

# **AUDIT COMMITTEE CHARTER**

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

*Effective as of January 15, 2024*

### **I. PURPOSE AND SCOPE**

The Audit Committee (the "Committee") is established by the Board of Directors (the "Board") of Polar Dynamics Robotics, Inc. (the "Company") to assist the Board in fulfilling its oversight responsibilities relating to:

The integrity of the Company's financial statements and financial reporting process;

The Company's systems of internal accounting and financial controls;

The annual independent audit of the Company's financial statements;

The Company's compliance with legal and regulatory requirements;

The independent auditor's qualifications and independence; and

The performance of the Company's internal audit function and independent auditors.

### **II. COMPOSITION**

1 The Committee shall consist of at least three (3) directors, each of whom shall:

a) Meet the independence requirements of the Securities Exchange Act of 1934;

b) Be free from any relationship that would interfere with independent judgment;

c) Be financially literate, as determined by the Board; and

d) Not have participated in the preparation of the financial statements of the Company at any time during the past three years.

2 At least one member shall be an "audit committee financial expert" as defined by SEC regulations.

3 Committee members shall be appointed by the Board upon recommendation of the Nominating and Governance Committee.

### **III. MEETINGS AND PROCEDURES**

1 The Committee shall meet at least quarterly, with authority to convene additional meetings as circumstances require.

2 A majority of the Committee members shall constitute a quorum.

3 The Committee shall maintain minutes of its meetings and regularly report to the Board.

4 The Committee may request any officer or employee of the Company, outside counsel, or independent auditor to attend meetings or meet with Committee members.

## **IV. RESPONSIBILITIES AND DUTIES**

### **4.1 Financial Statements and Disclosure Matters**

The Committee shall:

a) Review and discuss with management and the independent auditor:

- Annual audited financial statements
- Quarterly financial statements
- Earnings press releases
- Financial information and earnings guidance provided to analysts

b) Review and discuss:

- Major issues regarding accounting principles and financial statement presentations
- Significant financial reporting issues and judgments
- The effect of regulatory and accounting initiatives
- Off-balance sheet structures
- Complex or unusual transactions

### **4.2 Oversight of Independent Auditor**

The Committee shall:

a) Have sole authority to appoint, compensate, retain, and oversee the independent auditor

b) Pre-approve all audit and non-audit services

c) Review and evaluate:

- The independent auditor's qualifications and performance
- The lead audit partner
- Quality control procedures

- Independence qualifications

### **4.3 Internal Controls and Risk Management**

The Committee shall:

a) Review the adequacy and effectiveness of:

- Internal control systems
- Disclosure controls and procedures
- Information security and cybersecurity programs
- Risk management processes specific to financial reporting

b) Review and discuss with management:

- Major financial risk exposures
- Steps to monitor and control such exposures
- The Company's risk assessment and management policies

### **4.4 Compliance Oversight**

The Committee shall:

a) Establish procedures for:

- Receipt, retention, and treatment of complaints regarding accounting matters
- Confidential, anonymous submission by employees of concerns
- Compliance with legal and regulatory requirements

b) Review and approve:

- Related party transactions
- Conflict of interest matters
- Code of Ethics compliance

## **V. SPECIFIC OVERSIGHT OF ROBOTICS OPERATIONS**

1 The Committee shall review financial controls specific to:

- a) Autonomous mobile robot (AMR) manufacturing operations
- b) IceNav AI platform development and deployment
- c) Cold-environment technology research and development

d) Proprietary actuator technology production

2 Review risk management protocols for:

- a) Supply chain disruptions affecting robot production
- b) Technology obsolescence
- c) Product liability exposure
- d) Intellectual property protection

## **VI. AUTHORITY AND RESOURCES**

1 The Committee shall have the authority to:

- a) Conduct investigations into any matters within its scope
- b) Retain independent counsel, accountants, or others to advise or assist
- c) Receive appropriate funding from the Company for:
  - Payment to the independent auditor
  - Payment to advisors
  - Ordinary administrative expenses

## **VII. ANNUAL EVALUATION AND CHARTER REVIEW**

1 The Committee shall annually:

- a) Review and assess its performance
- b) Review and assess the adequacy of this Charter
- c) Recommend any proposed changes to the Board

## **VIII. LIMITATIONS**

1 While the Committee has the responsibilities set forth in this Charter, it is not the duty of the Committee to:

- a) Plan or conduct audits
- b) Determine that the Company's financial statements are complete, accurate, or in accordance with GAAP
- c) Ensure compliance with laws and regulations

## **IX. ADOPTION AND AMENDMENTS**

1 This Charter was adopted by the Board of Directors on January 15, 2024.

2 This Charter may be amended by a majority vote of the Board of Directors.

## **APPROVAL**

APPROVED BY THE BOARD OF DIRECTORS:

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Dr. Elena Frost

Chief Executive Officer and Chair of the Board

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Katherine Wells

Chief Financial Officer

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Date: January 15, 2024