1. **GRANTEE:** QuantumScape Battery, Inc.
   San Jose, CA

2. **PURPOSE AND LIMITATIONS:**
   
   a. This special permit authorizes the transportation in commerce of prototype lithium metal cells in non-specification packaging for the purposes of testing. This special permit provides no relief from the Hazardous Materials Regulations (HMR) other than as specifically stated herein. The most recent revision supersedes all previous revisions.
   
   b. The safety analyses performed in development of this special permit only considered the hazards and risks associated with transportation in commerce. The safety analyses did not consider the hazards and risks associated with consumer use, use as a component of a transport vehicle or other device, or other uses not associated with transportation in commerce.
   
   c. No party status will be granted to this special permit.

3. **REGULATORY SYSTEM AFFECTED:** 49 CFR Parts 106, 107 and 171-180.

4. **REGULATIONS FROM WHICH EXEMPTED:** 49 CFR 172.200 in that shipping paper requirements are waived, § 172.300 in that marking requirements are waived, § 172.400 in that labelling requirements are waived, § 172.600 in that emergency response information is waived, § 172.700 in that training is waived and § 173.185(a)(1) in that in that the lithium metal cells have not passed the criteria in Part III, subsection 38.3 of the UN Manual of Tests and Criteria, and § 173.185(b) in that non-DOT specification packaging is authorized.
5. **BASIS:** This special permit is based on the application of Quantumscape Battery, Inc. dated December 4, 2022, submitted in accordance with § 107.109.

6. **HAZARDOUS MATERIALS (49 CFR 172.101):**

<table>
<thead>
<tr>
<th>Hazardous Material Description</th>
<th>Hazard Class/Division</th>
<th>Identification Number</th>
<th>Packing Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium metal batteries including lithium alloy batteries*</td>
<td>9</td>
<td>UN3090</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Only prototype lithium metal cells may be offered for transportation for purposes of testing under the terms of this special permit.

7. **SAFETY CONTROL MEASURES:**

   a. **PACKAGING:** Prescribed packagings are as follows:

      (1) Desiccators:

         (i) Large quantity units consisting of “A” cells which are placed in small, sealed poly or laminated bags and placed in a sealed desiccator constructed with robust static dissipative PVC, stainless steel drawers, wheels, door frames and hinges as described in the application on file with the Office of Hazardous Materials Safety.

         (ii) Cells must be packaged in a manner to prevent shifting during transport.

         (iii) A maximum of 100 cells containing less than or equal to 0.5 g (≤0.5 g) of lithium metal are authorized per desiccator.

      (2) Pelican Cases:

         (i) Only one fully sealed and enclosed pouch cell may be packaged per pelican case.

         (ii) Pouch cells must be fixed to prevent shifting during transportation.
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(iii) No more than 20 pelican cases may be placed in each plastic tote.

(iv) Plastic totes must be securely closed and positioned to prevent movement during transportation.

b. OPERATIONAL CONTROLS:

(1) Authorized pouch cells (A cells) consist of:

   (i) A NMC cathode with ethylene sulfite/sulfolane in microliter quantity catholyte with a solid-state ceramic separator made of lithium, lanthanum zirconium oxide, and nickel.

   (ii) Each cell contains less than or equal to 0.5 g of lithium.

(2) Cells must be protected against short-circuiting.

(3) Each cell must be offered for transportation at a state of charge not exceeding 30%.

(4) Cells that are leaking or liable to rapidly disassemble, dangerously react, produce a flame or a dangerous evolution of heat or a dangerous emission of toxic, corrosive, or flammable gases, or vapors under normal conditions of transport may not be transported under this special permit.

(5) A maximum of five (5) totes are authorized per movement.

(6) Transport of cells in desiccators is limited to one desiccator per movement.

(7) Desiccators and totes must be stored away from heat.

(8) All packages shipped under this special permit must be transported by contract carrier, between Quantumscape Battery, Inc. facilities and customer locations within 4 miles for desiccators and 50 miles for pelican cases for purposes of testing. No other shipper material, or hazardous material, may be on the vehicle.

(9) Employees and contracted carriers must be trained on the proper handling, loading and unloading of the desiccators, packages and totes and the potential hazard of the lithium metal batteries. Contract carrier drivers must also be made aware of the hazard of the lithium battery and proper handling of the packages or totes if also performing the loading and unloading of the vehicle.
8. **SPECIAL PROVISIONS:**

   a. A current copy of this special permit must be maintained at each facility where the package is offered or reoffered for transportation.

   b. **MARKING:** Each package must be marked “DOT-SP 21406” in accordance with § 172.301(c).

9. **MODES OF TRANSPORTATION AUTHORIZED:** Motor vehicle.

10. **MODAL REQUIREMENTS:** A current copy of this special permit must be carried aboard each motor vehicle used to transport packages covered by this special permit.

11. **COMPLIANCE:** Failure by a person to comply with any of the following may result in suspension or revocation of this special permit and penalties prescribed by the Federal hazardous materials transportation law, 49 U.S.C. 5101 et seq:

   o All terms and conditions prescribed in this special permit and the Hazardous Materials Regulations, 49 CFR Parts 171-180.

   o Persons operating under the terms of this special permit must comply with the security plan requirement in Subpart I of Part 172 of the HMR, when applicable.

   o Registration required by § 107.601 et seq., when applicable.

Each “Hazmat employee”, as defined in § 171.8, who performs a function subject to this special permit related to packages covered under this special permit must receive adequate instruction on the requirements and conditions of this special permit.

No person may use or apply this special permit, including display of its number, when this special permit has expired or is otherwise no longer in effect.

Under Title VII of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) — “The Hazardous Materials Safety and Security Reauthorization Act of 2005” (Pub. L. 109-59), 119 Stat. 1144 (August 10, 2005), amended the Federal hazardous materials transportation law by changing the term “exemption” to “special permit” and authorizes a special permit to be granted up to two years for new special permits and up to four years for renewals.

12. **REPORTING REQUIREMENTS:** Shipments or operations conducted under this special permit are subject to the Hazardous Materials Incident Reporting requirements specified in 49 CFR §§ 171.15 - Immediate notice of certain hazardous materials incidents, and 171.16 - Detailed hazardous materials incident reports. In addition, the grantee(s) of this

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special permit must notify the Associate Administrator for Hazardous Materials Safety, in writing, of any incident involving a package, shipment or operation conducted under terms of this special permit.

Issued in Washington, D.C.:

[Signature]

for William Schoonover
Associate Administrator for Hazardous Materials Safety


Copies of this special permit may be obtained by accessing the Hazardous Materials Safety Homepage at https://www.phmsa.dot.gov/approvals-and-permits/hazmat/special-permits-search. Photo reproductions and legible reductions of this special permit are permitted. Any alteration of this special permit is prohibited.

PO: CT/Casey Chambers/MNicks