

# **TAX COMPLIANCE DOCUMENTATION**

## **Polar Dynamics Robotics, Inc.**

Delaware Corporation

EIN: 82-4731596

Date: January 11, 2024

## **1. CERTIFICATION OF TAX COMPLIANCE**

This Tax Compliance Documentation (the "Documentation") is prepared by Katherine Wells, Chief Financial Officer of Polar Dynamics Robotics, Inc., a Delaware corporation (the "Company"), to certify the Company's tax compliance status as of January 11, 2024.

## **2. FEDERAL TAX COMPLIANCE**

### **1. \*\*Filing Status\*\***

The Company has timely filed all required federal tax returns, including Forms 1120, since its incorporation on March 15, 2018. All quarterly estimated tax payments have been made in accordance with IRC Section 6655.

### **2. \*\*Payment Status\*\***

The Company certifies that all federal tax liabilities, including corporate income tax, employment tax (Forms 941), and other applicable federal taxes, have been paid in full through the most recent filing period ending December 31, 2023.

### **3. \*\*IRS Correspondence\*\***

No outstanding notices, liens, or enforcement actions from the Internal Revenue Service are pending. The Company maintains a clean compliance record with no history of significant deficiencies or penalties.

## **3. STATE AND LOCAL TAX COMPLIANCE**

### **1. \*\*State Income Tax\*\***

The Company maintains active tax registrations and is current on all state income tax obligations in the following jurisdictions:

- Delaware (Principal)

- Massachusetts
- California
- Texas
- Michigan

## 2. **\*\*Sales and Use Tax\*\***

The Company collects and remits sales tax in applicable jurisdictions where it maintains nexus through physical presence or economic activity. All sales tax returns have been filed and payments remitted through December 31, 2023.

## 3. **\*\*Property Tax\*\***

All personal property tax returns have been filed and payments made for manufacturing equipment, R&D facilities, and office locations in respective jurisdictions.

# **4. EMPLOYMENT TAX COMPLIANCE**

## 1. **\*\*Payroll Tax\*\***

The Company utilizes ADP for payroll processing and tax compliance. All federal and state payroll tax deposits have been made timely for its 187 employees across multiple jurisdictions.

## 2. **\*\*Worker Classification\*\***

The Company maintains proper classification of employees and independent contractors in accordance with IRS guidelines and applicable state laws.

# **5. INTERNATIONAL TAX COMPLIANCE**

## 1. **\*\*Transfer Pricing\*\***

The Company maintains transfer pricing documentation for international transactions with its R&D facility in Canada and sales office in Germany, in compliance with IRC Section 482.

## 2. **\*\*Foreign Tax Reporting\*\***

All required Forms 5471 and 8865 have been filed for foreign subsidiaries and partnerships. FBAR requirements are monitored and fulfilled where applicable.

# **6. SPECIAL TAX CONSIDERATIONS**

## 1. **\*\*R&D Tax Credits\*\***

The Company claims federal and state R&D tax credits for qualified research expenses related to its robotics development activities. Documentation supporting these claims is maintained in accordance with IRC Section 41.

2. **\*\*Investment Tax Credits\*\***

The Company utilizes applicable investment tax credits for qualifying manufacturing equipment and facilities investments.

## **7. TAX AUDIT HISTORY**

1. **\*\*Federal Audits\*\***

No federal tax audits have been conducted since incorporation.

2. **\*\*State Audits\*\***

A routine sales tax audit by the Massachusetts Department of Revenue in 2022 resulted in no material findings or adjustments.

## **8. REPRESENTATIONS AND WARRANTIES**

The Company hereby represents and warrants that:

1. All information contained in this Documentation is true and accurate to the best of the Company's knowledge.
2. No material changes in tax compliance status have occurred since the last filing period.
3. The Company maintains adequate reserves for any potential tax liabilities in accordance with GAAP.

## **9. CERTIFICATION**

IN WITNESS WHEREOF, the undersigned, being duly authorized, has executed this Tax Compliance Documentation as of the date first written above.

POLAR DYNAMICS ROBOTICS, INC.

**By:** \_

Katherine Wells

Chief Financial Officer

## **10. DISCLAIMER**

This Documentation is provided for due diligence purposes only and should not be relied upon as tax advice. Recipients should conduct their own independent verification of the information contained herein. The Company reserves the right to update or modify this Documentation as necessary to reflect changes in tax compliance status or regulatory requirements.