

## **LUCID USA, INC. GENERAL TERMS AND CONDITIONS FOR PROTOTYPE AND PRODUCTION GOODS AND SERVICES**

These General Terms and Conditions for Prototype and Production Parts and Services (this “GTC”) are by and between Lucid USA, Inc., a Delaware corporation with offices at 7373 Gateway Blvd, Newark, CA 94560 (“**Lucid**”), and the entity with whom Lucid has placed a purchase order, scheduling agreement, release or forecast (“**Supplier**”). Lucid and Supplier are each a “**Party**” and collectively are the “**Parties**”. Terms used in this GTC with initial capitalization have the meanings specified where used or in Schedule 1 (Definitions).

WHEREAS Lucid designs and manufactures electric vehicles and electric powertrain components and subassemblies;

WHEREAS Supplier develops and/or manufactures certain goods and provides certain related services;

WHEREAS Supplier desires to supply to Lucid, and Lucid desires to procure from Supplier, certain goods and/or services; and

NOW, THEREFORE, Lucid and Supplier agree as follows:

### **1. ORDERS; OFFERS AND ACCEPTANCE; TERMINATION AND CANCELLATION OF ORDERS FOR CONVENIENCE, SCHEDULING AGREEMENT AND RELEASES**

**1.1.** Without limitation, any additional, contrary or different terms contained in any of Supplier’s confirmations, invoices or other communications, whether written or oral, and any other attempt to modify, supersede, supplement or otherwise alter this GTC, are deemed rejected by Lucid and will not modify this GTC or be binding on the Parties unless such terms have been fully approved in a signed writing by authorized representatives of both Parties. This GTC governs the purchase by Lucid of the Goods and Services and/or license of software sold or licensed by the Supplier identified in the Lucid ordering document. This GTC, together with any special terms provided in Lucid’s ordering documentation, constitute the exclusive and entire agreement between Lucid and Supplier and may not be changed except by amendment signed by Lucid’s and Supplier’s authorized representatives. Except to the extent Supplier has a signed, separate agreement with Lucid, governing the purchase and sale of Goods and Services or licensing of software, this GTC supersedes any previous communications, representations or agreements between the Parties regarding the sale of Goods and Services and the license of software. Lucid’s acceptance of Supplier’s Goods and Services or software or payment of invoice for such items are expressly conditioned upon Supplier’s acceptance of this GTC, regardless of the form and timing of Supplier’s performance or request for payment. Supplier’s additional or different terms and conditions will not apply and are deemed rejected by Lucid. Supplier’s sale and delivery of Goods and Services or license of software constitutes Supplier’s express acceptance of this GTC.

#### **1.2. General; Offer.**

**(a)** Each Purchase Order constitutes an offer by Lucid to purchase Goods and/or Services described in such Purchase Order, subject to the terms and conditions of the Agreement.

**(b)** Each Scheduling Agreement constitutes an offer by Lucid to purchase all, or a designated percentage of, Lucid’s requirements for Goods and/or Services described in the Scheduling Agreement, subject to the terms and conditions of the Agreement, for the term and duration set forth in Section 13.1. Any volume of Goods specified in a Scheduling Agreement are non-binding on Lucid and are a projection of Lucid’s needs for Goods and/or Services for the life of the applicable Program. Supplier shall maintain the capacity and capability to produce and deliver, at all times during the life of the Program, the volume of Goods specified in a Scheduling Agreement, plus an additional twenty-five percent (25%), subject to any maximum capacity agreed upon by the Parties in writing.

**(c)** A Purchase Order, Scheduling Agreement, Release or other Lucid document does not constitute an acceptance of any offer or proposal made by Supplier. Supplier acknowledges that: (i) a

request for quotation or similar document issued by Lucid is not an offer by Lucid; and (ii) any response by Supplier to a request for quotation or similar document issued by Lucid is not an offer by Supplier. Each Purchase Order, Scheduling Agreement and Release is deemed to incorporate the terms of the Agreement.

**1.3. Supplier's Acceptance.** Supplier shall have accepted the Agreement upon the earliest of any of the following occurrences: (a) Supplier commences work to provide Goods or Services specified in a Purchase Order, Scheduling Agreement or Release; (b) Supplier ships Goods or performs Services specified in a Purchase Order, Scheduling Agreement or Release and/or provides software to Lucid for use under the terms of the applicable license or sale; (c) Supplier submits an invoice for Goods or Services specified in a Purchase Order, Scheduling Agreement or Release; (d) Supplier submits an advance shipment notification or other evidence that Supplier is intending to supply Goods or Services specified in a Purchase Order, Scheduling Agreement or Release; (e) Supplier provides written acceptance of a Purchase Order or Scheduling Agreement (which may be via electronic means); or (f) if Supplier fails to object in writing to a Purchase Order or Scheduling Agreement within two (2) business days after Lucid sends such document(s) to Supplier. Once accepted, Supplier shall produce and deliver Goods and Services required under the Agreement. Notwithstanding the foregoing, a Release shall be deemed accepted upon Receipt.

**1.4. Supplier's Rejection.** Supplier shall not reject the Scheduling Agreement, including, for the avoidance of doubt, any Release. Following the award of a Program or other business, Supplier shall not reject any Purchase Order, Scheduling Agreement or Release that conforms to the terms of the applicable PPA. Supplier further agrees not to seek renegotiation of pricing or other terms based on changes in costs, production capacity, demand fluctuations, labor limitations, or other factors. Without altering or limiting the foregoing in this section, if Supplier does not accept a Purchase Order or Scheduling Agreement, Supplier may notify Lucid and propose alternative terms acceptable to Supplier. If any of Supplier's proposed terms are acceptable to Lucid, Lucid will issue a revised Purchase Order or Scheduling Agreement specifying the agreed-upon alternative terms, which shall be deemed accepted by Supplier upon issuance.

**1.5. Terms of the Agreement; Supplier's Terms Rejected.** The Agreement governs the purchase by Lucid and the sale by Supplier of Goods and Services, as well as the license or sale of software by Supplier, as identified in any Lucid ordering document. Lucid's acceptance of Goods, Services, or software, or payment of an invoice for such, is expressly conditioned on Supplier's acceptance of the Agreement, exclusively and to the exclusion of any Supplier terms or conditions, regardless of the form or timing of Supplier's performance or request for payment. Each of Lucid's Purchase Orders and Scheduling Agreements shall be deemed to incorporate this GTC and expressly limit acceptance to the terms of the Agreement. **ANY ADDITIONAL, CONTRARY, OR DIFFERENT TERMS CONTAINED IN A SUPPLIER FORM OR PRESENTED BY SUPPLIER, OR ANY ATTEMPTS BY SUPPLIER TO MODIFY, SUPERSEDE, SUPPLEMENT, OR ALTER THE AGREEMENT, ARE HEREBY REJECTED BY LUCID AND SHALL NOT MODIFY THE AGREEMENT OR BIND THE PARTIES UNLESS EXPRESSLY APPROVED BY LUCID, AS EVIDENCED BY ONE OF THE FOLLOWING: (A) A REVISED PURCHASE ORDER; (B) A REVISED SCHEDULING AGREEMENT; OR (C) A SEPARATE WRITTEN AGREEMENT SIGNED BY AUTHORIZED REPRESENTATIVES OF THE PARTIES THAT EXPRESSLY REFERENCES THIS GTC. THIS GTC SERVES AS NOTICE OF LUCID'S OBJECTIONS TO ANY ADDITIONAL, CONTRARY, OR DIFFERENT TERMS CONTAINED IN A SUPPLIER FORM. ANY REFERENCE TO A SUPPLIER FORM IN A PURCHASE ORDER, SCHEDULING AGREEMENT, OR ANY OTHER LUCID DOCUMENT IS FOR ADMINISTRATIVE CONVENIENCE ONLY AND SHALL NOT CONSTITUTE ACCEPTANCE BY LUCID OF THE TERMS PROPOSED IN SUCH SUPPLIER FORM.**

**1.6. Exploratory Development.** Supplier and Lucid may work together to explore the feasibility of new Goods or versions of Goods that Lucid would consider purchasing for use in its production products. If no Purchase Order for such work has been issued, Supplier's commencement of such work shall be deemed acceptance of Lucid's offer to engage in exploratory work at each Party's own expense.

**1.7. Lucid's Right to Terminate or Cancel Purchase Orders, Scheduling Agreement or Releases; Expiration or Other Conclusion of Program or Parts.** Lucid may terminate or cancel all or part of any Purchase Order, Scheduling Agreement or Release, at any time and for any reason, subject to the obligations set forth in this Section 1.6. Upon such termination or cancellation, Supplier shall cease all work on Goods and cease all Services as directed by Lucid, incur no further costs, and protect all property in which Lucid has or may acquire an interest.

**(a) Termination or Cancellation of Purchase Orders by Lucid for Convenience.** In addition to Lucid's right to terminate or cancel under Section 13.2, other terms of the Agreement, or the Law, Lucid may terminate or cancel all or part of a Purchase Order, at any time and for any reason, for convenience, upon written notice to Supplier. For the avoidance of doubt, such notice may be via EDI or other electronic communication. Lucid's only obligation upon termination or cancellation for convenience under this section shall be for Lucid to pay for: (i) Goods delivered and/or Services performed before termination or cancellation, at the prices stated in the Purchase Order, that were ordered under the Purchase Order and comply with the Specifications and other requirements of the Agreement, and (ii) the verifiable cost of raw materials and components that were purchased by Supplier to meet the requirements of the Purchase Order, and that: (1) comply with all of the relevant Specifications and other terms under the Agreement; (2) were ordered no earlier than the applicable material or component Lead Times in order to meet the delivery date specified in the Purchase Order; and (3) cannot be returned for refund or credit or used for or sold to any of Supplier's other customers. All costs must be actual and verifiable. Supplier must provide sufficient supporting documentation, as requested by Lucid, to substantiate its costs. Lucid's obligations set forth in this section are Lucid's sole liability in connection with any Purchase Order, or part thereof, terminated or cancelled for convenience under this section.

**(b) Termination or Cancellation of Scheduling Agreements or Releases by Lucid for Convenience; Rescheduling Releases.** In addition to Lucid's right to terminate or cancel under Section 13.2, other terms of this GTC, or the Law, Lucid may terminate or cancel all or part of a Scheduling Agreement (including a Firm Quantity in a Release), at any time and for any reason, for convenience, upon written notice to Supplier. For the avoidance of doubt, the notice may be via EDI or other electronic communication. Lucid's only obligation upon termination or cancellation of for convenience under this section shall be for Lucid to in its sole discretion, do one or more of the following: (a) purchase up to two (2) weeks of finished Goods which comply with the Specifications and other requirements of the Agreement, at the prices stated in the applicable Release; (b) purchase up to four (4) weeks of work in process at the cost of materials and labor with standard overhead but no profit; (c) purchase additional Goods which comply with the Specifications and other requirements of the Agreement, at the price stated in the most recent applicable Release, if Lucid directs Supplier to finish the work in process it; and (d) purchase up to four (4) weeks for non-cancellable, non-returnable raw materials and components at Supplier's purchase cost. All Supplier's costs must be actual and verifiable. Supplier must provide sufficient supporting documentation, as requested by Lucid, to substantiate its costs. Lucid's obligations set forth in this section are Lucid's sole liability in connection with any Scheduling Agreement or Release, or part thereof, terminated or cancelled for convenience under this section. Lucid also may reschedule, without liability, all or any part a Firm Quantity, at any time and for any reason, upon written notice to Supplier, which, for the avoidance of doubt, may be via EDI or other electronic communication.

**(c) Expiration of Scheduling Agreement.** Upon the expiration of a Scheduling Agreement, Lucid's only obligation upon such expiration shall be for Lucid to pay for Goods as set forth in Section 1.6(b).

**(d) Liability for Other Terminations or Cancellations.** If any other termination or cancellation of the Agreement by Lucid is determined through legal proceedings or other binding dispute resolution processes to have been improper, any resulting liability shall be governed solely by the terms and limitations specified in Section 1.6(a) and/or Section 1.6(b), as though the termination or cancellation had been made for convenience under these provisions.

## **2. FORECASTS, RELEASES, QUANTITY, AND DELIVERY**

**2.1. Forecasts.** Lucid will provide to Supplier on a regular basis, but no less frequently than monthly, a rolling Forecast. Lucid may vary or cancel any Forecast. Supplier acknowledges and agrees that any Forecast is a non-binding estimate, and Lucid is not obligated to purchase any quantities specified therein. Lucid makes no representation or warranty as to the quantity of Goods or Services that it will purchase from Supplier.

**2.2. Quantity and Releases.**

**(a) Purchase Orders.** The quantities ordered by Lucid under a Purchase Order are the fixed quantities specified in the Purchase Order. Supplier shall produce and deliver Goods and/or Services to Lucid, and Lucid shall buy, those quantities.

**(b) Binding Requirements Contract; Scheduling Agreements and Releases.** Unless a different percentage is stated in a Scheduling Agreement, Lucid's order under a Scheduling Agreement is for one hundred percent (100%) of its requirements for Goods and/or Services. Once accepted, the Parties agree that the Scheduling Agreement constitutes, and is intended to be, a binding requirements contract for the life of the Program, with Supplier obligated to produce and deliver Lucid's requirements of Goods and/or Services, and Lucid being obligated to buy its requirements of Goods and/or Services, for the life of the applicable Program. At least two (2) weeks before the date that Goods and/or Services are required to be delivered to the location designated by Lucid, Lucid will communicate its requirements to Supplier by issuing a Release specifying the Firm Quantity and applicable delivery dates. The Firm Quantity supersedes any prior Forecasts or projections to the extent of any inconsistencies. Any additional weeks beyond the two (2) week Firm Quantity in a Release are Forecasts or non-binding projections.

**2.3. Timeliness.** TIME IS OF THE ESSENCE AS TO THE DELIVERY OF GOODS AND PERFORMANCE OF SERVICES UNDER THE AGREEMENT. Supplier will perform Services and deliver Goods, and the components and materials used to produce Goods, to Lucid and/or its designees at the dates, times and location(s) specified by Lucid, or its designees, in a Purchase Order or Release. Lucid shall be permitted to return quantities in excess of the Firm Quantity designation in Lucid's Purchase Orders or Releases and at Supplier's sole expense. Lucid may change the delivery dates or times or direct temporary suspension of scheduled deliveries, neither of which shall entitle Supplier to a modification of the price for Goods or Services covered by the relevant Purchase Order or Release or to any other remedy or compensation.

**2.4. Constraint or Delay.** If Supplier has reason to believe its ability to deliver Goods or Services is or will be constrained (including for reasons of quality, labor disputes or otherwise), Supplier shall: (a) immediately notify Lucid, informing Lucid of the cause of the anticipated delay and its plan of action to minimize the delay, and (b) establish, at its sole expense, a thirty (30) day supply of Goods in a neutral warehouse site at a location designated by Lucid. Supplier will, at its sole expense, use its best efforts to resolve the issue promptly. Supplier will confirm all of its oral communications immediately in writing. In addition, during the delay, Supplier will fulfill Lucid's Purchase Orders and the Firm Quantity designation in Lucid's Releases before fulfilling orders of other customers to the extent such other customer's needs are for the same or similar Goods as ordered by Lucid or would require resources that could otherwise be used to fulfill Lucid's Purchase Orders and Releases.

**2.5. Delivery Terms.** Unless otherwise stated in a Scheduling Agreement, Release or Purchase Order, Goods will be delivered FCA Incoterms 2020 to the location designated on the Purchase Order or Scheduling Agreement or Release. Title and risk of loss transfer to Lucid upon delivery to such location pursuant to the agreed Incoterms.

**2.6. Packaging and Shipment.** Supplier will pack, label and ship Goods in a manner ensuring safe delivery of Goods in accordance with the agreed method of transport. Supplier will comply with the Automotive Industry Action Group (the "AIAG") standards, applicable Law and regulations pertaining to product and warning labels and the Specifications, meet carrier requirements, and assure delivery free of damage and deterioration. Additionally, Supplier will provide to Lucid the necessary commercial shipping documents, including commercial invoice, packing list, final packaged pallet dimensions, weights, customs

documents, regulatory clearance certificates and any other relevant documentation, so that Goods can be imported by Lucid without any shipping or customs delays. Supplier's failure to provide the appropriate shipping and customs documentation and that results in Goods being delayed, held in transit, held at customs warehouses or held at other places will result in Goods being non-conforming and will subject such Goods to all remedies in Section 7.

**2.7. Hazardous Materials.** At Lucid's request, Supplier shall promptly furnish to Lucid a Material Safety Data Sheet ("MSDS") in the form and format specified by Lucid and which MSDS shall include: (a) a list and quantities of all potentially hazardous ingredients in Goods, and (b) information concerning any changes in or additions to such ingredients. Before shipping Goods, Supplier agrees to furnish to Lucid sufficient advance warning and notice in writing (including appropriate labels on Goods, containers and packing) of any hazardous material that is included in any of Goods, together with such special handling instructions necessary to advise carriers, Lucid, and their respective employees, on how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of Goods, containers and packing shipped to Lucid. If Supplier is required to use returnable packaging, Supplier will clean and maintain all such packaging at its sole expense.

**2.8. Part Traceability.** Supplier will use part markings for traceability according to Lucid's supplier quality manual (the "**Supplier Quality Manual**") but in any case, sufficient to track by systems such as bar code or equivalent to identify items such as the manufacturing date, the relevant production lot, shift of production, shipment date and, in the case of certain raw materials, the identifying information of the raw material identifiable source data.

### **2.9. Directed Suppliers.**

(a) A Purchase Order or Scheduling Agreement may include the designation of one or more third parties that Supplier must use as a sub-supplier of certain parts or services to be used in the manufacture or provision of Goods (each a "**Directed Supplier**"). Supplier agrees to purchase materials, components and/or Services that meet the required performance and other requirements based on Lucid's instructions, using Directed Suppliers, if directed by Lucid, and at the lowest available cost for such materials, components and/or Services. Supplier further agrees to purchase such materials, components and/or Services from Directed Suppliers in a reasonable quantity to protect Lead Time requirements and volume discounts (if and to the extent applicable). The designation of a Directed Supplier does not relieve Supplier of any of its obligations under the Agreement, including its warranty obligations under Section 6 for the integration of the parts or services obtained from the Directed Supplier into Goods. Supplier will be solely responsible for managing Directed Suppliers in all respects. Supplier and Directed Supplier will be in privity of contract only with one another, and not with Lucid, for such supply of Goods and Lucid will have no obligations to Supplier or a Directed Supplier with respect the supply contract between them.

(b) **RASIC.** If a Directed Supplier is designated, the Parties may enter into a RASIC in a form reasonably acceptable to the Parties and Directed Supplier.

**2.10. Consigned Inventory.** Lucid may, in its sole discretion, pay directly for certain purchased materials or components for use by Supplier in the production of Goods (the "**Consigned Inventory**"). Supplier will manage the procurement of the Consigned Inventory in accordance with its obligations under the Agreement, excluding payment for the Consigned Inventory. Supplier will clearly label all of the Consigned Inventory as property of Lucid and provide, upon reasonable request, an inventory count. Additionally, Supplier shall deliver weekly reports to Lucid detailing scrap, transit damage and yield related to the Consigned Inventory. Lucid may audit or inspect the Consigned Inventory at any time, during normal business hours, to verify Supplier's compliance with the Agreement and ensure proper handling and use of the Consigned Inventory.

## **3. DEVELOPMENT GOODS**

**3.1. General.** Supplier will develop and deliver the Development Goods in accordance with the Specifications, the relevant statement of work, a Purchase Order, Scheduling Agreement or Release and other terms of the Agreement. Supplier is obligated to meet the Development Schedule, including all milestones and deadlines specified therein, and shall promptly notify Lucid if it believes it will be unable to do so. Such notification does not relieve Supplier of its obligation to meet the Development Schedule, procure all necessary supplies, materials, parts, and components, and ensure timely development and manufacturing of the Development Goods. If Supplier fails to meet any milestone in the Development Schedule, it must provide assurances satisfactory to Lucid that the development will be completed by the release or launch date specified in the Development Schedule. Lucid has no obligation to modify the Development Schedule, including the release or launch date, or to negotiate revised milestone deadlines. Any adjustments to the Development Schedule shall be at Lucid's sole discretion and must be agreed to in writing.

**3.2. Termination and Cancellation Rights.** Lucid may terminate or cancel the Agreement if Supplier does not complete a milestone or have in place a remedial plan that is mutually agreed upon by the Parties within thirty (30) days after the date or time specified in the Development Schedule. Upon termination or cancellation, Supplier will promptly refund to Lucid any monies paid by Lucid for Development Goods that Lucid has not accepted.

**3.3. Inspection and Testing.** The Development Goods will be subject to Lucid inspection, test and acceptance or rejection upon delivery. Lucid may reject any of the Development Goods that do not comply with the Specifications, Development Schedule or any other terms of the Agreement. If Lucid requests, Supplier will, at no additional charge to Lucid, assist Lucid with testing the Development Goods to validate compliance with the Specifications. Upon rejection of the Development Good, Supplier will promptly correct any failure to comply with the Specifications and re-deliver the Development Goods to Lucid as soon as is practicable, or such other time period agreed upon by Lucid in writing. Lucid will accept or reject the redelivery in accordance with the foregoing procedure, which will be repeated until Lucid either accepts or cancels the Development Goods. Compliance with this procedure does not eliminate Supplier's obligation to comply with the Agreement or limit Lucid's rights or remedies under the Agreement or applicable Law if Supplier fails to meet its obligations. Payment of Supplier invoices will not be deemed acceptance of the Development Goods.

**3.4. Costs.** Lucid will have no obligation to purchase or pay for any of the Development Goods, or related Services, except as set forth in the applicable Purchase Order, Scheduling Agreement or Firm Quantity designation in a Release. If a Purchase Order, Scheduling Agreement, or Release for the Development Goods is terminated or canceled for convenience, Lucid's sole obligation will be to pay the costs specified in Section 1.6, subject to the limitations on liability set forth therein. Lucid shall have no further liability for any costs, expenses, or damages incurred by Supplier in connection with the Development Goods.

#### **4. SERVICE AND SUPPORT**

**4.1. Service Period.** Supplier will: (a) sell Goods, and the components and materials used to produce Goods, to Lucid and/or its designees and (b) deliver Goods, and any such components or materials, to the location(s) specified by Lucid for fifteen (15) years following the end of the Production Period (the "Service Period"). The price of Goods for the initial five (5) years of the Service Period will be the last prices stated in the Purchase Order or Releases at the end of the Production Period plus any costs actually incurred by Supplier for special packaging and freight, all less any amortization.

**4.2. Component Pricing.** If Goods are systems or modules, Supplier will sell the components or parts that comprise the system or module to Lucid at price(s) that are no greater than Supplier's actual production or acquisition cost of such components or parts and such price shall not, in the aggregate, exceed the price of the system or module less assembly costs. Prices for the remainder of Lucid's service needs will be no greater than the last prices stated in the Purchase Order or Releases plus or minus: (a) any changes in the cost of materials since model build, plus (b) a volume adjustment reflecting the actual increase in the cost per unit of producing fewer units, plus (c) a set-up charge reflecting the actual cost of preparation for the

production run, plus (d) any additional costs actually incurred for special packaging. Supplier shall fully document all of the foregoing components of the price to Lucid's satisfaction and, upon Lucid's request, provide supporting books, records, data, and other relevant documentation for verification. Lucid shall have the right to audit and inspect Supplier's records and facilities to ensure compliance with this section, including verification of production or acquisition costs, volume adjustment costs, set-up charges, and packaging costs. When requested by Lucid, Supplier shall make service literature and other materials available at no additional charge to support Lucid's service part sales activities.

## 5. QUALITY

**5.1. Compliance Requirements.** Supplier will, and will cause its subcontractors and suppliers to, comply in all respects with applicable Law. Supplier will, and will cause its subcontractors and suppliers to, comply with Lucid's most current Specifications, quality, production and process requirements and procedures, and safety standards, each as amended or updated from time to time in Lucid's sole discretion, which are all incorporated by reference in the Agreement including: (a) the Supplier Quality Manual (or other applicable supplier quality documentation), (b) the Global Automotive Declarable Substance List ("GADSL"), European Union Restriction on the use of Certain Hazardous Substances, Directive 002/95/EC ("RoHS"); (c) California Transparency in Supply Chains Act; (d) Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act (commonly referred to as the "conflict minerals provision"), (e) the AIAG standards and (f) supporting Lucid in fulfilling its obligations under the International Material Data System ("IMDS") obligations, including providing accurate and timely information when requested.

**5.2. PPAP.** Supplier agrees to comply with all requirements of the industry-standard Production Part Approval Processes ("PPAP") for all Goods provided under the Agreement. To the extent a conflict exists between any part of PPAP, the requirements and standards referenced in the Agreement, the provisions that require higher quality standards shall control. Supplier is required to submit a level three (3) PPAP unless otherwise approved in writing by Lucid. For new Goods or changes to Goods, PPAP submission and re-approval may be waived by Lucid in its sole discretion. Goods may not ship from Supplier's facility until PPAP approval from Lucid is granted or written authorization given. Supplier is responsible for all costs incurred by Lucid or for any Goods shipped that do not conform to this section.

**5.3. Continuing Quality Improvement.** Supplier will continuously work to improve the quality of Goods and Supplier's manufacturing and logistics processes and will meet with Lucid as reasonably requested, to review its quality improvement efforts.

**5.4. Supplier Scorecard.** Supplier will strive for zero errors and defects on Goods delivered to Lucid; maintain quality systems and standards so that Supplier at all times meets the metrics and criteria defined in the Supplier Scorecard section of the Supplier Quality Manual. Supplier will be evaluated on a regular basis on such Supplier Scorecard criteria after the start of production of Goods. Supplier will be considered in material breach of the Agreement if: (a) Supplier has a Supplier Scorecard score in the lowest tier of Lucid's suppliers for six (6) consecutive months, as notified by Lucid, and (b) Supplier has not submitted a remedial plan acceptable to Lucid, then in such case Lucid may terminate the Agreement with respect to a specific Goods, or the Agreement, upon written notice with such termination being effective on the date specified by Lucid and without liability. Supplier acknowledges that the Supplier Scorecard process and evaluation in this section do not modify, eliminate, or otherwise impact Supplier's obligation to comply with the Specifications and all other terms and conditions of the Agreement.

**5.5. Changes.** Supplier will not make any changes to Goods or Services, including materials, processes, manufacturing facility tooling, packaging, sub-suppliers, manufacturing line location or other Specifications without prior written authorization from Lucid and supplier will comply with the PPAP requirements of Section 5.2 above. Supplier will not make any changes to the delivery dates or prices for Goods or Services. Lucid may change Goods or Services at any time by providing notice to Supplier. If Lucid requests a change to Goods or Services and such changes will result in additional costs or impact the schedule, Supplier shall immediately notify Lucid and may propose an adjustment to the price, delivery schedule, or other terms impacted by the requested change ("Adjustment Request"). Supplier must include

a detailed cost breakdown, an explanation of the impact of the change, and comprehensive supporting documentation with any Adjustment Request for Lucid's review. Supporting documentation shall include invoices, quotes from subcontractors or suppliers, labor cost calculations, material cost analyses, and any other evidence reasonably requested by Lucid to substantiate the proposed adjustment. Lucid will consider any Adjustment Request in good faith, and any decision regarding an adjustment to the price, delivery schedule, or other terms shall be at Lucid's sole discretion. Supplier shall continue to produce and deliver Goods and/or Services, including as modified by the requested change, without delay or interruption, while any dispute over any Adjustment Request is resolved. Failure to notify Lucid within five (5) business days from the date of Lucid's change request will be deemed a waiver of any additional costs or changes to the schedule. Supplier agrees to negotiate in good faith with Lucid's purchasing department any claimed increase or decrease in price. Material shipped after a change has been approved must comply with the material packaging specifications set forth in the break point section of the Supplier Quality Manual.

**5.6. Inspection.** At any time, Lucid may, but shall not be required to, test and inspect or require Supplier to test and inspect Goods in accordance with the Specifications and requirements and may inspect or cause a third party to inspect Supplier's or any sub-Supplier's facilities to determine compliance with the Specifications and terms of the Agreement. Neither test, inspection nor payment of invoices will be deemed acceptance of Goods.

**5.7. Supplier Rework.** Supplier may be permitted to rework non-conforming Goods provided that: (a) the rework process, either offline or online, is captured in the most recent Lucid approved PPAP control plan and process flow; or if a rework process is not captured and approved in the most recent Lucid approved PPAP control plan and process flow, Supplier must obtain written permission from Lucid for the rework via the process outlined in the Supplier Quality Manual; (b) Supplier can perform the remedial work without disruption to Lucid or violating any of Lucid's obligations; (c) the remedial work will not increase the cost to Lucid; (d) the remedial work can be performed by the date set forth in the applicable Purchase Order, the Release, or other deadline set by Lucid; and (e) Lucid provides written approval for Supplier to rework such non-conforming Goods, which shall in Lucid's sole discretion. Supplier acknowledges that the rework and remedial process in this section do not modify, eliminate, or otherwise impact Supplier's obligation to comply with the Specifications and all other terms and conditions of the Agreement.

## **6. WARRANTY**

**6.1. General Warranties.** Supplier represents and warrants that:

- (a) it is duly organized, validly existing and in good standing in the jurisdiction of its organization;
- (b) it is duly qualified to do business, and is in good standing, in every jurisdiction in which such qualification is required for purposes of the Agreement;
- (c) it has the full right, corporate power and authority to enter into the Agreement, to grant the rights and licenses granted under the Agreement and to perform its obligations under the Agreement;
- (d) it has not and will not for the term of the Agreement be listed on the U.S. Excluded Parties List, or be subjected to any Law, executive order, embargo, sanction or be otherwise limited in its transactions with Lucid, or be debarred, suspended, excluded or disqualified from doing business with the United States Government; and
- (e) it has not been subjected to investigation or sanction for bribery or money laundering.

**6.2. Product Warranties.** Supplier, on behalf of itself and its suppliers, including any Directed Suppliers, represents and warrants to Lucid, its successors and assigns that any Goods, Development Goods, Tooling and Services subject to the Agreement:

- (a) will be new and conform to all Specifications and quality standards that have been furnished, specified or approved by Lucid;



(b) will conform to all applicable Laws and Governmental Requirements, including the National Traffic and Motor Vehicle Safety Act (of the United States), motor vehicle safety standards, European Union Directive 2000/53/EC (End of Life Vehicles);

(c) will be merchantable;

(d) will be of good material and workmanship and free from defects;

(e) will conform to, and operate in accordance with, the applicable Specifications;

(f) will be fit and sufficient for any use that is compatible with the description, purpose and Specifications for Goods;

(g) will be fit and sufficient for the purposes intended by Lucid, including any specified performance in the component, subsystem, system, or location within the vehicle;

(h) will be free and clear of any liens and encumbrances and will not infringe any Intellectual Property Right of any third party;

(i) will be free of malware and any malicious code or any code that causes a Lucid product to interoperate in an unintended manner; and

(j) will not cause any software or technology contained within or offered by Lucid with a Lucid product to become subject to any license obligations or other Intellectual Property Rights or restrictions of any third party, including any obligations that require attribution or that such software be licensed for the purpose of making derivative works or be redistributed in source code form or free of charge.

**6.3. Future Performance; Non-Exhaustive.** All representations and warranties of Supplier extend to future performance, shall continue through the entirety of the applicable warranty period, and are in addition to any other warranties whether express or implied by law or in equity or otherwise made by Supplier. Lucid's approval of any design, drawing, material, process or specification will not relieve Supplier of any representation or warranty. Supplier's warranties shall apply regardless of whether the Goods are produced in whole or in part by Supplier. Supplier's representations and warranties are not modified, waived or discharged by delivery, inspection, testing, acceptance or payment of or for Goods. All Supplier representations and warranties remain fully enforceable, regardless of the sale, transfer, or use of any vehicle or product incorporating the Goods or Development Goods by an end user or third party.

**6.4. Goods Warranty Period; Claim Accrual.** Unless otherwise explicitly agreed by the Parties in writing, the warranties provided by Supplier to Lucid for the Goods will begin on the date of Lucid's delivery to the end customer and end on the later of: (a) the date of expiration of any warranty period provided under applicable Law or Government Requirement for the Goods, (b) four (4) years or, if earlier, upon fifty thousand (50,000) miles of recorded driving; provided, that the expiration of the warranty period for powertrain and battery components will occur eight (8) years after a vehicle is placed in service by a Lucid end customer or, if earlier, upon one hundred thousand (100,000) miles of recorded driving or (c) the expiration of any specific warranty period or performance standard provided in any document or incorporated by reference into the Agreement, including in Specifications or quality standards; provided that the warranty of noninfringement of third party Intellectual Property Rights shall begin on the date Supplier sells or otherwise transfers possession of the Goods, Development Goods, Tooling or Services to Lucid, and continue for their usage life after the Goods in the vehicle, Development Goods, or any items made by or including Tooling or Services, are sold, leased or otherwise transferred from Lucid to a purchaser. Claims for breach of warranty do not accrue until discovery of the nonconformance, even if the Goods were previously inspected. Any applicable statute of limitations runs from the date of discovery.

**6.5. Services Warranties.** Supplier represents and warrants that Supplier will perform all Services in a professional and workmanlike manner, using personnel of required skill, experience and qualifications, in accordance with all Laws or Government Requirements and best industry standards and shall devote adequate resources to meet its obligations under the Agreement.

**6.6. Supplier Notice; Corrective Action.** Supplier must immediately notify Lucid when Supplier has reason to believe that any Goods, or any component, material, design or defect in any Goods, may cause harm to persons or property or fails to comply with the Specifications or any other requirement in the Agreement. Upon such realization, Supplier will take the following corrective actions (each a “**Corrective Action**” and collectively, “**Corrective Actions**”), in addition to any other obligations required under the Agreement: (i) promptly investigate and identify the root cause of the issue; (ii) develop and implement a corrective action plan and process for avoiding future occurrences of the problem; (iii) report, at regular intervals, Supplier’s progress in completing the foregoing, and promptly and completely respond to Lucid’s inquiries and requests for information; (iv) resume production with corrective actions in place; and (v) provide written recommendations for future improvements regarding the issue(s).

**6.7. Lucid Corrective Actions.** Lucid may initiate a Corrective Action or Field Service Action in response to a Government Requirement (either mandatory or voluntary), or on its own for customer satisfaction, actual or potential non-conformance of Goods or other reasons independent of any Government Requirement or action. Supplier shall cooperate with and assist Lucid in any Corrective Action or Field Service Action, at Supplier’s own cost.

## **7. REMEDIES**

**7.1. Failure to Deliver Goods.** If Supplier is unable to, or fails to, supply the agreed quantities of Goods or provide Services by the agreed delivery dates, Lucid may: (a) terminate all or any portion of a Purchase Order or Release without liability and return rejected Goods at Supplier’s sole cost; or (b) require Supplier to deliver Goods using expedited delivery methods necessary to meet delivery schedules set forth in Releases (in which case all costs and expenses of such expedited delivery shall be solely borne by Supplier unless the delay or expense was solely the result of Lucid’s failure to comply with one of its obligations in the Agreement and Supplier provides Lucid with notice of any such failure within ten (10) days after the occurrence of such failure); or (c) purchase substitute Goods and alternative Services from other suppliers and hold Supplier liable for the difference between the price of Goods or Services to have been provided by Supplier and amounts charged for the substitute performance, including charges for shipping, insurance, handling and taxes.

**7.2. Non-Conforming Goods Costs.** Supplier shall be solely liable for all costs and expenses arising in connection with any non-conforming Goods. If Lucid determines that the Goods are nonconforming with the requirements of the Specifications and the Agreement, Lucid may, at its election: (i) reject and return any non-conforming Goods to Supplier at Supplier’s sole expense, (ii) have the Purchase Order and/or Release be reduced by the number of Goods rejected by Lucid, (iii) require Supplier to deliver conforming Goods as soon as possible but no later than twenty-four (24) hours of receipt of a Purchase Order or Release for replacement Goods at Supplier’s sole expense, (iv) retain and remediate the Goods, or require Supplier to perform the remedial work at a location specified by Lucid, in each case to bring the Goods into full compliance with the Specifications or any other requirement of the Agreement, all at Supplier’s sole expense, or (v) procure Goods from an alternative supplier and offset the difference in price against amounts owed to Supplier. If requested by Lucid, Supplier will enter into a separate agreement for the administration or processing of warranty claims or setoffs for nonconforming Goods.

**7.3. Field Service Action; Corrective Action.** Supplier shall be liable for all costs of any Field Service Action or Corrective Action arising out of, or related to, any Goods or Services. If Lucid has agreed with a government agency to provide an extended warranty, customer incentives to increase the rate of completion of Field Service Actions, or to take other actions as part of a Field Service Action, Supplier’s liability will include such costs and expenses of these actions. Supplier’s obligations under this Section 7 shall survive the expiration any applicable warranty period.

**7.4. Injunctive Relief.** Supplier acknowledges that a material breach of its obligations under the Agreement in connection with the production or delivery of Goods, Development Goods, Services, transition support, or for possession of Tooling or other Lucid property, would cause irreparable damage to Lucid, including without limitation potential damages to Lucid’s relationships with its customers, suppliers,

labor unions, lenders, and prospective future customers, the exact amount of which would be difficult to ascertain, and that the remedies at law and monetary damages for any such breach would be inadequate. Accordingly, in the event of an action taken or threatened by Supplier hereunder that, if taken, would constitute a material breach of its obligations under the Agreement in connection with the production or delivery of Goods, Development Goods, Services, transition support, or for possession of Tooling or other Lucid property, Supplier agrees, acknowledges and consents that Lucid and its successors and assigns are entitled to injunctive or other equitable relief and/or a decree for specific performance, without the posting of any bond or other security, in addition to any other remedies Lucid may have against Supplier for damages or otherwise. Supplier may not take any action inconsistent with this acknowledgment, and Lucid will be entitled to recover its attorney fees and costs in connection with the enforcement of this Section 7.4.

**7.5. General and Other Remedies.** Without limiting the foregoing, Supplier shall be liable and reimburse Lucid for all Losses resulting from, incident to, or arising out of Supplier's representations, performance or obligations under the Agreement, including: (a) breaches of the Agreement or of any warranty; (b) production or delivery of defective or nonconforming Goods; (c) claims for personal injury (including death) or property damage caused by defective or nonconforming Goods; and (d) failure to comply with the shipping, delivery or other material requirements of Lucid.

**7.6. Cumulative Remedies.** The rights and remedies of Lucid set forth in the Agreement shall be cumulative, and in addition to, all other or further remedies provided at law or in equity.

## **8. PRICE; PAYMENT**

**8.1. Price; Payment Terms.** Lucid will pay Supplier, pursuant to the terms of the Agreement, for conforming and non-defective Goods, Development Goods and Services provided to Lucid in compliance with the Agreement. All prices shall be as referenced in a Purchase Order or Release and are inclusive of storage, handling, packaging, labeling, consumables, transportation, taxes, duties, tariffs, and all other expenses and charges unless otherwise agreed or stated on the Purchase Order or Scheduling Agreement. The prices for Goods or Services are not subject to increase (including based upon currency fluctuations, changes in raw material or component pricing, tariff or tax changes, labor or overhead), unless agreed to by Lucid and signed by authorized representatives of each Party. If Lucid elects to use returnable packaging, then any charge for non-returnable packaging will be deducted from the purchase price. Unless otherwise agreed in writing by Lucid, all payments of undisputed invoices are due net sixty (60) days from the end of month in which Lucid receives a complete and accurate invoice. If Supplier reduces its prices to others for the same or similar Goods or Services during the term of a Purchase Order, Supplier will reduce the prices to Lucid for such Goods or Services correspondingly. If the prices agreed upon by the Parties in a PPA expire before this GTC is terminated or expires, then the Parties agree to negotiate in good faith new pricing for the remainder of the term of the PPA or for whatever period as may be mutually agreed upon by the Parties. Supplier further agrees to continue complying with all obligations under the Agreement until the Parties reach an agreement on new pricing, which must be documented in a written agreement signed by both Parties.

**8.2. Invoices.** Supplier may invoice Lucid upon transfer of title to Goods to Lucid and Lucid's acceptance of the Goods and/or Services. Payment of invoices shall not be deemed an approval of such charges or acceptance of non-conforming or defective Goods or Services, and Lucid may later dispute such charges. Payment of invoices shall not relieve Supplier of any of its warranties or other obligations under the Agreement or the Law, or limit or affect any rights or remedies of Lucid. All invoices will be issued in the currency matching the Purchase Order or Scheduling Agreement. Supplier will provide supporting documentation to Lucid for any disputed invoice within ten (10) business days after receiving Lucid's request for such information. If an invoice correction is warranted, in Lucid's sole discretion, Lucid will pay the corrected amount within forty-five (45) days after receipt of the corrected invoice, or if the correction is reflected on the next regular invoice, within sixty (60) days after the date of that invoice. While the Parties work to resolve any invoice dispute, neither Party will be deemed to be in breach of the Agreement, provided that the dispute is in good faith. Supplier shall comply with Lucid's EDI business rules as set forth in Lucid's EDI policy, as updated from time to time, available on Lucid's website and

incorporated herein by reference (the “**EDI Policy**”). Supplier shall use the EDI system to submit invoices that meet the EDI Policy. If Supplier does not comply with EDI Policy requirements, Supplier will incur a manual processing fee and/or penalty as outlined in EDI Policy.

**8.3. Set Off.** Supplier agrees that all of its accounts with Lucid will be administered on a net settlement basis and that Lucid may, at any time, with prior notice and reasonable basis for determination: (i) set off and recoup debits and credits against any of Supplier’s accounts and (ii) deduct or set off Supplier’s claims for money due or to become due from Lucid against any claims that Lucid has or may have arising out of the Agreement.

## **9. EQUIPMENT AND TOOLING**

**9.1. Use and Costs of Tooling.** Supplier shall procure and maintain, at its sole expense, all Equipment and Tooling in accordance with the Specifications and Supplier’s obligations under the Agreement (including price and schedule). Supplier shall only use Tooling to perform Supplier’s obligations to Lucid under the Agreement. Supplier shall invoice Lucid only for the actual and verifiable costs of Tooling. Upon Lucid’s request, Supplier shall provide Lucid with multiple competitive quotes and upon Lucid’s prior written approval, shall purchase or lease Tooling. Unless otherwise provided in the Agreement, Lucid shall own all right, title and interest in and to Tooling.

**9.2. Tooling Conditions.** Supplier shall hold Tooling as a bailee only and will not permit any lien or encumbrance to be placed upon it, after full payment made by Lucid. Supplier shall apply asset tags to all Tooling in accordance with the Specifications and shall not move Tooling from the location specified by Lucid without Lucid’s prior written consent. Supplier shall notify Lucid of any unusual wear and shall notify Lucid in sufficient time to replace Tooling. Supplier shall, at its sole expense, insure all Tooling. Lucid has the right to the sole unencumbered unqualified possession of Lucid Tooling at any time. Immediately upon Lucid’s request or the termination, cancellation, expiration or other ending of the Agreement, Supplier will deliver the Lucid Tooling for Lucid, FCA Incoterms 2020 Supplier’s facility in good working order. Supplier grants Lucid an unconditional right of entry at any time to inspect and/or remove Lucid Tooling without liability. Lucid shall be entitled to obtain temporary or permanent injunctive or other equitable relief to enforce any provision hereof without the necessity of posting a bond or proof of action, injury or damage. If and to the extent that any law could confer or create any lien, right or remedy in favor of Supplier, Supplier irrevocably waives and relinquishes, for itself and its successor and assigns, any such liens, rights and remedies.

**9.3. Option to Purchase Supplier’s Equipment.** Lucid may purchase Supplier’s Equipment used to produce Goods, for a price equal to the lesser of the unamortized or otherwise expended cost of Supplier’s Equipment as reflected in Supplier’s federal income tax returns or supplier’s cost amortized over five (5) years.

## **10. INDEMNIFICATION**

### **10.1. General.**

(a) To the fullest extent permitted by Law, Supplier will indemnify, defend and hold harmless Lucid, its directors, officers, employees, authorized buyers and distributors, agents, dealers, successors and assigns (the “**Indemnified Parties**”), for all actual or alleged claims, liabilities, fines, penalties, damages, costs and expenses (including attorney and other professional fees, litigation costs, settlements, judgments, direct, incidental, consequential, and all other damages and lost profits) (collectively, “**Losses**”) incurred by Lucid in connection with all claims (including lawsuits, administrative claims, regulatory actions, arbitrations, and any other proceedings to recover for personal injury or death, property damage, equitable or injunctive relief, economic losses, or any other damages) that are in any way relating to Supplier’s representations, performance or obligations under the Agreement, further including claims arising out of any spill, discharge or emission of any hazardous substance caused in whole or in part by Supplier or Goods, claims based on Supplier’s breach of warranty, and claims for any violation of applicable Law or Government Requirement (collectively, “**Claims**”). Supplier’s obligation to defend, indemnify and hold

harmless Lucid under this section will apply regardless of whether the Claim arises in tort, negligence, contract, warranty, product liability, strict liability or otherwise.

(b) If Supplier provides Services to Lucid on Lucid's premises, Supplier will examine the premises to determine whether they are safe for such Services and will advise Lucid promptly of any situation it deems to be unsafe. Supplier's employees, contractors and agents will not possess, use, sell or transfer illegal drugs, medically unauthorized drugs or controlled substances, or unauthorized alcohol, and will not be under the influence of alcohol or drugs on Lucid's premises. Supplier shall be exclusively responsible for, shall bear, and shall relieve Lucid from liability for all loss, expense, damage or claims resulting from bodily injury, sickness or disease, including death at any time resulting therefrom, sustained by any person or persons, or on account of damage to or destruction of property, including that of Lucid, arising out of, or in connection with the performance of work on Lucid's premises except that Supplier shall be not be responsible for or relieve Lucid from liability for claims arising from the willful misconduct or the sole negligence of Lucid.

(c) **Procedures.** Lucid will give Supplier written notice of any Claim for which indemnification is sought under this Section 10 (Indemnification). Failure to give notice will not diminish Supplier's obligation under this Section 10 if Supplier has or receives knowledge of the existence of such Claim by any other means or if the failure does not materially prejudice Supplier's ability to defend the Claim. Supplier may select legal counsel to represent the Indemnified Parties (said counsel to be reasonably satisfactory to Lucid) and otherwise control the defense of such Claim. If Supplier elects to control the defense of such Claim, Lucid may participate in the defense at its expense. If Supplier, within a reasonable time after receipt of such notice, fails to defend the Indemnified Parties, Lucid may undertake the defense of and compromise or settle the Claim on behalf and at the risk of Supplier. If the Claim is one that cannot, by its nature, be defended solely by Supplier, then Lucid will, at Supplier's sole expense, make available information and assistance as Supplier may reasonably request. Supplier may not, without the prior written consent of Lucid, (i) consent to the entry of any judgment or enter into any settlement that provides for injunctive or other non-monetary relief affecting any Indemnified Party, or (ii) consent to the entry of any judgment or enter into any settlement unless such judgment or settlement provides for an unconditional and full release of the Indemnified Parties and does not diminish any of Lucid's rights under the Agreement or result in additional fees or charges to Lucid. If Supplier is obligated to defend and indemnify under this Section 10, then Lucid may, in sole discretion, participate in the defense of any claim with its own counsel.

## **10.2. Intellectual Property Infringement.**

(a) Supplier agrees to defend, hold harmless and indemnify the Indemnified Parties against any Losses resulting from IP Claims of infringement or misappropriation of the Intellectual Property Rights of any third party and resulting Losses arising out of or in connection with use or possession of any Goods or Development Goods or use of any Tooling or Services. "**IP Claims**" include lawsuits, governmental agency actions (including U.S. International Trade Commission Section 337 Actions, U.S. Patent and Trademark Office Inter Partes Reviews, German Patent Office nullity actions, trademark office cancellations, etc.), arbitrations, threats and any other proceedings, , in any country. Such a defense and indemnification by Supplier includes direct and indirect infringement, including if the Goods, Development Goods, Tooling or Services of Supplier constitute only a portion of a patent claim, and this Supplier defense and indemnification shall apply even if Supplier was only making Goods, Development Goods, Tooling or Services in accordance with drawings or specifications supplied by Lucid. Lucid has the right to reasonably approve or reject Supplier's choice of attorneys for the defense, Supplier must keep Lucid fully informed of all activities in the defense, and Lucid has the unilateral right to take over the defense and/or settlement, with Supplier promptly reimbursing Lucid for all fees, costs, damages and settlement payments arising therefrom.

(b) If any Goods, Development Goods, Tooling and Services become, or in Supplier's reasonable opinion are likely to become, the subject of an infringement or misappropriation Claim or IP Claim of a third party, Supplier will promptly notify Lucid in writing (the "**Infringement Notice**") and, at Supplier's sole expense and in addition to indemnifying the Indemnified Parties as provided in this

Section 10 (Indemnification) and to the other rights Lucid may have under the Agreement: (a) promptly at Supplier's expense secure the right to continue manufacturing and selling the Goods, Development Goods, Tooling and Services; or (b) if this cannot be accomplished with Commercially Reasonable Efforts, then replace or modify the Goods, Development Goods, Tooling and Services to make them non-infringing or without misappropriation; *provided, however*, that any such replacement or modification may not degrade the performance or quality of Goods or disrupt Lucid's business operations. During the foregoing one hundred eighty (180) day period of time and unless prohibited by Law, Supplier shall not suspend delivery of the affected Goods and Supplier shall not increase the prices charged therefor as the direct result of such infringement or misappropriation Claim. If Supplier chooses to stop selling any such Goods and Supplier is not otherwise prohibited by Law from selling such Goods, Supplier will be deemed to be in default and Lucid may exercise its termination and other rights and remedies.

## **11. LIMITATION OF LIABILITY**

**11.1. EXCEPT FOR LIABILITY FOR INDEMNIFICATION, LIABILITY FOR BREACH OF CONFIDENTIALITY, LIABILITY FOR FIELD SERVICE ACTIONS OR CORRECTIVE ACTIONS, OR LIABILITY FOR INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS, OR AS OTHERWISE STATED IN THE AGREEMENT,** a Party's liability for breach of the Agreement shall be limited to direct damages and shall be the greater of: (a) five (5) million United States dollars or (b) payments made by Lucid under the Agreement in the preceding twenty four (24) months prior to such breach; *provided, however*, the Parties agree that direct damages with regards to Supplier's breach, shall include: (i) costs of containment, internal or third party sorting, repair, replacement, cover, off-lining of vehicles, rework, delays, additional scrap, expedited freight, line-down or reduced line speed, production interruptions, and plant shutdowns; (ii) costs of any Corrective Action or Field Service Action related to the Goods; and (iii) costs associated with any governmental fine or other penalty caused by Supplier, by acts or omissions of Supplier, or by any Goods. In no event will Lucid be liable for indirect, consequential, punitive, remote or speculative damages, or lost profits, failure to realize anticipated production volumes, unabsorbed overhead, unamortized capital or depreciation costs, or general administrative burden in connection with any claim or breach.

**12. CONFIDENTIALITY.** The Confidentiality Agreement forms part of the Agreement and applies to the existence of the Agreement and all disclosures made in the course of the Agreement. The terms of the Confidentiality Agreement will survive termination of the Agreement for a period of seven (7) years from the date of such termination, notwithstanding any terms in the Confidentiality Agreement providing for its earlier expiration or termination.

## **13. TERM, DURATION, TERMINATION, AND CANCELLATION**

**13.1. Term and Duration.** The Agreement will commence on the Effective Date and shall remain in effect either for the time period specified in an applicable Purchase Order or Scheduling Agreement, or, if no such time period is specified, for the life of the Program, or until terminated or cancelled as provided in the Agreement, whichever occurs earlier. For the avoidance of doubt, this section does not limit or modify Lucid's rights of termination or cancellation as set forth in the Agreement or under applicable Law.

**13.2. Termination for Convenience.** Lucid may terminate all, or any part, of the Agreement at any time and for any reason by giving written notice to Supplier. Upon receipt of such notice, Supplier shall immediately stop all work and cause its suppliers and subcontractors to cease work. Lucid shall pay Supplier for the Goods and Services accepted as of the date of termination and for Supplier's actual, reasonable, and documented costs incurred directly as a result of the termination, but in no event shall Buyer be liable for lost profits or other consequential damages.

**13.3. Termination for Cause.** Supplier acknowledges that, in entering into the Agreement, Lucid shall become dependent upon Supplier for the timely development and production of samples and prototypes of the Goods, for the provision of Services, for the supply of Goods, and, as a result, for the production by Lucid of its products in accordance with the schedules contemplated in the Agreement. Supplier further recognizes that failure to timely and fully perform its obligations under the Agreement may affect the

viability of the manufacturing of Lucid vehicles and that Lucid will suffer substantial irreparable harm which cannot be measured solely in monetary terms. Supplier expressly agrees that Lucid shall have the right to compel specific performance of the Agreement by Supplier, or alternatively, to immediately terminate or cancel the Agreement, or any part, for cause in the event of any default or breach by Supplier, including, but not limited to: (i) late delivery, (ii) delivery of defective or nonconforming Goods or Services, (iii) failure to provide Buyer, upon request, with reasonable assurances of future performance, or (iv) breach of any other term or condition of this Agreement. In the event of termination for cause, Buyer shall not be liable to Supplier for any amount, and Supplier shall be liable to Buyer for any and all damages sustained by reason of the default.

**13.4. Notice of Breach.** Any of the following communications shall constitute notice of a breach of warranty or any other breach under the Agreement and shall satisfy the notice requirements of Uniform Commercial Code Section 2-607(3)(a) (as codified) or any similar rule of law: (a) any communication identifying a defect, default, claim of defect, or other issue related to the quality or performance of the Goods; (b) any communication stating that any Goods are in breach of warranty or that Supplier is in default or non-compliance with the Agreement; or (c) a termination or cancellation notice from Lucid. Supplier waives any right to receive additional notification of breach under Uniform Commercial Code Section 2-607(3)(a) or any similar rule of Law.

**13.5. No Termination Right by Supplier.** Supplier shall have no right to terminate, cancel, or suspend performance under the Agreement, including, for the avoidance of doubt, under any Purchase Order, Scheduling Agreement, or Release, for any reason, including Supplier's insecurity regarding Lucid's performance of its obligations under the Agreement. In the event of a dispute between Supplier and Lucid arising out of or related to the Agreement, the Parties shall work in good faith to resolve the dispute; however, no dispute shall relieve Supplier of its obligation to provide Lucid with a continuous and uninterrupted supply of Goods in accordance with the terms of the Agreement.

**13.6. Lucid Property Rights.**

(a) Lucid has the right to the sole, unencumbered, unqualified, and absolute possession of Lucid Property at any time as elected by Lucid, Supplier will immediately release to Lucid upon request, and Lucid may retake immediate possession of Lucid Property at any time with or without cause and without payment of any kind unless otherwise provided in a Purchase Order. If the Agreement is terminated or cancelled by Lucid, or if Lucid reasonably believes that Supplier will be unable to supply quantities of the Goods within the required dates and times and in compliance with the Specifications contained in the Agreement, Lucid may exercise all rights and remedies available under applicable Law and under the Agreement to ensure the timely production and delivery of the Goods, specifically including the right to take immediate possession of all Lucid Property and to remove the same from Supplier's premises or wherever the Lucid Property may be located. Supplier shall cooperate with and assist Lucid in connection with its exercise of the foregoing rights and shall in no event seek to oppose or interfere with the exercise by Lucid of such rights. Upon Lucid's request, with or without termination or cancellation of the Agreement, Supplier shall assemble Lucid's Property and will release the requested Lucid Property to Lucid FOB Supplier's facility (Incoterms 2020), properly packed and marked in accordance with the requirements of Lucid's carrier. Supplier grants to Lucid a license over and upon all lands, real estate, buildings, and properties of Supplier, wherever situated, for the limited purpose of ingress, egress, loading, transporting and removing Lucid's Property, and said license shall inure to the benefit of Lucid, its agents, employees, representatives, and contractors. Upon termination or cancellation by Lucid for Supplier's breach of the Agreement, Supplier grants to Lucid a non-exclusive, perpetual, irrevocable, royalty-free, fully-paid up, worldwide license under all of Supplier's and its sub-supplier's Intellectual Property Rights in such and also to the Supplier Technology, to make, have made, use, sell, offer to sell, import, reproduce, display, perform, distribute, modify, compile, execute, and make derivative works of the Development Goods, Goods, Tooling, Services, and any modified versions or derivatives of any of the foregoing, but such license shall only extend to use for, in connection with or as a component of a Lucid-manufactured vehicle. The foregoing license shall be deemed to be a license to "intellectual property rights" for the purposes of the

U.S. Bankruptcy Code Section 365(n). Any failure or threatened failure by Supplier to perform its obligations under this Section 13.6 for any reason whatsoever shall entitle Lucid to institute and prosecute proceedings in a court of competent jurisdiction to obtain temporary and/or permanent injunctive or other equitable relief to enforce any provision hereof without the necessity of posting bond or proof of action, injury or damage. The foregoing is in addition to Supplier's other obligations and Lucid's other rights and remedies at law, in equity, and in the Agreement.

**(b)** Supplier will have no interest in Lucid Property paid for by Lucid except as an at-will bailee. As a continuing condition of Supplier's possession or use of Lucid Property and to the maximum extent permitted by Law, Supplier shall ensure that no third party obtains any lien or other right in Lucid Property and Supplier hereby waives and relinquishes any lien or other right of retention whatsoever with respect to Lucid Property (including mechanic's liens) and shall cause any third parties that might have any such lien or right to waive and relinquish such lien and right. If and to the extent that any common law or Law should be deemed applicable to Lucid Property and should confer upon or create in favor of Supplier any lien, right, or remedy (whether for work performed on or goods produced with or raw materials ordered in connection with Lucid Property), Supplier hereby irrevocably waives and relinquishes, for itself and its successors and assigns, any and all such liens, rights, and remedies, agreeing that its rights and remedies are solely as set forth in this GTC. The provisions of this Section 13.6 are a bargained consideration essential to Lucid's agreement and to Supplier's possession of Lucid Property.

**13.7. Lucid Property Costs.** If Supplier fails to assemble and deliver Lucid's Property to Lucid upon request, Lucid shall be entitled to: (a) an immediate court order for possession without notice and without positing a bond; and (b) enter Supplier's premises with or without legal process and take immediate possession of Lucid Property for which Lucid has tendered payment. Lucid shall be entitled to recover from Supplier all Losses, expenses, and damages of every kind and nature, including attorney's fees and costs and incidental and consequential damages which Lucid may suffer as a result of such default or failure by Supplier. In this regard, Lucid's cost incurred in breaking down, packing, moving, and reassembling the Lucid Property in order that the Lucid Property may be used by Lucid or its assignees shall constitute recoverable damages, together with any other additional damages and costs.

### **13.8. Transition Support.**

**(a)** In order to enable Lucid to continue to manufacture the Goods, Supplier shall include in its contracts and orders with its sub-suppliers that such contracts and orders can be assigned to Lucid and if requested by Lucid, Supplier shall provide all documentation, information and assistance necessary for Lucid to transition manufacturing to another supplier. Furthermore, Supplier shall include in its contracts and orders with sub-suppliers the rights of Lucid set forth in Section 9.3 (Option to Purchase Supplier's Equipment) with respect to any Lucid Property and any of the sub-supplier's special tooling and equipment required to assure the continued manufacture and delivery of Lucid's products, and assign such special tooling and equipment to Lucid as a third party beneficiary.

**(b)** Upon the termination, cancellation, expiration or any other ending of the Agreement, if requested by Lucid, Supplier will take any and all actions necessary to ensure the uninterrupted supply of Goods and/or Services to Lucid, including:

- (i)** Continuing production and delivery of all Goods and/or provision of all Services ordered by Lucid, at the prices and terms set forth in the Agreement, without premium or restriction until an alternative supplier has been qualified and commenced production at a rate sufficient to meet Lucid's requirements without delay;
- (ii)** Providing special overtime production, storage and management of extra inventory of Goods, extraordinary packaging and transportation and other special Services expressly requested by Lucid, without premium and at Supplier's actual, verifiable costs; and
- (iii)** Producing and delivering to Lucid a sufficient bank of Goods covered by the Agreement and/or fulfilling a last time buy Purchase Order issued by Lucid, the quantity to be determined



by Lucid in its sole discretion, without premium or restriction and at the prices and terms set forth in the Agreement, to ensure the orderly transition to any alternative seller chosen by Lucid.

#### **14. OBLIGATIONS UPON TERMINATION, CANCELLATION**

**14.1. Lucid's Obligations.** Upon termination or cancellation by Lucid, Lucid will pay to Supplier, in complete and final satisfaction of all liability relating to the Agreement, only the following amounts without duplication:

(a) Subject to the terms of the Agreement, (i) the purchase price for all conforming Goods delivered in compliance with a Purchase Order or Firm Quantity, and Lucid's notice of termination or cancellation, and (ii) if Lucid terminated or cancelled pursuant to Section 1.6 for convenience, the costs specified in Section 1.7(a) or Section 1.6(b); and

(b) The reasonable, actual, and incremental costs of transition support requested by Lucid, but only if and to the extent that (i) Lucid terminated or cancelled the Agreement pursuant to Sections 1.6(a) or Section 1.6(b) for convenience (and not for Supplier's breach or nonperformance), and (ii) Lucid has approved the costs in advance in writing.

**14.2. Supplier's Obligations.** Upon termination or cancellation of the Agreement by Lucid, Supplier will:

(a) Stop all work on the date and to the extent specified by Lucid and terminate all orders and subcontracts that relate to the terminated or cancelled Agreement except to the extent required to provide transition support as set forth in Section 13.7;

(b) To the extent requested by Lucid, transfer title and deliver to Lucid all Lucid Tooling and Equipment, work in process, materials and components that Supplier produced or acquired in accordance with the Agreement;

(c) Verify and settle all claims by subcontractors for actual costs that are rendered unrecoverable due to termination, provided Supplier has taken possession of the materials for which Supplier has settled such claims, and submit all claims resulting from such termination within thirty (30) days after receipt of the termination notice. Lucid shall have the right to verify such claims by auditing the relevant records, facilities, work, or materials of Supplier and/or its subcontractors;

(d) Protect all property in which Lucid has an interest until Lucid provides Supplier with instructions for disposition; and

(e) Provide transition support in accordance with Section 13.7.

#### **15. FORCE MAJEURE**

**15.1.** No Party will be liable for delay or failure to fulfill its obligations under the Agreement when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's (the "**Impacted Party**") reasonable control ("**Force Majeure**"), which may include the following: acts of God, natural disasters, actions by any governmental authority (whether valid or invalid), wars, terrorism, or sabotage, provided the Impacted Party has used commercially reasonable efforts to mitigate against the effects of foreseeable Force Majeure occurrences in advance.

**15.2.** The Impacted Party shall give notice within two (2) business days of the Force Majeure to the other Party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. If the Impacted Party's failure or delay remains uncured for a period of thirty (30) days following written notice given by it under this Section 15, the other Party may terminate or cancel the Agreement upon written notice.

**15.3.** In addition, following the declaration of a Force Majeure by Supplier, Lucid may, in its sole discretion, either:

(a) purchase Goods from other sources without liability to Supplier; or

(b) require Supplier to provide Goods from other sources in quantities and at a time requested by Lucid and at the prices originally agreed for the Goods under the applicable Purchase Order or Scheduling Agreement.

**15.4.** The rights granted to Supplier with respect to excused delays under this Section 15 are intended to limit Supplier's rights under theories of force majeure, commercial impracticability, impracticability, or impossibility of performance, or failure of presupposed conditions or otherwise, including any rights arising under Section 2615 or 2616 of the California Com. Code.

**15.5.** Unless, in its sole discretion, Lucid has approved detailed plans for assurance of timely and conforming delivery(ies) in the event of such specific delays, Force Majeure does not include strikes or labor disputes, lockouts, or shortage of labor. If non-performance exceeds a reasonable period justified by the Force Majeure, but in no event more than thirty (30) days, Lucid may terminate or cancel the Agreement upon notice with no liability.

**16. INSURANCE.** Supplier will obtain and maintain, at its sole expense, at least the following types and amounts of insurance coverage: (a) Workers' Compensation: statutory limits for the state(s) in which the Agreement is to be performed (or evidence of authority to self-insure); (b) Employer's Liability: US\$1,000,000 each accident for bodily injury by accident and US\$1,000,000 each employee for bodily injury by disease; (c) Commercial General Liability covering liability arising from premises, operations, contractual liability, independent contractors, products liability/completed operations, personal injury and advertising injury, and liability assumed under an insured contract: US\$5,000,000 each occurrence; (d) Automobile Liability (including owned, non-owned and hired vehicles): US\$5,000,000 each occurrence; (e) Umbrella/excess insurance on an occurrence basis in excess of the underlying insurance described above with minimum limits of US\$5,000,000 per occurrence and annual aggregate; (f) electronics errors and omissions coverage that covers claims arising out of design specifications provided by Supplier; and (g) property insurance, all-risk, subject to standard exclusions that covers Lucid property while in Supplier's care, custody or control. Such policies will name Lucid as an additional insured thereunder and shall contain endorsements stating that the policies are primary and not excess over or contributory with any other valid, applicable, and collectible insurance in force for Lucid. All insurance policies in any way related to a Purchase Order or Scheduling Agreement and secured and maintained by Supplier will waive all rights of recovery, under subrogation or otherwise, against Lucid, its agents, representatives, affiliates, and all tiers of consultants or suppliers engaged by Lucid. Supplier will require its subcontractors and suppliers to whatever tier, by appropriate written agreements, to give similar waivers each in favor of all parties enumerated in this section. Supplier shall furnish to Lucid either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within ten (10) days of Lucid's written request. The certificate will provide that Lucid will receive thirty (30) days' prior written notice from the insurer of any termination, non-renewal, or reduction in the amount or scope of coverage. Lucid may require Supplier to furnish evidence of the foregoing insurance but failure to comply with these insurance requirements will not relieve Supplier of its liability and obligation under this section.

## **17. INTELLECTUAL PROPERTY**

**17.1. Copyrights.** No Supplier Technology shall incorporate 3<sup>rd</sup> party Intellectual Property Rights without prior written consent of Lucid. Supplier agrees that all copyrightable work created by Supplier or its third-party sub-suppliers that constitute, are included in or are derivations of the Work Product is a "work made for hire" as defined in 17 U.S.C. §101, owned exclusively by Lucid or its designee. To the extent that any copyrightable work in the Work Product does not constitute "work made for hire," Supplier and its sub-suppliers hereby irrevocably assign to Lucid or its designee all right, title, interest and Intellectual Property Rights in and to the Work Product. Supplier waives all "moral rights" or rights of droit moral with respect to the Work Product.

**17.2. Inventions and Related Rights.** With respect to any Intellectual Property Rights conceived, reduced to practice or improved upon in any manner, or any derivative works thereto, in the course of Supplier's

activities under the Agreement (“**Inventions**”), Supplier, and its sub-suppliers, hereby assign all rights, title and interest in such Inventions to Lucid or its designee, and such Inventions are deemed confidential property of Lucid. Supplier shall promptly inform Lucid of the Inventions in writing and Supplier shall cooperate with Lucid in protecting such Inventions. If (i) in the event of bankruptcy or (ii) a court or governmental agency will not enforce the “work for hire” or assignment provisions of this Section 17, then Supplier hereby grants to Lucid a non-exclusive, irrevocable, royalty-free, perpetual, worldwide license under all Intellectual Property Rights in such Supplier Technology (including all Supplier and sub-supplier Inventions and copyrightable works) to make, have made, use, sell, offer to sell, import, reproduce, display, perform, distribute, modify, compile, execute, and make derivative works of the Development Goods, Goods, and any modified versions or derivatives of any of the foregoing.

**17.3. Lucid Intellectual Property Rights.** Except as necessary to allow Supplier to make and sell the Development Goods, Goods, Tooling and/or Services for Lucid, no rights to any Lucid Intellectual Property Rights are granted to Supplier, including by of implication, waiver, or estoppel. Supplier will not authorize or permit its employees, contractors, personnel or third parties to decompile, disassemble or in any other way reverse engineer any information or technology in which Lucid has any Intellectual Property Rights.

**17.4. Supplier Cooperation.** Supplier will cooperate fully with Lucid and its designees and will promptly execute any documents reasonably requested by Lucid to assign, secure, register or enforce any Intellectual Property Rights Lucid has or may have related to the Agreement, and Supplier shall have contracts in place to cause its employees, independent contractors, officers, agents and sub-suppliers to comply with the terms herein.

## **18. CUSTOMS**

(a) Supplier will promptly notify Lucid in writing of material or components used by Supplier to fulfill its obligations under the Agreement that Supplier purchases in a country other than the country in which the Goods are delivered to Lucid. Supplier will furnish Lucid with any documentation and information necessary to establish the country of origin or to comply with the applicable country’s rules of origin requirements. Supplier will promptly advise Lucid of any material or components imported into the country of origin and any duty included in the purchase price of the Goods.

(b) The rights to and benefits of any duty drawback, including rights developed by substitution and rights which may be acquired from Supplier’s suppliers and export credits, to the extent transferable to Lucid, are the property of Lucid. Supplier will provide all documentation and information and take any necessary steps to drawback any duty, taxes or fees paid to, and to receive export credits from, the government of the country of origin upon exportation of Goods from such country.

(c) The responsibility for customs duty and customs brokers' fees will be determined in accordance with the delivery terms stated in the Agreement. If Lucid is responsible for customs duties, it will be responsible for normal duties only. Supplier will be responsible for any special duties, including marking, anti-dumping and countervailing duties, to the extent permitted under the law of the country of importation. Supplier will provide to Lucid or the appropriate governmental authority all documentation and information required by law or regulation or otherwise necessary to determine the proper minimum duty to be paid upon the importation of the Goods into any country or to obtain any refunds or drawbacks of duties paid.

(d) Supplier will advise Lucid if the importation or exportation of Goods requires an import or export license. Supplier will assist Lucid in obtaining any such license.

(e) Supplier will provide to Lucid and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Goods into the country in which Goods are delivered to Lucid. Supplier warrants that the information regarding the import or export of Goods supplied to Lucid is true and correct in every respect and that all sales covered by the Agreement will be made at not less than fair value under the anti-dumping laws of the countries to which Goods are exported.

## **19. AUDITS, INSPECTION, REPORTS**

**19.1. Documentation and Reports.** Supplier will, at its sole expense, provide Lucid with documentation, reports and quotes in the form and format specified by Lucid regarding the Development Goods, Goods, and Purchase Orders or Scheduling Agreement.

**19.2. Audit; Inspection.** Upon reasonable, advanced written notice to Supplier, Lucid may, either itself or by its authorized representatives conduct an inspection or audit to ensure Supplier's compliance with the terms of the Agreement, including: (a) examine and audit all pertinent documents and materials in the possession or under the control of Supplier relating to any of Supplier's obligations under the Agreement or any payments requested by Supplier pursuant to the Agreement, and (b) inspect Supplier's facilities and interview Supplier personnel to ensure compliance with the terms of the Agreement, including inspection of work in progress or completed Development Goods, Goods or Services, development and manufacturing processes, working conditions, and on-site living conditions, as applicable. Supplier will ensure that Supplier personnel who are knowledgeable of the relevant facilities attend such inspections. Supplier shall maintain all pertinent books and records relating to the Agreement in accordance with generally accepted accounting principles consistently applied and shall keep the books and records for: (x) a period of five (5) years after completion of Services or delivery of Goods pursuant to the applicable Purchase Order or Scheduling Agreement, or (y) the maximum period required by applicable law, whichever period is greater.

**20. PUBLICITY; USE OF LUCID NAME; THIRD PARTY SALES.** During and after the term of the Agreement, Supplier must not, without the prior written consent of Lucid, in any manner publish the fact that Supplier has furnished or contracted to furnish Lucid with Goods and/or Services, or use the name or trademarks of Lucid, or its affiliates or their products. Neither Party will have any right or license to use the trademarks, service marks or logos of the other Party for any reason without the other Party's prior written consent. Supplier will not place its, or any third party's, trademark or other designation on the part without written permission from Lucid. If the part is specific or proprietary to Lucid's design ("**Marked Parts**"). Supplier will not sell Marked Parts to third parties without Lucid's prior written consent.

**21. TAXES.** Supplier shall pay any and all taxes, duties, and import fees, if any, arising before transfer of title of the Goods from Supplier to Lucid. Lucid shall pay any and all sales, services and use or similar taxes related to the purchase of the Goods arising after the transfer of title of the Goods from Supplier to Lucid. Each Party shall cooperate with reasonable requests of the other Party in any efforts to obtain exemption from, or to minimize, any taxes related to the supply and purchase of Goods hereunder.

**22. COMPLIANCE WITH LAWS; FORCED LABOR; SUSTAINABILITY.**

**22.1. Compliance with Laws.** Supplier, and any Goods or Services supplied by Supplier, shall comply with all applicable Laws, rules, regulations, orders, conventions, ordinances, standards and other Government Requirements of the country(ies) of destination, the United States, and any foreign country or political subdivision having jurisdiction over any of Supplier's activities hereunder, or that relate to the manufacture, labeling, transportation, importation, exportation, taxation, licensing, approval or certification of the Goods or Services, including those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Supplier further represents that: (i) neither it nor any of its subcontractors will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of Goods or provision of Services under the Agreement and (ii) it and its subcontractors will comply with all applicable laws regarding employment of underage or child labor and shall not employ children under the age of 16. Without limiting this requirement, Supplier agrees that it will not export, re-export, sell, resell or transfer any customer data or any export-controlled commodity, technical data or software: (a) in violation of any law, regulation, order, policy or other limitation imposed by the United States (including the U.S. Foreign Corrupt Practices Act and the United States Export Administration regulations) or any other government authority with jurisdiction (including other applicable international anti-corruption laws); (b) to any country for which an export license or other governmental approval is required at the time of export, without first obtaining all necessary licenses or equivalent or (c) to any country as to which the United States maintains an embargo or to a national or resident thereof, or to any person or entity on the U.S. Department of Treasury's List of Specially Designated Nationals or the U.S. Department of Commerce's Table of Denial Orders. To the

extent that Goods will be transported into the United States, Supplier represents that either (x) it is C-TPAT-certified by U.S. Customs & Border Protection, and will maintain that certification throughout the term of the Agreement, or (y) it will comply with the Customs-Trade Partnership Against Terrorism (“C-TPAT”) security procedures that may be found on the Customs website at [www.cbp.gov](http://www.cbp.gov) (or such other website that the C-TPAT security procedures may be moved to by the U.S. Government). At Lucid’s request, Supplier shall certify in writing its compliance with the foregoing. Supplier shall indemnify and hold Lucid harmless from and against any liability claims, damages, costs, demands or expenses of any kind or nature (including attorney’s or other professional fees) arising from or relating to Supplier’s noncompliance with the terms of this Section 22.

**22.2. Social and Environmental Responsibility.** Supplier is expected to comply with, and support Lucid’s compliance with, all applicable human rights and environmental laws and Lucid’s policies, including Lucid’s Responsible Sourcing Policy and Lucid’s Supplier Code of Conduct. Lucid and Supplier each shall establish and cooperate in conducting human rights and environmental due diligence in accordance with internationally recognized due diligence instruments, including the Organisation of Economic Cooperation & Development’s Guidelines for Multinational Enterprises for Responsible Business Conduct, in connection with the goods and/or services governed by the Agreement. Accordingly, Supplier agrees as follows:

(a) Supplier will not use, or permit the use of, any of the following, as defined and prohibited by the International Labour Organization Conventions, in its own operations or supply chain: (i) any form of forced labor or human trafficking; (ii) any child labor; or (iii) physically abusive disciplinary practices.

(b) Supplier shall maintain policies and procedures reasonably assuring that any raw materials, including primary and secondary materials, which are in products they provide to Lucid, is sourced in accordance with recognized due diligence frameworks to minimize the risks of human rights and environmental impacts in the extraction, processing and manufacturing of the materials used in Lucid’s products. “Raw materials” include any of the conflict minerals defined by Section 1502 of the Dodd-Frank Act and Annex X of the European Union’s Batteries Regulation or other regulations as requested by Lucid. Supplier will provide information about their due diligence on the sourcing of raw materials in Lucid’s products upon request.

(c) Supplier will strive to map their supply chain from raw materials to the finished product as requested by Lucid. Supplier shall, upon request, provide necessary supply chain mapping data and documented chain of custody information (for example, bill of lading, purchase order, payment, etc.) to Lucid to meet its supply chain due diligence obligations to demonstrate the origin and control of each raw material or input.

(d) Suppliers should develop, implement, and support a proactive approach to environmental responsibility through environmental protection practices, conserving natural resources and reducing overall environmental footprint of production, goods and services throughout their life cycle. This includes striving to have systems in place to track Scope 1, 2, and 3 greenhouse gas emissions and efforts to reduce these emissions and provide this information to Lucid upon request.

(e) Supplier agrees to comply with Lucid’s Supplier Code of Conduct and demonstrate compliance when asked. Supplier shall enforce a similar code of practice with its own supply chain, including subcontractors. Any required corrective action plans to rectify non-conformances to the Supplier Code of Conduct will be according to a mutually agreed timeline.

## **23. MISCELLANEOUS**

**23.1. Amendment.** The Agreement may be amended or modified only by an express writing signed by an authorized representative of both Parties. The Agreement shall not be modified through emails.

**23.2. Assignment.** The Agreement may not be assigned by a Party without the prior written consent of the other Party, and any attempt to do so shall be void; *provided, however*, that Lucid may assign the Agreement

to an affiliate or to an acquiring third party in connection with a merger or sale of all or substantially all of Lucid's assets.

**23.3. Change of Ownership.** Notwithstanding Section 23.2, the validity of the Agreement will not be affected by a change of ownership or change of control of either Party. In the event of a change of ownership or control of a Party, such Party shall provide written notice to the other Party of such event, but the consent of the other Party shall not be required.

**23.4. Construction.** The section headings in the Agreement are for convenience only and are not to be considered in construing or interpreting the Agreement. The words "will" and "shall" are used in a mandatory, not a permissive, sense, and the word "including" is intended to be exemplary, not exhaustive, and will be deemed followed by "without limitation." Any requirement to obtain a Party's consent is a requirement to obtain such consent in each instance.

**23.5. Governing Law and Forum.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan, without regard to its conflict of laws principles. For all disputes arising under the Agreement for which Lucid does not elect binding arbitration under Section 23.6, the Parties irrevocably consent to the personal jurisdiction of the state and federal courts in and/or for Oakland County, Michigan, USA, and irrevocably waive any claims they may have that any proceedings brought in such courts have been brought in an inconvenient forum. Any suit regarding or relating to the Agreement for which Lucid does not elect binding arbitration under Section 23.6 may only be brought in the state or federal courts in and/or for Oakland County, Michigan, USA.

**23.6. Dispute Resolution.** Subject to Section 7.4, any dispute arising out of or relating to this Agreement may be resolved, at Lucid's sole discretion, through either: (i) binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, or (ii) litigation in the courts specified in Section 23.5 (Governing Law). The Parties expressly waive their right to a jury trial in any such proceeding.

**23.7. Electronic Communication.** Supplier will comply with the method of electronic communications specified by Lucid from time to time, including the system used to maintain electronic versions of Specifications and to provide notification of and to track modifications to such Specifications, and requirements for electronic funds transfer, order transmission, electronic signature and communication.

**23.8. Entire Agreement.** This GTC together with all related exhibits and schedules, and all other agreements incorporating this GTC by reference which are signed by authorized representatives of the Parties, constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and supersedes all other prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

**23.9. Execution.** The Agreement may be executed in any number of counterpart originals and may be delivered and signed by electronic means and such electronic copies of the Agreement shall be binding as an original.

**23.10. Order of Precedence.** In the event of a conflict between this GTC and any other document that references this GTC, the order of precedence is: (i) the Production Pricing Agreement; (ii) applicable Purchase Order or Scheduling Agreement; (iii) this GTC; and (iv) any other exhibits or attachments to this GTC, including any statement of work, except that the terms of this GTC regarding Warranty (Section 6), Limitation of Liability (Section 11), Confidentiality (Section 12), and Intellectual Property (Section 16) shall prevail over the terms of any other document.

**23.11. Relationship of Parties.** Nothing in the Agreement creates a joint venture, partnership, or other form of business association between the Parties.

**23.12. Severability.** If one or more provisions of the Agreement are held to be unenforceable, then such provision shall be excluded from the Agreement and the balance of the Agreement shall be enforceable in accordance with its terms. Each Party will be entitled to seek equitable relief, including injunction, in order

to protect its Confidential Information and other Intellectual Property Rights. The failure of either Party to enforce any right resulting from breach of any provision of the Agreement by the other Party will not be deemed a waiver of any right relating to such breach or any subsequent breach of such provision or of any other right hereunder.

**23.13.Subcontracting.** Supplier must not subcontract any of its obligations under the Agreement without the prior written consent of Lucid. Any consent of Lucid will not release Supplier from, or limit, any of Supplier's obligations under the Agreement. Supplier warrants and guarantees that all subcontractors' performances will satisfy all requirements applicable to Supplier under the Agreement.

**23.14. Notices.** Any notices or notifications required or permitted under the Agreement shall be made by electronic mail (or registered mail – return receipt requested) and deemed received upon the date of delivery if addressed as follows: If to Lucid: Lucid Supply Chain Department, 7373 Gateway Blvd., Newark, CA 94560, with courtesy copy only (not for notice) to Lucid Legal Department at 7373 Gateway Blvd., Newark, CA 94560 and [legal@lucidmotors.com](mailto:legal@lucidmotors.com); if to Supplier: *[insert name, title, address and email address(es)]*.

**23.15.Survival.** The obligations, covenants, and agreements of Supplier under the Agreement that by their nature are intended to survive the expiration, termination, cancellation or any other ending of the Agreement shall so survive the expiration, termination, cancellation or other ending of the Agreement, including GTC Sections 4 (Service and Support), 5 (Quality), 6 (Warranty), 7 (Remedies), 10 (Indemnification), 11 (Limitation of Liability), 12 (Confidentiality), 13 (Term and Termination), 14 (Obligations Upon Termination), 16 (Intellectual Property), 19 (Audits, Inspection, Reports), 20 (Publicity; Use of Lucid Name; Third Party Sales), 21 (Compliance with Laws; Social and Environmental Responsibility), and 23 (Miscellaneous).

[SIGNATURE PAGE FOLLOWS]

## SCHEDULE 1 - DEFINITIONS

**“Affiliate”** means with respect to an entity, any other entity or person controlling, controlled by, or under common control with, such entity. For purposes of the Agreement, “control” means possessing, directly or indirectly, the power to direct or cause the direction of the management, policies or operations of an entity, whether through ownership of voting securities, by contract or otherwise.

**“Agreement”** means, collectively, (i) this GTC and (ii) any Purchase Order, Scheduling Agreement, Release, Production Pricing Agreement, Specifications, statements of work, and all other manuals, guidelines, policies, specifications, terms, conditions and requirements issued or made available to Supplier by Lucid from time to time (including any documents and attachments referenced or incorporated in the foregoing), and further including all updates, amendments or revisions to the foregoing, plus any other additional written agreements between Lucid and Supplier provided that such are signed by authorized representatives of the Parties, relate to the Goods and/or Services, and reference this GTC.

**“Commercially Reasonable Efforts”** means taking all such steps and performing in such a manner as a well-managed company would undertake where it was acting in a determined, prudent and reasonable manner to achieve a particular desired result for its own benefit.

**“Confidential Information”** has the meaning set forth in the Confidentiality Agreement.

**“Confidentiality Agreement”** means the then-current standard non-disclosure agreement of Lucid or, if applicable, the then-current signed non-disclosure agreement between Lucid and Supplier.

**“Development Goods”** means the tangible results of Services performed by Supplier to develop Goods for use in Lucid products.

**“Development Schedule”** means the schedule for developing Development Goods, including any related milestones and release date, which may be amended by Lucid, in its sole discretion.

**“EDI”** means the electronic data interchange system or information management system specified by Lucid that facilitates automated communication of information in electronic format between the Parties.

**“Equipment”** means all capital equipment on which Tooling is used in order to develop, manufacture, test, package, deliver and/or service the Goods and Development Goods.

**“Field Service Action”** means any recall, service campaign or other service action whether performed by Lucid, its authorized distributors, dealers and/or repair providers or Supplier, including voluntary actions and actions mandated by Government Requirement.

**“Firm Quantity”** means the quantities of Goods and/or Services designated by Lucid for the first two (2) weeks in a Release, which constitutes Lucid’s firm requirements for the Goods and/or Services.

**“Forecast”** means non-binding estimates, forecasts or projections of Lucid’s future anticipated needs for Goods and/or Services which may be included in a separate forecast document, a Release, a Scheduling Agreement, or other document issued by Lucid.

**“Goods”** means the final, integrated products, sub-assemblies, components and materials Supplier provides to Lucid.

**“Government Requirement”** means any law or requirement of a government or governmental agency, including those that apply to new or used vehicles or components or systems or subsystems thereof or for use with a vehicle, including safety, materials, environmental protection, recycling and end of life disposal requirements. A Government Requirement may include specific warranty terms or periods of coverage, Corrective Actions or Field Service Actions required by the government.

**“Intellectual Property Rights”** means all current and future rights patents, utility models, copyrights, design rights, moral rights, trade secrets, trademarks, mask work rights, applications for any of the foregoing (to the extent such applications are made public), algorithms, methodologies, models, model



methodologies, trade dress, moral rights, industrial design rights, utility models (“petty patents”), know-how and other and any other intellectual or proprietary rights, whether unregistered, registered or comprising an application for registration, that may exist anywhere in the world.

**“Law”** means “collectively and without limitation: (a) all federal, state, territorial, local, and foreign laws, statutes, conventions, directives, regulations, and ordinances; (b) all codes, standards, rules, requirements, orders, directives, and criteria issued under any of the foregoing; (c) the rules and regulations of any self-regulatory organization; and (d) all judgments, orders, rulings, authorizations, injunctions, decrees, assessments, settlement agreements, or awards issued by any governmental authority or entity with jurisdiction.

**“Lead Time”** means the minimum time expressly agreed upon in a written agreement signed by both Parties that an order should be placed so that Supplier may deliver by the required delivery date, or if not so agreed, the shortest amount of time required by a typical supplier in the relevant industry, to manufacture any Goods and/or complete any Services, as applicable, that are the subject of the order.

**“Losses”** shall have the meaning ascribed to it in Section 10.3 of this GTC and additionally include any actual or alleged claims, liabilities, fines, penalties, fees, damages, costs, and expenses (including attorneys’ fees, expert fees, other professional fees, and litigation costs), as well as settlements, judgments, direct, incidental, consequential, punitive, and special damages, and damages for loss of profits, opportunity, business, or revenue. Without limiting the foregoing, “Losses” also include: (a) costs arising from Supplier’s noncompliance with or breach of the Agreement; (b) costs associated with containment, sorting, repair, replacement, cure, cover, freight, shipment, delivery, and other expenses incurred by Lucid; (c) costs resulting from any delay, shutdown, or interruption of production; and (d) costs related to any Field Service Action or Corrective Action involving the Goods or other parts supplied by Supplier or its suppliers.

**“Lucid Property”** means all Property, Tooling and Equipment owned or paid for by Lucid.

**“Lucid Technology”** means all Intellectual Property Rights that are incorporated in or related to the design, function, structure, and/or manufacture of the Goods and Development Goods, including any derivative works of any Supplier software made by either Party in connection with the development of the Goods for use in Lucid products and documentation, but excluding any Supplier Technology.

**“Lucid Tooling”** means all Tooling owned or paid for by Lucid.

**“Production Period”** means the period during which Lucid requires Supplier’s Goods for use in production of Lucid products.

**“Production Pricing Agreement”** or **“PPA”** means a written agreement executed by the Parties that specifies the agreed-upon pricing for the Goods and/or Services, outlines the mechanism for periodic price adjustments (if applicable), and sets forth other commercial terms between the Parties relating to the Goods and/or Services.

**“Program”** means the applicable vehicle program, platform, or project designated by Lucid for which the Goods or Services are supplied under the Agreement, including any extensions, updates, modifications, or refreshes to such vehicle, program, platform, or project.

**“Property”** means all supplies, materials, and other property used by Supplier to provide Services or produce, store or transport the Goods or Development Goods under the Agreement.

**“Purchase Order”** means a purchase order issued by Lucid or its designee to Supplier for a one-time purchase of specified quantities of Goods or Services, transmitted to Supplier via EDI, e-mail, facsimile or paper format.

**“RASIC”** means the matrix establishing roles and responsibilities in a directed buy arrangement or setting forth the allocation of responsibility, approval, support, information and consultation rights and obligations among the Parties and the Directed Supplier.

**“Release”** means a written communication issued by Lucid or its designee on a rolling basis, under a Scheduling Agreement, transmitted to Supplier via EDI, e-mail, facsimile or paper format, that communicates the Firm Quantity.

**“Scheduling Agreement”** means a written communication from Lucid or its designee ordering all or a designated percentage of Lucid’s requirements for the Goods and/or Services described therein, for the life of the applicable Program, with such requirements communicated in the Firm Quantity designation in a Release. A Scheduling Agreement may be transmitted to Supplier via EDI, e-mail, facsimile or paper format.

**“Services”** means activities undertaken by Supplier in support of the development, manufacture, supply and/or repair of Goods or Development Goods.

**“Specifications”** means (a) the performance documents, instructions and requirements provided by Lucid, including any documents referenced in any bill of materials, Scheduling Agreement or Purchase Order, the Supplier Quality Manual and (b) drawings, samples or other descriptions provided by Supplier and approved in writing by Lucid relating to Goods or Development Goods.

**“Supplier Form”** means any Supplier confirmations, acknowledgements, invoices, proposals, quotations, forms, or other communications, whether written or oral, including any terms contained therein.

**“Supplier Technology”** means technology that Supplier can demonstrate with corroborated supporting documentation that Supplier owned, created, or discovered without the use of any (a) Confidential Information of Lucid, (b) information or technology in which Lucid has Intellectual Property Rights, or (c) or was both conceived and entirely reduced to practice prior to Supplier commencing any creative work or engineering for Lucid.

**“Tooling”** means fixtures, gauges, jigs, dies, molds, and patterns, used in connection with the development, manufacturing, testing, packaging, delivery or servicing of the Goods or Development Goods.

**“Work Product”** means all documents, work product and other materials that are delivered to Lucid by Supplier under the Agreement or prepared by or on behalf of Supplier in the course of performing any Services, including all Intellectual Property Rights therein.