE5 Technology into the Target Design, and industrializing the Cells to 40GWh of production, including carrying out the activities set forth in Statements of Work (the "Project").

D. In connection with the Project, subject to and conditional upon [***], PowerCo will make certain payments to QS on the terms and subject to the conditions set forth in the IP License Agreement.

Now, therefore, in consideration of the foregoing and the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

1.1Definitions. In this Agreement, the following terms shall have the meanings set forth below:

(a) "<u>Affiliate</u>" means (i) with respect to either Party, any other Person who at any time, now or in the future, directly or indirectly controls, is controlled by, or is under common control with such Party or Person, as applicable, and (ii) without limiting sub-clause (i), with respect to PowerCo, the Listed Affiliates. For purposes of this definition, "control" when used with respect to an entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

(b) "<u>Anti-Bribery Law</u>" means (i) the US Foreign Corrupt Practices Act of 1977, (ii) the UK Bribery Act 2010, and (iii) any other law, rule, regulation, or other legally binding measure of any relevant jurisdiction that relates to bribery or corruption.

(c) "<u>Anti-Money Laundering Law</u>" means any law which prohibits money laundering or terrorism financing and/or impose obligations to conduct money laundering or terrorism financing due diligence, including but not limited to: (i) 18 U.S.C. §§ 1956 and 1957; (ii) the European Union Money Laundering Directives and European Union member states' implementing legislation; and (iii) the UK Proceeds of Crime Act 2002 and the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

(d) "<u>Antitrust Laws</u>" mean any antitrust, competition or trade regulation laws that are designed or intended to prohibit, restrict, or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening competition.

(e) "<u>B Sample</u>" means an automotive battery cell consisting of QSE5 Technology that meets all applicable B sample requirements set by PowerCo as in <u>Annex 1</u>.

(f) [***].

(g) "<u>Background IP</u>" has the meaning set forth in <u>Section 7.1</u>.

(h) "<u>Business Day</u>" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in San Jose, California or Wolfsburg or Salzgitter, Germany.

(i) "<u>Cell Design</u>" shall mean all Technology and Intellectual Property Rights in the chemistry, composition, design and materials of the QSE5 battery cell.

(j) "<u>Cells</u>" means automotive battery cells produced by PowerCo in the Target Design that are made commercially available to customers of PowerCo.

(k) "<u>Change Order</u>" has the meaning set forth in <u>Section 3.3</u>.

(1) "<u>Confidential Information</u>" means, with respect to a Disclosing Party or its Representatives, information in any form (whether written, electronic, graphic, oral or otherwise) provided by or related to the Disclosing Party or its Representatives to the Receiving Party or its Representatives that (i) was marked confidential (or a similar designation) or was stated to be confidential at the time of disclosure; (ii) would reasonably be understood by the Receiving Party

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to be confidential or proprietary to the Disclosing Party; or (iii) is of a type of information identified in this Agreement as the Confidential Information of the Disclosing Party, including, in any event, all trade secrets and business secrets, any information contained in or related to any Background IP (including in the case of QS' Background IP, the QSE5 Technology and related Cell Design [***]), any Joint IP or the Project Plan, the existence of this Agreement and its terms and conditions, and information relating to discussions and negotiations with respect thereto. Notwithstanding the foregoing, the Confidential Information shall not include information that (A) is publicly known at the time of disclosure or becomes publicly known after disclosure through no wrongful act or breach of this Agreement by the Receiving Party; (B) is already in the possession of the Receiving Party at the time of disclosure without reference to the Disclosing Party's Confidential Information; (C) is rightfully and lawfully obtained by the Receiving Party from a third party without any confidentiality obligation, directly or indirectly, to the Disclosing Party or its Affiliates; (D) is independently developed by or for the Receiving Party without reference to the Disclosing Party or its Affiliates; (D) is independently developed by or for the Receiving Party without reference to the Disclosing Party is Confidential Information; or (E) is approved for public release by written authorization of the Disclosing Party.

(m) "Decarbonization Targets" has the meaning set forth in Section 5.2.

(n) "<u>Deliverables</u>" means any materials, reports, samples and other deliverables of any nature, whether written or unwritten, that a Party is required to deliver or provide to the other Party, or that the Parties are required to develop together, under any SOW or Workplan (including an industrialization blueprint).

(o) "<u>Dispute</u>" has the meaning set forth in <u>Section 11.1</u>.

(p) "<u>Economic Sanctions Law</u>" means the laws relating to economic or trade sanctions administered or enforced by the United States (including by OFAC or the U.S. Department of State), the United Kingdom, the European Union and its member states, and the United Nations Security Council.

(q) "Escalation Process" has the meaning set forth in <u>Section 11.2(a)</u>.

(r) "<u>Export Control Law</u>" means all U.S. and non-U.S. laws relating to export, reexport, and transfer, including but not limited to the Export Administration Regulations and the International Traffic in Arms Regulations.

(s) "<u>First B Samples</u>" has the meaning set forth in <u>Section 2.1(c)</u>.

(t) "<u>Governmental Authority</u>" means any national, supranational, federal, state, provincial or local authority, court, government or self-regulatory organization (including any stock exchange), commission, tribunal or organization, or any regulatory agency, or any political or other subdivision, department or branch of any of the foregoing.

(u) "<u>ICC Rules</u>" means the Rules of Arbitration of the International Chamber of Commerce in effect as of the date the arbitration is commenced.

(v) "<u>Initial Capacity</u>" has the meaning set forth in the recitals to this Agreement.

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(w) "Initial Royalty Fee" means the "Initial Royalty Fee" as defined in the IP License Agreement.

(x) "Intellectual Property Rights" means all intellectual property and similar proprietary rights of any kind, anywhere in the world, whether registered or unregistered, including (i) patents and patent applications, utility models, industrial designs and design patent rights, including any continuations, divisionals, continuations-in-part and provisional applications and statutory invention registrations, and any patents issuing on any of the foregoing and any reissues, reexaminations, substitutes, supplementary protection certificates, extensions of any of the foregoing; (ii) trademarks, service marks, trade names, trade dress rights, logos, corporate names and other source or business identifiers, and all applications, registrations, extensions and renewals of any of the foregoing; (iii) copyrights, works of authorship, data, database and design rights, mask work rights and moral rights, whether or not registered or published, and all registrations, applications, renewals, extensions and reversions of any of the foregoing; (iv) trade secrets, know-how, confidential or proprietary information, including invention disclosures, inventions, ideas, algorithms, formulae, processes, methods, techniques, and models, whether patentable or not; and (v) software and firmware (whether in source code or object code and including all related specifications and documentation) or other technology, and all rights therein and thereto.

- (y) "<u>IP Indemnified Claim</u>" has the meaning set forth in <u>Section 9.3(a)</u>.
- (z) "<u>IP Indemnified Parties</u>" has the meaning set forth in <u>Section 9.3(a)</u>.

(aa) "<u>IP License Agreement</u>" means the agreed form IP License Agreement to be entered into between the Parties, in substantially the form as attached to this Agreement as <u>Exhibit 1</u>.

- (bb) "Joint IP" has the meaning set forth in Section 7.2.
- (cc) "<u>KPI</u>" means the key performance indicators set forth in <u>Annex 1</u>.

(dd) "Listed Affiliates" means ZellCo 1. Projektgesellschaft mbH and such other Persons (whether now existing or in the future) the Parties may mutually agree to include as a "Listed Affiliate" from time to time.

(ee) "<u>Maintenance and Support Agreement</u>" means a Maintenance and Support Agreement to be agreed and entered into between the Parties, reflecting at a minimum the agreed principles set forth in <u>Exhibit 2</u>.

(ff) "<u>Person</u>" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Authority or other entity of any kind or nature.

(gg) [***].

(hh) "Project" has the meaning set forth in the recitals to this Agreement.

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(ii) "<u>Project Agreements</u>" means, collectively, this Agreement, the IP License Agreement and the Maintenance and Support Agreement, and "<u>Project Agreement</u>" means any one of them.

(jj) "<u>Project Plan</u>" means the plan defining the overall milestones, activities, roles, responsibilities and budget for the Project as set forth in <u>Annex 2</u>, as may will be amended and/or supplemented by the Steering Committee in accordance with <u>Section 3.1</u>.

(kk) "[***] <u>Standards</u>" means [***], as set forth in <u>Annex 3.</u>

(ll) "QSE5" means the small energy battery cell format developed by QS and known as the 'QSE5' with approximately 5 Ah [***].

(mm) "QSE5 Technology" means all QS Technology embodied in the QSE5 that is used for B Sample [***].

(nn) "<u>Representative</u>" means, in relation to a Party, any Affiliate of that Party and any officer, employee, agent, advisor or representative of that Party or any of its Affiliates.

(oo) "<u>Restricted Entity</u>" shall have the meaning set forth in the IP License Agreement.

(pp) "<u>Scale-Up Team</u>" means, collectively, the team consisting of (i) QS personnel (including contractors) appointed by QS to carry out QS's day-to-day activities in relation to the Project and any SOWs, operating under the management and control of QS, and (ii) PowerCo personnel (including contractors) appointed by PowerCo to carry out PowerCo's day-to-day activities in relation to the Project and any SOWs, operating under the management and control of PowerCo.

(qq) "Separator" means QS' proprietary ceramic separator designed for use in its battery cells.

(rr) "<u>Separator IP</u>" means all Intellectual Property Rights embodied in the design, composition or manufacture of QS' Separator, including all improvements, enhancements, upgrades, or changes thereto after the date of this Agreement and provided to PowerCo or its Affiliates hereunder.

(ss) "Services" means any services that one Party is required to provide to another Party under any SOW.

(tt) "<u>SOP</u>" means the start of production of commercial volumes of Cells at PowerCo's Cell facilities.

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(uu) "Specifications" means the specifications for the Cells as set forth in <u>Annex 1</u>.

(vv) "Statement of Work" or "SOW" means any statement of work entered into between the Parties under this

Agreement.

(ww) "Steering Committee" has the meaning set forth in Section 4.1.

(xx) "Target Design" has the meaning set forth in Section 2.1(b).

(yy) "<u>Technology</u>" means all technology, inventions, discoveries, processes, techniques, methods, ideas, concepts, research, proposals, materials, and other deliverables and work product of any nature whatsoever.

(zz) [***].

(aaa) "Workplan" has the meaning set forth in Section 3.1.

<u>1.2Interpretation</u>. In this Agreement, unless the context requires otherwise: (a) a statutory provision, includes a reference to: (i) the statutory provision as modified or re-enacted from time to time (whether before or after the Effective Date), and (ii) any subordinate legislation made pursuant to the statutory provision (whether before or after the Effective Date); (b) a Party, Person or entity, includes a reference to that Party's, Person's or entity's successors, personal representatives or assigns; (c) an agreement includes a reference to such agreement as amended from time to time; (d) an "Article", "Section", "Exhibit" or "Annex", unless the context otherwise requires, is a reference to (respectively) an article or section of, or exhibit or annex to, this Agreement; (e) the singular includes the plural and vice versa; and (f) references to one gender includes all other genders. The headings in this Agreement will not affect the interpretation of this Agreement. Whenever the words "include", "includes", "including" or "in particular" (or similar derivates) are used, they are deemed to be followed by the words "without limitation". The Exhibits and Annexes are part of this Agreement. This Agreement is the result of arm's length negotiations between the Parties and will be construed to have been drafted jointly by the Parties such that any ambiguities in this Agreement will not be construed against any Party as a result of that Party having drafted or proposed the relevant clause.

<u>ARTICLE II</u> COLLABORATION

2.1Collaboration Efforts and Key Milestones. Each Party shall cooperate and work in good faith with the other Party in connection with the Project. Each Party shall [***] use all reasonable efforts necessary to execute the Project Plan and shall perform the activities allocated to it under any Statements of Work. Without limiting either Party's obligations or commitments under the Project Plan, and except as may otherwise be agreed by both Parties in writing, the Parties agree that:

(a) [***];

(b)[***] PowerCo shall inform QS of the version of [***] that PowerCo intends to mass produce and into which QSE5 Technology would be incorporated (the "<u>Target Design</u>");

(c) QS shall deliver to PowerCo [***] samples of the QSE5 in accordance with the specifications and requirements set forth on <u>Annex 1</u> (the "<u>First B Samples</u>") [***]; and

(d)[***].

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2.2Status Reports.

(a) Until [***], QS shall, on a regular basis as determined by the Steering Committee, provide PowerCo with written status reports (each, a "<u>Status Report</u>") describing in reasonable detail: (i) the status of the QSE5 development and QS's activities in connection therewith; and (ii) any Deliverables and other results relating thereto.

(b) From [***], the Scale-Up Team shall, on a regular basis as determined by the Steering Committee, provide each Party with a Status Report describing in reasonable detail: (i) any reportable problems or difficulties encountered or anticipated in connection with the Project, including any inability or anticipated inability to comply with any of the material terms of the Project Plan or an SOW or any other requirements under this Agreement; and (ii) any other reports and updates reasonably requested by PowerCo.

<u>2.3Execution of Other Project Agreements</u>. The Parties acknowledge and agree that PowerCo's entry into the other Project Agreements in accordance with this <u>Section 2.3</u> is based on both Parties' [***] and to using all reasonable efforts necessary to achieve the outcomes of the Project in accordance with this Agreement. Within [***] days following [***], or such other timing as may be agreed by both Parties in writing, each Party shall execute and deliver to the other Party a counterpart signature page to:

(a) the IP License Agreement (and PowerCo's obligation to pay the Initial Royalty Fee therein shall take effect upon its execution); and

(b) the Maintenance and Support Agreement; provided, that if the Parties have not agreed the Maintenance and Support Agreement by such time, the key principles set forth in <u>Exhibit 2</u> shall be binding on the Parties until such time as the Maintenance and Support Agreement is executed.

<u>2.4[***]</u>.

2.5Time of the Essence. Time shall be of the essence with respect to each Party's performance of its obligations under this Agreement and any SOW and each Party shall expeditiously comply with all such obligations.

ARTICLE III WORKPLANS AND STATEMENTS OF WORK

<u>3.1Quarterly Workplans</u>. The Parties, working through the Steering Committee, shall, on quarterly basis during the Term (or as otherwise agreed by both Parties), align on the detailed steps necessary to implement the Project Plan over the next quarter (each such quarterly sprint a, "<u>Workplan</u>"), which may (if agreed by both Parties) include (a) entering into one or more SOWs setting forth any additional activities not contemplated by the Project Plan to be carried out by each Party, and (b) supplementing the Project Plan as agreed by the Steering Committee.

<u>3.2Statements of Work</u>. Unless otherwise agreed, each SOW shall describe, at a minimum (to the extent applicable): (a) the Services and/or Deliverables to be performed or provided by each Party; (b) any equipment, materials or technology to be made available by each

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Party to the other Party, or required to be procured by each Party, for use in connection with the Project; (c) staffing and personnel requirements, including identification of each Party's lead contacts for the specific Services; (d) schedule of work to be performed; and (e) specifications, acceptance criteria, and quality control procedures. Once an SOW has been fully executed by both Parties, each Party shall have binding obligations under the SOW and shall perform its obligations in accordance with the SOW. Each SOW shall be consecutively numbered ("SOW-1" for the first SOW, "SOW-2" for the second SOW, etc.). The terms of this Agreement shall be made a part of and incorporated by reference into each SOW, and each SOW shall be incorporated into and made a part of this Agreement. Unless otherwise provided in this Agreement with respect to a particular article, section or clause, any discrepancy between this Agreement and an SOW shall be resolved in favor of this Agreement.

<u>3.3Changes to SOWs</u>. If either Party determines that a change is needed to any SOW, including to any Services, Deliverables, Specifications or schedule, then such Party shall promptly inform the other Party in writing of the facts and circumstances leading to such determination. Changes shall not bind either Party unless a change order ("<u>Change Order</u>") or amendment to the relevant SOW has been agreed in writing and executed by both Parties. Each Party agrees that it shall respond promptly to any Change Order or SOW amendment request received from the other Party and shall consider the need for any change in good faith.

<u>3.4Deliverables</u>. Each Party shall deliver to the other Party all Deliverables provided for in the applicable Workplan or SOW, together with related documentation, test results, and related materials in accordance with the applicable schedule and otherwise as set forth in this Agreement, including the applicable Workplan or SOW. Deliverables shall meet applicable requirements and criteria specified in the applicable Workplan or SOW.

<u>3.5Evaluation, Testing, Acceptance and Correction</u>. Evaluation, testing, acceptance, and correction criteria and procedures shall be set forth in the applicable requirements, specifications and/or engineering design documents that are developed and agreed upon during the course of the applicable Workplan or SOW, or as otherwise specified in the applicable Workplan or SOW. If a Deliverable fails to meet the requirements and/or criteria specified in such documents or is not delivered in accordance with the applicable Workplan or SOW, the responsible Party shall re-perform its obligations as necessary to deliver such Deliverable that meets the applicable requirements and/or criteria in accordance with the applicable Workplan or SOW.

ARTICLE IV STEERING COMMITTEE AND SCALE-UP TEAM

<u>4.1Steering Committee Formation and Responsibilities</u>. Within [***], each Party shall appoint two (2) representatives (who shall be employees of the applicable Party) to a steering committee with responsibility (in each case subject to <u>Section 4.4</u>) for: (a) coordinating the overall activities of each Party's members of the Scale-Up Team and determining the allocation of specific tasks pursuant to the Project Plan; (b) monitoring the Scale-Up Team's progress; and (c) making key decisions and discussing any issues relating to industrialization activities in connection with the Project (the "<u>Steering Committee</u>"). Either Party may reasonably object to the other Party's nominated representatives to the Steering Committee. Each Party's representatives on the Steering Committee shall be authorized to make decisions on behalf of such Party with respect to the

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day-to-day implementation and overall management of the Project (but not to amend this Agreement or a SOW). Either Party may replace one or more of its representatives on the Steering Committee at any time by written notice to the other Party; <u>provided</u>, that the Steering Committee shall at all times be comprised of an equal number of PowerCo and QS representatives, unless otherwise agreed to by the Parties in writing.

4.2Steering Committee Meetings.

(a) The Steering Committee shall meet at least once per quarter during the Term, unless otherwise agreed by both Parties. Meetings may be held in person or via telephone or videoconference as may be agreed by the Steering Committee members. The Parties shall be jointly responsible for convening meetings of the Steering Committee, agreeing the dates, times, and places of the meetings, and compiling and distributing relevant information, agendas, and other similar materials in advance of each such meeting. Meetings shall be held on at least five (5) Business Days' notice, except where all members of the Steering Committee agree otherwise. In the event of an issue of a serious nature arising in respect of any obligations relating to this Agreement, each Party shall have the right to convene an emergency meeting of the Steering Committee representatives (or their alternatives) are available at reasonable times and on reasonable notice in accordance with this <u>Section 4.2(a)</u>. Steering Committee meetings shall only be held if an equal number of representatives from each Party are in attendance (including virtually), unless waived by the Party represented by fewer representatives.

(b) Except as expressly set forth in this <u>Section 4.2(b)</u>, all decisions made by the Steering Committee shall require at least one vote from each Party's member of the full Steering Committee to be effective; <u>provided</u> that the Steering Committee shall operate in good faith and shall not unreasonably delay progress under this Agreement. If the Steering Committee cannot reach a unanimous decision on any matter within its remit, either Party may escalate the matter via the Escalation Process. If the matter is not resolved pursuant to the Escalation Process, then: (i) solely to the extent the matter relates to QS's development of QSE5 (or other areas stated in an applicable SOW as being within QS's exclusive remit), QS's representatives on the Steering Committee shall ultimately have the right to make a final decision with respect to such matter provided that both of QS's representatives agree on such decision; and (ii) solely to the extent the matter relates to PowerCo's industrialization of battery cells (or other areas stated in an applicable SOW as being within PowerCo's exclusive remit), PowerCo's representatives on the Steering Committee shall ultimately have the right to make a final decision with respect to such matter provided that both of PowerCo's representatives agree on such decision.

(c) The Steering Committee shall keep detailed minutes of all meetings. The Parties shall be responsible for preparing the minutes of the meetings on a rotating basis, unless otherwise agreed by both Parties. The minutes shall be signed (or approved in writing, including email) by a PowerCo representative and a QS representative in order to be effective. The preparation, signing, and approval of the minutes shall be made within five (5) Business Days after the meeting, and the minutes shall immediately thereafter be distributed to the members of the Steering Committee by a representative of the Party responsible for preparing such minutes.

4.3Scale-Up Team.

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(a) As soon as reasonably practicable after the Steering Committee's formation, the Steering Committee shall meet to agree upon the size and location of the Scale-Up Team and the number of employees and other personnel in each role that each Party will appoint to the Scale-Up Team. Promptly after that meeting, and in any event by no later than [***] (unless otherwise agreed by both Parties), the Parties shall form the Scale-Up Team with each Party appointing the agreed personnel to the Scale-Up Team and instructing such personnel as necessary or appropriate.

(b) Each Party shall ensure that, with effect from the formation of the Scale-Up Team and consistent with the Project Plan, the Scale-Up Team starts to work jointly on: (i) the transfer of QSE5 Technology into the Target Design; and (ii) defining the processes and tools specifications necessary to mass produce Cells consisting of QSE5 Technology in accordance with the Project Plan to meet the target SOP date specified in the Project Plan. The Scale-Up Team shall propose the tools and equipment for PowerCo's use in industrializing the QSE5 Technology into the Target Design.

(c) Each Party shall ensure that its members of the Scale-Up Team: (i) work expeditiously to achieve the Project milestones set forth in the Project Plan and <u>Section 2.1</u> in accordance with [***]; (ii) timely perform such Party's obligations under any Workplan or SOW; (iii) cooperate in good faith with the other Party's members of the Scale-Up Team; and (iv) comply with any applicable protocols that are agreed by both Parties in writing.

(d) The Parties agree that all IP invented, created, authored, or developed by a member of the Scale-Up Team in connection with the activities under the Project Agreements shall: (i) to the extent such IP constitutes Background IP of PowerCo, then such IP be deemed to be assigned to and owned by PowerCo; (ii) to the extent such IP constitutes Background IP of QS, including Separator IP, then such IP shall be deemed to be assigned to and owned by QS; and (iii) to the extent such IP is Joint IP, then such IP shall be jointly owned by PowerCo and QS as detailed in Section 7.2.

<u>4.4Governance and Management of Personnel</u>. The Parties acknowledge and agree that, notwithstanding the collaboration obligations set forth in this Agreement and the Steering Committee's role in overseeing the Scale-Up Team's activities, each Party shall at all times remain in sole control of directing, managing and providing instructions to its employees and other personnel. Each Party's members of the Scale-Up Team shall primarily be based at such Party's own facilities and shall operate under the management and control of such Party, collaborating only as directed by such Party with the other Party's members of the Scale-Up Team. Nothing in this Agreement shall give the other Party (whether through the Steering Committee or otherwise) the right or power to direct, manage or provide instructions to any employees or other personnel of the other Party.

ARTICLE V KNOWLEDGE TRANSFER AND COLLABORATION

<u>5.1Knowledge Transfer</u>. QS shall [***] provide the Scale-Up Team (and the Scale-Up Team shall transfer to PowerCo), with all know-how and information (including suppliers, data, specifications, processes, instruction and operating manuals, blueprints and designs) together with all other materials related to the QSE5 Technology that it owns or licenses and that it

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reasonably believes are necessary to: (a) enable PowerCo to transfer the QSE5 Technology into the Target Design and design the processes and equipment for a mass production line(s) at the Initial Capacity for the Cells to be installed at premises selected by PowerCo; and (b) support PowerCo in the manufacture of Cells meeting the Specifications and KPIs at such production line(s), in each case, without PowerCo requiring ongoing assistance or support from QS (including the Scale-Up Team) after the launch phase (except in connection with further knowledge transfers carried out pursuant to the Maintenance and Support Agreement). The Parties shall discuss in good faith the method, format and timing of further knowledge transfer requirements [***].

5.2Life Cycle Assessment. QS acknowledges PowerCo is committed to developing and achieving certain carbon dioxide equivalent (CO₂e) targets for its Cells (such targets, as may be further developed throughout the Term, the "<u>Decarbonization Targets</u>"). Accordingly, PowerCo and QS agree to use commercially reasonable efforts to: (a) jointly review PowerCo's Decarbonization Targets as soon as available, and (b) take all reasonable measures to incorporate the Decarbonization Targets into the plan of record for the Target Design and manufacturing process of the Cells to enable PowerCo to reach its Decarbonization Targets. QS shall share and regularly update all information reasonably required by PowerCo to facilitate a life cycle assessment, including bills of materials, levels of energy consumption, machinery, auxiliaries, material specifications and other similar information to allow PowerCo to conduct life cycle assessments and provide feedback to QS. QS shall consider in good faith and use commercially reasonable efforts to incorporate PowerCo's feedback into its development process applicable to the Project. The Parties agree to conduct their life cycle assessment activities pursuant to this <u>Section 5.2</u> primarily through the Scale-Up Team, and otherwise through such other group of representatives of the Parties as the Parties may establish from time to time.

<u>ARTICLE VI</u> <u>SUPPLIER SUPPORT</u>

<u>6.1Supplier Support</u>. The Parties shall collaborate in good faith to identify any materials, equipment and suppliers that may be needed to perform their obligations under any Workplan or SOW. PowerCo will consider in good faith (but without obligation) whether there are opportunities to leverage PowerCo's existing contractual relationships with such suppliers to support QS.

ARTICLE VII INTELLECTUAL PROPERTY RIGHTS

<u>7.1Background IP</u>. As between the Parties, each Party shall retain all right, title, and interest in and to any and all Technology and Intellectual Property Rights owned, controlled, or held under license by that Party or its Affiliates, in each case, other than Joint IP (collectively, such Party's "<u>Background IP</u>"). Each Party agrees that it will not file any registrations for Intellectual Property Rights based solely on Background IP of the other party that it becomes aware of solely due to activities undertaken by such party under this Agreement. The Parties agree that the Project Plan will contain Background IP of each Party. In addition, QS Background IP shall include: (a) any Intellectual Property Rights related to the Cell Design [***] (b) Intellectual Property Rights that QS creates independently without input from PowerCo, to the extent it relates to Cell Design, and (c) unless otherwise agreed by both Parties, all Separator IP. In particular, the parties

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acknowledge and agree that notwithstanding anything to the contrary, unless the Parties mutually agree in writing, all Separator IP shall belong to and be owned by QS, or shall be obligated to be assigned, and is hereby assigned, to QS, and QS shall be free to utilize such Separator IP without any restrictions, including licensing third parties the right to use the Separator IP.

7.2 Joint IP.

(a) [***] in the event that either Party (or any of its Affiliates) develops or creates any Intellectual Property Rights jointly with the other Party (or any of its Affiliates) under this Agreement that relates to the Cells or the industrialization of the Cells (including equipment, tools or processes for such industrialization, but excluding any Separator IP), all such Intellectual Property Rights and any registrations for Intellectual Property Rights resulting therefrom ("Joint IP") shall be jointly owned by the Parties in equal, undivided shares. The Steering Committee shall have the sole discretion to authorize the registration of any Joint IP that is capable of registration as an Intellectual Property Right, upon such authorization the Parties shall cooperate to file such applications with appropriate Governmental Authorities as may be agreed by both Parties and with counsel mutually agreed to by both Parties. To the extent any Joint IP is not so jointly owned by operation of law, each Party (on behalf of itself and its Affiliates) agrees to assign, and does hereby assign, to the other Party, such right, title and interest in and to all such Joint IP as necessary to ensure that all Joint IP is jointly owned by the Parties in equal, undivided shares. Each Party shall take such further actions and execute such further documents as may be reasonably necessary to give effect to that assignment. Notwithstanding the foregoing, the Parties acknowledge and agree that Joint IP shall not include any Technology or Intellectual Property Rights in any Background IP.

(b) Each Party shall be free to exploit its share of any Joint IP without accounting to or requiring consent from the other Party (subject to <u>Article X</u>); [***].

<u>7.3No Implied Licenses</u>. Except as expressly set forth in a Project Agreement, no rights or other licenses are granted, whether by implication, estoppel, operation of law or otherwise, with respect to either Party's Intellectual Property Rights (whether in connection with the use of any Joint IP or otherwise) or Background IP.

ARTICLE VIII TERM AND TERMINATION

<u>8.1Term</u>. This Agreement shall become effective upon the Effective Date and, unless it is terminated earlier in accordance with the terms hereof, shall continue until the date falling six (6) months after SOP (the "<u>Term</u>").

<u>8.2Mutual Termination</u>. During the Term, the Parties will jointly attempt to resolve in good faith any issues that may arise hereunder. Either Party may terminate this Agreement following the occurrence of any of the following events and written notice to the other Party:

(a) if the other Party becomes insolvent under local law, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt or insolvent, files a voluntary petition in bankruptcy or for a reorganization or to effect a plan or other arrangement with its

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creditors, files an answer to a creditor's petition or other petition against it for an adjudication in bankruptcy or thereof, or applies for or permits the appointment of a receiver, trustee, or custodian for any substantial portion of its properties or assets; or

(b) if an order is entered by any court approving an involuntary petition seeking reorganization of the other Party, or appointing a receiver, trustee or custodian for any substantial portion of its assets or business or if for any reason the other Party voluntarily or involuntarily suspends transaction of its business or ceases to function as a going concern.

<u>8.3 Termination of IP License Agreement</u>. This Agreement shall immediately terminate upon termination of the IP License Agreement, including in the event that PowerCo exercises its clawback rights under section 8.3 of the IP License Agreement.

8.4Termination by QS. QS may terminate this Agreement if [***].

<u>8.5Effect of Termination</u>. Upon termination of this Agreement, subject to <u>Section 8.6</u>, all rights and obligations of the Parties under this Agreement shall cease; <u>provided</u>, that neither Party shall be relieved from any liability arising under this Agreement prior to the date of termination.

<u>8.6Survival</u>. Notwithstanding the termination or expiration of this Agreement, <u>Article I, Article VII</u> (including <u>Section 7.2</u>), <u>Article VIII</u>, <u>Article IX</u>, <u>Article X</u> (in accordance with the terms thereof), <u>Article XI</u> and <u>Article XII</u>, as well as any other provisions that are expressly stated to survive termination or expiration, shall survive the termination or expiration of this Agreement and continue with full force and effect.

<u>ARTICLE IX</u> <u>REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION</u>

<u>9.1Mutual Representations and Warranties</u>. Each Party represents and warrants to the other Party that: (a) it is authorized to enter into this Agreement; (b) it has the right to carry out all of its obligations herein; (c) this Agreement has been duly executed by it and is a valid and legally binding obligation of such Party and enforceable against such Party in accordance with its terms; (d) it will not create a conflict with or breach the terms of any other agreement to which it is a party by executing or performing this Agreement; and (e) the execution, delivery and performance by the Party under this Agreement will not violate any statute, rule or regulation (including any Export Control Law) applicable to either, or any order, writ, judgment, injunction, or decree of any court, Governmental Authority, or arbitrator to which such Party is subject.

<u>9.2QS Representations and Warranties</u>. QS represents and warrants to PowerCo that: (a) the Services it provides under this Agreement will be performed with due skill and care in a professional and workmanlike manner in accordance with best industry practices; and (b) to the best of its knowledge, the QSE5 Technology it provides to PowerCo does not infringe, violate or misappropriate the Intellectual Property Rights of any other Person or (unless and to the extent agreed in advance writing by PowerCo) contain any open source software.

9.3IP Indemnification by QS.

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(a) QS shall, except as set forth in this <u>Section 9.3</u>, defend or settle, at its option and expense, any claim and all related losses (including legal fees and claims for indemnity) against PowerCo and/or its Affiliates (collectively, "<u>IP Indemnified Parties</u>"), alleging that the QSE5 Technology infringes, misappropriates or violates any third party's Intellectual Property Rights ("<u>IP Indemnified Claim</u>"). QS shall hold IP Indemnified Parties harmless from and against all expenses, costs, damages, liability, losses, suits, claims or other proceedings against Indemnified Parties arising from any IP Indemnified Claim. QS's obligations under this <u>Section 9.3(a)</u> are conditioned upon: (i) an IP Indemnified Party giving QS prompt written notice of the applicable Indemnified Claim; (ii) QS being given full authority to assume the sole defense thereof through its own counsel and to compromise or settle any suits so far as this may be done without prejudice to the right of Indemnified Parties to continue to use the QSE5 Technology; and (iii) IP Indemnified Parties cooperating fully with QS to facilitate defense or settlement of the applicable IP Indemnified Claim, at QS's sole expense.

(b) In relation to any such IP Indemnified Claim: (i) if the use of the QSE5 Technology by an IP Indemnified Party is held to constitute an infringement and is enjoined; or (ii) if in light of any infringement claim QS, after consultation with the IP Indemnified Parties, reasonably deems it advisable to do so, then QS shall either: (A) procure the right to continue the use of the same for IP Indemnified Parties; or (B) replace or modify the same to be free of the infringement claim if QS can do so without impairing or materially affecting the ability of the IP Indemnified Parties to use, manufacture, sell or export the covered product. QS shall keep the IP Indemnified Parties informed concerning any IP Indemnified Claim and the status thereof at least once per quarter, and at other times upon the reasonable request of the IP Indemnified Party.

(c) In the event a claim is based partially on an IP Indemnified Claim and partially on a non-IP Indemnified Claim, any payments and reasonable attorney fees incurred in connection with such claims shall be apportioned between the Parties in accordance with the degree of significance of the respective claims to the matter.

(d) Any settlement of any claims that imposes any liability or limitation on any Indemnified Party shall not be entered into without the prior written consent of the relevant Indemnified Party.

<u>ARTICLE X</u> CONFIDENTIALITY

<u>10.1Confidential Information</u>. Each Party (each a "<u>Receiving Party</u>") shall, and shall ensure that its Affiliates shall, treat as strictly confidential all of the other Party's (each a "<u>Disclosing Party</u>") Confidential Information and shall not, except with the prior written consent of the Disclosing Party (which shall not be unreasonably withheld, conditioned or delayed), make use of (save for the purposes of performing its obligations or exercising its rights under a Project Agreement) or disclose to any person (other than in accordance with this <u>Article X</u>) any Confidential Information. Each Receiving Party undertakes that it shall (and shall ensure that its Affiliates shall) only disclose Confidential Information to its Representatives where it is reasonably required for the purposes of exercising its rights or performing its obligations under this Agreement and only where the Representatives are informed of the confidential Information and the provisions of this <u>Article X</u> and such Representatives are bound

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to abide by confidentiality obligations substantially as protective as those contained herein. The Receiving Party shall be liable for any violation of this <u>Article X</u> by its Representatives. The confidentiality obligations set forth in this <u>Article X</u> shall bind the Receiving Party (a) with respect to Confidential Information that is a trade secret right or business secret, for so long as such Confidential Information remains a trade secret right or business secret under applicable law, and (b) with respect to all other Confidential Information, for a period of five (5) years from the date of disclosure of such Confidential Information, unless any of the exceptions set forth in <u>Section 10.2</u> applies.

<u>10.2Exceptions</u>. Notwithstanding <u>Section 10.1</u>, a Party shall have the limited right to disclose Confidential Information to the extent that:

(a) such disclosure is required by applicable law or by any stock exchange or any supervisory, regulatory, governmental or antitrust body having applicable jurisdiction and the Party using or disclosing Confidential Information (or whose Affiliate uses or discloses such Confidential Information) has (to the extent legally permissible and reasonably practicable in the circumstances) given the other Party sufficient prior notice in order for such other Party to obtain a protective order or other appropriate remedy;

(b) such disclosure is reasonably required to sublicense relevant Intellectual Property Rights; <u>provided</u>, however, such disclosure is made only to those sublicensees who are permitted under a Project Agreement and such sublicensees are subject to confidentiality obligations and restrictions at least as protective of the Confidential Information as set forth herein; or

(c) such disclosure is required in order to facilitate any assignment or proposed assignment of the whole or any part of the rights or benefits under this Agreement which is permitted by this Agreement or to actual or potential lenders, investors or other third parties from whom a Party may seek to obtain debt or equity financing or other credit support; provided, however, such disclosure is made only to those parties on an as-needed basis and any third party who has access to the Confidential Information is subject to confidentiality obligations and restrictions at least as protective of the Confidential Information as set forth herein.

ARTICLE XI GOVERNING LAW AND DISPUTE RESOLUTION

<u>11.1Governing Law</u>. Any and all disputes, controversies, or claims arising out of or relating to this Agreement (in all cases, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise), or the existence, breach, termination or invalidity of this Agreement between the Parties, whether arising from this Agreement itself or arising from alleged extra-contractual facts prior to, during or subsequent to this Agreement (each, a "<u>Dispute</u>"), shall be governed by, construed and enforced in accordance with the laws of the State of Delaware without reference to that jurisdiction's choice or conflict of laws rules.

11.2Dispute Resolution and Escalation.

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(a) Except as otherwise provided in this Agreement, the Parties shall resolve any Dispute under the provisions of <u>Section 11.2(b)</u> through <u>Section 11.2(f)</u> (the "<u>Escalation Process</u>"); <u>provided</u>, that if a Dispute relates to an alleged breach of <u>Article X</u>, a Party may submit the Dispute directly to the Executives for resolution by submitting an Escalation to Executive Notice and, if the Executives have not identified a proposed resolution to the Dispute within thirty (30) Business Days, the Parties shall not be required to pursue mediation under <u>Section 11.2(d)</u> before proceeding to arbitration in accordance with <u>Section 11.3</u> and, if applicable, may seek injunctive relief pursuant to <u>Section 11.4</u> at any time after such thirty-day period. The Escalation Process, together with the injunctive relief for breaches of Article X, shall be the exclusive mechanism for resolving any Dispute that may arise from time to time and is an express condition precedent to binding arbitration of the Dispute.

(b) A Party shall send written notice to the other Party of any Dispute ("<u>Dispute Notice</u>"). The Parties shall first attempt in good faith to resolve any Dispute set forth in the Dispute Notice by negotiation and consultation between themselves. In the event that such Dispute is not resolved within thirty (30) Business Days after one Party delivers the Dispute Notice to the other Party, whether the negotiation sessions take place or not, either Party may, by written notice to the other Party ("<u>Executive Notice</u>"), refer such Dispute to the Chief Executive Officer (or their nominated representative) of each Party ("<u>Executive(s)</u>").

(c) If the Executives cannot resolve the Dispute during the time period ending thirty (30) Business Days after the date of the Escalation to Executive Notice (the last day of such time period, the "Escalation to Mediation Date"), either Party may propose pursuing mediation under Section 11.2(d).

(d) Subject to <u>Section 11.2(c)</u>, the Parties may, at any time after the Escalation to Mediation Date, submit the Dispute to any mutually agreed-upon neutral mediator. The Parties shall cooperate with one another in seeking to agree on a mediator, but if they are unable to agree on a mediator within ten (10) Business Days, then they shall have a mediator appointed by the International Chamber of Commerce. If and when the Parties agree on the appointment of a mediator, the Parties shall simultaneously submit a position paper to the mediator and each other in accordance with and subject to any directions given by the mediator. The Parties shall cooperate with each other, and the mediator, in scheduling and participating in the remainder of the mediation proceedings. The Parties covenant that they shall use commercially reasonable efforts in participating in the mediation on an expedited basis. The Parties agree that the mediator's fees and expenses and the costs incidental to the mediation shall be shared equally between the Parties, and each Party shall bear the fees and expenses of its own advisors.

(e) The Parties further agree that all offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts, and attorneys, and by the mediator and any employees of the external advisor, are confidential, privileged, and inadmissible for any purpose, including impeachment, in any litigation, arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

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(f) If the Parties cannot resolve any Dispute for any reason, including the failure of either Party to agree to enter into mediation, the appointment of a mediator or any settlement proposed by the mediator, within thirty (30) days after the Escalation to Mediation Date, either Party may commence binding arbitration in accordance with <u>Section 11.3</u>.

<u>11.3Arbitration</u>. Any Dispute not resolved pursuant to the Escalation Process shall be finally settled by binding arbitration under ICC Rules by one (1) arbitrator, who shall be nominated jointly by the Parties within thirty (30) days of receipt of the request for arbitration; <u>provided</u>, however, that if any part of the Dispute relates to the existence, termination or invalidity of any Project Agreement, the entire Dispute shall be settled by three (3) arbitrators, one of whom shall be nominated by the initiating Party in the request for arbitration, the second of whom shall be nominated by the other Party, within ten (10) days of receipt of the request for arbitration, and the third of whom, who shall act as chair, shall be nominated jointly by the two (2) Party-nominated arbitrators within ten (10) Business Days of the nomination of the second arbitrator. If any arbitrator is not nominated within the applicable foregoing time periods, the ICC Court shall make the appointment(s). The legal place, or seat of the arbitration, shall be New York, New York. The language to be used in the arbitration shall be English. Any situation not expressly covered by this Agreement shall be decided in accordance with the ICC Rules. Each Party consents to the personal jurisdiction of the State of New York for any case arising out of or otherwise related to the arbitration, its conduct and its enforcement. Judgment on the award may be entered in any court having jurisdiction thereof. In any such arbitration, either Party may argue that the essential purpose of this Agreement has been frustrated and, as such, the arbitrators may be entitled to determine that this Agreement should be terminated.

<u>11.4Injunctive Relief</u>. Nothing in <u>Sections 11.2</u> or <u>11.3</u> shall prevent either Party from applying to a court or tribunal of competent jurisdiction to seek an injunction, specific performance or other equitable relief for a breach or threatened breach of <u>Article</u> <u>X</u> or for Disputes alleging infringement or misappropriation of Intellectual Property Rights.

ARTICLE XII MISCELLANEOUS

<u>12.1Expenses</u>. Except as specifically provided in this Agreement or any SOW, each Party shall bear its own costs and expenses (including legal, accounting and financial advisory fees) in connection with the preparation, negotiation and execution of, and performance of its activities under this Agreement and any SOWs. Notwithstanding anything to the contrary herein, PowerCo shall be responsible for its costs associated with the industrialization of its [***] Cells and its production of A, B and C samples of its [***] Cells.

<u>12.2Force Majeure</u>. A Party shall not be in breach of this Agreement, or liable for any failure or delay to perform, in whole or in part, its obligations under this Agreement if and to the extent that such failure is due to any act of God, fire, flood, war, act of terrorism, riot, governmental actions, labor disputes (save where such disputes involve personnel of the non-performing Party), pandemic, epidemic, quarantine and any similar events that are not reasonably foreseeable and beyond the reasonable control of the non-performing Party (each, a "<u>Force Majeure Event</u>"); provided that it: (a) promptly notifies the other Party of the nature and extent of the Force Majeure Event causing its failure or delay in performance; and (b) uses its best endeavors to prevent or

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mitigate the effect of the Force Majeure Event to carry out its obligations under this Agreement in any way that is reasonably practicable and to resume the performance of its obligations as soon as reasonably possible.

<u>12.3Publicity</u>. Neither Party shall make any public announcement in connection with this Agreement, or the negotiation of entering into this Agreement, without the other Party's prior written consent, except to the extent required by applicable law, any Governmental Authority or applicable stock exchange rules (in which case the announcing Party shall, unless prohibited by applicable law, Governmental Authority or stock exchange rules, provide the other Party with as much advance notice as reasonably possible of such announcement and take the other Party's views into account with respect to such announcement). Without limiting the foregoing, the Parties shall coordinate in good faith to agree the form of an announcement of the Project to be released following execution of this Agreement. Each Party shall take reasonable efforts to limit the disclosure or other public use of the names, characters, artwork, designs, trade names, copyrighted materials, trademarks or service marks of the other Party, without first obtaining the other Party's written consent.

<u>12.4Assignment</u>. Neither this Agreement, nor any rights, interests or obligations hereunder, may be assigned, transferred or delegated by a Party without the other Party's prior written consent; <u>provided</u>, however, that (a) either Party may assign or transfer this Agreement in whole to a Person that succeeds to all or substantially all of a Party's business or assets to which this Agreement relates, including by sale, acquisition or merger provided that such Person agrees in writing to assume all of the rights and obligations set forth in this Agreement; and (b) PowerCo may assign or transfer this Agreement in whole to any of its Affiliates provided that such Affiliate remains bound by this Agreement. Notwithstanding the foregoing, in no event may either Party transfer or assign this Agreement to a Restricted Entity. Any assignment or transfer in violation of this <u>Section 12.4</u> shall be void *ab initio*. In the event of an assignment by PowerCo pursuant to clause (a) of this <u>Section 12.4</u>, unless otherwise agreed by the Parties, [***] shall be amended such that <u>Section 2.4</u> ceases to apply with effect from the date of such assignment.

<u>12.5Independent Contractors; No Partnership</u>. The relationship of the Parties is that of independent contractors. Neither Party is an agent, partner or joint venturer of the other for any purpose and neither shall have the right to create, assume or incur any expense, liability or obligation on behalf of the other. This Agreement shall not be interpreted or construed (a) to create any agency relationship or an association, joint venture, or partnership among the Parties (whether for local law purposes, for U.S. federal income tax purposes or otherwise) or (b) to impose any partnership obligation or liability on any Party.

<u>12.6No Third Party Beneficiaries</u>. Unless otherwise expressly provided, no provisions of this Agreement are intended or shall be construed to confer upon or give to any Person other than PowerCo or QS any rights, remedies or other benefits under or by reason of this Agreement.

12.7Compliance with Laws.

(a) Both parties shall, and shall procure its Affiliates shall, perform all its and their obligations under this Agreement in strict compliance with all applicable federal, national, state and local laws, regulations, rules and orders, including, but not limited to, Economic

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Sanctions Law, Export Control Law, Anti-Bribery Law, and Anti-Money Laundering Law obligations under the German Supply Chain Due Diligence Act (LkSG), and the EU battery regulation 2023/1542. The Parties shall ensure compliance with all applicable Antitrust Laws, and take all necessary measures required for such compliance.

(b) Each Party represents and warrants that, as at the date of this Agreement, and throughout the Term, neither it nor any of its subsidiaries (collectively, the "Company") or directors, senior executives or officers, or to the knowledge of the Company, any person on whose behalf the Company is acting in connection with the subject matter of the Agreement, is an individual or entity ("Person") that is, or is 50% or more owned or controlled, directly or indirectly, by a Person (or Persons) that is, subject of any sanctions resulting from Economic Sanctions Law.

(c) *Code of Conduct.* QS shall, and shall procure its Affiliates shall, comply at all times with the "PowerCo Code of Conduct for Business Partners" as described in <u>Annex 4</u>.

(d) *Human Rights*. In addition to any other applicable laws relating to human rights, QS shall, and shall procure its Affiliates shall, act consistently with the fundamental principles defined and protected by the Universal Declaration of Human Rights, by the fundamental principle of the International Labor Organization, and in particular, with rules relating to the prohibition of forced labor, child labor, and human trafficking. In any event, where national legislation is less protective, internationally recognized human rights instruments shall prevail.

(e) Supplier Management. QS shall, and shall procure its Affiliates shall, implement and maintain processes and procedures to monitor and procure compliance by suppliers with Compliance with Laws according to Section 12.7(a) and Human Rights according to Section 12.7(d). Such monitoring shall be conducted in a manner consistent with the requirements of the German Supply Chain Due Diligence Act (LkSG).

<u>12.8Export Control</u>. Each Party agrees that it will not export or reexport goods, services, technical data and/or information to other countries or parties in violation of any applicable Export Control Law. Neither Party shall be obligated to fulfill any obligation under this Agreement if such Party reasonably deems such fulfilment to violate applicable Export Control Law. Each Party agrees to provide any information (especially the respective export control classification) reasonably required by the other Party to procure compliance by such Party with Export Control Law, Economic Sanctions Law, and any other applicable laws and regulations.

<u>12.9Further Assurance</u>. Each Party will do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement and give effect to this Agreement.

<u>12.10Notices</u>. Any notice required or permitted to be given by either Party under this Agreement shall be in writing and shall be personally delivered or sent by a reputable overnight mail service (*e.g.*, Federal Express), by first class mail (certified or registered), or by electronic mail confirmed by first class mail (certified or registered), to the address of the other Party as set out below. Notices will be deemed effective (i) three (3) Business Days after deposit, postage prepaid, if mailed, (ii) the next day if sent by overnight mail, or (iii) the same day if sent by

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electronic mail and confirmed as set forth above. Each Party may change its address for notices upon prior written notice to the other Party.

If sent to QS:

QuantumScape Battery, Inc. 1730 Technology Drive San Jose, CA 95110 USA Attn: Chief Legal Officer Email:

If sent to PowerCo:

PowerCo SE Industriestrasse Nord 38239 Salzgitter Germany Attn: General Counsel Email:

With a copy (which shall not constitute notice) to:

Freshfields Bruckhaus Deringer US LLP 3 World Trade Center 175 Greenwich Street, 51st Floor New York, NY 10007 USA Attn: Email:

Solely with respect to notices relating to export controls matters, with a copy (which shall not constitute notice) to:

Email:

<u>12.11Severability</u>. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision which shall be deemed replaced by a legally valid provision which economically comes as close as possible to the invalid one.

<u>12.12Amendments</u>. No variation or amendment of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of each of the Parties to this Agreement.

<u>12.13Waiver</u>. No delay or omission by any Party in enforcing or exercising any right, power or remedy will impair that right, power or remedy or be construed to be a waiver of it. A waiver by any Party of any of its rights, powers or remedies or of any breach will not be construed to be a waiver of any other right, remedy or power or any other succeeding breach. No waiver or

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discharge of any kind will be valid unless in writing and signed by an authorized representative of the Party against whom such waiver or discharge is sought to be enforced.

<u>12.14Entire Agreement</u>. This Agreement, together with the other Project Agreements, constitutes the entire agreement as of the date hereof between the Parties with respect to the subject matter hereof, and supersedes and replaces all prior and contemporaneous understandings or agreements, written or oral, regarding such subject matter.

<u>12.15Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and together shall be deemed to be one and the same agreement. Transmission by telecopy, electronic mail or other transmission method of an executed counterpart of this Agreement will constitute due and sufficient delivery of such counterpart and shall have the same force and effect as if such digital copies were originals.

[Signature page follows]

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

POWERCO SE

By: <u>/s/ Jupp Kaufer</u> Name: Jupp Kaufer Title: Vice President Product Management & Corporate Quality

By: <u>/s/ Frank Blome</u> Name: Frank Blome Title: CEO

July 5th, 2024

[Signature page to Collaboration Agreement]

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

QUANTUMSCAPE BATTERY, INC.

By: <u>/s/ Siva Sivaram</u> Name: Dr. Siva Sivaram Title: President and Chief Executive Officer

[Signature page to Collaboration Agreement]

Agreed Form

<u>Exhibit 1</u>

Agreed Form IP License Agreement

IP LICENSE AGREEMENT

This **IP LICENSE AGREEMENT** (the "<u>Agreement</u>") is made and entered into as of $[\bullet]$ (the "<u>Effective Date</u>") by and between QuantumScape Battery, Inc., a Delaware corporation having its principal place of business at 1730 Technology Drive, San Jose CA 95110 ("<u>QS</u>"), and PowerCo SE, a *societas europaea* having its principal place of business at Industriestrasse Nord 38239, Salzgitter, Germany ("<u>PowerCo</u>") (QS and PowerCo also each a "<u>Party</u>" and together the "<u>Parties</u>").

BACKGROUND

A. QS is the owner of and is continuing to develop certain technology and intellectual property rights pertaining to automotive battery cells.

B. QS and PowerCo have entered into that certain Collaboration Agreement dated July 5, 2024 (the "<u>Collaboration</u> <u>Agreement</u>") pursuant to which QS and PowerCo agreed to collaborate in connection with the Project.

C. [***].

D. To facilitate PowerCo's industrialization of cells consisting of QS Technology based on the QSE5, the Parties have agreed to enter into this Agreement under which QS has agreed to grant the License and PowerCo has agreed to pay the Royalties, in each case, subject to the terms of this Agreement.

E. To support QS's ability to fund its operations related to the Project and, in particular, the collaboration activities set forth in the Collaboration Agreement, PowerCo has agreed to make a prepayment of Royalties in the form of the Initial Royalty Fee, against which future Royalties will be offset, in each case, subject to the terms of this Agreement.

Now, therefore, in consideration of the foregoing and the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

<u>1.1Definitions</u>. Capitalized terms not otherwise defined in this Agreement shall have the meaning given to them in the Collaboration Agreement. In this Agreement, the following terms shall have the meanings set forth below:

(a) "<u>Affiliate</u>" means (i) with respect to either Party, any other Person who at any time, now or in the future, directly or indirectly controls, is controlled by, or is under common control with such Party or Person, as applicable, and (ii) without limiting sub-clause (i), with respect to PowerCo, the Listed Affiliates. For purposes of this definition, "control" when used with respect to an entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

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(b) [***].

(c) "<u>Business Day</u>" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in San Jose, California or Wolfsburg or Salzgitter, Germany.

- (d) "<u>Cells</u>" has the meaning set forth in the Collaboration Agreement.
- (e) "<u>Clawback Amount</u>" has the meaning set forth in <u>Section 6.3</u>.
- (f) [***].
- (g) "<u>Confidential Information</u>" has the meaning set forth in the Collaboration Agreement.
- (h) "<u>Dispute</u>" has the meaning set forth in <u>Section 8.1</u>.
- (i) "Escalation Process" has the meaning set forth in Section 8.2(a).

(j) "<u>Export Control Law</u>" means all U.S. and non-U.S. laws relating to export, reexport, and transfer, including but not limited to the Export Administration Regulations and the International Traffic in Arms Regulations.

(k) "<u>Financial Year</u>" means each of PowerCo's financial reporting years from time to time, which currently cover each twelve-month period ending December 31.

(l) "<u>Governmental Authority</u>" means any national, supranational, federal, state, provincial or local authority, court, government or self-regulatory organization (including any stock exchange), commission, tribunal or organization, or any regulatory agency, or any political or other subdivision, department or branch of any of the foregoing.

(m) "<u>ICC Rules</u>" means the Rules of Arbitration of the International Chamber of Commerce in effect as of the date the arbitration is commenced.

- (n) "Indemnified Claim" has the meaning set forth in Section 5.3(a).
- (o) "Indemnified Parties" has the meaning set forth in Section 5.3(a).
- (p) "<u>Initial Capacity</u>" has the meaning set forth in <u>Section 2.1.</u>
- (q) "<u>Initial Royalty Fee</u>" has the meaning set forth in <u>Section 3.1</u>.

(r) "<u>Intellectual Property Rights</u>" means all intellectual property and similar proprietary rights of any kind, anywhere in the world, whether registered or unregistered, including (i) patents and patent applications, utility models, industrial designs and design patent rights, including any continuations, divisionals, continuations-in-part and provisional applications and statutory invention registrations, and any patents issuing on any of the foregoing and any reissues, reexaminations, substitutes, supplementary protection certificates, extensions of any of the foregoing; (ii) trademarks, service marks, trade names, trade dress rights, logos, corporate names

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and other source or business identifiers, and all applications, registrations, extensions and renewals of any of the foregoing; (iii) copyrights, works of authorship, data, database and design rights, mask work rights and moral rights, whether or not registered or published, and all registrations, applications, renewals, extensions and reversions of any of the foregoing; (iv) trade secrets, know-how, confidential or proprietary information, including invention disclosures, inventions, ideas, algorithms, formulae, processes, methods, techniques, and models, whether patentable or not; and (v) software and firmware (whether in source code or object code and including all related specifications and documentation) or other technology, and all rights therein and thereto.

- (s) "Joint IP" shall have the meaning set forth in the Collaboration Agreement.
- (t) "<u>License</u>" has the meaning set forth in <u>Section 2.1</u>.

(u) "<u>Licensed IP</u>" means all Intellectual Property Rights owned or licensable by QS or any of its Affiliates at any time during the Term that are embodied in the QSE5 Technology or that are necessary for, or would otherwise be infringed by, the manufacture, having manufactured, development, use, sale, export, import or other exploitation of such products, including all Intellectual Property Rights in any Mandatory Improvements, but in each case excluding Trademarks and Optional Improvements, unless such Optional Improvements are mutually agreed to be added by the Parties; provided, however, the Licensed IP shall not include any Joint IP.

(v) "<u>Listed Affiliates</u>" means ZellCo 1. Projektgesellschaft mbH and such other Persons (whether now existing or in the future) the Parties may mutually agree to include as a "Listed Affiliate" from time to time.

(w) "<u>Mandatory Improvement</u>" means any improvements, enhancements, upgrades or changes that to QS's knowledge are required to be made to the Cells: (i) to comply with applicable law; (ii) to remediate any material safety issue; and/or (iii) in connection with any change of supplier or other adverse effects (such as a supplier bankruptcy or otherwise) and that are directly related to the Licensed IP; <u>provided</u>, however, that QS shall have no obligation to track or monitor any compliance requirements related to Mandatory Improvements.

(x) "<u>Optional Improvement</u>" means any improvements, enhancements or upgrades that could be implemented within the Cells or the processes for their manufacture, other than Mandatory Improvements, that significantly improve, enhance or upgrade the performance of the Cells or the manufacturing process (e.g., that simplifies, increases throughput, or improves savings).

(y) "<u>Person</u>" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Authority or other entity of any kind or nature.

(z) "<u>Project</u>" has the meaning set forth in the Collaboration Agreement.

(aa) "<u>Project Agreements</u>" has the meaning set forth in the Collaboration Agreement.

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(bb) "<u>Restricted Entity</u>" means an entity residing, owned by entities in, directly or indirectly controlled by, or incorporated in countries subject to [***] including any subsidiaries, Affiliates thereof or any joint venture or collaboration arrangement in which such entity is a part.

(cc) "<u>Restricted Sublicensee</u>" means any third party that meets the criteria in (i), (ii) or (iii), as assessed at the time when PowerCo (or its Affiliate or sublicensee) proposes to enter into a sublicense of Licensed IP with the third party:

(i) the third party is a Restricted Entity;

(ii) [***]; or

(iii)the third party's primary business is the commercial production of battery cells (and not the manufacture or supply of equipment that is intended for use in producing battery cells or battery cell components).

(dd) "<u>Royalty</u>" means [***] an amount equal to [***] for the licensed Cells Sold by PowerCo [***].

(ee) "Separator" means QS' proprietary ceramic separator designed for use in its battery cells.

(ff) "Separator IP" has the meaning set forth in the Collaboration Agreement.

(gg) "<u>Sold</u>" means with respect to a Cell that such Cell was sold or otherwise transferred to a customer in a manner such that PowerCo recognized revenue or otherwise received cash as payment pursuant to such transfer [***].

(hh) "SOP" means the start of production of commercial volumes of Cells at PowerCo's Cell facilities.

(ii) "<u>Target Design</u>" has the meaning set forth in the Collaboration Agreement.

(jj) "<u>Technology</u>" means all technology, inventions, discoveries, processes, techniques, methods, ideas, concepts, research, proposals, materials, and other deliverables and work product of any nature whatsoever.

(kk) "<u>Term</u>" has the meaning set forth in <u>Section 6.1</u>.

(ll) "Trademarks" means trademarks, trade names, service marks and logos.

(mm) "[***]" has the meaning set forth in the Collaboration Agreement.

<u>1.2Interpretation</u>. In this Agreement, unless the context requires otherwise: (a) a statutory provision, includes a reference to: (i) the statutory provision as modified or re-enacted from time to time (whether before or after the Effective Date), and (ii) any subordinate legislation made pursuant to the statutory provision (whether before or after the Effective Date); (b) a Party, Person or entity, includes a reference to that Party's, Person's or entity's successors, personal

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representatives or assigns; (c) an agreement, includes a reference to such agreement as amended from time to time; (d) an "Article", "Section" or "Exhibit", unless the context otherwise requires, is a reference to (respectively) an article or section of, or exhibit to, this Agreement; (e) the singular includes the plural and vice versa; and (f) references to one gender includes all other genders. The headings in this Agreement will not affect the interpretation of this Agreement. Whenever the words "include", "includes", "including" or "in particular" (or similar derivates) are used, they are deemed to be followed by the words "without limitation". The Exhibits are part of this Agreement. This Agreement is the result of arm's length negotiations between the Parties and will be construed to have been drafted jointly by the Parties such that any ambiguities in this Agreement will not be construed against any Party as a result of that Party having drafted or proposed the relevant clause.

ARTICLE II GRANT OF RIGHTS

2.1License to PowerCo. Subject to the terms and conditions of this Agreement, QS (on behalf of itself and its Affiliates) hereby grants to PowerCo and its Affiliates a non-exclusive, worldwide, non-sublicensable (except in accordance with <u>Section 2.2</u>), non-assignable and non-transferrable (except in accordance with <u>Section 9.2</u>), perpetual and irrevocable (except as provided in <u>Article VI</u>), limited license to use the Licensed IP solely for the purpose of manufacturing, having manufactured, developing, using, selling, exporting, importing and otherwise exploiting battery cells the design of which is primarily or exclusively intended for use in automotive applications (regardless of the purpose for which the cells are used by customers or end users), in the Target Design (including one or more variants of the Target Design), within the capacity requirements outlined in this Agreement (the "<u>License</u>"); provided, that: (a) subject to the capacity expansion rights in <u>Section 2.6</u>, the License shall initially be limited to use of the Licensed IP in one or more facilities that together have a maximum annual capacity of 40 GWh (the "<u>Initial Capacity</u>"); and (b) the License does not include the right to manufacture or sell individual components (such as Separators) of a battery cell, where such components constitute the embodiments of the QSE5 Technology delivered to PowerCo under the Collaboration Agreement (excluding any Technology developed by or on behalf of PowerCo or its Affiliates independently of QS and its Affiliates), for sale on a standalone basis.

2.2Sublicensing.

(a) Subject to the confidentiality restrictions in <u>Article VII</u>, PowerCo and its Affiliates shall have the right to grant sublicenses of the rights under the License [***].

(b) Notwithstanding <u>Section 2.2(a)</u>, the Parties acknowledge and agree that (x) PowerCo's right to grant sublicenses under <u>Section 2.2(a)</u> shall not [***], and (y) PowerCo may not grant any sublicenses to any Restricted Sublicensee except:

(i) with QS's consent (which QS shall not unreasonably withhold); or

(ii) to the extent that QS (or any of QS's Affiliates or any of their respective permitted licensees) has given the Restricted Sublicensee access to any Licensed IP, or otherwise permitted the Restricted Sublicensee to access any Licensed IP (as assessed at the time when PowerCo (or its Affiliate or sublicensee) proposes to enter into a sublicense of Licensed IP with the third party).

(c) [***].

2.3Restrictions on Sublicensing Separator IP.

(a) Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that PowerCo may not disclose or sublicense any Separator IP to any Restricted Sublicensee [***].

(b) [***].

<u>2.4Trademarks</u>. Notwithstanding that the License does not include a license to use QS's Trademarks, the Parties acknowledge and agree that PowerCo and its Affiliates may use QS's Trademarks, only in accordance with any applicable reasonable trademark use guidelines provided in advance in writing by QS, to refer to the inclusion of QS Technology within any final product (such as Cells or a vehicle).

2.5Covenant Not to Sue. QS, on behalf of itself and its Affiliates, hereby covenants not to sue or threaten to sue, or seek any other relief or commence any border detention activity (including any action before the United States International Trade Commission, in a court of law, before an administrative body or any other Governmental Authority) against PowerCo, any of its Affiliates, or any of their respective sublicensees or end users, in each case, with respect to [***].

2.6Capacity Expansion.

(a) PowerCo has the option to expand the capacity of its facilities that use the Licensed IP beyond the Initial Capacity, by a further 40 GWh of annual capacity or such other capacity as may be agreed by the Parties, on financial terms to be mutually agreed by the Parties in accordance with this Section 2.6(a). [***].

(b) Prior to QS commencing any project similar to the Project with any third party for the license of QSE5 Technology, QS shall notify PowerCo and give PowerCo the option to expand its capacity [***] above the Initial Capacity limited to and in accordance with Section 2.6(a). QS' obligation under this Section 2.6(b) shall survive for a period of six (6) years after SOP.

<u>2.7[***]</u>.

2.8Reservation of Rights. Except for the express licenses granted under this Agreement, nothing in this Agreement is intended to confer, by implication, estoppel, or otherwise, upon either Party or its Affiliates a license under or rights in any Intellectual Property Rights of the other Party or its Affiliates. The Parties acknowledge and agree that the Parties' sole obligations with respect to any transfer of Technology or embodiments of Intellectual Property Rights are as expressly set forth in the Collaboration Agreement and the Maintenance and Support Agreement, and that nothing herein is intended to expand the scope of those obligations.

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ARTICLE III INITIAL ROYALTY FEE AND ROYALTIES

<u>3.1Initial Royalty Fee</u>. Within [***] days of [***], PowerCo shall pay QS a total of one hundred and thirty million U.S. dollars (US\$130,000,000) as an initial royalty fee (the "<u>Initial Royalty Fee</u>"), against which any future Royalties due will be credited in accordance with <u>Section 3.2(b)</u>. QS shall issue to PowerCo an invoice for the Initial Royalty Fee with reference to the advance payment character of the Initial Royalty Fee in accordance with applicable VAT law (the "<u>Initial Payment Invoice</u>").

3.2Royalties.

(a) Commencing on production of Cells by PowerCo, within [***] following the end of each [***] in which PowerCo has Sold any Cells, PowerCo shall notify QS in writing of the Royalty for such [***], and at the request of QS, reasonable documentation supporting such information, in each case, subject to applicable law and confidentiality obligations [***].

(b) As soon as reasonably practicable following receipt of any notice given by PowerCo under <u>Section 3.2(a)</u>, QS shall issue to PowerCo an invoice for the Royalty amount; <u>provided</u>, however, that until the total aggregate Royalties due under this Agreement exceed the amount of the Initial Royalty Fee, QS shall promptly issue PowerCo a credit note for the total amount due, including a reference to the Initial Payment Invoice for the Initial Royalty Fee in accordance with applicable VAT law. After the total aggregate Royalties due under this Agreement have exceeded the amount of the Initial Royalty Fee, PowerCo shall pay all undisputed invoiced amounts within thirty (30) days of receipt of the applicable invoice.

3.3Outperformance Sharing. [***].

<u>3.4Audit</u>. Within thirty (30) days after any notice given by PowerCo under <u>Section 3.2(a)</u> and no more than once in each year of the Term, QS may, on reasonable prior written notice to PowerCo and at QS's expense, engage an independent third-party auditing firm (an "<u>Auditor</u>") to confirm, solely based on PowerCo's audited financial reports for the applicable Financial Year and PowerCo's records of the number of Cells Sold in such Financial Year ("<u>Royalty Records</u>") that the Royalty figure provided in such notice given by PowerCo are consistent with the Royalty Records. QS's selection of Auditor shall be subject to PowerCo's consent, which shall not be unreasonably withheld. PowerCo shall give Auditors reasonable access (during working hours and at a time acceptable to PowerCo (acting reasonably)) to necessary personnel of PowerCo and the Royalty Records; <u>provided</u>, that Auditor has agreed to strict confidentiality terms to be approved by PowerCo (acting reasonably) and that the audit is completed within ten (10) Business Days. The Auditor shall only report to QS its conclusions as to whether the Royalty figure provided in such notice given by PowerCo is consistent with the Royalty Records, and shall not share copies or specific details of Royalty Records with QS. If the Auditor identifies a discrepancy between the Royalty Records and the Royalty figure specified in the most recent notice given by PowerCo under <u>Section 3.2(a)</u>, the Parties shall discuss in good faith any necessary adjustments to such notice and, if necessary, follow the Escalation Process to resolve the matter. The Parties further agree that if a discrepancy greater than ten (10) percent in favor of QS is identified by the Auditor,

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then PowerCo shall reimburse QS for all reasonable and documented costs associated with such audit.

ARTICLE IV PAYMENTS AND TAXES

<u>4.1Payments</u>. All payments due under this Agreement shall be made in US dollars to the US dollar bank account specified in an invoice or otherwise notified to the paying Party reasonably in advance of the due date for payment. Without limiting any of QS' remedies for non-payment, it is agreed that any invoiced amounts not disputed in good faith which are not paid when due shall be subject to a charge of [***] % per month, or the maximum amount allowed by law, whichever is less, to cover QS' carrying and handling costs.

<u>4.2Tax</u>.

(a) If applicable law requires withholding of income or other taxes imposed upon payments set forth in this Agreement, including the Initial Royalty Fee, PowerCo shall make such withholding or other tax payments as required and shall pay over the amount so withheld or deducted from any payment to the appropriate Governmental Authority. Any such withholding taxes required by applicable law to be deducted or withheld shall be an expense of, and borne solely by, QS. PowerCo shall use reasonable efforts to minimize any such taxes required to be withheld on behalf and for the account of QS and QS shall supply PowerCo with any certification or form required by applicable law in order to obtain a reduced rate of withholding under any applicable double tax treaty or otherwise. PowerCo shall provide all relevant documents and correspondence from or with the appropriate Governmental Authority and such other information and documents in PowerCo's possession as QS may reasonably request and shall provide any other cooperation or assistance on a reasonable basis as may be necessary to enable QS to claim exemption from such withholding taxes, to receive a refund of such withholding tax or to claim any tax credit or other tax benefits associated with such withholding taxes.

(b) Any payments made under or in connection with this Agreement are net of any amounts in respect of value added tax within the meaning of the European Council Directive 2006/112/EC of 28 November 2006, as amended from time to time ("<u>VAT</u>"). If and to the extent that VAT is or becomes chargeable on any actual or deemed service or supply contemplated under this Agreement or resulting from the measures contemplated under this Agreement, the Party that receives such services or supplies shall pay to the providing Party an amount equal to such VAT in addition to the payments contemplated under this Agreement, provided that (i) the reverse charge provisions (according to which the receiving Party owes the VAT) do not apply, (ii) such VAT has not incurred due to an incorrect invoicing by the issuing Party, and (iii) the issuing Party issues an invoice in accordance with applicable law and the relevant provisions under this Agreement. The Parties assume that the Initial Royalty Fee and any Royalties set forth in <u>Section 3.1</u> and <u>Section 3.2</u> are subject to German VAT at the level of PowerCo (under the reverse charge mechanism), unless such Royalties are credited against the Initial Royalty Fee, in which case such credit amounts are not subject to VAT at all. The Parties are aware of the specific requirements under German VAT law regarding the use of advance payments and the application of the reverse charge mechanism (especially regarding invoicing and input VAT).

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(c) The Parties shall, to the extent legally possible and at their own expense, cooperate and assist each other in good faith in all tax matters related to the signing or execution of this Agreement, especially as regards the preparation and filing of any tax related documentation and information required to be prepared or filed by law or any written guidelines of any Governmental Authority.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION

5.1 Representations, Warranties and Covenants.

(a) Each Party represents and warrants to the other Party that: (i) it is authorized to enter into this Agreement; (ii) it has the right to carry out all of its obligations herein; (iii) this Agreement has been duly executed by it and is a valid and legally binding obligation of such Party and enforceable against such Party in accordance with its terms; (iv) it will not create a conflict with or breach the terms of any other agreement to which it is a party by executing or performing this Agreement; and (v) the execution, delivery and performance by the Party under this Agreement will not violate any statute, rule or regulation applicable to either, or any order, writ, judgment, injunction, or decree of any court or other Governmental Authority, or arbitrator to which such Party is subject.

(b) QS represents, warrants and covenants to PowerCo that, to the best of its knowledge as of the Effective Date of this Agreement:

(i) the use of the Licensed IP in accordance with the License does not and will not violate, misappropriate, or infringe upon the Intellectual Property Rights of any third parties;

(ii) it is not involved in any current proceeding, litigation, arbitration or any other claim, and knows of no pending, threatened or actual proceeding, litigation, arbitration or other claim, or any other fact or circumstance, that would reasonably be expected to have a material adverse effect on the use of the Licensed IP;

(iii) during the Term, the Licensed IP is and will be owned or licensable by QS;

(iv) as of the Effective Date, QS has not granted any other Person more favorable pricing or other terms for the manufacture of a battery containing QSE5 Technology than the terms provided to PowerCo under this Agreement; and

(v) it has not breached Export Control Law in relation to the Licensed IP.

(c) QS covenants that, during the Term, it shall (i) inform PowerCo promptly of the existence of any pending, threatened or actual proceeding, litigation, arbitration or other claim, or any other fact or circumstance, in each case of which QS is aware or a party, that would reasonably be expected to have a material adverse effect on the use of the Licensed IP, and (ii) use reasonable efforts to prevent such a claim, fact or circumstance from occurring and to mitigate the effects of any such claim, fact or circumstance that occurs.

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5.2LIMITATION OF LIABILITY. EXCEPT FOR A BREACH OF THE PROVISIONS OF <u>ARTICLE VII</u> (CONFIDENTIALITY) AND FOR QS'S INDEMNIFICATION OBLIGATIONS UNDER <u>SECTION 5.3</u>, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR LOSS OF PROFITS OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT SUCH PARTY HAD BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING LOST PROFITS, LOSS OF USE OF ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE FACILITIES OR EQUIPMENT, DOWNTIME COSTS OR CLAIMS OF POWERCO'S CUSTOMERS FOR SUCH DAMAGE. EXCEPT FOR POWERCO'S PAYMENT OBLIGATIONS HEREIN, OR LIABILITY ARISING UNDER <u>SECTION 5.3</u>, THE LIABILITY OF EITHER PARTY UNDER THIS AGREEMENT, WHETHER ARISING OUT OF BREACH OF CONTRACT (EXCLUDING BREACH OF THE PROVISIONS OF <u>SECTIONS 5.1</u> AND <u>5.2</u>) OR TORT (EXCLUDING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT), SHALL IN NO EVENT EXCEED [***]. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

5.3Indemnification by QS.

(a) QS shall, except as set forth in this <u>Section 5.3</u>, defend or settle, at its option and expense, any claim and all related losses (including legal fees and claims for indemnity) against PowerCo and/or its Affiliates (collectively, "<u>Indemnified Parties</u>"), alleging that the use of the Licensed IP in accordance with the License infringes, misappropriates or violates any third party's Intellectual Property Rights ("<u>Indemnified Claim</u>"). QS shall hold Indemnified Parties harmless from and against all expenses, costs, damages, liability, losses, suits, claims or other proceedings against Indemnified Parties arising from any Indemnified Claim. QS's obligations under this <u>Section 5.3(a)</u> are conditioned upon: (i) an Indemnified Party giving QS prompt written notice of the applicable Indemnified Claim; (ii) QS being given full authority to assume the sole defense thereof through its own counsel and to compromise or settle any suits so far as this may be done without prejudice to the right of Indemnified Parties to continue to practice the Licensed IP; and (iii) Indemnified Parties cooperating fully with QS to facilitate defense or settlement of the applicable Indemnified Claim, at QS's sole expense. Notwithstanding the foregoing, QS shall have no obligation to defend or settle any claim for any infringement or other violation of any Intellectual Property Right: (i) relating to the use of Cells other than in the manner intended, (ii) where such claim relates solely to PowerCo Background IP, or (iii) a claim based on Intellectual Property Rights owned by PowerCo or any of its controlled Affiliates.

(b) In relation to any such Indemnified Claim: (i) if the use of the Licensed IP by an Indemnified Party is held to constitute an infringement and is enjoined; or (ii) if in light of any infringement claim QS, after consultation with the Indemnified Parties, reasonably deems it advisable to do so, then QS shall either: (A) procure the right to continue the use of the same for Indemnified Parties; or (B) replace or modify the same to be free of the infringement claim if QS can do so without impairing or materially affecting the ability of the Indemnified Parties to use, manufacture, sell or export the covered product or practice the Licensed IP. QS shall keep the Indemnified Parties informed concerning any Indemnified Claim and the status thereof at least once per quarter, and at other times upon the reasonable request of the Indemnified Party.

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(c) In the event a claim is based partially on an Indemnified Claim and partially on a non-Indemnified Claim, the Parties shall cooperate with respect to the defense or settlement of such claim and any payments and reasonable attorney fees incurred in connection with such claims shall be apportioned between the Parties in accordance with the degree of significance of the respective claims to the matter.

(d) Any settlement of any claims that imposes any liability or limitation on any Indemnified Party shall not be entered into without the prior written consent of the relevant Indemnified Party.

5.4Transfer of Licensed IP. QS shall ensure that any direct or indirect assignment or transfer of any or all of the Licensed IP by QS or its Affiliates during the Term shall be subject to the licenses, covenants and rights granted under this Agreement. QS further covenants that, prior to any such assignment or transfer, it shall inform any prospective assignee or transferee of any Licensed IP of the existence of the licenses, covenants and rights granted under this Agreement and shall obtain a written confirmation from such prospective assignee or transferee acknowledging the same.

ARTICLE VI TERM AND TERMINATION

<u>6.1 Term</u>. This Agreement shall become effective upon the Effective Date and shall continue in effect unless and until it is terminated in accordance with the terms hereof (the "<u>Term</u>"). Except as expressly set forth in this <u>Article VI</u>, or otherwise mutually agreed by the Parties, this Agreement and all rights granted hereunder may not be terminated; however, in the event of a breach of this Agreement, either Party shall have the right to seek remedies such as specific performance, damages or other relief, but not (except as expressly set forth in this <u>Article VI</u>) including termination or any other relief that would interfere with or deprive the PowerCo and its Affiliates of the benefits of the License hereunder.

<u>6.2 Termination by QS</u>. In the event that PowerCo fails to pay any material undisputed amount due under this Agreement within thirty (30) days after the due date for payment, QS may escalate the matter in accordance with <u>Section 8.2</u>. If the Parties do not agree to a resolution by the end of the Escalation Process, either Party may proceed to arbitration in accordance with <u>Section 8.3</u> and if the arbitrator(s) determine(s) that such amount is due and remains unpaid, QS may terminate this Agreement on thirty (30) days' prior written notice to PowerCo unless PowerCo pays the outstanding amount before the end of such notice period.

<u>6.3 Termination by PowerCo</u>. PowerCo may terminate this Agreement at any time by giving ninety (90) days' prior written notice to QS following the event of significant delay (such as an SOP delay, delay of customer milestones or missed milestones), or a breach or failure of the technical and commercial viability of the Cells. Within sixty (60) days following termination under this <u>Section 6.3</u>, QS shall pay to PowerCo a "<u>Clawback Amount</u>" equal to [***].

Exhibit A contains, for illustrative purposes only and without prejudice to the terms of this Section 6.3, an example calculation of the Clawback Amount.

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<u>6.4Effect of Termination</u>. Upon termination of this Agreement: (a) the Parties shall follow the process in <u>Section 3.2</u> to determine the amount of Royalties due up to the date of termination; and (b) subject to <u>Section 6.5</u>, all other rights and obligations of the Parties under this Agreement, including the License, shall cease; <u>provided</u>, that neither Party shall be relieved from any liability arising under this Agreement prior to the date of termination.

<u>6.5Survival</u>. Notwithstanding the termination or expiration of this Agreement, <u>Article I</u>, <u>Sections 2.4</u> and <u>2.5</u>, <u>Article V</u>, <u>Article VIII</u> and <u>Article IX</u>, as well as any other provisions that are expressly stated to survive termination or expiration, shall survive the termination or expiration of this Agreement and continue with full force and effect.

ARTICLE VII CONFIDENTIALITY

7.1Confidential Information. Each Party (each a "<u>Receiving Party</u>") shall, and shall ensure that its Affiliates shall, treat as strictly confidential all of the other Party's (each a "<u>Disclosing Party</u>") Confidential Information and shall not, except with the prior written consent of the Disclosing Party (which shall not be unreasonably withheld, conditioned or delayed), make use of (save for the purposes of performing its obligations or exercising its rights under a Project Agreement) or disclose to any person (other than in accordance with this <u>Article VII</u>) any Confidential Information. Each Receiving Party undertakes that it shall (and shall ensure that its Affiliates shall) only disclose Confidential Information to its Representatives where it is reasonably required for the purposes of exercising its rights or performing its obligations under this Agreement and only where the Representatives are informed of the confidential Information and the provisions of this <u>Article VII</u> and such Representatives are bound to abide by confidentially obligations substantially as protective as those contained herein. The Receiving Party shall be liable for any violation of this <u>Article VII</u> by its Representatives. The confidentiality obligations set forth in this <u>Article VII</u> shall bind the Receiving Party (a) with respect to Confidential Information that is a trade secret right or business secret, for so long as such Confidential Information for a period of five (5) years from the date of disclosure of such Confidential Information, unless any of the exceptions set forth in <u>Section 7.2</u> applies.

<u>7.2Exceptions</u>. Notwithstanding <u>Section 7.1</u>, a Party shall have the limited right to disclose Confidential Information to the extent that:

(a) such disclosure is required by applicable law or by any stock exchange or any supervisory, regulatory, governmental or antitrust body having applicable jurisdiction and the Party using or disclosing Confidential Information (or whose Affiliate uses or discloses such Confidential Information) has (to the extent legally permissible and reasonably practicable in the circumstances) given the other Party sufficient prior notice in order for such other Party to obtain a protective order or other appropriate remedy;

(b) such disclosure is reasonably required to sublicense relevant Intellectual Property Rights; <u>provided</u>, however, such disclosure is made only to those sublicensees who are permitted under a Project Agreement and such sublicensees are subject to confidentiality

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obligations and restrictions at least as protective of the Confidential Information as set forth herein; or

(c) such disclosure is required in order to facilitate any assignment or proposed assignment of the whole or any part of the rights or benefits under this Agreement which is permitted by this Agreement or to actual or potential lenders, investors or other third parties from whom a Party may seek to obtain debt or equity financing or other credit support; <u>provided</u>, however, such disclosure is made only to those parties on an as-needed basis and any third party who has access to the Confidential Information is subject to confidentiality obligations and restrictions at least as protective of the Confidential Information as set forth herein.

ARTICLE VIII GOVERNING LAW AND DISPUTE RESOLUTION

<u>8.1Governing Law</u>. Any and all disputes, controversies, or claims arising out of or relating to this Agreement (in all cases, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise), or the existence, breach, termination or invalidity of this Agreement between the Parties, whether arising from this Agreement itself or arising from alleged extra-contractual facts prior to, during or subsequent to this Agreement (each, a "<u>Dispute</u>"), shall be governed by, construed and enforced in accordance with the laws of the State of Delaware without reference to that jurisdiction's choice or conflict of laws rules.

8.2Dispute Resolution and Escalation.

(a) Except as otherwise provided in this Agreement, the Parties shall resolve any Dispute under the provisions of <u>Section 8.2(b)</u> through <u>Section 8.2(f)</u> (the "<u>Escalation Process</u>"). The Escalation Process shall be the exclusive mechanism for resolving any Dispute that may arise from time to time and is an express condition precedent to binding arbitration of the Dispute.

(b) A Party shall send written notice to the other Party of any Dispute ("<u>Dispute Notice</u>"). The Parties shall first attempt in good faith to resolve any Dispute set forth in the Dispute Notice by negotiation and consultation between themselves. In the event that such Dispute is not resolved within thirty (30) Business Days after one Party delivers the Dispute Notice to the other Party, whether the negotiation sessions take place or not, either Party may, by written notice to the other Party ("<u>Escalation to Executive Notice</u>"), refer such Dispute to the Chief Executive Officer (or their nominated representative) of each Party ("<u>Executive(s)</u>").

(c) If the Executives cannot resolve the Dispute during the time period ending thirty (30) Business Days after the date of the Escalation to Executive Notice (the last day of such time period, the "Escalation to Mediation Date"), either Party may propose pursuing mediation under <u>Section 8.2(d)</u>.

(d) Subject to <u>Section 8.2(c)</u>, the Parties may, at any time after the Escalation to Mediation Date, submit the Dispute to any mutually agreed-upon neutral mediator. The Parties shall cooperate with one another in seeking to agree on a mediator, but if they are unable to agree

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on a mediator within ten (10) Business Days, then they shall have a mediator appointed by the International Chamber of Commerce. Upon the appointment of a mediator, the Parties shall simultaneously submit a position paper to the mediator and each other in accordance with and subject to any directions given by the mediator. The Parties shall cooperate with each other, and the mediator, in scheduling and participating in the remainder of the mediation proceedings. The Parties covenant that they shall use commercially reasonable efforts in participating in the mediation on an expedited basis. The Parties agree that the mediator's fees and expenses and the costs incidental to the mediation shall be shared equally between the Parties, and each Party shall bear the fees and expenses of its own advisors.

(e) The Parties further agree that all offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts, and attorneys, and by the mediator and any employees of the external advisor, are confidential, privileged, and inadmissible for any purpose, including impeachment, in any litigation, arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

(f) If the Parties cannot resolve any Dispute for any reason, including the failure of either Party to agree to enter into mediation, the appointment of a mediator or any settlement proposed by the mediator, within thirty (30) days after the Escalation to Mediation Date, either Party may commence binding arbitration in accordance with <u>Section 8.3</u>.

8.3 Arbitration. Any Dispute not resolved pursuant to the Escalation Process shall be finally settled by binding arbitration under ICC Rules by one (1) arbitrator, who shall be nominated jointly by the Parties within thirty (30) days of receipt of the request for arbitration; provided, however, that if any part of the Dispute relates to the existence, termination or invalidity of any Project Agreement, the entire Dispute shall be settled by three (3) arbitrators, one of whom shall be nominated by the initiating Party in the request for arbitration, the second of whom shall be nominated by the other Party, within ten (10) days of receipt of the request for arbitration, and the third of whom, who shall act as chair, shall be nominated jointly by the two (2) Party-nominated arbitrators within ten (10) Business Days of the nomination of the second arbitrator. If any arbitrator is not nominated within the applicable foregoing time periods, the ICC Court shall make the appointment(s). The legal place, or seat of the arbitration, shall be New York, New York. The language to be used in the arbitration shall be English. Any situation not expressly covered by this Agreement shall be decided in accordance with the ICC Rules. Each Party consents to the personal jurisdiction of the State of New York for any case arising out of or otherwise related to the arbitration, its conduct and its enforcement. Judgment on the award may be entered in any court having jurisdiction thereof. In no event shall any arbitrator award termination, recission or repudiation of this Agreement as a remedy (and the Parties shall not be bound by such a remedy), except solely to the extent that the Dispute relates to non-payment by PowerCo and QS's right to terminate under and in accordance with Section 6.1 is held to apply. Each Party shall pay one half of the fees of the arbitration; provided, however, if the arbitration relates to the payment of fees, the arbitrator(s) may allocate costs between the Parties in its sole discretion.

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<u>8.4Injunctive Relief</u>. Nothing in <u>Sections 8.2</u> or <u>8.3</u> shall prevent either Party from applying to a court or tribunal of competent jurisdiction to seek an injunction, specific performance or other equitable relief for a breach or threatened breach of <u>Article</u> <u>VII</u> or for Disputes alleging infringement or misappropriation of Intellectual Property Rights.

ARTICLE IX MISCELLANEOUS

<u>9.1Publicity</u>. Neither Party shall make any public announcement in connection with this Agreement, or the negotiation of entering into this Agreement, without the other Party's prior written consent, except to the extent required by applicable law, any Governmental Authority or applicable stock exchange rules (in which case the announcing Party shall, unless prohibited by applicable law, Governmental Authority or stock exchange rules, provide the other Party with as much advance notice as reasonably possible of such announcement and take the other Party's views into account with respect to such announcement). Without limiting the foregoing, the Parties shall coordinate in good faith to agree the form of an announcement of the Project to be released following execution of this Agreement. Each Party shall take reasonable efforts to limit the disclosure or other public use of the names, characters, artwork, designs, trade names, copyrighted materials, trademarks or service marks of the other Party, without first obtaining the other Party's written consent._

<u>9.2Assignment</u>. Neither this Agreement, nor any rights, interests or obligations hereunder, may be assigned, transferred or delegated by a Party without the other Party's prior written consent; <u>provided</u>, however, that (a) either Party may assign or transfer this Agreement in whole (and not in part) to a Person, that succeeds to all or substantially all of a Party's business or assets to which this Agreement relates, including by sale, acquisition or merger provided that such Person agrees in writing to assume all of the rights and obligations set forth in this Agreement; and (b) PowerCo may assign or transfer this Agreement in whole, and not in part, to any of its Affiliates provided that such Affiliate remains bound by this Agreement. Notwithstanding the foregoing, in no event may either Party transfer or assign this Agreement to a Restricted Entity. Any assignment or transfer in violation of this <u>Section 9.2</u> shall be void *ab initio*. In the event of an assignment by PowerCo pursuant to clause (a) of this <u>Section 9.2</u>: (x) unless otherwise agreed by the Parties, <u>Sections 2.6</u> (*Capacity Expansion*) [***] shall cease to apply with effect from the date of such assignment, and (y) where the successor is an entity whose primary business is the production of battery cells, unless otherwise agreed by the Parties, the License under Separator IP shall not extend to the successor's other businesses or to the successor's Affiliates (other than subsidiaries of Licensee).

<u>9.3Independent Contractors; No Partnership</u>. The relationship of the Parties is that of independent contractors. Neither Party is an agent, partner or joint venturer of the other for any purpose and neither shall have the right to create, assume or incur any expense, liability or obligation on behalf of the other. This Agreement shall not be interpreted or construed (a) to create any agency relationship or an association, joint venture, or partnership among the Parties (whether for local law purposes, for U.S. federal income tax purposes or otherwise) or (b) to impose any partnership obligation or liability on any Party.

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<u>9.4Expenses</u>. Except as expressly set forth in this Agreement, each Party shall bear its own costs and expenses (including legal, accounting and financial advisory fees) in connection with the preparation, negotiation and execution of, and performance of its activities under, this Agreement.

<u>9.5No Third Party Beneficiaries</u>. Unless otherwise expressly provided, no provisions of this Agreement are intended or shall be construed to confer upon or give to any Person other than PowerCo or QS any rights, remedies or other benefits under or by reason of this Agreement.

<u>9.6Compliance with Laws</u>. This Agreement and the performance allowed hereunder shall be carried out in strict compliance with all applicable federal, national, state and local laws, regulations, rules and orders.

<u>9.7Patent Marking</u>. Upon request from QS, PowerCo agrees to mark or shall cause to be marked after reasonable notice all products, or, if that cannot be done, to the label or packaging of products, of PowerCo and its Affiliates that are covered by Licensed IP patents and that QS advises PowerCo in writing are covered by one or more granted patents constituting Licensed IP that are owned by QS. Such advice shall include identification of any patent(s) that should be marked on the relevant products or packaging, and of any requirements for marking that are necessary for compliance with applicable statutes and regulations in any relevant country or countries. Marking by PowerCo in accordance with the advice of QS provided in writing under this <u>Section 9.7</u> shall be deemed to satisfy this Section. Patent marking may be accomplished in a manner set forth in 35 U.S.C. § 287(a).

<u>9.8Bankruptcy</u>. Each of the Parties hereby acknowledges and agrees that (a) all licenses and other rights granted or retained by PowerCo under or pursuant to this Agreement shall, and shall otherwise be deemed to, survive and continue in full force and effect following any bankruptcy or insolvency proceeding under applicable law of any jurisdiction throughout the world, notwithstanding any right of rejection or termination arising under applicable law of any jurisdiction throughout the world, whether or not such right is exercised; (b) if QS, in its capacity hereunder as licensor and debtor, rejects this Agreement, PowerCo in its capacity as licensee hereunder may elect to retain its rights under this Agreement to the extent provided by applicable law; and (c) without limiting the foregoing, with respect to the United States, (i) all licenses and other rights granted or retained by PowerCo under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of section 365(n) of the United States Bankruptcy Code (the "<u>Bankruptcy Code</u>"), licenses of rights to "intellectual property" as defined under section 101 of the Bankruptcy Code regardless of whether the Intellectual Property Rights licensed thereunder satisfies such definition of "intellectual property" under the Bankruptcy Code and regardless of the jurisdiction in which any such Intellectual Property Right may be registered, issued or applied-for and (ii) PowerCo shall retain and may fully exercise all of its rights under section 365(n) of the Bankruptcy Code or any equivalent non-U.S. applicable law, including its right to elect to retain its intellectual property rights under this Agreement.

<u>9.9Further Assurance</u>. Each Party will do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement and give effect to this Agreement, including, if requested by PowerCo, such documents reasonably

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necessary to record the fact that PowerCo and its Affiliates are licensees under the License at applicable intellectual property registries.

<u>9.10Notices</u>. Any notice required or permitted to be given by either Party under this Agreement shall be in writing and shall be personally delivered or sent by a reputable overnight mail service (*e.g.*, Federal Express), by first class mail (certified or registered), or by electronic mail confirmed by first class mail (certified or registered), to the address of the other Party as set out below. Notices will be deemed effective (i) three (3) Business Days after deposit, postage prepaid, if mailed, (ii) the next day if sent by overnight mail, or (iii) the same day if sent by electronic mail and confirmed as set forth above. Each Party may change its address for notices upon prior written notice to the other Party.

If sent to QS:

QuantumScape Battery, Inc. 1730 Technology Drive San Jose, CA 95110 USA Attn: Chief Legal Officer Email:

If sent to PowerCo:

PowerCo SE Industriestrasse Nord 38239 Salzgitter Germany Attn: General Counsel Email:

With a copy (which shall not constitute notice) to: Freshfields Bruckhaus Deringer US LLP 3 World Trade Center 175 Greenwich Street, 51st Floor New York, NY 10007 USA Attn: Email:

<u>9.11Severability</u>. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision which shall be deemed replaced by a legally valid provision which economically comes as close as possible to the invalid one.

<u>9.12Amendments</u>. No variation or amendment of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of each of the Parties to this Agreement.

<u>9.13Waiver</u>. No delay or omission by any Party in enforcing or exercising any right, power or remedy will impair that right, power or remedy or be construed to be a waiver of it. A

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waiver by any Party of any of its rights, powers or remedies or of any breach will not be construed to be a waiver of any other right, remedy or power or any other succeeding breach. No waiver or discharge of any kind will be valid unless in writing and signed by an authorized representative of the Party against whom such waiver or discharge is sought to be enforced.

<u>9.14Entire Agreement</u>. This Agreement, together with the other Project Agreements, constitutes the entire agreement as of the date hereof between the Parties with respect to the subject matter hereof, and supersedes and replaces all prior and contemporaneous understandings or agreements, written or oral, regarding such subject matter.

<u>9.15Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and together shall be deemed to be one and the same agreement. Transmission by telecopy, electronic mail or other transmission method of an executed counterpart of this Agreement will constitute due and sufficient delivery of such counterpart and shall have the same force and effect as if such digital copies were originals.

[Signature page follows]

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

POWERCO SE

By: Name: Title: By: Name: Title: IN WITNESS WHEREOF, QS and PowerCo have executed this Agreement as of the date first written above.

QUANTUMSCAPE BATTERY, INC.

By: Name: Title:

Exhibit 2

Agreed Principles for Maintenance and Support Agreement

<u>Annex 1</u>

B Sample and Cell Specifications and KPIs

Annex 2

Project Plan

<u>Annex 3</u>

[***] Standards

<u>Annex 4</u>

PowerCo Code of Conduct for Business Partners

Exhibit 10.2 CONFIDENTIAL

July 5, 2024

Volkswagen Group of America Investments, LLC 1950 Opportunity Way, Suite 1500 Reston, VA 20190 Attn: Kevin Duke

Re: <u>QuantumScape Corporation — Amended & Restated Letter Agreement Re: Board Designees and Committee</u> <u>Representation</u>

Ladies and Gentlemen:

Reference is made to (a) that certain Business Combination Agreement dated as of September 2, 2020 (as the same may be amended from time to time, the "BCA"), by and among QuantumScape Corporation, a Delaware corporation then known as "Kensington Capital Acquisition Corp." (the "Company"), Kensington Merger Sub Corp., and QuantumScape Battery, Inc., a Delaware corporation then known as "QuantumScape Corporation" (the "Subsidiary"), (b) that certain Stockholder Support Agreement dated as of September 2, 2020 (the "Support Agreement"), by and between the Company and Volkswagen Group of America Investments, LLC ("VWGoAI") and (c) that certain Amended and Restated Voting Agreement, dated as of September 11, 2018 (as the same may be amended from time to time, the "Voting Agreement"), by and among the Subsidiary, VWGoAI, and the other persons and entities listed on the signature pages thereto. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Voting Agreement unless the context otherwise clearly requires, other than capitalized terms used in Section 4 or 5 which shall have the meanings assigned to them in the Support Agreement.

This letter agreement amends and supersedes that certain letter agreement dated December 7, 2020, regarding board designees and committee representation, by and among the Company, the Subsidiary and VWGoAI. In consideration of the mutual promises and covenants set forth herein, the Company, the Subsidiary and VWGoAI (collectively, the "**Parties**") hereby agree as follows:

1. <u>VWGoAI Designee(s) Post-Closing</u>.

(a) Promptly following the later of (i) the execution and delivery of this letter agreement, and (ii) VWGoAI's written request, the Company and the Subsidiary shall cause up to two representatives designated by VWGoAI in writing to be included on the Company's board of directors (the "**Board**" and each such representative, a "**VW Board Member**").

(b) Subject to the provisions of Section 1(d), in connection with any annual or special meeting of the stockholders of the Company at which directors will be elected (unless VWGoAI declines in writing to designate a nominee), the Company shall cause to be nominated, for election to the Board as part of the Company's slate two (2) designees of VWGoAI (to be selected by VWGoAI).

The Parties hereby agree that each VW Board Member shall have the right to receive materials and (c) participate in any meeting of the Board and, subject to Section 2 below, any committee of the Board (each, a "Committee") on the same basis as each of the other members of the Board, and further subject, on the terms set forth in this Section 1(c), to such VW Board Member recusing him or herself or being excluded from any receipt of materials or any discussion as reasonably appropriate if such materials or discussion relates to an actual or potential conflict of interest between the Company (or any of its affiliates) and VWGoAI (or any of its affiliates), which may include, without limitation, discussions about the Collaboration Agreement or the License Agreement and the transactions contemplated thereby; and provided, that, the Board may, in its discretion, conduct executive sessions limited solely to independent director members of the Board, independent auditors and/or legal counsel that excludes one or both VW Board Members as the Board may determine, if, after consultation with VWGoAI, the applicable VW Board Member has been determined to not be an "independent" director by the Board under applicable NYSE general independence rules and such sessions are not conducted for the principal purpose of excluding such VW Board Member from the regular discussions and deliberations of the Board that do not arise from the type of conflict contemplated by this <u>Section 1(c)</u>. In the event the Company determines it is reasonably appropriate to exclude any VW Board Member from any receipt of materials or any discussion of the Board or Committee because such discussion or materials relates to an actual or potential conflict of interest between the Company (or any of its affiliates) and VWGoAI (or any of its affiliates), the Company shall give to such VW Board Member(s) written notice of such determination and the general nature of the materials or discussion from which the Company intends to exclude such VW Board Member(s) no later than the date the Company is distributing such materials to the Board or distributing notice to the Board for the meeting from which such VW Board Member(s) are intended to be excluded. If VWGoAI or a VW Board Member disagree with such determination, the VW Board Members shall have the right to meet promptly with the CEO of the Company to discuss the Company's determination and consider a re-evaluation of such determination and reach a joint decision on the matter.

(d) The Company's obligations pursuant to Section 1(b) shall automatically terminate:

(i) with respect to one designee of VWGoAI, upon the earlier to occur of (x) VWGoAI and its affiliates collectively holding any less than all the shares of the Company's common stock that VWGoAI (A) received in the exchange for its capital stock of the Subsidiary in connection with the Merger (as defined under the BCA) and (B) purchased under that certain Series F Preferred Stock Purchase Agreement, dated May 14, 2020, by and between the Subsidiary and VWGoAI (as amended and as the same may be

further amended from time to time, the "VGA Purchase Agreement") and any common stock into which such capital stock is convertible or exchangeable (as adjusted for any stock dividend, stock split, consolidation of shares, reorganization, recapitalization, reclassification or other similar event) and (y) a Change in Control (as defined below) of the Company;

(ii) with respect to the remaining designee of VWGoAI, upon the earlier to occur of (x) VWGoAI and its affiliates collectively ceasing to hold at least 50% of the shares of the Company's common stock that VWGoAI (A) received in the exchange for its capital stock of the Subsidiary in connection with the Merger (as defined under the BCA) and (B) purchased under the VGA Purchase Agreement and any common stock into which such capital stock is convertible or exchangeable (as adjusted for any stock dividend, stock split, consolidation of shares, reorganization, recapitalization, reclassification or other similar event) and (y) a Change in Control (as defined below) of the Company (each, a "VW Board Triggering Event"); and

(iii)with respect to either or both designees of VWGoAI, as the case may be, at such other time as VWGoAI and the Company may agree in writing.

2. Committee Representation and Materials.

(a) The Parties hereby agree as follows with respect to service on committees of the Board and materials received by any VW Board Member:

(i) promptly following the execution and delivery of this letter agreement, the Company and the Subsidiary shall cause one VW Board Member, as designated by VWGoAI in writing, to be appointed to the Nominating and Governance Committee of the Board and shall have the right to receive materials and participate in any meeting of the Committee on the same basis as each of the other members of the Committee, provided that such VW Board Member is determined to be an "independent" director by the Board under applicable NYSE general independence rules.

(ii) one VW Board Member shall have the right to receive materials and may attend, as a non-voting observer, meetings of the Audit Committee of the Board and, to the extent no VW Board Member is determined to be an "independent" director by the Board as set forth above, one VW Board Member shall have the right to receive materials and may attend, as a non-voting observer, meetings of the Nominating and Governance Committee of the Board, in each case, on the same basis as members of the relevant Committee. The Company further agrees that it shall provide any such VW Board Member, in his or her capacity as a non-voting observer of the applicable Committee, with copies of all notices, minutes, consents and other materials that it provides to members of such Committee.

(iii)no VW Board Members shall have the right to participate in the activities of the Compensation Committee of the Board, other than the right to (A) speak with the chair of the Compensation Committee and request information from him or her and the Company that would be helpful in understanding decisions made or to be made

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by the Compensation Committee or Board, and (B) receive copies of all notices, minutes, consents and other materials that the Company provides to members of the Compensation Committee. The Company agrees to use reasonable best efforts to make the chair of the Compensation Committee and its other personnel available to the VW Board Member(s) and to respond to, and cause the chair of the Compensation Committee to respond to, reasonable requests for information made by such VW Board Member(s).

(b) The Parties agree that the Company will send all Board and Committee materials to which a VW Board Member is entitled pursuant to the terms of this Agreement or otherwise directly to the applicable VW Board Member(s) or designated outside counsel, and each VW Board Member agrees to safeguard such materials consistent with its duty of care and loyalty to the Company, subject to the other terms and conditions of this Section 2(b). VWGoAI acknowledges and agrees that VW Board Members may only share information provided to the Board, any Committee or any member(s) of any of the foregoing by the Company or the Subsidiary (i) to the extent necessary to enable the VW Board Member to exercise their fiduciary duties as a member of the Board or applicable Committee, as applicable, or (ii) to provide VWGoAI and its affiliates with information and updates to enable such persons to evaluate their investment in the Company and indirectly in the Subsidiary. The Company acknowledges and agrees that the VW Board Members may share such information in accordance with this Section 2(b).

(c) To the extent that any information shared in connection with this letter agreement may include material subject to the attorney-client privilege, work product doctrine or any other applicable privilege between the Company or the Subsidiary and its respective counsel concerning pending or threatened legal proceedings or governmental investigations, the Parties understand and agree that they have common legal interests with respect to such matters and it is their desire, intention and mutual understanding that the sharing of such material is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or its continued protection under the attorney-client privilege, work product doctrine or other applicable privilege, work product doctrine or other applicable privilege shall remain entitled to such protection under the attorney-client privileges and under the joint defense doctrine. Nothing in this letter agreement obligates any party to reveal material subject to the attorney-client privilege, work product doctrine or any other applicable privilege to any person who is not a member of the Board.

(d) The Parties acknowledge and agree that, in the event a VW Board Member acquires knowledge of a potential transaction or matter in such person's capacity as a director, officer or employee of Volkswagen AG or its affiliates (an "Industry **Participant**") and that may be a corporate opportunity for both the Company and such Industry Participant, such director shall to the fullest extent permitted by law have fully satisfied and fulfilled such director's fiduciary duty to the Company and its stockholders with respect to such corporate opportunity, and the Company to the fullest extent permitted by law waives any claim that such business opportunity constituted a corporate opportunity that should have been presented to the Company or any of its stockholders, if such director

acts in good faith in a manner consistent with the following policy: a corporate opportunity offered to any person who is a director of the Company, and who is also a director, officer or employee of an Industry Participant shall belong to such Industry Participant, unless such opportunity was expressly offered to such person solely in his or her capacity as a director of the Company.

(e) VWGoAI acknowledges and agrees that information provided to the Board may constitute material, nonpublic information regarding the Company or the Subsidiary ("**MNPI**"). VWGoAI hereby acknowledges and agrees that it is aware, and that it will advise the VW Board Members, that the United States securities laws prohibit any person or entity who has received from an issuer (including the Company) MNPI from purchasing or selling securities of such issuer or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such person or entity is likely to purchase or sell such securities. VWGoAI agrees that it and its affiliates will not use or communicate the confidential information of the Company or the Subsidiary, including any MNPI or other information that it receives in connection with the VW Board Member's participation on the Board or pursuant to this letter agreement, in violation of these laws.

(f) The rights set forth in Section 2(a) shall terminate upon the earliest to occur of: (i) a VW Board Triggering Event; or (ii) a material breach of this letter agreement by VWGoAI or its affiliates.

3. <u>Voting Agreement</u>. The Parties hereby confirm that, effective as of the Closing, the Voting Agreement terminated in its entirety.

4. <u>Representations and Warranties of the Company</u>. The Company hereby represents and warrants to VWGoAI as follows:

(a) The execution and delivery by the Company of this letter agreement does not, and the performance of this letter agreement by the Company will not, (i) conflict with or violate the governing documents of the Company, (ii) conflict with or violate any Law applicable to the Company, (iii) result in any breach of, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien (other than a Permitted Lien) on any property or asset of the Company pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company is a party or by which the Company is bound or (iv) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except, with respect to clauses (ii), (iii) and (iv), for any such conflicts, violations, breaches, defaults, consents, approvals, authorizations, permits or filings or other occurrences that, individually or in the aggregate, are not reasonably expected to prevent, materially delay or materially impede the performance by the Company of its obligations under this letter agreement.

(b) The Company has all necessary power and authority to execute and deliver this letter agreement, to perform its obligations hereunder and to consummate the

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transactions contemplated hereby. The execution and delivery by the Company of this letter agreement, the performance by the Company of its obligations hereunder and the consummation by the Company of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate action and no other corporate actions on the part of the Company are necessary to authorize this letter agreement or to consummate the transactions contemplated hereby. This letter agreement has been duly and validly executed and delivered by the Company and, assuming due authorization, execution and delivery by the other Parties hereto, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms subject to the Remedies Exceptions.

5. <u>Representations and Warranties of the Subsidiary</u>. The Subsidiary hereby represents and warrants to VWGoAI as follows:

(a) The execution and delivery by the Subsidiary of this letter agreement does not, and the performance of this letter agreement by the Subsidiary will not, (i) conflict with or violate the governing documents of the Subsidiary, (ii) conflict with or violate any Law applicable to the Subsidiary, (iii) result in any breach of, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien (other than a Permitted Lien) on any property or asset of the Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Subsidiary is a party or by which the Subsidiary is bound or (iv) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except, with respect to clauses (ii), (iii) and (iv), for any such conflicts, violations, breaches, defaults, consents, approvals, authorizations, permits or filings or other occurrences that, individually or in the aggregate, are not reasonably expected to prevent, materially delay or materially impede the performance by the Subsidiary of its obligations under this letter agreement.

(b) The Subsidiary has all necessary power and authority to execute and deliver this letter agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the Subsidiary of this letter agreement, the performance by the Subsidiary of its obligations hereunder and the consummation by the Subsidiary of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate action and no other corporate actions on the part of the Subsidiary are necessary to authorize this letter agreement or to consummate the transactions contemplated hereby. This letter agreement has been duly and validly executed and delivered by the Subsidiary and, assuming due authorization, execution and delivery by the other Parties hereto, constitutes a legal, valid and binding obligation of the Subsidiary, enforceable against the Subsidiary in accordance with its terms subject to the Remedies Exceptions.

6. <u>Definitions</u>. As used herein, "Change in Control" means the occurrence, on a date after the Closing, of a change in the ownership of the Company which occurs on

the date that any one person, or more than one person acting as a group, other than VWGoAI or its affiliates (any such person or group, a "**Person**"), acquires, directly or indirectly, ownership of stock of the Company that, together with the stock already held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this definition, (a) the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control, and (b) if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of fifty percent (50%) or more of the total voting power of the stock of the Company's voting stock immediately prior to the change in ownership, the direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company, such event will not be considered a Change in Control. For this purpose, indirect beneficial ownership of the Company, such event will not be considered a Change in Control. For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the U.S. Internal Revenue Code of 1986, as amended, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

<u>7. Miscellaneous</u>. Notwithstanding termination of the Voting Agreement as contemplated by Section 3 of this letter agreement, Section 7 of the Voting Agreement is incorporated herein by reference, *mutatis mutandis*. The Company, the Subsidiary and VWGoAI expressly acknowledge and agree that each VW Board Member shall be a third party beneficiary of this Agreement entitled to the rights and benefits in favor of VW Board Members hereunder and to enforce this letter agreement as if he or she were a party hereto.

[Signature page follows]

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Very truly yours,

QUANTUMSCAPE BATTERY INC.

By: <u>/s/ Michael O. McCarthy</u> Name: Michael O. McCarthy Title: Chief Legal Officer

Agreed and Accepted:

QUANTUMSCAPE CORPORATION

By: <u>/s/ Michael O. McCarthy</u> Name: Michael O. McCarthy Title: Chief Legal Officer

VOLKSWAGEN GROUP OF AMERICA INVESTMENTS, LLC

By: <u>/s/ Kevin Duke</u> Name: Kevin Duke Title: VP & Secretary

[Signature Page to Side Letter Agreement]

JOINT VENTURE TERMINATION AND RELEASE AGREEMENT

This Joint Venture Termination and Release Agreement (this "JV Termination Agreement"), dated as of July 5, 2024, is entered into by and among VOLKSWAGEN GROUP OF AMERICA, INC, a New Jersey corporation, ("VWGoA"), VOLKSWAGEN GROUP OF AMERICA INVESTMENTS, LLC, a Delaware limited liability company ("VW Member"), QUANTUMSCAPE CORPORATION (F/K/A KENSINGTON CAPITAL ACQUISITION CORP.), a Delaware corporation ("QS Corp") QUANTUMSCAPE BATTERY, INC. (F/K/A QUANTUMSCAPE CORPORATION), a Delaware corporation ("QS") and QSV OPERATIONS LLC, a Delaware limited liability company (the "JV Entity"). Each of VWGoA, VW Member, QS, and the JV Entity are sometimes referred to herein individually as a "Party" and, together, as the "Parties."

RECITALS

WHEREAS, VWGoA, VW Member, QS, and the JV Entity are parties to that certain Amended and Restated Joint Venture Agreement, dated as of May 14, 2020 (as amended, the "*JV Agreement*"), pursuant to which, among other things, the Parties agreed to establish a joint venture to pursue certain objectives with respect to the development and commercialization of QS's solid state battery technology;

WHEREAS, in connection with the JV Agreement: (a) VW Member and QS entered into that certain Amended and Restated Limited Liability Company Agreement, dated as of May 14, 2020, as further amended by that certain letter agreement between VW Member and QS, dated as of July 28, 2022, as further amended by that certain letter agreement between VW Member and QS, dated as of May 26, 2023 (collectively, the "*LLC Agreement*"); (b) QS and the JV Entity entered into that certain Phase I License Agreement, dated as of May 14, 2020 (the "*Phase I License Agreement*"); (c) VWGoAI and the JV Entity entered into that certain Common IP License Agreement, dated as of May 14, 2020 (the "*VW Common IP License Agreement*"); (d) QS and the JV Entity entered into that certain Common IP License Agreement, dated as of May 14, 2020 (the "*VW Common IP License Agreement*"); (e) QS and VW Member entered into that certain letter agreement, dated September 2, 2020, as amended on November 21, 2022, with respect to certain funds earmarked for the proposed operations of JV Entity (the "*Earmarked Funds Letter*") and (f) QS, the JV Entity, VWGoA and VW Member entered into that certain letter agreement, dated as of May 13, 2021, as amended and restated by that certain letter agreement, dated as of September 27, 2022 (the "*Letter Agreement*" and, together with the LLC Agreement, the Phase I License Agreement, the VW Common IP License Agreement, the QS Common IP License Agreement, the YW Common IP License Agreement, the VW Common IP License Agreement, the QS Common IP License Agreement, the YW Common IP License Agreement, the QS Common IP License Agreement, the YW Common IP License Agreement, the VW Common IP License Agreement, the QS Common IP License Agreement, the YM Common IP License Agreement, the VW Common IP License Agreement, the QS Common IP License Agreement, the YM Common IP License Agreement, the VW Common IP License Agreement, the QS Common IP License Agreement, the YM Common IP License Agreement, the VW Common IP License Agreement

WHEREAS, concurrently with the execution and delivery of this JV Termination Agreement, QS and VWGoA's affiliate, PowerCo SE, have entered into that certain Collaboration Agreement, dated as of even date herewith (the "Collaboration Agreement"), (collectively, the "PowerCo Transaction"); and

WHEREAS, in connection with the PowerCo Transaction, the Parties have agreed to terminate the JV Agreement, the LLC Agreement and the other Ancillary JV Agreements.

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

Section 1. Termination. Notwithstanding anything to the contrary in the JV Agreement or any Ancillary JV Agreement: (a) each of the JV Agreement and the Ancillary JV Agreements, and each of the Parties' respective rights and obligations under each of the JV Agreement and the Ancillary JV Agreements, shall automatically terminate effective as of the date hereof without further action by the Parties (other than the LLC Agreement, which shall terminate automatically upon the completion of the dissolution of the Company pursuant to Section 2, including the filing of the certificate of cancellation of certificate of formation of the Company); and (b) no right or obligation of any Party under, or any provision of, the JV Agreement or any Ancillary JV Agreement shall survive such termination, including, for the avoidance of doubt and not withstanding any provision therein to the contrary, Sections 3.7, 4.3, 4.4, 5, 7, 9.3, 9.8 and 9.9 of the JV Agreement and Sections 1, 3, 4 and 5 of the Phase I License Agreement (clauses (a) and (b) above, together, the "*Termination*").

<u>Section 2. Dissolution of the JV Entity</u>. The JV Entity shall be dissolved in accordance with Article VII of the LLC Agreement and the Parties hereby agree to promptly take all such actions reasonably necessary in furtherance thereof. The Parties hereby agree that the Earmarked Funds (as defined in the Earmarked Funds Letter) are hereby released in full to QS Corp and QS.

Section 3. No Intellectual Property. Each of the Parties represents and warrants that, as of the date hereof:

(a) no IP (as such term is defined in the JV Agreement) has been created or developed by the JV Entity under the JV Agreement or any of the JV Ancillary Agreements; and

(b) the JV Entity does not own, and since the date of its formation has not owned, any IP (as such term is defined in the JV Agreement) created or developed by any of the other Parties under the JV Agreement or any of the JV Ancillary Agreements.

Section 4. Mutual Releases.

(a) Each of VWGoA and VW Member (together, the "*VW Parties*"), for itself and on behalf of its respective shareholders, members, directors, managers, officers, employees, affiliates, agents, representatives, successors and assigns (collectively, the "*VW Releasors*"), hereby releases and discharges each of QS and the JV Entity, and each of their respective shareholders, members, directors, managers, officers, employees, affiliates, agents, representatives, successors and assigns, from any and all actions, causes of action, suits, debts, covenants, agreements, judgments, liabilities, damages, claims or demands (including attorneys' fees and costs) whatsoever arising from or related to their performance, rights and obligations under the JV Agreement or any Ancillary JV Agreement, as applicable, or claims arising from or related to the termination of the JV Agreement or any Ancillary JV Agreement whether based in tort, contract, statute or ordinance, or for subrogation, contribution, indemnity or otherwise, whether known or unknown, suspected or unsuspected, fixed or contingent, at law or in equity (collectively, "*JV Claims*"), whether now held, or which any of the VW Releasors may hold in the future, from the beginning of time through and including the Termination.

(b) QS, for itself and on behalf of its shareholders, directors, managers, officers, employees, affiliates, agents, representatives, successors and assigns (collectively, the "**QS Releasors**"), hereby releases and discharges each of the VW Parties and the Company, and each of their respective shareholders, members, directors, managers, officers, employees, affiliates, agents, representatives, successors and assigns, from any and all JV Claims, whether now held, or which any of the QS Releasors may hold in the future, from the beginning of time through and including the Termination.

(c) The JV Entity, for itself and on behalf of its members, directors, managers, officers, employees, affiliates, agents, representatives, successors and assigns (collectively, the "*JV Entity Releasors*"), hereby releases and discharges each of the VW Parties and the QS Parties, and each of their respective shareholders, members, directors, managers, officers, employees, affiliates, agents, representatives, successors and assigns, from any and all JV Claims, whether now held, or which any of the JV Entity Releasors may hold in the future, from the beginning of time through and including the Termination.

(d) Notwithstanding anything herein to the contrary, the foregoing releases shall not be deemed or interpreted in any manner whatsoever to release or discharge, and "JV Claims" shall not be deemed or interpreted in any manner whatsoever to include, any actions, causes of action, suits, debts, covenants, agreements, judgments, liabilities, damages, claims or demands whatsoever arising from or related to the PowerCo Transaction, whether based in tort, contract, statute or ordinance, or for subrogation, contribution, indemnity or otherwise, whether known or unknown, suspected or unsuspected, fixed or contingent, at law or in equity.

<u>Section 5. Non-Assignment of Claims</u>. Each of the VW Parties represents and warrants to QS and the JV Entity that such VW Party has not made any assignment or other transfer of any interest in any JV Claim released by it under the terms of this JV Termination Agreement. QS represents and warrants to the VW Parties and the JV Entity that QS has not made any assignment or other transfer of any interest in any JV Claim released by it under the terms of this JV Termination Agreement. The JV Entity represents and warrants to the VW Parties and eany assignment or other transfer of any interest in any JV Claim released by it under the terms of this JV Termination Agreement. The JV Entity represents and warrants to the VW Parties and eany assignment or other transfer of any interest in any JV Claim released by it under the terms of this JV Termination Agreement. The JV Entity represents and warrants to the VW Parties and QS that the JV Entity has not made any assignment or other transfer of any interest in any JV Claim released by it under the terms of this JV Termination Agreement.

<u>Section 6. Further Assurances</u>. Subject to applicable law, following the date hereof, each of the Parties shall, and shall cause their respective affiliates to, without further consideration, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this JV Termination Agreement.

Section 7. Notices. Any notice required or permitted to be given by either Party under this JV Termination Agreement shall be in writing and shall be personally delivered or sent by a reputable overnight mail service (*e.g.*, Federal Express), by first class mail (certified or registered), or by electronic mail confirmed by first class mail (certified or registered), to the address of the other Party as set out below. Notices will be deemed effective (i) three (3) business days after deposit, postage prepaid, if mailed, (ii) the next day if sent by overnight mail, or (iii) the same day if sent by electronic mail and confirmed as set forth above. Each Party may change its address for notices upon prior written notice to the other Party:

If to QS Corp and/or QS:

Attn: QuantumScape Corporation 1730 Technology Drive San Jose, CA 95110 Attention: Chief Legal Officer Email:

If to VWGoA:

Volkswagen Group of America, Inc. 1950 Opportunity Way, Suite 1500, Reston, VA 20190,, USA Attention: Email:

and

Volkswagen Aktiengesellschaft Brieffach 011/1233/2 38436 Wolfsburg, Germany Attention: Email:

If to VW Member:

Volkswagen Group of America Investments, LLC 1950 Opportunity Way, Suite 1500, Reston, VA 20190, USA Attention: Email:

and

Volkswagen Aktiengesellschaft Brieffach 011/1233/2 38436 Wolfsburg, Germany Attention: Email:

Section 8. References and Rules of Construction. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. For purposes of this JV Termination Agreement: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation;" (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this JV Termination Agreement as a whole; and (d) references herein to any Person shall include such Person's heirs, executors, personal representatives, administrators, successors and assigns; *provided, however*, that nothing contained in this clause (d) is intended to authorize any assignment or transfer not otherwise permitted by this JV Termination Agreement. The definitions given for any defined terms in this JV Termination Agreement shall apply equally to both the singular and plural forms of the terms

defined. Unless the context otherwise requires, references herein: (i) to articles and sections mean the articles and sections of this JV Termination Agreement; and (ii) to an agreement, instrument or other document, means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof. This JV Termination Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

<u>Section 9. Headings</u>. The headings in this JV Termination Agreement are for reference only and shall not affect the interpretation of this JV Termination Agreement.

<u>Section 10. Severability</u>. The invalidity or unenforceability of any term or provision of this JV Termination Agreement in any jurisdiction shall not affect the validity or enforceability of the other terms or provisions hereof or the validity or enforceability of the offending term or provision in any other jurisdiction and the remaining terms and provisions shall remain in full force and effect. Upon determination that any term or other provision is invalid, illegal or unenforceable under applicable law, the Parties shall negotiate in good faith to modify this JV Termination Agreement so as to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

<u>Section 11. Entire Agreement</u>. This JV Termination Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

<u>Section 12. Successor and Assigns</u>. This JV Termination Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and permitted assigns. However, neither this JV Termination Agreement nor any of the rights of the Parties hereunder may otherwise be transferred or assigned by any Party hereto without the prior written consent of the other Parties hereto. Any attempted transfer or assignment in violation of this <u>Section 11</u> shall be void.

Section 13. Amendment and Modification; Waiver. This JV Termination Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this JV Termination Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 14. Governing Law and Dispute Resolution. The terms of Article XI of the Collaboration Agreement shall apply to this JV Termination Agreement, *mutatis mutandis*.

<u>Section 15. Counterparts</u>. This JV Termination Agreement may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall

constitute but one agreement. A Party's delivery of an executed counterpart signature page by facsimile or electronic .pdf format transmission or other electronic means is as effective as executing and delivering this JV Termination Agreement in the presence of each other Party. No Party shall be bound until such time as all of the Parties have executed counterparts of this JV Termination Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned parties have executed this JV Termination Agreement as of the date first set forth above.

VOLKSWAGEN GROUP OF AMERICA, INC.

By: <u>/s/ Kevin Duke</u> Name: Kevin Duke Title: Secretary

VOLKSWAGEN GROUP OF AMERICA INVESTMENTS, LLC

By: <u>/s/ Kevin Duke</u> Name: Kevin Duke Title: VP & Secretary

QUANTUMSCAPE CORPORATION

By:<u>/s/ Siva Sivaram</u> Name: Dr. Siva Sivaram Title: President and Chief Executive Officer

QUANTUMSCAPE BATTERY, INC.

By:<u>/s/ Siva Sivaram</u> Name: Dr. Siva Sivaram Title: President and Chief Executive Officer

QSV OPERATIONS, LLC

By:<u>/s/ Michael McCarthy</u> Name: Michael McCarthy Title: Manager

[Signature Page to Joint Venture Termination and Release Agreement]