

# **EQUITY COMPENSATION PLAN FOR KEY TECHNICAL PERSONNEL**

## **POLAR DYNAMICS ROBOTICS, INC.**

*Effective Date: January 15, 2024*

### **1. PURPOSE AND SCOPE**

1. This Equity Compensation Plan (the "Plan") is established by Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), to attract, retain, and motivate key technical personnel who contribute significantly to the Company's proprietary robotics technology, autonomous navigation systems, and cold-environment automation solutions.

2. The Plan provides for the grant of Restricted Stock Units ("RSUs") and Non-Qualified Stock Options ("Options") to eligible technical employees who are critical to the development and advancement of the Company's IceNav AI platform, thermal management systems, and cold-resistant actuator technology.

### **2. ELIGIBILITY AND ADMINISTRATION**

1. **\*\*Plan Administrator\*\***: The Plan shall be administered by the Company's Board of Directors or a designated Compensation Committee (the "Administrator").

2. **\*\*Eligible Participants\*\***: Technical personnel eligible for participation ("Participants") shall include:

- (a) Senior software engineers (Level 4 and above)
- (b) Robotics systems architects
- (c) AI/ML specialists focused on autonomous navigation
- (d) Thermal systems engineers
- (e) Senior firmware developers
- (f) Lead mechanical engineers

3. The Administrator shall have sole discretion to determine:

- (a) Selection of Participants
- (b) Timing and size of awards

- (c) Vesting schedules
- (d) Performance criteria
- (e) Interpretation of Plan terms

### **3. AWARD TYPES AND TERMS**

#### **1. \*\*Restricted Stock Units (RSUs)\*\***

- (a) Initial grant size: 2,500-10,000 RSUs based on level and contribution
- (b) Standard vesting schedule: 4-year vesting with 1-year cliff
- (c) Acceleration provisions upon change in control
- (d) Dividend equivalent rights as determined by Administrator

#### **2. \*\*Stock Options\*\***

- (a) Strike price set at fair market value on grant date
- (b) 10-year term from grant date
- (c) 4-year vesting schedule with 25% annual vesting
- (d) Post-termination exercise periods:
  - 90 days for voluntary termination
  - 180 days for involuntary termination without cause
  - 12 months for death/disability

### **4. POOL SIZE AND LIMITATIONS**

- 1. The total number of shares reserved for issuance under the Plan shall not exceed 2,500,000 shares of Common Stock.
- 2. Annual individual grant limitations:
  - (a) RSUs: Maximum 50,000 units per participant per year
  - (b) Options: Maximum 100,000 shares per participant per year
- 3. The Administrator may adjust the pool size and limitations to account for stock splits, reorganizations, or similar events.

### **5. PERFORMANCE CRITERIA**

- 1. Performance-based vesting may be tied to:

- (a) Technical milestone achievement
- (b) Patent filings
- (c) Product launch deadlines
- (d) System reliability metrics
- (e) Customer deployment success rates

2. The Administrator shall establish and evaluate performance criteria annually.

## **6. TERMINATION AND CHANGE OF CONTROL**

### **1. \*\*Termination of Employment\*\***

- (a) Voluntary termination: Unvested awards forfeited
- (b) Termination for cause: All awards forfeited
- (c) Involuntary termination without cause: Pro-rata vesting
- (d) Death/disability: Accelerated vesting of 12 months

### **2. \*\*Change in Control\*\***

- (a) Double-trigger acceleration: 100% vesting upon change in control and involuntary termination within 12 months
- (b) Administrator discretion to modify terms

## **7. TAX MATTERS**

- 1. The Company may withhold shares or require cash payment to satisfy tax obligations.
- 2. Section 409A compliance shall be maintained for all awards.

## **8. AMENDMENT AND TERMINATION**

- 1. The Board may amend or terminate the Plan at any time, subject to stockholder approval where required by law.
- 2. No amendment shall materially impair existing awards without participant consent.

## **9. GENERAL PROVISIONS**

- 1. All awards shall be evidenced by written agreements.

2. Awards are non-transferable except by will or laws of descent.

3. The Plan shall be governed by Delaware law.

4. The Plan shall continue until terminated by the Board.

### **ADOPTION AND APPROVAL**

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer on January 15, 2024.

POLAR DYNAMICS ROBOTICS, INC.

**By: \_**

Dr. Elena Frost

Chief Executive Officer

ATTEST:

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Corporate Secretary